

March 6, 2025

RE: Support of SB 77 & SB 78

Dear Chair Golden and Committee Members,

I am writing from the perspective of the Jernstedt Century Farm and the Jernstedt Daughters Farm. We are not in this for short-term profits or investment dividends but seek to preserve and extend the continued practice of farming on our Exclusive Farm Use zoned land **and** in Oregon as a whole.

Our operation is intertwined with activities on adjacent properties and the larger community. My father, Ernest Jernstedt Jr, credited Oregon's Land Use system with making it possible to hold the farm intact in the face of generational change and pressure from land speculation. We in the 4th generation hope that it will still do that for the 5th and 6th generations that follow us.

There have been innumerable highs and lows in agriculture since my great grandparents set about farming in Yamhill County in the 1880's. Crops fall in and out of favor and profitability. Processing facilities come and go based on market conditions. Land speculators have come and gone since the 19th century rumors of railroad connectivity to Portland.

Land prices are driven up by investors chasing the next fad and are usually followed by hard times. Families struggle through. It was, and still is, more common than not that for farming start-ups and small operations a family member has a wage job in town to fill the gaps. Undergirding it all is that agriculture is a business which operates with a long-term perspective. As such it needs to be adequately capitalized, and the business plan needs to be based on the realities of soil, water, and market conditions. Entering the business of agriculture without adequate training, due diligence and a business plan is a risky proposition.

Home occupations, B&Bs, and farm stands were included in farm uses to help bridge the lean years for active commercial farming operations. We have neighbors who have utilized the options in the rules while remaining focused on farming for profit. SB 77 does not ban these activities but provides clarity and guidance for decision makers. With some language refinement, as proposed by the speaker from AOC, it could be a major step towards reducing litigation.

What we have observed is a marked influx of buyers who are drawn to a picturesque image of agriculture without understanding the complexities of it as a business. Or completing their due diligence. When their business fails to thrive, they turn to agritourism not as a way to supplement their income in lean years, but rather as their primary business. In other words, they turn the farm into a hospitality or retail business where a few farm animals, grapevines or garden are an attractive amenity. There are also more of the trophy homes without engaging with the community which would be addressed in SB 78.

Not every soil type or topography works for every crop. We have done dryland farming, profitably (mostly) for over 130 years by adjusting crops and expectations accordingly. A specific property may not grow the crop envisioned by a new buyer but that does not mean it does not have high value for the appropriate crop. Non-farm uses are NOT dependent on soil types and land developed for non-farm uses rarely goes back. The price inflation and development have an impact even if the venture fails. Soil compaction can be the work of months, but it takes years to repair.

I do not presume to know which buyers thought they could make a go of farming and only turning to tourism to stave off financial ruin. But there are clearly growing numbers of investor groups buying up land always planning to leverage the tourism aspect. Increasingly out of area investor groups outbid young farmers to exploit a previous owner's small scale land use approvals. The litigation comes about when investors try to use agritourism opportunities created for farmers to supplement their income to justify hotels, event centers, lifestyle retreats, restaurants, wine bars, taverns beyond what was anticipated in the rulemaking.

Wineries have morphed into tasting rooms without production facilities, selling wine and spirits produced under a multitude of labels owned by the investor group, including food and entertainment, serving as event venues. Our cities and towns could benefit enormously from the investment in access to local produce, dining, lodging, and other entertainment venues inside their Urban Growth Boundaries.

Agritourism as a sideline to a commercial farming operation can be valuable in promoting Oregon agriculture and educating consumers on how their food is produced. Also to understand the scale and variety of Oregon's second largest economic sector. However, when the primary capitalization and effort of an agritourism enterprise is not directed toward agricultural production it does not belong on high value farmland.

Commented [BB1]: Too many thoughts in one paragraph. Just doing a little weeding!

What I do know is that the proliferation of non-farm uses on EFU land is creating conflicts with those who are committed to employing the land for farm use, as envisioned and defined in ORS 215.203(2). In agency listening tours around the state, planning staff have asked for clarity and consistency as particularly important. It should figure prominently in your deliberations here and in future work. Out-sized replacement dwellings and home occupations, multipath permitting, incorporating clarifying language on “incidental and subordinate” and lack of resources for enforcement are top of list from our perspective.

No one said farming was going to be easy or even always profitable. This can be said of every business endeavor. Decisions to change, like removing established crops or orchards, are not made lightly or without financial impact. What sets agriculture apart is the essential element of taking the long-term view and respecting the soil upon which it all rests. It is irreplaceable.

Please include these comments in support of my testimony presented at the Public Hearing on March 6th. Allow me to express my frustration with the extreme time constraints for citizens in lieu of continuing the hearing. Many of the farmers with direct experience in farming and land use had traveled some distance and carefully prepared testimony. Mr. Hunnicutt’s glib citations about loss of farmland seem to be given comparable weight to that of technical experts, without discussion of terms and methodology. Is it change in zoning (unique to OR), change in utilization from farming, impacts from parcelization, selection bias?

We strongly support SB 77 and SB 78 and hope to participate in further discussions going forward. We must not weaken the protection of agriculture in EFU zones as envisioned in Oregon’s 1973 Senate Bill 100.

Sincerely,

Kathryn Jernstedt

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