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Background Brief on ...

Agriculture

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Oregon's Agricultural Roots

More than 1,075 family farms and ranches in Oregon are designated as a century farm or ranch by the Century Farm & Ranch Program. Century farms and ranches designation indicates same family ownership for more than 100 years.

Agricultural Diversity

More than 220 different agricultural commodities are commercially produced in Oregon. This diversity of production 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 39,000 farms exist in Oregon:

- Over 98 percent are family owned and operated, with about 10 percent organized as family partnerships or family corporations.
- Approximately one percent of Oregon's farms are non-family corporate operations.
- The number of small operations (less than \$10,000 in annual sales) accounts for about 70 percent of the state's total farms and ranches. This group generates less than 2 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 the 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 214,000 jobs in Oregon are derived from a connection to agriculture. The agriculture industry continues to spur statewide economic growth:

- Currently, farm production value tops \$5 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.
- The value-added to Oregon’s agricultural production once it leaves the farm is estimated at \$2.1 billion.
- Nearly \$2.5 billion in wages is tied to the agriculture industry.

Agriculture is a key traded sector, ranking first in volume of exported products and second in value of exported products. Total agriculture-related activity accounts for ten percent of Oregon’s gross state product.

2006 Agricultural Statistics

Oregon Farmland

- Number of farms: 39,300
- Land in farms (acres): 17,100,000
- Average farm size (acres): 435
- Value per acre (dollars): \$1,940

Age Factor

The average age of Oregon’s farm operators stands at 55 years.

Top Ten Oregon Commodities (2007)

| Commodity | Value |
|--------------------------------|---------------|
| Greenhouse & nursery products* | \$966,000,000 |
| Cattle & calves | \$710,959,000 |
| Grass seed, all* | \$481,572,000 |
| Milk | \$443,313,000 |
| Hay, all | \$421,840,000 |
| Wheat, all | \$304,628,000 |
| Potatoes, all | \$125,579,000 |
| Christmas trees* | \$114,330,000 |
| Pears, all | \$69,371,000 |
| Onions, all | \$61,438,000 |

*OSU estimates

National Rankings of Oregon Agricultural Production

(All commodities listed rank number one in US production)

| Commodity | % of US |
|------------------------|---------|
| Blackberries | 100% |
| Hazelnuts | 100% |
| Loganberries | 100% |
| Raspberries, black | 100% |
| Ryegrass seed | 99% |
| Orchard grass seed | 97% |
| Sugar beets for seed | 92% |
| Crimson clover | 87% |
| Fescue seed | 75% |
| Potted florist azaleas | 50% |
| Red clover seed | 49% |
| Christmas trees | 45% |
| Dungeness crab | 38% |
| Pears | 26% |

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.
- Soil erosion rates from rain and runoff declined 35 percent on cropped acreage between 1982 and 1997.

- Oregon’s farmers and ranchers have nearly 540,000 acres enrolled in the Conservation Reserve Program. Another 20,000 acres of agricultural lands are enrolled in the Conservation Reserve Enhancement Program that focuses on streamside restoration and fish habitat.
- Oregon leads the nation in the number of water right transfers and water used for conservation and wildlife purposes.

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 and energy resources to move products from “here to there.”

Agriculture Labor Availability and 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 \$10 per hour and, although it is the highest in the nation for agricultural wages, it is pushed higher every year due to minimum wage indexing. The legal status of a majority of farm workers is a critical issue. 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. Ballot Measure 37, voted into law in 2004, was proposed by citizens who felt the land use laws did not adequately protect private property rights. The measure stated that private property owners are entitled to just compensation when a land use regulation restricts the use of their land and reduces its value. Instead of paying money, the government may allow the owner to use the property for a use that it could have when the property was acquired. In 2007, Ballot Measure

49 was adopted to modify Measure 37 and gives landowners who have filed claims the right to build a limited number of homes as compensation for land use regulations imposed after they acquired their properties. Farmers remain divided on the issue.

Water Issues: Quality and Quantity

Landowners work toward incorporating water quality and protection into their operations. All dairies and other “confined animal operations” have a water management plan approved by the Oregon Department of Agriculture (ODA), as do container nurseries. 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. Nearly 45 percent of Oregon farms irrigate some or all of their land. Irrigated lands produce over 70 percent of Oregon’s crop output. Eight percent of irrigation water is from reservoirs, 14 percent from groundwater, and 78 percent from surface water rights.

Governing Authorities

ORS 561.372 creates the State Board of Agriculture. The board is comprised of ten members: nine are appointed by the Governor and a tenth member is the Soil and Water Conservation Commission Chair. The ODA Director and the Oregon State University Dean of Agriculture serve as nonvoting members.

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 ODA, works with the Governor, the Legislature, the agricultural community, and consumer groups to carry out the state’s agricultural policy. The ODA oversees food safety, natural resource protection, and agricultural development and marketing activities.

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