



## **SB 816 Establishes Agricultural Experiment Station Fermentation Sciences and Value Added Program. Willamette Valley Vineyards Urges Your Support**

The value of many of Oregon's agricultural commodities can be increased through fermentation processes (e.g. grapes to wine, milk to artisan cheese, barley and hops to microbrews, wheat to bread etc.), distillation, and valued-added market analysis and marketing which will facilitate additional jobs and value for Oregon's economy.

SB 816 establishes the Agricultural Experiment Station (AES) Fermentation Sciences and Value Added Program to provide technical and marketing support to these rapidly growing industries. Investments in the program would be coordinated by Oregon State University (OSU) in collaboration with Umpqua, Chemeketa and other community colleges and high schools and will support Oregon's rapidly growing, value added, locally owned wine, cheese, microbrews, distilled spirits, and artisan bread industries. The bill would appropriate from Innovation Funds \$2.5 million for funding the establishment of the program.

OSU currently has the most comprehensive fermentation sciences program (e.g. wine, cheese, microbrews, and bread, with the potential for distilled spirits) of any university in the U.S. In most cases, OSU has the essential core fermentation faculty/scientists in place. A long-time supporter of the fermentation sciences program, Willamette Valley Vineyards (WVV) has utilized a yeast in its wine production that was initially developed at OSU for crafting cheese. WVV has also benefited from the employment of some of the students trained in the fermentation sciences program.

Establishing the Agricultural Experiment Station Fermentation Sciences and Value Added Program will add technical and research support as well as distillation and valued-added market analysis marketing components.

### **KEY INVESTMENT OUTCOMES:**

- Support state agriculture and manufacturing, help industries meet the growing demand for Oregon products and compete more effectively in national and international markets.
- Provide Oregon specific research on emerging market trends and NW climate growing conditions.
- Improve the **Oregon Brand** and maintain our reputation for high quality and competitively priced products.
- Train the most highly skilled workforce in the country to feed Oregon's high growth industries.
- Support economic development; create jobs and new business opportunities across Oregon.

Every \$1 spent in agricultural research leads to \$10 in economic benefit. To help build on Oregon's premium craft industry, the state should invest in research, market development and workforce development in the fermentation industries. Willamette Valley Vineyards believes that investing \$2.5 million from the Innovation funds in the Fermentation Sciences and Value Added Program will help produce real and sustained job growth in Oregon.

CO-Chairs:

Rep. Barton  
Rep. Freeman

Members:

Rep. Bentz  
Rep. Gombert  
Rep. McKeown  
Rep. Thatcher

Staff:

Jan Nordlund, Committee Administrator  
Branden Pursinger, Committee Assistant



77<sup>th</sup> LEGISLATIVE ASSEMBLY  
HOUSE SMALL BUSINESS TASK FORCE

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May 29, 2013

Honorable Senator Richard Devlin, Co-Chair, Joint Committee on Ways and Means  
Honorable Senator Rod Monroe, Co-Chair, Subcommittee on Education  
Honorable Representative Peter Buckley, Co-Chair, Joint Committee on Ways and Means  
Honorable Representative Betty Komp, Co-Chair, Subcommittee on Education

To the Co-Chairs of Ways and Means and Co-Chairs of the Education Subcommittee,

The House Small Business Task Force respectfully requests that SB 816A be moved to the floor with a do pass recommendation. This request is unanimously supported by the members of the task force.

The measure establishes the Agricultural Experiment Station Fermentation Sciences and Value Added Program at OSU to provide science-based research and innovation support to Oregon's wine, cheese, microbrew, distilled spirits, and artisan bread industries. The measure appropriates \$2.5 million from the General Fund to support the program.

Jim Bernau, President of Willamette Valley Vineyards, reminded the task force that in 1983 the Legislative Assembly supported research at OSU that accelerated Oregon's wine industry. Today there are 450 wineries and 850 commercial vineyards. The microbrew industry had a similar story to tell, and the craft distillers are also following this pattern, as they account for ten percent of all craft distillers in the county. We were told that yogurt may develop into the next big industry. These industries rely on innovations in fermentation. They also rely on a skilled, educated workforce that can bring innovations learned in the university setting to the workplace.

Oregon entrepreneurs have taken the lead in adding value to commodities through fermentation and distillation, resulting in products with a national and international reputation. Producers in other states are benefiting from substantial public investments in fermentation sciences. SB 816A invests in a program that will focus on Oregon-specific science and economic research, produce a highly skilled workforce, and develop competitive advantages for selling Oregon products around the world.

Respectfully,

A handwritten signature in black ink, appearing to read "Tim Freeman".

Representative Tim Freeman  
Co-Chair

A handwritten signature in black ink, appearing to read "Brent Barton".

Representative Brent Barton  
Co-Chair



May 28, 2013

The Honorable Peter Courtney, President of the Senate  
The Honorable Tina Kotek, Speaker of the House  
The Honorable Richard Devlin, Senate Co-Chair of Ways and Means  
The Honorable Peter Buckley, House Co-Chair of Ways and Means

RE: SUPPORT OF SB 816

The Oregon Job Caucus urges your support of SB 816 and the appropriation of \$2.5 million for the establishment of the Agricultural Experiment Station Fermentation Sciences and Value Added Program. We believe that the inherent value and economic impact of many of Oregon's agricultural commodities will be increased through enhanced fermentation processes. Across the state we see quintessential examples of this added value: grapes to wine, milk to artisan cheese, barley & hops to microbrews and even wheat to bread. Additionally, the ability to examine and enhance distillation for Oregon's budding spirits industry and valued-added market analysis and marketing for all of the aforementioned, home-grown, agriculture sectors, will facilitate additional jobs and value for Oregon's economy.

SB 816 offers Oregon an opportunity to support and bolster presently successful state agriculture and manufacturing. The Job Caucus stands behind this bill because 816 will help these existing industries meet the growing demand for Oregon products across the globe and compete more effectively in national and international markets. Through this investment, the AES Fermentation Sciences program can focus on Oregon-specific science and economic research, train a highly skilled, multi-sector workforce, and develop competitive advantages for selling products manufactured in Oregon across the globe.

It deserves noting that every \$1 spent in agricultural research leads to \$10 in economic benefit. The innovative agriculture research and market analysis offered in SB 816, will help ensure that our producer industries are poised to continue the rapid growth of recent decades.

The Oregon Jobs Caucus urges your approval of SB 816 and the investment of \$2.5 million to bolster real and sustained job growth in Oregon industry.

Sincerely yours,

Oregon Jobs Caucus



# Oregon Jobs Caucus

Representative Cliff Bentz

Representative Kevin Cameron

Representative David Gomberg

Senator Bill Hansell

Senator Tim Knopp

Senator Bruce Starr

Representative Jim Thompson

Representative Vicki Berger

Representative John Davis

Representative Bruce Hanna

Representative Bill Kennemer

Senator Alan Olsen

Senator Steiner Hayward

Senator Chuck Thomsen

June 4, 2013

Dear Co-Chair Devlin and Co-Chair Buckley,

As a freshman caucus, we campaigned on finding new ways to bring jobs to Oregonians. Throughout this session, we have remained committed to advocating for new, innovative ideas that have the potential to create real job opportunities, and we believe that investing in these programs is in the best interest of the state.

We are requesting funding for the following bills and programs that will create jobs and aid us in fulfilling our promises to our constituents:

**Job growth through investment in higher education:**

- **Small business development centers** work within our community college ecosystems to provide low-cost training to Oregon small business owners and entrepreneurs. Fully funding these centers helps ensure that tomorrow's business leaders have the knowledge and resources to grow within their individual fields.
- **Funding the university and colleges capital construction budgets** puts Oregonians to work right away while ensuring our community colleges and universities have the infrastructure they need to prepare our students for the 21st century.
- **Additional funding for community colleges** will aid schools in advancing their curriculums and fostering economic engagement in Oregon. Should new sources of revenue, such as the corporate kicker, become available we would request that those funds be appropriated from the general fund and put toward investment in higher education.

**Economic benefits through science and innovation:**

- **HB 3451** establishes a comprehensive Ocean Research Vessel Program that provides \$330,000 in state funding that would enable 10 days of vessel research for the 2013-15 biennium. A panel of scientists and public members would recommend a research program for the vessel. Funding would be contingent upon federal commitments to support the operations and maintenance of the current research vessel *Oceanus* or its replacement.

- **SB 816** establishes the Agricultural Experiment Station Fermentation Sciences and Value Added Program at Oregon State University (OSU) to provide science-based research and innovation support to Oregon's wine, cheese, microbrew, distilled spirits, and artisan bread industries. This bill will create jobs and business opportunities in industries across rural and urban Oregon.
- **Oregon Bioscience Reinvestment program** seeks to develop a public/private partnership workforce training pilot program, based on the existing Oregon Bio training program (BioPro) curriculum that would enable unemployed engineers and other professionals to become re-employed in the biosciences and other advanced manufacturing industries. The program has received a \$67,000 grant from Worksystems Inc. and requires an additional \$200,000 to establish the dislocated worker training pilot program and re-employ Oregonians in the bioscience and advanced manufacturing industries.

**Supporting Oregon small businesses and industries:**

- **HB 3459** establishes the Office of Small Business Assistance within the Office of Secretary of State. This office will be charged with facilitating interactions between small businesses and state agencies, giving voice to this vital sector our economy.
- **HB 2643** requires all state and local agencies that issue permits and registrations to make information about the regulatory process available to small business through the Oregon License Directory. This bill helps small business owners understand the true cost of doing business in Oregon and provides them with an additional tool to help navigate the regulatory process.
- **HB 2700** directs the Oregon Business Development Department to create the Beginning and Expanding Farmer Loan Program in consultation with the State Department of Agriculture. This program will help beginning farmers access the capital they need to expand small-scale agricultural projects in our state.

- **The Film Industry Tax Credit** supports Oregon industries by creating jobs and producing benefits to Oregon's economy. The film industry contributes to local businesses including eateries and caterers, trucking companies, landscape industries, rental supply businesses as well as academic programs and colleges. In recent years, Oregon has seen a large increase in interest from the film and television industry. In 2011, a record \$110 million was spent on projects that qualified for the Oregon Production Investment Fund (OPIF).

Pushing these policies and programs will help to spur economic growth and support Oregon's small businesses. We request your support in the funding of these top priorities.

Sincerely,

Representative Barton

Representative Fagan

Representative Gallegos

Representative Gomberg

Representative Gorsek

Representative Keny-Guyer

Representative Lively

Representative McKeown

Representative Reardon

Representative Unger

Representative Vega Pederson

Representative Williamson