



September 2012

Inside this Brief

- **Oregon's Agricultural Roots**
- **Agricultural Diversity**
- **Oregon's Farm Structure**
- **2006 Agricultural Statistics**
- **Contributions to Oregon's Economy**
- **Top Ten Oregon Commodities**
- **National Rankings**
- **Contributions to Oregon's Environment**
- **Infrastructure**
- **Labor Availability and Cost**
- **Pesticide Use Reporting System**
- **Land Resources and Issues**
- **Water Issues: Quality and Quantity**
- **Responses to a Down Economy**
- **Governing Authorities**
- **Staff and Agency Contacts**

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Background Brief on ...

Agriculture

Oregon's Agricultural Roots

More than 1,100 family farms and ranches in Oregon are designated as century farms or ranches 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, processing and distribution networks, 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 15 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 13 percent of total farm value on 36 percent of the total acreage.
- Full-time, larger commercial family operations number about 2,700 or 7 percent of all farms in Oregon, yet this group of operators produces nearly 86 percent of total output on 49 percent of the land in farm use.

2006 Agricultural Statistics

Oregon Farmland

- Number of farms: 38,600
- Land in farms (acres): 16,400,000
- Average farm size (acres): 425
- Value per acre (dollars): \$2,260

Age Factor

The average age of Oregon's farm operators stands at 57.5 years.

Contributions to Oregon's Economy

More than 214,000 jobs in Oregon, nearly 1 in 9, are derived from a connection to agriculture.

The agriculture industry continues to spur statewide economic growth:

- Currently, farm production value tops \$4.1 billion annually (2009 preliminary), a drop from nearly \$5 billion in 2008.
<http://ir.library.oregonstate.edu/jspui/bitstream/1957/14224/1/SR790-09.pdf>.
- Farmers purchase over \$3.7 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 (15.5 percent of total). Total agriculture-related activity accounts for ten percent of Oregon's gross state product.
<http://extension.oregonstate.edu/catalog/pdf/sr/sr1080.pdf>

Top Ten Oregon Commodities*

| Commodity | Value |
|-------------------------------|---------------|
| Cattle & calves | \$628,385,000 |
| Greenhouse & nursery products | \$623,526,000 |
| Milk | \$403,580,000 |
| Hay, all | \$323,576,000 |
| Grass seed, all | \$319,674,000 |
| Wheat, all | \$260,152,000 |
| Potatoes, all | \$172,816,000 |
| Christmas trees | \$100,870,000 |
| Pears, all | \$96,573,000 |
| Onions, all | \$84,500,000 |

*OSU estimates, 2009

National Rankings

(All commodities listed rank number one in US production)

| Commodity | % of US |
|----------------------|---------|
| Blackberries | 100% |
| Hazelnuts | 100% |
| Loganberries | 100% |
| Raspberries, black | 100% |
| Ryegrass seed | 97% |
| Orchard grass seed | 96% |
| Crimson clover | 95% |
| Sugar beets for seed | 92% |
| Fescue seed | 87% |
| Red clover seed | 70% |

| | |
|-------------------------------|------------|
| Potted florist azaleas | 47% |
| Christmas trees | 38% |
| Dungeness crab | 38% |
| Winter 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 530,000 acres enrolled in the Conservation Reserve Program. Another 40,000 acres of agricultural lands are enrolled in the Conservation Reserve Enhancement Program that focuses on streamside restoration and fish habitat.
- An additional 167,000 acres are enrolled in projects cost-shared by the Environmental Quality Incentives Program (based on grower conservation activities), Ag Water Enhancement Program, Wildlife Habitat Incentives Program, and the Wetland Reserve Program.
- Oregon leads the nation in the number of water right transfers and water used for conservation and wildlife purposes.

Infrastructure

Oregon sends over 80 percent of agriculture and processed food 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."

Labor Availability and Cost

Adequate farm and food processor labor is a significant issue for Oregon's diverse agriculture industry. The work takes skill and experience. Labor cost in the world economy is a pressing issue, particularly with farm products imported from China, Mexico, and other low-wage areas. Farm compensation in Oregon averages above \$10 per hour and, although it is near the highest in the nation for agricultural wages, it is pushed higher every year due to minimum wage indexing. Farmers have a difficult time passing on these costs. The legal status of a majority of farm workers is a critical issue and needs resolution at the national level. 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.

Pesticide Use Reporting System

The Pesticide Use Reporting System (PURS) was originally established by the Legislative Assembly in 1999. The program requires all persons applying pesticides in the course of business, for a government agency or in a public place to report that use online. The information to be reported includes: date of application, site, specific site, product and amount, and purpose. This information is then converted to pounds-active ingredient and provided to the Legislative Assembly and the public in the form of an annual report.

In 2009 the Legislature passed House Bill 2999 which reduced the size of the pesticide use reporting area by changing the requirement for information on the location of pesticide use from the identification of the third-level hydrologic unit to the fourth level hydrologic unit. Due to state budget constraints the measure also suspended the reporting requirements and prohibited the Oregon Department of Agriculture (ODA) from spending money or using its resources for the purpose of operating or maintaining PURS until June 30, 2011.

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. EFU zoning is applied by counties to lands that they have designated for agricultural use. EFU zoning consists of: listings of permitted “farm-related” uses and conditional “nonfarm-related” uses, including standards for their evaluation, minimum lot sizes and division standards for both farm and non-farm uses, other dimensional standards for development, and mapping of EFU-zoned lands.

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. In 2009 the Legislature enacted House Bill 3225 which allowed an extension of Ballot Measure 49 claims for certain claimants who had failed to meet procedural requirements and required the Department of Land Conservation and Development to study the reasons other claimants were not able to meet the requirements. As a result of that study the Legislature passed Senate Bill 1049 in 2010 which allowed an extension of additional Ballot Measure 49 claims to claimants who met certain conditions.

In 2009 the Legislature enacted House Bill 2229 which implemented the 2008 “Big Look Task Force” recommendations. This Act provided that a county could conduct a review of county lands for the purpose of correcting mapping errors and updating designations of farmland and forestland in order to determine whether zoning of such lands is consistent with definitions of agricultural lands, forest lands or non-resource land.

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 ODA, as do container nurseries. Education and monitoring programs are offered 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 harvested crop output. Eight percent of irrigation water is from reservoirs, 14 percent from groundwater, and 78 percent from surface water rights.

Responses to a Down Economy

Oregon’s respect for its agricultural traditions is reflected in the Legislature’s passage of a number of diverse measures between 2009 and 2012 designed to assist farmers and agricultural businesses through hard economic times.

Expanding Uses of Agricultural Lands – Lawful land uses were expanded to allow special events and weddings, incidental to farming (Senate Bill 960 (2011)); wine tastings, winery tours, and other on-site marketing activities at wineries (House Bill 3280 (2011)); and small-scale dog training and testing (House Bill 4170 (2012)).

Supporting Small Operations – Exemptions were created in 2011 via House Bills 2236 and 2872, to relieve small farms and small poultry operations, respectively, from some food safety licensing and inspection requirements, under certain conditions.

Encouraging Local and Regional – House Bills 2763 (2009) and 2800 (2011) both aim to keep public dollars in-state by offering incentives that encourage public bodies to purchase locally produced and processed foods. The former measure affects state contracts to purchase foods, and the latter measure supports public school purchases and agriculture-based educational activities.

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 act in a policy advisory role to the ODA, and to foster partnerships and close contact between various governing bodies and the agriculture industry from producer to consumer interests.

The ODA Director is appointed by the Governor and confirmed by the Oregon 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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