

Submitter: Jace Anderson

On Behalf Of:

Committee: House Committee On Climate, Energy, and Environment

Measure: HB3158

Ladies and Gentlemen of the House Committee on Energy and Environment:

My name is Jace Anderson. I own and operate Anderson Land & Cattle, a small farming and ranching operation located in Marion County. I am submitting my written testimony to you today to express and explain my opposition to HB 3158. This bill would negatively impact my agricultural operation by increasing cost on supplies that are essential to running my business on an already narrow budget.

First let me give a brief background on me and my operation. I grew up around production agriculture. My family raised cattle and I spent the first part of the summer working in the hay fields and the rest of the time until school started working for other farms harvesting crops. However, before I could go to college and return to the family operation the previous generation decided it was time to get out of the business. The cattle were sold, equipment was sold or left to sit and the farmable ground was leased out to another farmer.

A few years ago I decided to start the farm up again. The family still owned the home place and the barns that were still in decent shape and some of the pasture land that could not be farmed was made available to me. However, the majority of the ground was in a long term lease with another farmer and would not be made available to me for some time. In an industry as hard to break into as production agriculture, unless you are part of a generational operation, building my own business has been a slow process and a challenge to say the least. I'm not starting completely from scratch, but I started from the very next step on the latter.

HB 3158 increases taxes on off road diesel, off road equipment and tires, all of which are used in large number in agricultural operations including mine. This new set of taxes will add to the already long list of increased costs farmers and ranchers have been experiencing over the last 12 to 18 months. From 2021 to 2022 my fertilizer bill increased from \$425/ton to \$850/ton. My fuel bill also doubled from 2021 to 2022. The hourly rate of my off the farm mechanic increased as well as the grain I feed to my cattle and the medical supplies used to treat a sick animal.

While these taxes may not seem detrimental on years where crop yields and prices are high this is not the case every year and could be the straw that broke the camels back on bad years. In 2021 spring rains stopped unusually early and negatively affected crop yields, especially those crops that were grown on non irrigated ground such as mine. That year I had one field that had a 61% reduction in crop yield compared to the previous year. By the end of the year I was forced to increase the loan from my lender in order to make up for the lost revenue and cover the last of my year end expenses. Had these additional taxes been in place that year I may not have been able to come up with the funds to cover all my expenses. Furthermore, as a result of the poor financial year in 2021 part of revenue earned in

2022 was used to cover the borrowed money.

Oregonians that own a small business, especially those in the agriculture and natural resource industries, can not afford to keep paying added taxes on the supplies and materials that are essential to operate that business. If you take a look at many of our balance sheets you would see varying amounts of assets, however the majority of those assets are inputs and tools needed to run our business. Very little of those assets are liquid and can not be made liquid without putting significant strain on the business. This is especially true on start up businesses like my own.

For the sake of small business owners in Oregon, I urge the committee and the legislature not to impose these new taxes that could make it hard to feed our families, pay our employees and continue to operate our business.