



RE: Energy Bills

Date: January 21, 2021

To: Committee

Dear Committee,

This correspondence is from the Yakima County Farm Bureau (YCFB). YCFB is a grass roots organization with 2700 members consisting of farmers and ranchers with operations both large and small as well as other folks with interest in agriculture affairs in Yakima and Klicitat Counties.

The Yakima County Farm Bureau believes the cost of energy needs to be kept in check. It is intertwined in the economic fabric we need to stay in business. Placing multiple taxes on our carbon based fuels will do great harm to our economy. The YCFB is opposed to anything including additional taxes that raise the cost of energy.

Everything we touch is produced with energy, packaged with energy inputs and moved with energy. The water we sustain our crops with requires energy. The seed bed preparation, the cultivating and harvest of our crops all require energy. The fertilizers and chemicals we need to further sustain our crops require energy. Our workers pay for fuel to get to work to help us grow the food and fiber for our State's residences. Raising the cost of their fuel will lower their standard of living.

Once crops leave the farm, it must be transported with more energy. Along the way even more energy is used to transform the products we produce into a product that consumers wish to purchase. Then these consumable products must be transported to distribution centers and further on to retail outlets. The consumer must acquire these products, either directly or having them delivered more energy.

Energy, whether we like it or not, is the life blood of our modern society. If its price is reasonable, the economy thrives (everything else being equal). If the cost rises, the economic effect is likened to throwing "sand" into the internals of our economy's "bearings" and as that "sand" increases the economic wheels begin to grind to a halt.

If the increase in energy prices is due to private sector factors as in the need to find and develop added energy, then the added cost in the near term causes more energy to become available in the longer term due to increased exploration and costs will tend to lower. Supply and Demand.

The YCFB believes that Washington State is fast approaching the point where people will begin to leave in enough numbers due to State government over-reach and over taxation that it will mirror California. Recently they lost (or is about to lose) a seat in Congress due to de-population. We should not suffer such a fate by following their lead.

In adding more fuel tax there is no improvement to supply. Added tax is just “sand” in the bearings of our economy. For those that discount the importance of the health of our overall economy, the YCFB points out that the taxes already in place in Washington State are reliant and based on that overall activity.

The Washington State Farm Bureau and the Legislature worked out a compromise on the Carbon issue in the last session. The YCFB believes that we need to work with that arraignment first because it deals with the direct issue of carbon sequestration, not simply growing State Government which is already four times larger than it was just two decades ago by taxing energy further.

Further, the YCFB believes that the Covid-19 pandemic is having a serious negative effect on our economy that is not yet fully realized with long lasting repercussions. Business’s including agriculturists reeling from the economic stress from Covid-19 can ill afford a barrage of energy cost hikes.

Even if the tax plan being considered was wise, the timing could not be worse since business and agriculture are reeling from the effects of COVID-19. The YCFB urges you to not move forward with the suite of tax bills aimed at energy, the life blood of our economic activities.

Sincerely,

Mark Herke

President, Yakima County Farm Bureau