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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 35,400 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 64 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 14 percent of agricultural lands.
- The mid-sized grower category, with \$10,000 to \$250,000 in annual sales, represents 27 percent of all farms. Mid-size growers generate 11 percent of total farm value on 32 percent of the total acreage.
- Full-time, larger commercial family operations number about 2,900 or 8 percent of all farms in Oregon, yet this group of operators produces nearly 87 percent of total output on 54 percent of the land in farm use.

## 2012 Agricultural Statistics

### *Oregon Farm Land*

- Number of farms: 35,439
- Land in farms (acres): 16,301,578
- Average farm size (acres): 460
- Value per acre (dollars): \$2,100

### *Age Factor*

The average age of Oregon's farm operators stands at 59.6 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 \$5.4 billion annually (USDA, 2012)  
[http://www.oregon.gov/ODA/Pages/pub\\_agripedia.aspx](http://www.oregon.gov/ODA/Pages/pub_agripedia.aspx).
- Farmers purchase over \$3.8 billion in goods and services 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 \$2.2 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 fifteen percent of Oregon's gross state product.

<http://ruralstudies.oregonstate.edu/sites/default/files/pub/pdf/OregonAgEconomyAnUpdate.pdf>

## Top Ten Oregon Commodities\*

Commodity	Value
Nursery	\$745,162,000
Cattle & calves	\$653,869,000
Hay	\$638,108,000
Milk	\$497,574,000
Wheat	\$472,128,000
Grass seed	\$411,056,000
Potatoes	\$172,838,000
Pears	\$134,241,000
Corn, grain, & silage	\$119,757,000
Onions, storage	\$115,868,000

\*OSU and USDA NASS, 2012

## National Rankings

(All commodities listed rank number one in US production)

Commodity	% of US
Blackberries	100%
Boysen and Youngberries	100%
Hazelnuts	100%
Loganberries	100%
Raspberries, black	100%
Ryegrass seed	97%
Orchardgrass seed	96%
Crimson clover	95%
Fescue seed	87%
Sugarbeets for seed	78%

<b>Red clover seed</b>	<b>70%</b>
<b>Potted florist azaleas</b>	<b>59%</b>
<b>Peppermint</b>	<b>32%</b>
<b>Christmas trees</b>	<b>31%</b>

## **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 61 percent on cropped acreage between 1982 and 2010.
- Oregon’s farmers and ranchers have nearly 521,000 acres enrolled in the Conservation Reserve Program. Another 42,000 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. 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. The legal status of a majority of farmworkers is a critical issue and needs resolution at the national level. In addition, as agriculture becomes more and more technically sophisticated, farmers and ranchers need workers with more and more technical skills to operate GPS-guided tractors and harvesters, monitor soil moisture, and operate computerized packing and processing equipment. Education resources around the state are important for workers to build these skills.

In 2013, the legislature renewed several tax credits, including the Oregon farmworker housing tax credit. This credit is available for developers of on-farm and off-farm housing for farmworkers.

## **Food Safety**

Produce farmers, food packers and processors, animal food producers, and the food transportation industry will all face significant new food safety requirements in the next few years. This is driven both by new federal food safety rules under the Food Safety Modernization Act, and by market requirements from food buyers and retailers. Training will be needed for a variety of agricultural and food businesses to be able to meet these requirements. Research will also be critical to help Oregon’s farmers and food businesses identify science-based food safety practices for Oregon’s diverse crops and foods.

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

Landowners work toward incorporating water quality protection into their operations. All dairies and other “confined animal operations” have animal waste management plans approved by the Oregon Department of Agriculture (ODA). Oregon’s Agricultural Water Quality Management Program works with agricultural and other stakeholders to meet Oregon’s water quality and salmon restoration goals. Pesticide Stewardship Partnerships work to monitor water quality and collaboratively address any issues detected with the local agricultural community.

Irrigation water storage, delivery, and efficiency are important economic development tools for Oregon agriculture. 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.

The Oregon Legislature made important investments in Oregon's water resources during the 2013 Legislative session, committing resources to water supply development and conservation as well as water quality and landscape monitoring.

### **Land Use**

Oregon's agriculture industry depends on productive farmland and rangeland. Oregon's land use system helps protect farmland and rangeland from loss to development and also limits non-farm activities that are allowed on farm and rangeland.

Several agriculture and land use related bills passed in the 2013 session. Senate Bill 841 modifies provisions under which local governments may authorize wineries on land zoned for exclusive farm use (EFU) if certain conditions are met, including agri-tourism and other commercial events. House Bill 2202 requires owners or operators who receive permits for gravel mining on high-value farmland to substantially excavate all of the significant aggregate resource.

### **Coexistence**

Coexistence is increasingly a challenge in several regions of the state with ever-diversifying types of crops. Challenges include keeping closely related crops from cross-pollinating, keeping genetically engineered and conventional crops from cross-pollinating, keeping honeybees healthy in diverse landscapes where neighbors may be using insecticides, and ensuring that sensitive crops are not impacted by a neighbor's herbicide applications.

### **Growing the Agricultural Economy**

Oregon's agricultural economy has rebounded from the Great Recession and has a bright future, with strong local, regional, and

international market opportunities. *Supporting Beginning and Expanding Operations* – House Bill 2700 (2013) created the Beginning and Expanding Farmer Loan Program, which allows lenders to offer lower-interest loans to beginning and small farmers.

### **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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