



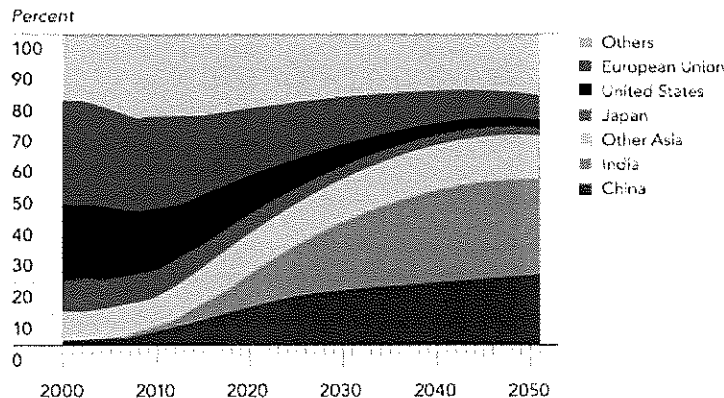
Oregon Food and Beverage Leadership Council Policy Agenda

The Oregon Advantage

Food and beverage manufacturing represents a key opportunity for creating jobs, raising incomes and reducing poverty in rural and urban Oregon. Oregon's food and beverage industry grew 20% between 2003-2013, while other Oregon sectors—and the food and beverage industry nationally—declined. Food processing was the only Oregon manufacturing sector to add jobs in the recession.

Oregon has several notable competitive advantages in the food and beverage marketplace, including: a high-quality, diverse agricultural base; proximity to large population

Shares of Middle Class Consumption, 2000-2050



Source: OECD

opportunities will realize significant economic rewards.

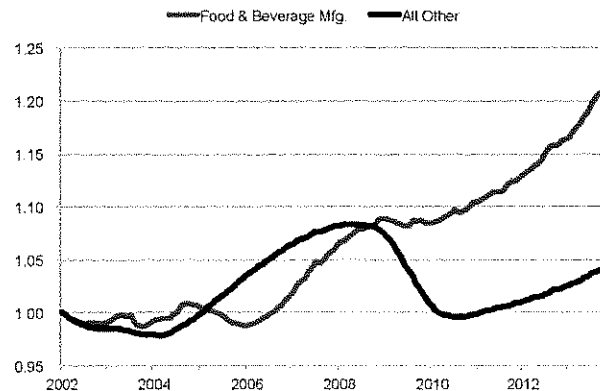
Rural Economic Success

The Boardman-Hermiston region is a great example how the growth in agricultural and food production fueled by drip-irrigation, high value crops and value-added integration has resulted in rural job growth in all segments of skills and pay—including building trades, technicians, management and engineering. This Oregon region enjoys lower unemployment and poverty and higher wages than rural regions across the state. The agenda on the following page is intended to continue this success and expand it statewide.

This agenda is a first step in a larger effort by food processing executives, the NW Food Processors Association, Oregon Business Association, Oregon Business Council, and Business Oregon aimed at solidifying Oregon as a global leader in value-added food processing and to accelerate job and income growth in this sector.

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Employment Trends Oregon Food & Beverage Mfg. vs. All Other Index 2002 = 1.00

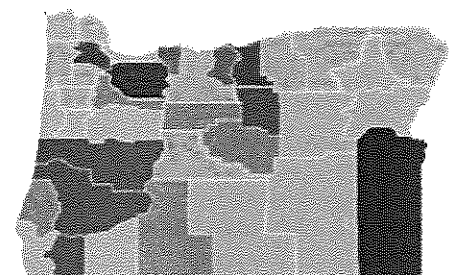


centers in the Western U.S. and Asia; close and well-developed urban food culture; sophisticated food processing infrastructure; and strong existing brand equity in quality food.

A Global Opportunity

Food systems will be faced with several significant challenges and opportunities over the coming decades, including the need to feed as many as 9 billion people without destroying the planet. The companies and regions that address these

Figure 11. Poverty rates exceed the state average in much of rural Oregon



9% State Average 23%
Source: OregonLive analysis of 2012 US Census

- **OSU Statewide Investment Package—SB 657 (Senate Education Committee):** The Agricultural Experiment Station and Extension Service provide state-of-the-art research and outreach in all 36 Oregon counties. The OSU Board of Trustees developed a proposal to add \$16 million in programs aimed at making progress in economic prosperity in every corner of the state. These include Water Quality and Quantity, Sustainable Management of Working Landscapes, Public Health, Food Safety and Security, Business Development and Value Added Manufacturing.
- **Brand Oregon—SB 2722 (House Rural Communities Committee):** Oregon’s “brand” is strong. Products like wine command twice the price of California and Washington wines. We are known for quality products and stewardship of our land and resources. This bill would create a program to further develop Oregon’s brand image and market Oregon products in international markets to help expand export opportunities.
- **Water Supply Development (Ways and Means Subcommittee on Capital Construction):** The Governor’s Recommended Budget included \$53.2 million in general obligation bonds and lottery funds to continue work to accelerate water resources development through place-based local planning, project feasibility, and project finance. These efforts are located throughout the state, including the Umatilla, Deschutes, Willamette, Rogue and Klamath River Basins. These investments create the opportunity to dramatically increase value-added food production. Full implementation of the water plan in the Umatilla Basin is expected to create thousands of jobs and hundreds of millions of dollars in increased economic activity.
- **Natural Resources Transformative Technology Grant Program—HB 2434 (House Rural Communities Committee):** This program, modeled after Oregon InC., will support the commercialization of new technologies in Oregon’s natural resource industries including value-added agriculture and food processing. Natural resource industries are “sunrise” not “sunset” industries and this program recognizes that innovation is as important in natural resource industries as it is in software and electronics.
- **Transportation Investments—Statewide Transportation Package and Connect Oregon VI (House Transportation Committee):** Food production is a transportation and trade dependent industry, requiring reliable access to all U.S. West Coast international gateways. Congestion and highway limitations will severely limit growth in this industry. The recent Cost of Congestion study showed that making needed transportation investments will result in more than \$1 billion in annual economic benefits to the state and more than 8,300 jobs annually. Passage of Connect Oregon VI and a statewide transportation investment package are critical.
- **Rural Infrastructure Opportunity Fund—HB2435 (Ways and Means Transportation Committee):** Economic development opportunities are often decided based on the ability to deliver “the last mile” of road, pipe, transmission line or other infrastructure requirement. Rural communities are in the worst position to partner companies to make these investments because of inadequate budgets. The rural infrastructure opportunity fund will provide forgivable loans to local jurisdictions for catalytic infrastructure projects that unlock near-term job creation opportunities tied to specific business expansion and recruitments that, but for the investment, would not occur otherwise.
- **Food Processing Machinery and Equipment Tax Exemption—HB 3125 (House Revenue Committee):** In 2003, the Oregon Legislature passed House Bill 2735, which allowed newly acquired machinery & equipment used by fruit, vegetables, nuts, legumes and seafood processing businesses to be exempt from local property taxes for 5 years. This incented companies to invest and grow their operations here in Oregon and also helped food processors meet their own voluntary carbon reduction goals (25% in 10 years) by upgrading to more energy efficient equipment. HB 3125 expands this 5 year property tax exemption to bakery, egg and dairy producers, which comprise 24% of Oregon’s food processing industry.
- **Maintaining Working Lands—Sage Grouse Conservation and Juniper Removal and Utilization (ODF, ODFW budget)** Oregon’s agricultural and ranching industries will benefit from the State’s All Lands-All Threats Sage Grouse strategy (ODF, ODFW Budgets; HB 2401) to prevent the listing of the Sage Grouse and efforts to accelerate harvesting and utilization of Western Juniper (HB 2997 & 2998), which poses a major threat to water supply, Sage Grouse habitat and rangelands.

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