

Testimony

On behalf of the

Oregon Farm Bureau Federation

Aging and Agriculture

Submitted to the

United States Senate – Special Committee on Aging

The Honorable Herb Kohl, Chairman

Submitted by

Barry Bushue

President

Oregon Farm Bureau Federation

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Chairman Kohl, Ranking Member Smith and members of the committee, I want to thank you for the opportunity to testify before you today. My name is Barry Bushue and I am currently serving as President of the Oregon Farm Bureau Federation (OFBF). It is a privilege to represent all members of the Oregon Farm Bureau and the agriculture community in the great State of Oregon.

OFBF is the largest agriculture organization in the state, representing all aspects of the industry. Consequently our interests are wide and diverse. However, among the many interests of farmers and ranchers in Oregon and across the US, one key element ties them together. That is the desire to keep agriculture economically viable, passing down family operations to future generations and to continue to provide American's with the lowest cost of food and fiber in the world.

More often than not, the general public regards the farm bill as the only legislation affecting the industry. What most don't understand is that nearly every aspect of public policy has a significant impact on agriculture. These issues, outside the scope of the farm bill, and the effect on future or beginning farmers are what I would like to focus on today.

As an ambassador for Oregon agriculture I am deeply concerned about the future of the industry. Farming is not easy. There are no guarantees, no paychecks every two weeks, little stability and it is extremely expensive to start out. These statements probably beg the question, why in the world would anyone want to be part of the industry? The answer is simple. It is a sheer love of the land. Environmental conservation is of the utmost importance to farmers and ranchers. I am thankful everyday that I am able to enjoy Oregon's beautiful surroundings. It is too often that farmers and ranchers are labeled as anti-environmentalists, but the exact opposite is the case. Farmers and ranchers are directly involved in the protection and utilization of the environment surrounding us. Preservation of land and conservation of other natural resources is necessary if we are to live and professionally thrive.

However, increasing and unnecessary regulations on the industry continue to force established farmers and ranchers out of business. How is a young person supposed to cope? For example, the Agricultural Protection and Prosperity Act of 2007, currently circulating through Congress regarding the Comprehensive Environmental Recovery, Compensation & Liability Act is critical to future producers. I do not believe it was the intention of Congress for CERCLA to apply to manure. The law clearly exempts the application of chemical fertilizers containing the same constituents as manure, which occur naturally in the environment. Furthermore, animal agriculture operations are already regulated under the Clean Water Act, the Clean Air Act and various state laws to protect the environment

Regulations in areas such as animal agriculture are also a critical disincentive for new entrants and encourage aging operators to exit earlier. For example, over the last decade, Illinois lost half of its livestock operators and the burden and costs associated with environmental regulation were likely a factor in those decisions. In many cases, this loss took the form of a 55 year old operator exiting now rather remodeling facilities and

changing operating procedures radically. Most of what would have been the natural replacement of exiting operators was also cut off by the complicated regulations governing new entrants.

The agriculture industry continues to educate Congress on animal rights groups, their strategies and their goal of ending animal production for food. Not only would this have a devastating economic impact, but also the public campaigns on behalf of these groups provide with public with misinformation and half truths. The mission of our industry is to educate Congress and the public on animal rights issues, as well as provide tools to assist in state and local animal rights legislative and regulatory challenges.

This is not a large versus small farm issue or better put, a corporate versus family farm issue. The statutes current reporting requirements and liability thresholds for non-ag release and/or emissions of regulated substances are extremely low. Virtually any agricultural operation producing, storing and/or using animal manure could be held liable.

Oregon is a specialty crop state. We are famous worldwide for our fruits and vegetables as well as our nursery products. It is a very competitive and fragile industry impacted by spikes in plantings, production and weather. Most importantly, the availability of labor is critical to a successful operation. Again, the unpredictability and uncertainty is certainly not an enticement for young people.

America's farmers and ranchers face a "Catch 22" when verifying the status of their workforce. It is illegal to knowingly to hire someone who is not authorized to work, but the employer is limited in what he or she may ask to determine who is authorized. If the employer requests more or different documents when the original documents appear reasonable on their face, the employer could be subject to Justice Department investigation or lawsuits for discriminating in employment. If, on the other hand, the employer accepts those documents but later is notified by the Social Security Administration that information contained in the documents does not match agency records, then the employer may not be safe from prosecution for knowingly hiring an illegal worker.

I commend the efforts of the Senate regarding bipartisan comprehensive immigration reform. Your hard work would provide immediate relief from labor shortages. It is critical that comprehensive immigration reform legislation get signed into law this year. If, however, President Bush signs into law a bill that does not fully address agriculture's labor needs, economists estimate that up to \$9 billion nationwide in annual production is at risk of being lost to foreign competition. Oregon agriculture is estimated to lose nearly \$5 million. A successful comprehensive immigration reform must include a reliable verification system, adequate transition provisions and a viable guest worker program.

The estate tax is a tremendous burden on farmers and ranchers. Individuals, family partnerships or family corporations own 99 percent of the two million farms that dot America's rural landscape. Farms face a common problem of being land rich, but cash

poor. The burden of the estate tax, which can be as high as 45 percent, too often forces young farmers and ranchers to sell land, buildings or equipment needed to operate their businesses. When farms and ranches disappear, the rural communities and businesses they support also suffer.

The average estate tax payment in 1999 to 2000 was the equivalent of one-and-a-half to two years of net farm income. Roughly twice the number of farm estates paid federal death taxes compared to other estates in the late 1990s. Moreover, the average farm death tax is also larger than the tax paid by most other estates. Heirs should have the choice of valuing land at either fair market value or current use value without limitation, and there should be no estate tax on land that remains in agricultural production.

Congress voted to end death taxes in 2001. The law provided immediate relief through rate reduction and an expanded exemption, with complete repeal occurring in 2010. Unfortunately, the bill's provisions expire in 2011, requiring Congress to pass additional legislation to make death tax elimination permanent. I urge the Senate to take up companion legislation to HR 2380, permanently repealing the inheritance tax.

Finally, I would be remiss if I didn't mention the reauthorization of the Secure Rural Schools Act is essential. This funding is vital for the education of children in Oregon and across the country. More than 100 years ago, Congress recognized that these counties and communities with federally owned forestland within their boundaries would not be able to provide basic services because of the reduction in local property tax base. Congress also recognized that national forests exist for the benefit of an entire nation, and therefore, the entire nation has a role in maintaining the health of our forests and their surrounding communities.

This is an exciting time for US agriculture. So much of what happens in Congress has a direct impact on the industry. As farmers and ranchers continue to utilize cutting edge technology, yields will increase while maintaining our international reputation of providing American's with the lowest cost of food in the world. . It is with sincere gratitude that I thank you for not only the opportunity to share with you the many challenges facing young farmers and ranchers, but also for the great work you do day in and day out.