



Friends of Family Farmers ♦ PO Box 665 ♦ Waltherville, OR 97489

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February 3, 2021

Re: SB 137

Dear Chair Burdick and Members of the Committee on Finance and Revenue:

My name is Amy Wong and I am the Policy Director for [Friends of Family Farmers](http://www.FriendsofFamilyFarmers.org) (FoFF), a farmer-led non-profit organization that has advocated on behalf of socially and environmentally responsible farmers and ranchers across Oregon for over 15 years. Friends of Family Famers works to ensure a regenerative and equitable system of agriculture that includes resilient regional food systems where small and mid-size farms thrive.

And it is on behalf of our goal of sustaining and reinvigorating local communities, especially rural ones, that I am writing to express FoFF's support for the -1 amendment to SB 137, providing disconnection from CARES Act tax provisions, as they do not help small farmers.

It is FoFF's understanding that disconnecting from three federal tax provisions could save the state \$102 million, according to revised LRO estimates, in the current biennium, and that taxpayers will still receive the federal tax breaks. The federal benefits under these provisions are worth several times more than the additional benefits under connection to Oregon and most state are not providing state benefits.

There is no shortage of places where a hundred million dollars could be directed. FoFF believes that investments in agricultural resiliency will yield benefits that will be returned to Oregon in the form of rural economic development, better health outcomes, and healthier soils. As Covid-19 spread, the U.S. experienced a failure in vertically integrated food system models like meat processing plants, which highlighted the need for a resilient local food system.

Indeed, the legislature passed [HB 4206](#) during the first Special Session, which authorizes a State Meat Inspection program so that ultimately, Oregon will have a regional meat supply, regardless of disruptions in national and international supply chains. [HB 2785](#), a \$10 million grant fund to help expand meat processing capacity in Oregon to run concurrent with the State Meat Inspection Program, is now before the legislature. Friends of Family Famers believes this bill will increase rural economic development and help the farmers and food processors who have been feeding Oregon communities during these trying times.

It also will help the twenty-five percent of Oregonians who are experiencing food insecurity—the highest rate in nearly a century—as HB 2785 will make it easier for meat producers to be able to donate locally produced meat to food banks and other community assistance programs.

In addition, there are many other “ag resiliency” programs that could benefit from increased or new funding that FoFF would be happy to discuss at greater length. For example:

- Funding for regional agricultural infrastructure beyond meat processing—examples include investments in value-added facilities, increased cold storage, more food hubs, and aid for farmers pivoting to online sales;
- Supporting the Oregon Organic Action plan - [SB 404](#);
- Funding for the [Double Up Food Bucks Oregon](#) program - [SB 555](#), [SB 440](#), and [HB 2292](#);
- Continued funding for [Farm to School](#) and [OSU Extension](#) services;
- Additional funding to the [Oregon Workers Relief Fund](#);
- Strengthening and growing “Ag Finance” programs for Beginning and New Farmers, like [Aggie Bonds](#);
- Funding the [Oregon Agricultural Heritage Program](#) (OAHP).

By and large, Oregonians in the top tax brackets have weathered Covid-19 far better than the small farmers and food producers who have fed Oregon during the pandemic. Oregon should prioritize helping small farmers and rural communities by pursuing the tax disconnect and spreading the wealth.

Sincerely,

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