

Ohio Senate Ways and Means Committee
House Bill 95
Proponent Testimony
December 7, 2021

Chair Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee –

As representatives of Ohio livestock and poultry farmers, we submit this testimony in support of House Bill 95, as introduced by Representatives Manchester and Lightbody and passed by the House of Representatives, 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.

We supported this legislation, House Bill 183, in the previous General Assembly and thought the bill improved with the amendments made throughout that process. Those amendments, such as the eligibility of family members to participate while preventing the credit from being used to transfer assets among existing shareholders and 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, remain in the as introduced version of House Bill 95.

The 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 1,650 dairy farms in Ohio, with an economic impact of \$2.35 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 10 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 this legislation to assist beginning farmers and hope this committee accepts the language to create this important tax credit program.



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