



January 25, 2023

To: Senate Education, Energy and the Environment Committee

From: Horizon Farm Credit

Bill: **SB 34 - Department of Agriculture - State Ombudsman for Value-Added Agriculture**

Position: **SUPPORT**

Horizon Farm Credit is a member-owned cooperative supporting rural communities and agriculture with reliable, consistent credit and financial services throughout our five-state lending territory in good times and bad. With over \$6 billion dollars in loans outstanding to nearly 23,000 member-owners representing the full range of agriculture, we are one of the largest agricultural lenders on the East Coast.

When farmers sell traditional commodities, the prices they receive are set by the marketplace and influenced by regional, national, and international conditions. In such cases, farmers cannot pass on their cost of production – making them price takers, not price makers.

When producers create products out of the livestock they raise or crops they grow, like ice cream from milk or salsa from fresh vegetables, they are diversifying their business and mitigating their risk. Not to mention, it also helps meet the growing demand for locally-produced food and beverages.

While valued-added agriculture is important for farmers, there is no shortage of legal and regulatory hurdles that must be overcome, often at the local, state, and federal levels. Many farmers operate as sole proprietors, so finding the time to identify and navigate the myriad regulatory compliance standards while continuing to manage the day-to-day tasks of running a farm can be daunting. Creating an ombudsman position for value-added agriculture within the Department of Agriculture will help farmers diversify their operations, meet consumers' ever-increasing demand for local products, and help spur additional economic activity throughout the state.

Horizon Farm Credit SUPPORTS SB 34.

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