

Analysis
Oregon Department of Agriculture
Dairy Marketing Grant

Analyst: Paul Siebert

Request: Approve the submission of a federal grant application by the Oregon Department of Agriculture (ODA) to the United State Department of Agriculture's (USDA), Federal-State Marketing Improvement Program (FSMIP). The grant will be for an amount of \$149,000.

Recommendation: Approve the request.

Analysis: The FSMIP grant funds will be used to support a regional initiative that supports the Oregon dairy industry's expanding export efforts. ODA will work collaboratively with the Oregon Dairy Products Commission, to expand the current program to a regional approach, and begin working with the states of Washington, Idaho, Utah, and Arizona. The additional grant funds will be used to better access to global markets, create efficiencies in supply chain management, devise a structure for continued cost savings through consolidated shipments, and create in-country product promotional opportunities.

Even though there is no match requirement, an additional \$258,200 in cash and in-kind match, will be contributed by the U.S. Dairy Export Council to add to the \$149,000 in grant funds. Grants applications to this program must now be submitted by state agriculture agencies. Grant application reviews are expected to continue through June 16, 2017. Should the grant be awarded, ODA will work with the Legislative Fiscal Office on any need for increased federal funds expenditure limitation in the 2017-19 biennium if necessary. ODA has indicated that any agency work associated with is grant can be accomplished with existing staff.

Legislative Fiscal Office recommends approval of the request.