



News Release

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Oregon Agriculture Harvests Bumper Income ***Net Income for Oregon Agriculture Triples Over Two-Year Period,*** ***Undermining Ag's Attack on Oregon's Minimum Wage***

(Silverton) – Oregon agriculture garnered \$1.3 billion in net income in 2004, more money than any year in history. Analyzing new data from the federal government, the Silverton-based Oregon Center for Public Policy noted that net farm income in 2004 almost doubled from the previous year and was three times the net farm income of 2002.

“Oregon agriculture has had two years of record growth in net income,” said Charles Sheketoff, executive director of the Oregon Center for Public Policy. “Farmers can complain about the weather, but they have nothing to complain about when it comes to making a profit in agriculture.”

In 2002 Oregon agriculture netted \$438 million in net income. The following year their net income reached a record \$767 million, a 75 percent increase. The increase in 2004 to \$1.3 billion represents a 68 percent increase over 2003 and a three-fold increase over 2002.

“In 2003 and 2004 the value of production rose, while compensation and other costs dropped, resulting in record net income over the last two years,” said Sheketoff.

Sheketoff noted that the record net income has important policy implications. “Record net income confirms that Governor Kulongoski made the right decision when he vetoed an attempt by the agriculture industry to get relief from Oregon’s minimum wage through yet another tax break for farmers,” remarked Sheketoff. “Raising the minimum wage in 2002 did not cause the growth in net income, nor did it hamper the growth. It is merely coincidental that Oregon voters raised the minimum wage and Oregon farmers reaped record profits in subsequent years,” he added.

“While certainly some in agriculture are not experiencing record income, the record net income for all of agriculture undermines the Oregon Farm Bureau’s attack on the minimum wage and repeated pleas for more tax breaks for farmers,” said Sheketoff. Farmers get tax breaks on their land, equipment, and other assets and expenses, and sought more breaks for biofuels production and the cost of minimum wage increases.

“Oregon’s low-income working families would be dancing in the streets if their annual net income tripled over a two-year period,” said Sheketoff.

The **Oregon Center for Public Policy** uses research and analysis to advance policies and practices that improve the economic and social opportunities of all Oregonians.