



LPRO: LEGISLATIVE POLICY AND RESEARCH OFFICE

# AGRICULTURE

## BACKGROUND BRIEF

### OREGON FARMS

There are roughly 34,200 farms in Oregon, or about one farm for every 123 Oregonians. Other Oregon farm statistics include:

- More than 225 different agricultural commodities are commercially produced in Oregon.
- In 2017, there were 16.3 million acres of farmed land in Oregon with an average farm size of 477 acres.
- The number of small operations (less than \$10,000 in annual sales) accounts for about 61 percent of the state's total number of farms and ranches. This group generates less than two 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.
- About 2,800 farms, or eight percent of all farms in Oregon, generate more than \$250,000 in annual sales, yet this group of operators produces nearly 87 percent of total output on 56 percent of the land in farm use.
- There are 1,212 family farms and ranches in Oregon designated as Century Farms or Ranches by the Century Farm and Ranch Program. Designation as a Century Farm or Ranch indicates the same family has maintained ownership for more than 100 years.

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- Over 96.7 percent of Oregon farms are family owned.<sup>1</sup> Ownership types are displayed in Table 1.

**Table 1: Ownership of Oregon Farms, 2017**

| Ownership Type            | Percent |
|---------------------------|---------|
| Family / individual       | 84.3%   |
| Corporation - family held | 6.4%    |
| Partnership               | 6.6%    |
| Corporation - other       | 0.7%    |
| Other                     | 2.0%    |
| Total                     | 100%    |

Source: United States Department of Agriculture – National Agricultural Statistics Service

- 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 one in nine, are connected to agriculture, food, and fiber.<sup>2</sup> Nearly \$2.5 billion in wages are tied to the agriculture industry.

The agriculture industry continues to spur statewide economic growth. In 2015, farm production value topped \$5.7 billion annually, making it the second-largest economic driver in the state.

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

Agriculture is a key traded sector, ranking first in the volume of Oregon’s 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.

<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.

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

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

Oregon's top ten agricultural commodities generated \$4.1 billion in 2017. Table 2 shows the top commodities for 2017 and their dollar values.

**Table 2: Top Ten Oregon Commodities, 2017**

| Commodity            | Value         |
|----------------------|---------------|
| Greenhouse & nursery | \$947,727,000 |
| Cattle & calves      | \$695,260,000 |
| Hay                  | \$585,176,000 |
| Milk                 | \$500,742,000 |
| Grass seed           | \$455,213,000 |
| Wheat                | \$238,654,000 |
| Potatoes             | \$176,937,000 |
| Pears                | \$176,537,000 |
| Grapes for wine      | \$171,710,000 |
| Blueberries          | \$147,665,000 |

Source: Legislative Policy and Research Office  
Data: Oregon Department of Agriculture

## NATIONAL RANKINGS

Oregon is the top producer of 13 commodities in the United States. Table 3 displays these commodities and Oregon's percentage of the production of the commodity among states.

**Table 3: National Ranking of Oregon Agricultural Production, 2017**

| Commodity      | % of U.S. production | Commodity      | % of U.S. production |
|----------------|----------------------|----------------|----------------------|
| Blackberries   | 100%                 | Red clover     | 75%                  |
| Boysenberries  | 100%                 | Fescue seed    | 61%                  |
| Hazelnuts      | 100%                 | Potted florist | 59%                  |
| Black          | 100%                 | Sugarbeets for | 47%                  |
| Orchardgrass   | 94%                  | Peppermint     | 34%                  |
| Ryegrass seed  | 92%                  | Christmas      | 17%                  |
| Crimson clover | 85%                  |                |                      |

Source: Legislative Policy and Research Office  
Data: Oregon Department of Agriculture

<sup>5</sup> [Oregon Agriculture Facts & Figures](#), August 2018

## CONTRIBUTIONS TO OREGON'S ENVIRONMENT

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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 input efficiency (land, water, chemicals, etc.) since 1960, when Oregon ranked 46<sup>th</sup> out of the 50 states in efficiency. In 2015, the state ranked 15<sup>th</sup> and is still improving at a rate of one to three percent per year.<sup>6</sup>
- Oregon's farmers and ranchers have nearly 551,000 acres enrolled in the Conservation Reserve Program, which helps them improve water quality, prevent soil erosion, and reduce loss of wildlife habitat on private lands. Another 40,000 acres of agricultural lands are enrolled in the Conservation Reserve Enhancement Program, which 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

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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 the Oregon farmworker housing tax credit. This credit is available for developers of on-farm and off-farm housing for farmworkers.

## FOOD SAFETY

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Produce farmers, food packers and processors, animal food producers, and the food transportation industry are facing significant new food safety requirements. This is a result of both new federal food safety rules under the 2011 Food Safety Modernization Act, and market requirements from food buyers and retailers. The Oregon Department of Agriculture (**ODA**) is implementing the produce safety rule over a five-year period, including extensive outreach, training, and technical assistance to help agricultural and food businesses meet the 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.

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

## WATER ISSUES: QUALITY AND QUANTITY

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Landowners work toward incorporating water quality protection into their operations. All dairies and other “confined animal” operations must have animal waste management plans approved by the 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 tools for economic development of Oregon agriculture. Nearly 45 percent of Oregon farms irrigate some or all their land. Irrigated lands produce over 70 percent of Oregon’s harvested crop output.

The legislature made investments in Oregon’s water resources in 2013 and 2015 by committing resources to water supply development and conservation as well as water quality and landscape monitoring (see [Water Management](#) Background Brief for more information).

## LAND USE

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Oregon’s agriculture industry depends on productive farmland and rangeland. The Exclusive Farm Use (EFU) zone designation was developed by the 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 [Agricultural and Forest Lands](#) and [Land Use](#) Background Briefs for more information).

## COEXISTENCE

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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, 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 application. In 2015, the legislature adopted a mediation process for farmers who believe an activity on nearby land is interfering with their farming practice. The legislation authorized a court to impose sanctions against a party who is unwilling to participate in mediation ([House Bill 2509](#)).

## GROWING THE AGRICULTURAL ECONOMY

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[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 who wants to start or expand a farm.

## GOVERNING AUTHORITIES

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ORS 561.372 creates the State Board of Agriculture (**Board**). 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 Oregon Department of Agriculture (ODA) Director and the Oregon State University Dean of Agriculture serve as nonvoting members.

The Board acts as a policy advisor to the ODA and fosters partnerships and close contact between various governing bodies and the agriculture industry, from producers 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, and 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 CONTACTS

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