

April 20, 2021

Joint Ways and Means Subcommittee on Natural Resources Attn: Senator Kathleen Taylor (Co-Chair), Representative Jeff Reardon (Co-Chair) and Subcommittee Members **Oregon State Capitol** Salem, OR

RE: Testimony in Support of ODA Budget (SB 5502) and additional provisions in SB 404 linked to ODA

Dear Senator Kathleen Taylor (Co-Chair), Representative Jeff Reardon (Co-Chair) and Subcommittee Members:

Our world has changed in the wake of the COVID-19 pandemic crisis. As we mark thirteen months since initial lockdowns in response to the pandemic, legislators and leaders across the state continue to face great uncertainty as we chart a course that ensures care, safety and resilience for Oregon and its communities.

Strategic investments in our food and agricultural sector can be a key part of advancing Oregon towards recovery and adaptation. The Oregon Department of Agriculture (ODA) plays an important role to ensure healthy natural resources, environment and economy through inspection and certification, regulation, and promotion of agriculture and food.

For over 11 years, I've served as Executive Director for Oregon Tilth, a leading nonprofit certifier, educator & advocate for organic agriculture since 1974. The organization is accredited by the USDA to offer organic certification services in accordance with the USDA National Organic Program. Our certification program currently serves over 2200 clients throughout the U.S. and Latin America. We certify a diverse mix of crops, livestock and processed products across the organic supply chain. Our clients' organic sales represent over \$6 billion of the organic market. We certify over 1100 farm operations, with diverse geography and scales of production. We are the largest organic certifier in Oregon. I regularly meet with leadership at the Oregon Department of Agriculture (ODA) and have served on several advisory committees convened by the department.

I support the ODA's budget bill, SB 5502. This budget supports the ODA's ability to serve the changing needs of Oregon's diverse agricultural and food sectors. I'm particularly encouraged to see adding funding of \$1M for creating Diversity in Agricultural Market Access through a new grant program. This provision of the budget aligns well with Oregon Tilth's mission, which includes supporting socially equitable agriculture.

I recognize these are challenging economic times and new investments may seem daunting. However, I believe additional investments at ODA in support of the organic sector will advance Oregon towards economic recovery, social equity and climate change adaptation. The passage of SB 404, which includes two new ODA positions detailed below, is an important step in rebuilding better for increased resilience.

Organic is good for the economy

Growth – U.S. organic sales have grown substantially from \$1 billion in 1990, when the federal organic law was signed, to over \$55 billion in 2020. U.S. organic food sales continue to grow at a rate more than double the rate of the overall U.S. food market and now account for nearly 6% of all food sales. Organic produce captures 15% of the nation's overall fruit and vegetable market.¹

Resilience – Despite difficult economic conditions, organic sales soared in 2020, up 12% from 2019. The Spring 2020 "pantry load" rush resulted in a combined organic sales spike of about 42%.² Behind the scenes, the organic supply chain adapted its practices to keep pantries and refrigerators stocked, and supported their communities through donations, shifting business models to produce essential supplies, retooling work processes to protect employees and taking creative measures to meet demand. Milk, potatoes, alfalfa (livestock feed), berries and cattle are the top organic products in Oregon, all representing staple foods that consumers purchased in higher quantities when cooking more at home during the last 12 months.

Farm Viability – It isn't an easy transition, but each year more farmers choose to go organic. Organic farming creates more jobs with greater stability. The number of organic farms grew by 39% in recent years, while the total number of farms in the U.S. shrank by 3%. During that same period, organic farm income nearly doubled while the income of all U.S. farms remained stagnant. Furthermore, the average value of products sold from organic farms is double the average value sold from all U.S. farms. Younger farmers gravitate to organic—the average age of organic farmers is six years younger than that of the national average of all farmers.³

Oregon currently ranks 5th nationally in certified organic acreage and 8th in the number of certified farms. Oregon organic commodity sales increased 64% from 2017 to 2019, to \$454 million annually. With Oregon's ability to produce a wide variety of crops, there is now considerable momentum for Oregon to be a leader in a number of organic crops.³ SB 404 creates a new Organic Policy Special Assistant to the Director at the ODA to coordinate increased marketing of organic products, facilitate more national and international trade in Oregon's organic products, and integrate ODA's activities across the agency in support of Oregon's organic sector.

Jobs – Organic farms hire more people per acre, and those people work for more days of the year.⁴ Organic suppliers and handlers are creating jobs across the country by opening, expanding, and retooling manufacturing and processing facilities. Over 50% of organic businesses with more than five employees report an increase of full-time employment and the majority continue to forecast full-time employment growth.⁵ And 30% of Oregon organic farms plan on increasing production over the next five years.⁶

¹ The Organic Trade Association. 2020 Organic Industry Survey

² SPINS. 2021

³ USDA National Agricultural Statistics Service. Census of Agriculture. 2012 and 2017

⁴ Lynn Finley, M. Jahi Chappell, Paul Thiers & James Roy Moore. 2018. Does organic farming present greater opportunities for employment and community development than conventional farming?

⁵ The Organic Trade Association. 2019 Organic Industry Survey

⁶ USDA National Agricultural Statistics Service. 2019 Organic Survey.

Rural Development – Organic hotspots kick-start rural economies. Hotspots, defined as counties with high levels of organic agricultural activity whose neighboring counties also have a high level of organic activity, boost median household incomes by an average of \$2,000, and reduce poverty levels by an average of 1.3 percentage points. Nearly half (47%) of the counties in Oregon are Organic hotspots.⁷ *SB 404 includes a legislative directive to the Oregon Business Development Department to conduct a comprehensive economic analysis of Oregon's organic sector to inform opportunities for continued growth and development.*

Organic is good for the planet

Sustainability – Organic production requires practices that advance sustainability in agriculture like crop rotation, cover cropping, building soil health, increasing biodiversity, and reducing nutrient pollution. The prohibition of the most toxic agricultural chemicals in organic farming benefits the environment, reduces farmworker exposure and improves occupational health.⁸ *It's also important to note some of the practices used by organic farmers can and have been incorporated on non-organic farms. While they may not implement all the practices necessary to achieve organic certification, non-organic farms can also benefit from and contribute to sustainability by selective adoption of some organic practices.*

Climate – Organic agriculture is proven to sequester more carbon in the soil and reduce greenhouse gas emissions. Research shows organic soils already sequester 25% more carbon than soils from non-organic farms.⁹ Organic farms use 50% less new reactive nitrogen, a potent greenhouse gas.¹⁰ Supporting organic is a meaningful way to help mitigate climate change. *SB 404 creates a new Soil Health Specialist position at the ODA, reflecting the agency's interest in supporting more climate-friendly agricultural practices for Oregon.*

I recognize Oregon is facing a challenging budget situation. *And I strongly support SB 5502 and SB 404 as strategic investments that will increase support for <u>all farmers</u>, helping chart a course for greater economic recovery and growth in Oregon.*

Thanks in advance for your consideration.

Kind regards,

Chris Schreiner Executive Director Oregon Tilth

⁷ Jaenicke, Edward C. 2016. U.S. Organic Hotspots and Their Benefit to Local Economies

⁸ The Organic Center. 2018. Organic Agriculture: Reducing Occupational Pesticide Exposure in Farmers and Farmworkers ⁹ Ghabbour E.A. et al. 2017. Chapter One - National Comparison of the Total and Sequestered Organic Matter Contents of Conventional and Organic Farm Soils. Advances in Agronomy, 146, 1–35

¹⁰ Shade, J., Cattell Noll, L., Seufert, V. et al. Decreasing reactive nitrogen losses in organic agricultural systems. 2020