

Oregon Public Banking Alliance

Our Money, Our Future www.oregonpublicbanking.com

Public Banking & Agricultural Finance

How can public banking support Oregon farmers?

Supplemental financing through a public bank can be provided in conjunction with local community banks, credit unions, and Community Development Financial Institutions to established, beginning, and family farmers.

Examples of the financial vehicles that a public bank could provide to drive Oregon agricultural operations include loans for non-traditional agricultural activities, real estate loans, and export enhancement loans. In addition, offering flexible terms and extensions on lines of credit would provide necessary financial relief for continuing operations.

Providing direct access to low interest financing is important for farmers in Oregon to be able to weather the storm in emergencies and to prepare for challenges on the horizon.

Can public banks help mitigate emergencies for farmers?

Recent examples of emergencies that have acutely impacted Oregon agriculture are the COVID-19 pandemic and the war in Ukraine. Responding to worker availability, a spike in oil prices, and supply chain disruptions made operations challenging for farmers. Access to flexible financial tools are crucial for overcoming unpredictable times.

In times of crisis, public banks could be called upon to make capital available to localities immediately (similar to the Bank of North Dakota) and fund programs that would allow farmers to keep workers on payroll and to overcome financial disasters with long-term finance that would allow farmers to make a full recovery.

How can public banking finance help to support existing banking infrastructure?

In contrast, with a public mandate and lower cost of capital, public banks could allow under-

resourced regions to create additional credit to spur development while also generating funding streams that compete with private equity for existing supply.

Could a public bank provide support that would allow farmers to make necessary investments to prepare for the road ahead?

Oregon has been experiencing pressures from extreme drought in the summer months that demand solutions for issues such as water quantity, water infrastructure, and irrigation efficiency. A public bank task force could explore how to ensure that the funds that become available for adapting to water challenges are being spent effectively. The public banking system can deliver supplemental financing to targeted needs that will allow for successful transitions through water crises.

Agricultural workforce issues are another prevalent topic that could benefit from the creation of a public bank. Compliance with HB 4002 is already creating administrative hurdles for farmers that complicates farm operations. Where unanticipated costs related to payment of overtime start to arise, operating loan programs can help to free up farmers in a budgetary crunch.

Adaptability in markets is an important trait for the Oregon agricultural industry in the future. At the farm level this means being able to deliver to local markets or pivot to delivering elsewhere. Financing marketing efforts locally and developing supply chains for expanding farmers' reach will be crucial for responding to market shifts.

If you have questions or concerns, we'd love to hear them. You can reach out to:

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