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Background Brief on ...

# Agriculture

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## **Oregon's Agricultural Roots**

More than 1,000 family farms and ranches in Oregon are designated as a century farm or ranch by the Century Farm & Ranch Program. Century farms and ranches document same family ownership for more than 100 years, making agriculture Oregon's oldest economic segment.

## **Agricultural Diversity**

More than 220 different agricultural commodities are commercially produced in Oregon. Farming presents both opportunity and challenge for growers. Finding equipment suppliers, crop protection materials, and markets for niche crops can be difficult, but the diversity of production broadens grower options and balances overall farm income.

## **Oregon's Farm Structure**

Roughly 40,000 farms exist in Oregon:

- Over 98 percent are family owned and operated, with about 10 percent organized as family partnerships or family corporations
- Approximately 1 percent of Oregon's farms are non-family corporate operations
- The number of small operations (less than \$10,000 in annual sales) is increasing, and accounts for about 70 percent of the state's total farms and ranches. This group generates less than two percent of total agricultural output/sales for the state, yet they own 13 percent of agricultural lands.
- The mid-sized grower category, with \$10,000 to \$250,000 in annual sales, represents less than 25 percent of all farms. Mid-size growers generate 19 percent of total farm value on 45 percent of total acreage.

Full-time larger commercial family operations number about 2,250 or less than 6 percent of all farms in Oregon, yet this group of operators produces nearly 80 percent of total output on 42 percent of the land in farm use.

## **Contributions to Oregon's Economy**

More than 150,000 jobs in Oregon are derived from a connection to agriculture. The agriculture industry continues to spur statewide economic growth:

- Currently, farm production tops \$4 billion annually
- Farmers purchase over \$3.5 billion in goods and inputs to grow

their crops and raise their livestock—  
representing a stimulus to Oregon’s economic vitality

- Value-added processing contributes another \$1.5 to \$2 billion to state revenue
- Nearly \$2.5 billion in wages are tied to the agriculture industry

Agriculture is a key traded sector, ranking first in volume of exported products, and third in value of exported products.

Total agriculture-related activity accounts for 10 percent of Oregon’s gross state product.

## 2005 Agricultural Statistics

### OREGON FARMLAND

- ❑ Number of farms: 40,000
- ❑ Land in farms (acres): 17,100,000
- ❑ Average farm size (acres): 428
- ❑ Value per acre (dollars): \$1,800

### AGE FACTOR

The average age of Oregon’s farm operators stands at 54.9 years

## Top Ten Oregon Commodities

(In order of rank)

Commodity	Value
<b>Greenhouse &amp; nursery products</b>	<b>\$867,831,000</b>
<b>Cattle &amp; calves</b>	<b>\$533,036,000</b>
<b>Grass seed, all*</b>	<b>\$373,501,000</b>
<b>Milk</b>	<b>\$358,588,000</b>
<b>Hay, all</b>	<b>\$355,100,000</b>
<b>Wheat, all</b>	<b>\$180,934,000</b>
<b>Potatoes, all</b>	<b>\$129,915,000</b>
<b>Christmas trees*</b>	<b>\$126,554,000</b>
<b>Onions, all</b>	<b>\$124,424,000</b>
<b>Pears, all</b>	<b>\$73,750,000</b>

\*OSU estimates

## National Rankings of Oregon Agricultural Production

(All commodities listed rank number one in US production)

Commodity	% of US
<i>Blackberries</i>	100%
<i>Hazelnuts</i>	100%
<i>Loganberries</i>	100%
<i>Raspberries, black</i>	100%
<i>Ryegrass seed</i>	99%
<i>Orchard grass seed</i>	97%
<i>Sugar beets for seed</i>	92%
<i>Crimson clover</i>	87%
<i>Fescue seed</i>	75%
<i>Red clover seed</i>	49%

## Contributions to Oregon’s Environment

Oregon farmers and ranchers are committed to an industry that is economically and environmentally sustainable. In addition to crop and livestock production:

- Oregon farmers and ranchers provide food and habitat to over 70 percent of the state’s wildlife
- Erosion on cropland and rangeland has been reduced by more than 25 percent in the past decade
- Oregon’s farmers and ranchers have nearly 500,000 acres enrolled in conservation programs
- Oregon leads the nation in the number of water transfers, and water used for conservation and wildlife

## Infrastructure

Oregon moves over 80 percent of production out of state, with half of that heading overseas. Oregon exports underscore the importance of a reliable and affordable transportation infrastructure (e.g., ports, rail, trucks, air, etc.) and energy resources to move products from “here to there.”

### **Agriculture Labor Availability & Cost**

Adequate farm and food processor labor is a significant issue for Oregon's diverse production. Labor cost in the world economy is a challenging issue. Farm compensation in Oregon averages above \$9.00 per hour, and although it is the highest in the nation, it is pushed higher every year due to minimum wage indexing. Lack of a labor bargaining law in the state creates an uncertain environment for all parties and remains a critical issue for the Oregon Legislature.

### **Land Resources and Issues**

Oregon's land use laws, enacted in the 1970s, established exclusive farm use (EFU) zones with the intent of protecting farm operations from urbanization pressures and speculative buying. The agriculture industry has been split on its reaction to Measure 37, which requires governments to pay compensation for lost property value resulting from regulation, or to waive the regulation. Those subject to urbanization pressures, primarily those located in the Willamette Valley and other urban areas have supported strong land use laws to protect farmland from conversion. However, growers in Eastern Oregon, with little pressure from urbanization and marginal farm income returns, are seeking alternative uses for their property, some degree of flexibility to allow for additional income-generating prospects.

### **Water Issues: Quality and Quantity**

Landowners work toward incorporating water quality and protection into their operations. Programs offer education and monitoring to assist growers.

Water storage, delivery, and efficiency are significant to the future of Oregon's agriculture development and viability.

There are multiple options, including:

- aquifer recharge or groundwater injection
- expansion of farm storage ponds, off-stream diverted storage
- the desalinization of seawater

### **Governing Authorities**

Oregon Revised Statutes (ORS) 561.130 created the State Board of Agriculture, establishing terms of office, and board member criteria.

The Board is comprised of ten members: nine are appointed by the Governor and a tenth member is a Soil and Water Conservation Commission chair. Board members serve four-year terms with a two-term maximum. The Director of the Oregon Department of Agriculture (ODA) and the Oregon State University Dean of Agriculture serve as Ex-officio members of the Board.

The mission of the Board is to foster partnership with ODA, and implement close contact between the governing bodies and the agriculture industry—from producer to consumer interests.

The ODA Director is appointed by the Governor and confirmed by the Senate. The Director oversees all functions of the department, works with the Governor, the Legislature, the agricultural community and consumer groups to carry out the state's agricultural policy.

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