



LPRO: Legislative Policy and Research Office

# AGRICULTURE

## BACKGROUND BRIEF

### OREGON'S FARMS

There are roughly 34,600 farms in Oregon, or about one farm for every 115 Oregonians. Other Oregon farm statistics:

- In 2014, there was 16,400,000 acres of farmed land in Oregon with the average farm size of 474 acres.
- The number of small operations (less than \$10,000 in annual sales) accounts for about 61 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 31 percent of all farms. Mid-size growers generate 11 percent of total farm value on 35 percent of the total acreage.

### CONTENTS

#### OREGON FARMS

#### CONTRIBUTIONS TO OREGON'S ECONOMY

#### TOP TEN OREGON COMMODITIES

#### NATIONAL RANKINGS

#### CONTRIBUTIONS TO OREGON'S ENVIRONMENT

#### LABOR AVAILABILITY AND COST

#### FOOD SAFETY

#### WATER ISSUES: QUALITY AND QUANTITY

#### LAND USE

#### COEXISTENCE

#### GROWING THE AGRICULTURAL ECONOMY

#### GOVERNING AUTHORITIES

#### STAFF CONTACTS

- The number of farms that generate more than \$250,000 in annual sales is about 2,800 or 8 percent of all farms in Oregon, yet this group of operators produces nearly 87 percent of total output on 56 percent of the land in farm use.

- There are 1,175 family farms and ranches in Oregon 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.

- More than 225 different agricultural commodities are commercially produced in Oregon.

- Over 96.7 percent of Oregon farms are family-owned<sup>1</sup> with the following breakdown:

<sup>1</sup> USDA-NASS 2012 Table 38. Summary by Farm Typology Measured by Gross Cash Farm Income, Primary Occupation of Small Family Farm

Operators, and Non-Farm Farms – Oregon: 2012.



Legal status (by type)	Percent
Family/individual	84.3
Corporation – family held	6.4
Partnership	6.6
Other corporation	0.7
Other	2.0
Total	100

- Approximately 2.7 percent of Oregon's farms and ranches are non-family corporate operations or other legal entities.

### CONTRIBUTIONS TO OREGON'S ECONOMY

More than 326,617 full and part-time jobs in Oregon, nearly 1 in 9, are derived from a connection to agriculture, food and fiber.<sup>2</sup> Nearly \$2.5 billion in wages is tied to the agriculture industry.

The agriculture industry continues to spur statewide economic growth. In 2014, farm production value topped \$5.4 billion annually, making it the second largest economic driver in the state.

Farmers purchase over \$4.4<sup>3</sup> billion in goods and services to grow their crops and raise their livestock, representing a stimulus to Oregon economy. The market value of agricultural products sold is estimated at \$4.8<sup>4</sup> billion.

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

in the value of exported products. Total agriculture-related activity accounts for 15 percent of the state's economy. Oregon sends over 80 percent of agriculture and processed food production out-of-state, with half of that heading overseas.

### TOP TEN OREGON COMMODITIES 2015<sup>5</sup>

Commodity	Value
Cattle & calves	\$914,324,000
Nursery	\$894,833,000
Hay	\$604,602,000
Milk	\$474,486,000
Grass seed	\$383,972,000
Wheat	\$217,433,000
Potatoes	\$176,450,000
Pears	\$152,497,000
Grapes for wine	\$147,550,000
Onions	\$125,273,000

<sup>2</sup> [Oregon Agriculture, Food and Fiber: An Economic Analysis](#), November 2015.

<sup>3</sup> USDA- National Agriculture Statistic Service (NASS) Census of Agriculture. 2012. Table 4 – Farm Production Expenses: 2012 and 2007.

<sup>4</sup> USDA-NASS Census of Agriculture. 2012. Table 3 – Economic Class of Farms by Market Value of Agricultural Products Sold and Government Payments: 2012 and 2007.

<sup>5</sup> OSU and Oregon State University, 2016



## NATIONAL RANKINGS

All commodities listed rank number one in US production.

Commodity	% of US
Blackberries	100%
Boysenberries	100%
Hazelnuts	100%
Raspberries, black	100%
Orchardgrass seed	94%
Ryegrass seed	92%
Crimson clover	85%
Red clover seed	75%
Fescue seed	61%
Potted florist azaleas	59%
Sugarbeets for seed	47%
Peppermint	34%
Christmas trees	17%

## CONTRIBUTIONS TO OREGON'S ENVIRONMENT

In addition to crop and livestock production:

- Oregon farmers and ranchers provide food and habitat to over 70 percent of the state's wildlife.
- Farmers and ranchers have increased efficiency of their use of inputs (land, water, chemicals, etc.) from 1960 when Oregon ranked 46th out of 50 states to today when it ranks 15th and is still

improving at a rate of 1-3 percent per year.<sup>6</sup>

- Oregon's farmers and ranchers have nearly 551,000 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.
- Additional 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.

## 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. 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

<sup>6</sup> [Oregon Agriculture, Food and Fiber: An Economic Analysis](#), November 2015.



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 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 in 2013 and 2015, 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 ranchland. The exclusive farm use zone (EFU) zone was developed by the Oregon Legislature in 1961 along with the farm tax assessment program. Farm use is encouraged and protected within the zone while also allowing a variety of farm and non-farm related uses that have increased in type and number over the years. Minimum lot standards and dwelling approval standards limit the conversion of farmland to other uses. About 15.5 million acres of private land (56 percent) in Oregon are currently zoned for exclusive farm use. (See the Agricultural and Forestlands and Land Use Background Briefs for more information.)

### 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 affected by a neighbor's herbicide applications. In 2015, Legislature adopted a process for use by a farmer who believes an activity on nearby land is interfering with their farming practice. The legislation authorizes a court to impose sanctions against a party who is unwilling to participate in mediation (House Bill 2509).



## GROWING THE AGRICULTURAL ECONOMY

---

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, so-called “Aggie Bonds.” In 2015, HB 3239 expanded the types of lending offered by this program to include beginning farmer loans issued by Northwest Farm Credit Services and seller-financed loans. The goal of Aggie Bonds is to facilitate loans to someone wanting to start or expand a farm.

## 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.

---

## STAFF AND AGENCY CONTACTS

---

Beth Patrino  
Legislative Committee Services  
503-986-1751  
[beth.patrino@state.or.us](mailto:beth.patrino@state.or.us)

Beth Reiley  
Legislative Committee Services  
503-986-1755  
[beth.reiley@state.or.us](mailto:beth.reiley@state.or.us)

*Please note that the Legislative Policy and Research Office provides centralized, nonpartisan research and issue analysis for Oregon’s legislative branch. Legislative Policy and Research Office does not provide legal advice. Background Briefs contain general information that is current as of the date of publication. Subsequent action by the legislative, executive or judicial branches may affect accuracy.*