



Oregon Agriculture Supports the Agricultural Natural Disaster Package

December 11, 2021

Co-Chairs Beyer and Fahey, and Members of the Committee

We are writing today to support LC 4 and the drought and disaster funding package designed to help Oregon's agricultural community recover from last year's unprecedented natural disasters and to help our farm and ranch families build the resiliency to adapt to the more frequent disasters that are expected in the coming years.

The Oregon agricultural community has endured multiple "once in a generation" challenges in the last year that individually are tough but cumulatively are threatening. As the agricultural community was working hard to respond to the COVID-19 pandemic by protecting their workforce, navigating market disruptions, and adjusting to a post-COVID economy, producers were hit by a series of natural disasters. Farmers and ranchers are prepared to withstand and navigate weather and market impacts, but each disaster added a unique hardship.

Since late June, we have been working closely with the Governor's office and our natural resource agencies to share the stories of the myriad Oregon sectors impacted by natural disasters, to identify the gaps that exist in federal funding, and to work together to advocate for both federal and state assistance. We appreciate the efforts of the Governor's office to build a natural disaster package and emphasize the need for urgency in getting those resources to producers on the ground.

Our organizations represent the diversity of Oregon agriculture – collectively, we represent over 15,000 Oregon farmers and ranchers across all of Oregon's 225+ commodity types. Our producers are both first generation and multi-generational, diversified, organic, conventional, irrigated, dryland, and all farming methods in between. We are proud to be the collective voice for Oregon's agricultural sector and are working together to develop a collective list of federal gaps, prioritize urgent funding needs among our sectors, and help the state develop a meaningful disaster relief package that will direct assistance where it is most needed.

While we made several compromises in the development of the package, we strongly support LC 4 and the associated \$40 million into the loan program, the irrigation district assistance, the domestic well assistance, and the rest of the funding directed at agriculture to help build disaster resiliency and provide needed assistance to producers to recover from disasters, as outlined in more detail below.

Background on Natural Disasters

2020 and 2021 have been record setting disaster years for Oregon, with one disaster rolling into the next:

- **Wildfire:** The 2020 and current wildfire seasons are impacting producers statewide. The catastrophic September wildfires burning across our state decimated rangeland and several farms, leveling much of Southern Oregon's agricultural workforce housing, displacing livestock, and burning crops. The associated smoke stunted fall crops and impacted winegrapes, resulting in millions of dollars in losses to farm and ranch families. The smoke also created stress for livestock and affected dairy production. The current fires are threatening livestock producers and decimating critical rangeland that provides forage for livestock and habitat for wildlife.
- **Ice Storm:** In February 2021, the ice storms across the Willamette Valley and the Columbia Gorge caused significant damage to fruit and nut trees and nursery stock, which producers knew would result in a smaller 2021 crop and depressed farm revenues due to decreased production. Damage from the ice storm will impact orchard and nursery production for many years to come. The ice storm also caused widespread power outages, impacted dairy farms, cold storage, and other perishable commodities.
- **Heat Dome:** In June 2021, the record-setting heat dome caused significant impacts across the community, many that are still being realized as harvest continues. Among the hardest hit in Oregon were berry and cherry crops, with reports of up to 80% loss; Christmas tree growers experiencing up to 90% loss; and seed growers reporting early losses of 50% due to the heat and drought. Without some assistance, many of these farmers will not make it through the end of the year. The heat dome also caused losses of nursery crops and dairy production. In the nursery industry, shade plants had a toll and fields of maple varieties were scorched. The combination of the heat and wind put potted plants in container operations in jeopardy, and many operations did not have the personnel to do proper advanced and periodic watering mitigations. Due to the heat, many farm workers worked shortened days for their safety and welfare, making labor scarce.
- **Drought:** Beginning in the spring of 2021 and continuing through this fall, the West is in the grip of the worst drought on record, with over 90% of Oregon reporting to be in severe or higher drought. The statewide drought in Oregon, combined with associated Endangered Species Act (ESA) restrictions in some basins, has meant no water deliveries in much of the Klamath Basin, reduced water deliveries in the Deschutes and Rogue basins, and water shortages for farmers statewide. In these basins, we expect to see a large increase in farm bankruptcies, as many have experienced wholesale crop failure without adequate irrigation water. In non-irrigated areas, the drought will have a multi-year impact. Across the normally wet Willamette

Valley, yields are down in nearly every commodity, and a nationwide grass seed shortage is expected. Already, nearly three quarters of wheat producers face poor to very poor crop conditions, dramatically reducing yields. The drought has also caused wholesale loss of rangeland and a West-wide hay shortage that has led many cattle producers to engage in the liquidation of large portions of their herds. These impacts are compounded by massive grasshopper and cricket infestations impacting large swaths of Eastern Oregon that producers have inadequate tools to address. The drought has also created stress on farm crops, as wildlife move down from their normal summer range and cause substantial damage to already drought stressed crops.

At this point, there is not a producer in Oregon who has not be negatively impacted by natural disasters in the past year. These disasters are also impacting our workforce, causing workers to miss days, and farmers to have delays in production or harvest of their crop.

Gaps in Federal Programs

Unfortunately, we are learning too late that many of our federal safety net programs for farmers and ranchers are simply not suited to the diversity of commodities we raise in Oregon and the types of losses our producers have experienced over the past year. Oregon is a specialty crop state, which means that we grow over 225 different crops, making our producers largely more diversified than much of the nation's agriculture. However, it also means that many of the federal programs, which are designed primarily around Midwestern and Southern states' needs, leave many Oregon producers ineligible or underfunded for federal disaster relief.

In some cases, the federal programs that exist do not cover the losses experienced by producers. For example, resulting from the February 2021 ice storm and June 2021 heat dome, many tree and vine producers sought assistance from the USDA Tree Assistance Program (TAP). However, to receive TAP payments, a stand of eligible trees, bushes, or vines must have suffered more than a 15% mortality loss (over normal mortality) due to a declared natural disaster. In both the ice storm and heat dome, the majority of trees, bushes, or vines didn't suffer mortality, but their fruit or nuts didn't survive. In the case of nursery stock, they too didn't suffer complete mortality, but sunburn, cracked branches, and other impacts left plants with no value.

Similarly, the Livestock Forage Program provides payments to producers who have suffered a loss of grazed forage due to a qualifying drought. However, many producers have had to graze their fall or winter pastures early or graze their hay land, both of which may not be eligible under the program. In other instances, relief provided under the program falls far short of the need with low payments and skyrocketing hay prices. This means that producers are heading into the fall and winter without the necessary forage to get them through the season, with their hay ground unproductive and with hay prices skyrocketing due to the drought.

There may be programs that cover losses in other cases, and where Congress is working to provide funding to those programs. For farmers who suffer direct wildfire and drought losses, the Wildfire Hurricane Indemnity Program (WHIP+) assists eligible producers for crops, trees, bushes, and vines. The Quality Loss Adjustment Enhancement provides further support for producers suffering losses in crop quality. While we appreciate Congress' speedy action to get these programs funded, some producers may still be ineligible for specific relief due to crop insurance barriers or other challenges with funding access.

We are grateful for the quick work of the federal delegation to begin to address these gaps and are urging flexibility in existing programs where possible. However, funding for certain programs is likely to fall short of needed recovery by producers, and other programs will require changes through the future Farm Bill, a process that is also more than a year out. Given the number of producers that need immediate assistance, there are few options for further adjusting the federal programs to meet their needs in the short term.

Support for State Assistance

We have appreciated the work of the Oregon Department of Agriculture and the Governor's office to engage directly with the federal delegation and the United States Department of Agriculture to help address many of the gaps in funding identified earlier this year. However, critical gaps remain that the state disaster and drought package address. To that end, we strongly support the following components of the disaster program:

- 1) The \$40 million forgivable disaster loan program;
- 2) \$9.75 million to preserve the economic viability of irrigation districts who were severely impacted by drought and ESA restrictions;
- 3) \$1 million for drought resiliency work in Jefferson County;
- 4) \$3 million to create an emergency soil conservation fund in Jefferson County
- 5) \$1 million for educational partnerships with OSU;
- 6) \$750,000 for drought resistance research and implementation;
- 7) \$5 million for cricket and grasshopper research and response;
- 8) \$5.75 million for domestic and community well assistance;
- 9) \$10 million for direct payments to agricultural workers who had to miss work due to extreme heat or smoke events;
- 10) The Klamath specific package, including domestic well assistance (\$4M), off-channel watering (\$3M), and irrigation district assistance (\$4M).

Thank you for your hard work and efforts in support of this package, and we look forward to helping our producers and their communities access this much-needed relief. We strongly urge your passage of this package in the Second Special Session.

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