



NAUMES, INC.

March 10th, 2023

The Honorable Janeen Sollman
Chair, Senate Committee on Energy and Environment
900 Court St. NE,
Salem, Oregon 97301

Chair Sollman and members of the Senate Committee on Energy and Environment:

Our family business, Naumes, Inc., is primarily a grower, packer and shipper of pears, farming around 1100 acres of orchards, and we also operate around 90 acres of wine grapes, Naumes Family Vineyards, and a custom crush winery, Naumes Crush & Fermentation. My family has been farming in Southern Oregon for three generations.

I am writing you today in regards to the proposed Senate Bill 803. I appreciate the opportunity to comment on the significant challenges and dangers this bill represents to farming and agribusiness in Oregon. We urge you to oppose Senate Bill 803. As you know, this bill would ban the sale of petroleum diesel regionally, beginning in Southern Oregon where we farm in 2028, and statewide by 2030.

What our industry needs now is input stability and not disruption. Virtually all of the inputs that are used in our growing, packing, shipping and winemaking operations arrive via truck and disruptions to the fuel supply could cause chaos and higher expenses when it comes to shipping. The pandemic and subsequent openings have seen price inflation in many of our inputs such as boxes, fertilizer, chemicals and labor. Some input costs have risen by as much as 20 to 30 percent. The tumult that the proposed legislation could create would be an unwelcome addition to myriad of challenges already facing agriculture.

Another glaring issue regarding this bill is that, despite referencing fuel used in on-road motor vehicles, it does not exempt off-road (red dye) diesel from the "renewable fuel standard" that it establishes. Off-road diesel is a key input in our farming operations and is used for operating many pieces of equipment from tractors to pumps. This fuel is not currently taxed at the state or federal level and is a vital input for farming that must be maintained. Modern mechanized agriculture is highly reliant on diesel and disruption in its supply at key times during the growing season could be disastrous. We oppose the petroleum diesel phase out in general but we are especially opposed to any phase out of off-road diesel.

I want to be clear that we are not opposed to renewable diesel. When available, it is a cleaner burning fuel that we could use to power our farm equipment and move our pears, grapes and wine to where they need to go. However, the key words are "when available." Current supply of renewable diesel simply doesn't meet the existing demand. And this bill will only increase demand without any ability to increase supply. It simply isn't realistic for the legislature to ban a fuel that literally powers our food suppliers, let alone the vehicles used to move products to consumers, when we know that there isn't adequate supply of a replacement fuel.

Instead of banning petroleum diesel and mandating a renewable alternative the legislature should continue the work that has already been started to promote and support alternate fuels. We should be focused on adding renewable diesel as a new tool and competitor to the petroleum option. Consumers and businesses should have a choice and having multiple products available could create healthy competition.

I urge you to listen to our agricultural producers and oppose this bill.

Thank you,

Sean Naumes
Vice President/ Special Projects Manager, Naumes, Inc.

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