

Ohio House Agriculture and Rural Development Committee  
House Bill 183 (Sub-Bill)  
Proponent Testimony  
October 23, 2019

Chairman Koehler, Vice Chairman Smith, Ranking Member Brent, and members of the House Agriculture and Rural Development Committee –

As representatives of Ohio livestock and poultry farmers, we submit this testimony in support of House Bill 183, as introduced by Representatives Patterson and Manchester, to incentivize helping beginning farmers. We support any efforts to help usher in the next generation of farmers, especially in a business that is known for steep entry costs. While our original proponent testimony from April 30, 2019 still stands, we also believe a few of the changes made in the substitute bill are an improvement, specifically:

- Preventing the credit from being used to transfer assets among existing shareholders, but does not limit other interested parties from participating, including family members.
- A certification for the program that not only verifies eligibility, but also helps connect beginning farmers with an educational resource they can use throughout their careers.
- A 5-year sunset that forces all of us to review the program and identify potential improvements.

With these changes, this credit is a step towards helping the next generation of farmers successfully start their career. As you may be aware, the average age of a U.S. Farmer is 58 years old – with an increased trend forming over several years. Recognizing this trend line and the heavy cost associated with entry into an agricultural business, we are presented with a very daunting challenge for the future of Ohio’s food supply. Yet even with these challenges, it would be remiss of us not to recognize the interest that a wide variety of individuals have in an agricultural profession. Each year, we hear anecdotal stories of individuals leaving the city to start a small farm - thus, there is hope to protect the future of our food supply and to offer assistance to those who want to be involved.

While the state of Ohio has done great things for entrepreneurs in other businesses, such as the Entrepreneurial Service Provider program, the unique nature of agriculture requires a different approach. Similar to other entrepreneurial startup efforts, the initial capital investments can be a significant hurdle. Unlike other businesses, there are only a finite number of tillable acres available in the state. In addition, because the equipment required to begin a viable farming operation is so expensive, it can be difficult to obtain proper financing. The combination of these challenges, coupled with the ever-present financial risk associated with weather, international trade challenges, and many others, makes agriculture a daunting business to enter.

We must do all that we can to assist the next generation of beef, pork, poultry, sheep and dairy farmers. These industries make a significant contribution to Ohio:

- Ohio's cattle farmers raise approximately 307,000 beef cows, with a total value of cattle and calves at \$1.45 billion.

- There are about 1,877 dairy farms in Ohio, with an economic impact of in excess of \$4 billion. The total economic impact of dairy products produced and sold in Ohio is \$23.44 billion.
- Ohio raises more than 2.95 million hogs each year, with an economic impact of \$576.8 million.
- Ohio is the second largest egg farming state in the nation, producing 9.5 billion eggs a year, with an economic impact of \$3.3 billion.
- Ohio is the largest sheep producing state East of the Mississippi River with approximately 3,400 farms producing 130,000 sheep and lambs with an economic impact of \$24 million.

In hopes of helping usher in the next generation of farmers, we support the amendment to incentivize helping beginning farmers and hope this committee accepts the language to create this important tax credit program.

				
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