

To: House Committee on Economic Recovery and Prosperity

Re: HB2334

From: Mike McCarthy, McCarthy Family Farm, Parkdale, OR

Honorable Committee Members

My name is Mike McCarthy. I am a first generation farmer. I have grown apples, pears and cherries for 40 yrs. I came to farming from a somewhat different background, a postdoctoral research position at OHSU.

I urge you to support HB2334.

I believe a robust financial analysis should be done for all legislation and rulemaking. I have participated in rulemaking processes where the conclusion was "only negligible costs". That statement was not based on real financial information. As you will see below in my cost summary, any new rule has significant adoption costs and when multiplied by all farms in Oregon the costs are huge.

Many times when rules are made there are alternative paths discussed. Many times the different paths have very different financial consequences to farms and by tweaking rules slightly substantially the same result can be achieved with far less costs.

Adding more regulation and regulatory costs to farms is already causing farmers to leave farming and hastening the transition to only large "mega farms".

We as farmers have to continue to remind the public that Oregon farmers participate in a global market place where we are expected to deliver our crops at the same price as low cost producers from all over the world. We have to compete in the cost structure of those countries. The huge supermarket chains that buy most of U.S. produce source only from the seller, no matter what country, that sells at the lowest price. We as Oregon farmers have no ability to change that price by adding new costs.

Local sales, farm direct sales, etc are niche markets and only account for probably less than 1% of Oregon Ag sales so that is not a viable solution to increase prices for farmers.

We as farmers also need to remind the public that Oregon is the most expensive place in the U.S. to farm now for labor intensive Ag.

Below I have outlined the basic steps we as farmers go through to achieve compliance with One new rule. And this would be the most bare bones new rule that does not require research, legal assistance or a consultant to comply with. And this would apply to a new rule that does not require any physical alterations to machinery, housing, vehicles or structures. These would all be additional costs.