

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass the A-Engrossed Measure
Vote:	5 - 0 - 0
Yeas:	George, Schrader, Starr, Verger, Metsger
Nays:	-
Exc.:	-
Prepared By:	Jim Stembridge, Administrator
Meeting Dates:	5/4

WHAT THE MEASURE DOES: Allows contracting agencies to pay up to ten percent more than lowest bidder, for agricultural products produced and transported entirely within Oregon. Allows higher percentage to be paid if agency finds and explains good cause in a written determination.

ISSUES DISCUSSED:

- Food preference provisions, local purchasing, and amount of government dollars spent on food
- Bidding rules for supplying Oregon's penitentiaries
- Safeguards in current contracting law
- Possible inclusion of value-added agriculture, such as French-fried potatoes
- Taxpayer support of Oregon farmers

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: According to Oregon State University, Oregon agriculture production totaled nearly \$5 billion in 2008. Oregon agriculture is export-dependent. According to the Oregon Department of Agriculture, approximately 80 percent of Oregon's agricultural production leaves the state, and approximately 40 percent of Oregon's agricultural production is exported from the United States.

Protectionism, widespread in the trade of agricultural products, results in higher prices for agricultural products. HB 2763-A does not mandate protection for Oregon agriculture, but authorizes contracting agencies to pay a preference premium.