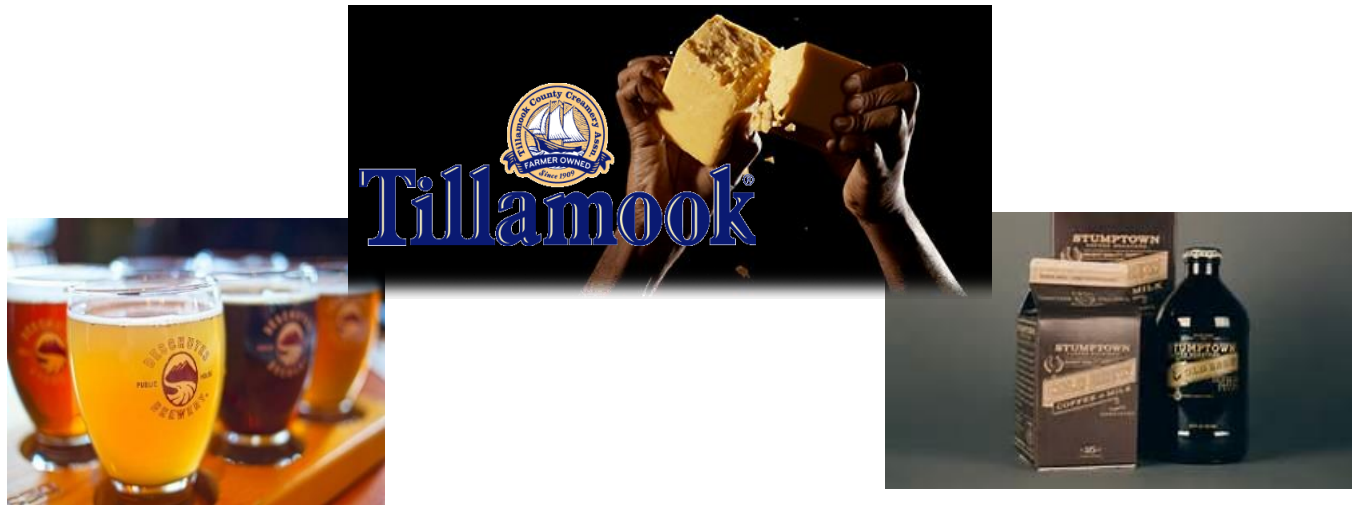
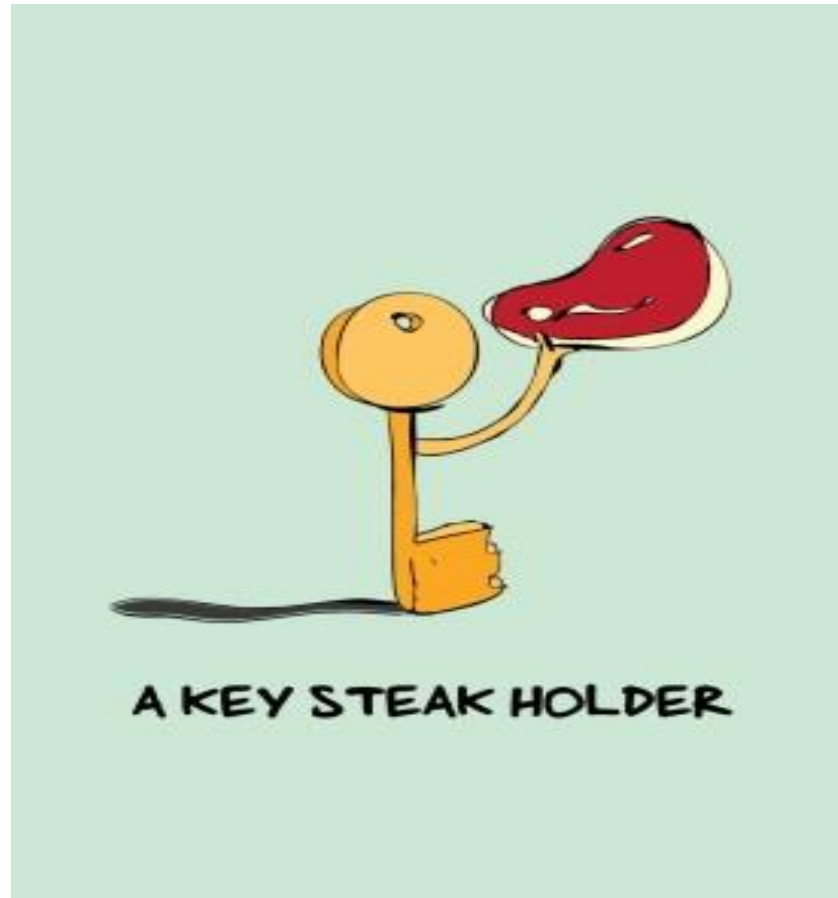




Implementing the Oregon Food and Beverage Industry Roadmap



Food & Beverage Roadmap Key Stakeholders



Food & Beverage Roadmap

Key Stakeholders



Oregon Food & Beverage
Leadership Council



Background & Timeline

2014 – Formation and brainstorming

- Top management of 30+ companies met 3x to form non-funded volunteer Oregon Food & Beverage Industry Leadership Council; testified 2x before Oregon legislature.

2015 – Focus on opportunities

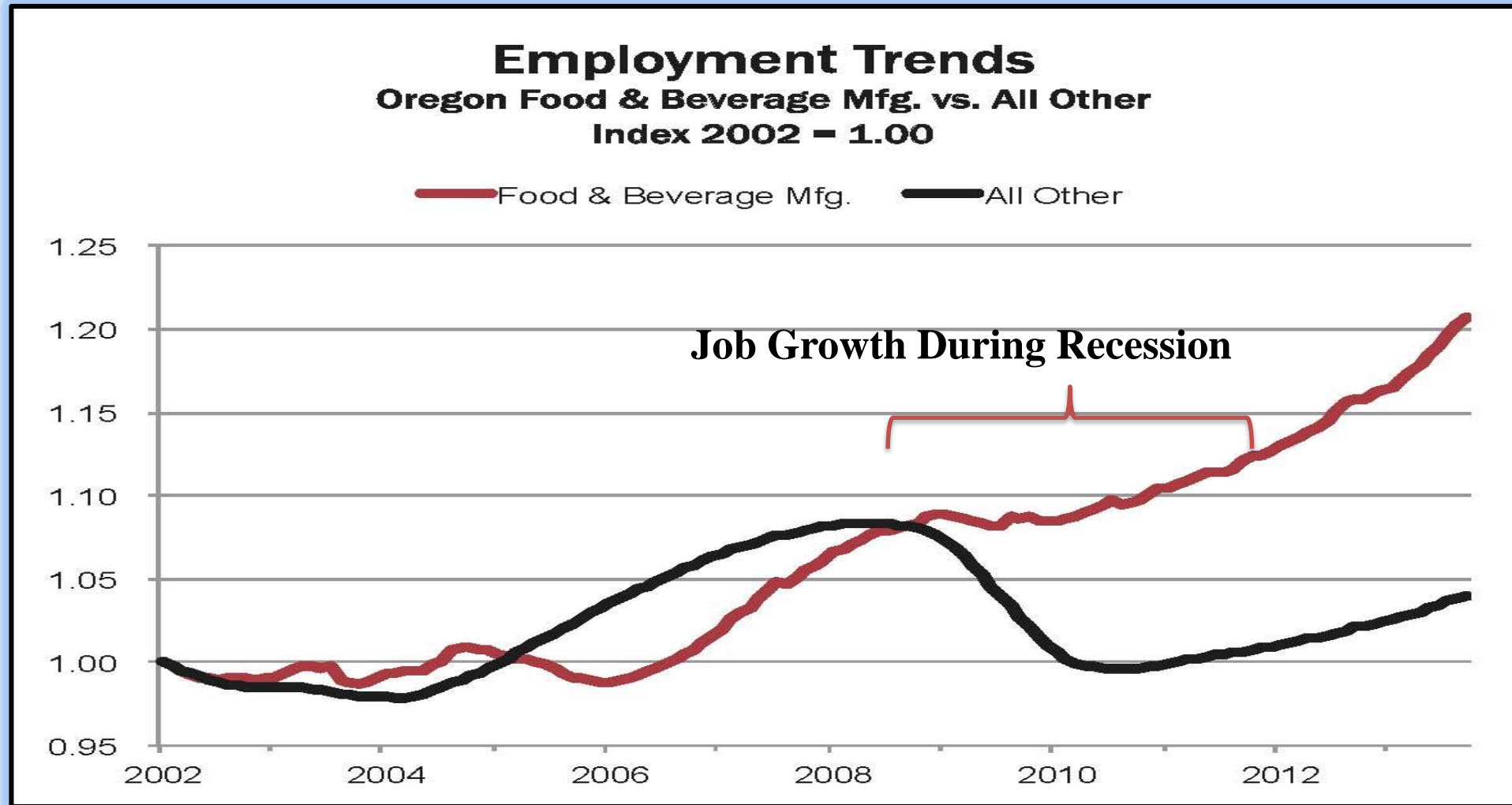
- Met at NWFPA EXPO, also with Governor's office & Business Oregon to discuss & investigate "opportunities."

2016 – Raise funds, conduct research, publish 10-year Road Map

- Met at NWFPA EXPO.
- Raised \$150K; Biz OR with industry input, conducted nation-wide consultant search.
- Selected economic development consulting team.
- Conducted research w/ extensive stakeholder input.
- Met multiple to shape report into practical document.
- Published report in late Nov. & sent it to the Governor.

2017 – Road Map implementation planning underway

Oregon F&B Manufacturing vs. All Other

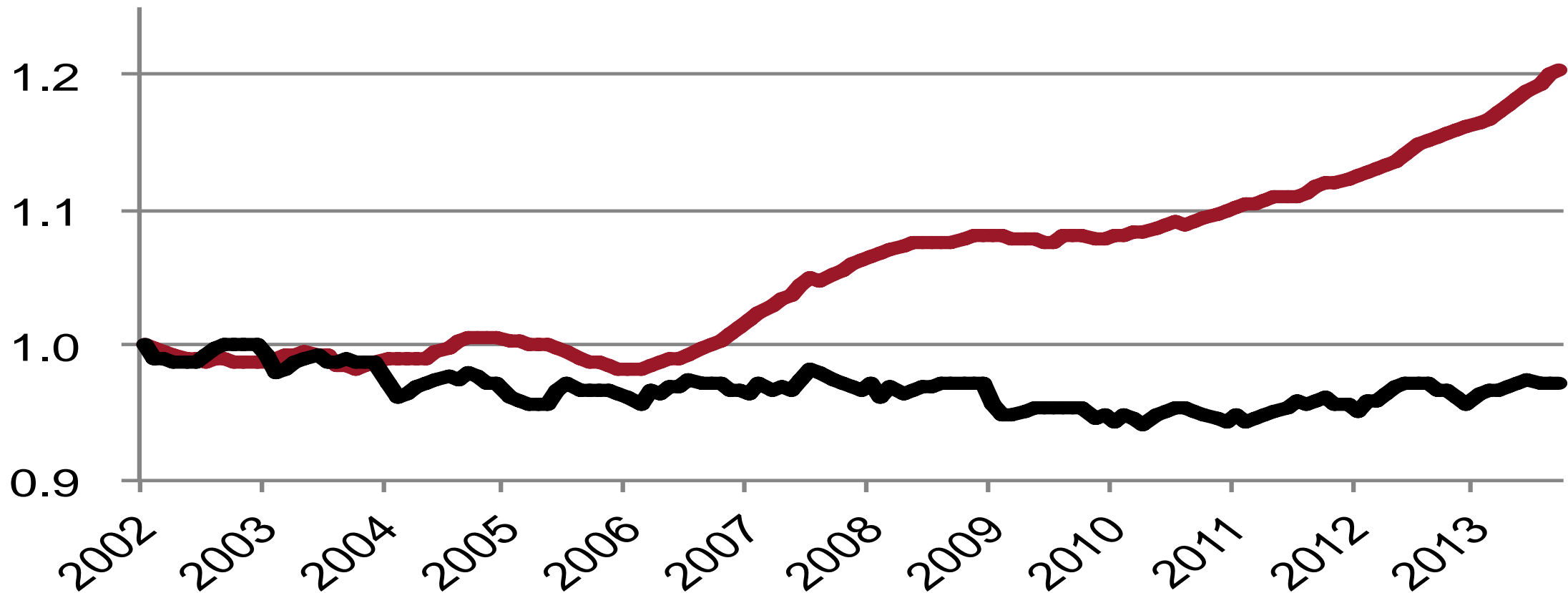


Source: ECONorthwest May 28, 2014

Employment Trends

Food Manufacturing/Beverage, Index 2002 = 1.0

— Oregon — US



Statistical Research Highlights

- **Manufacturing Snapshot**

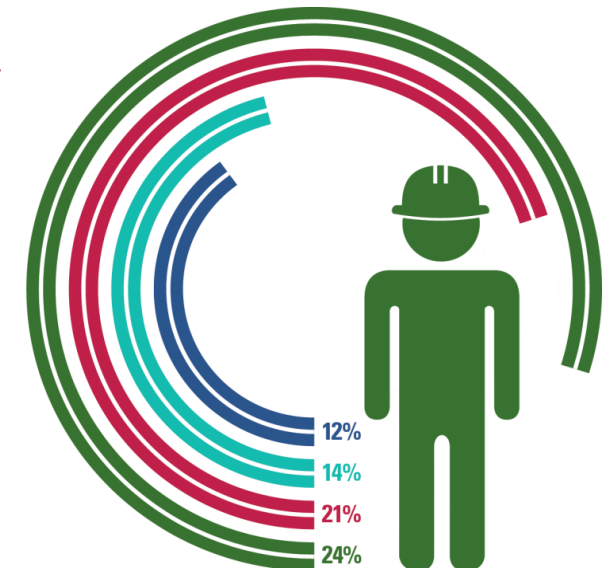
- **Jobs grew 7.8%** between 2007 and 2012, while total jobs in Oregon lost 5.3% and other manufacturing lost 15.8%
- **By 2014, F&B manufacturing supported 31,920 jobs**, with another 4,200 jobs in related distribution, machinery and container manufacturing sectors.
- **The industry represents \$16.4 billion in economic output (2014)**, increasing 58.2 per cent in the last 10 years.
- Creates significant economic multiplier effects for the Oregon economy, **supporting 6.1 percent of state industry output** based on Oregon State University estimates. With the multiplier effects, the 36,000 direct jobs in food manufacturing and distribution increase to support more than 80,000 jobs statewide.
- Overall, agriculture, food and fiber manufacturing and distribution support more than **13% of the state economy**.
- **Oregon ranks 2nd** in the nation in the concentration of fruit and vegetable processing.

Shared Vision

To maximize the industry's growth potential:

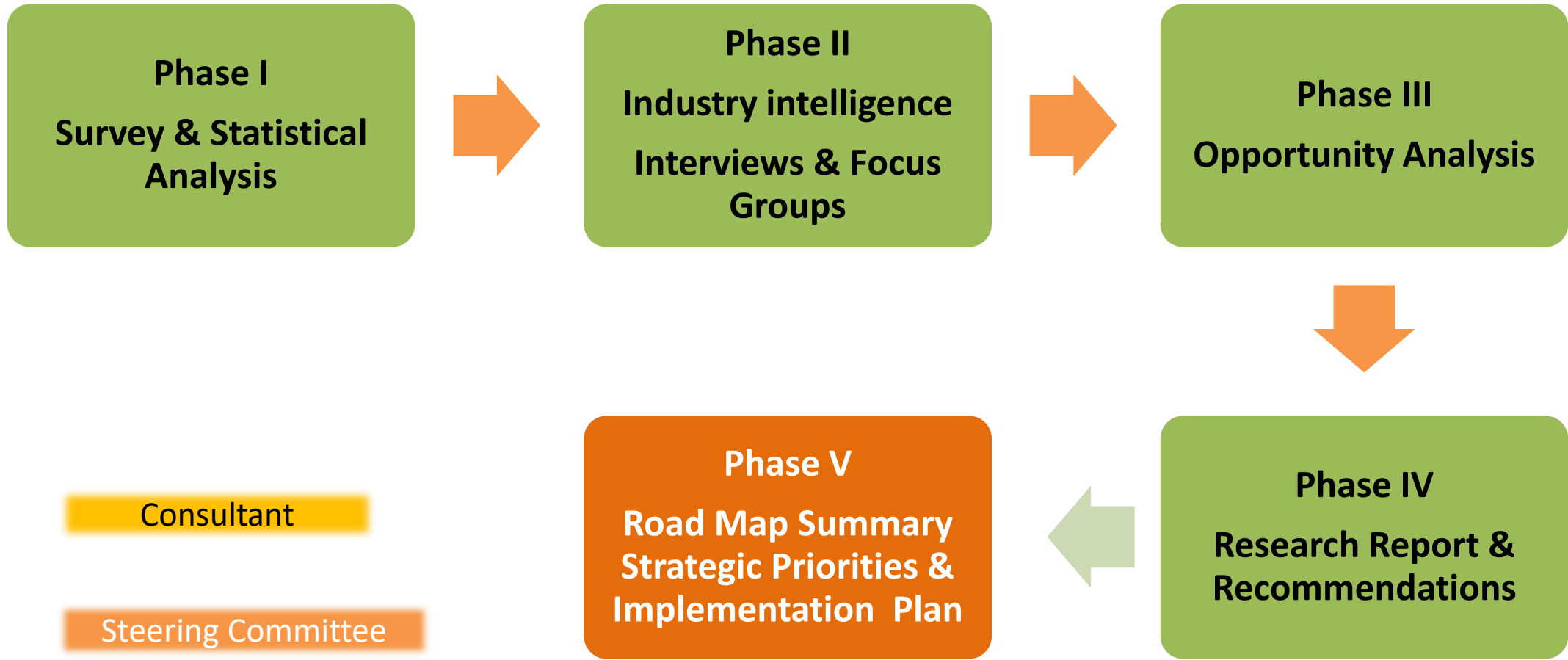
- **Identify** competitive advantages/industry needs
- **Develop** a business plan for action steps and key investments
- **Establish** collaborative Public-Private Partnership.
- **Accelerate** actions to address high-impact opportunities

**Industry
Employment
Projection
2014-2024**



TOTAL MANUFACTURING ■■■
TOTAL JOBS ■■■
FOOD MANUFACTURING ■■■
FRUIT AND VEGETABLES ■■■

Project Process



Core Objectives

- **Actionable outcomes** that target growth opportunities based on analysis of competitive and comparative advantages of Oregon's traded-sector food and beverage industry
- Emphasis on **5-6 key manufacturing subsectors** and identify **cross-cutting industry issues**
- **Short to long-term tactics** - 10 year time horizon
- **Metrics** tied to the growth of the industry and key subsectors

Focus Outcomes

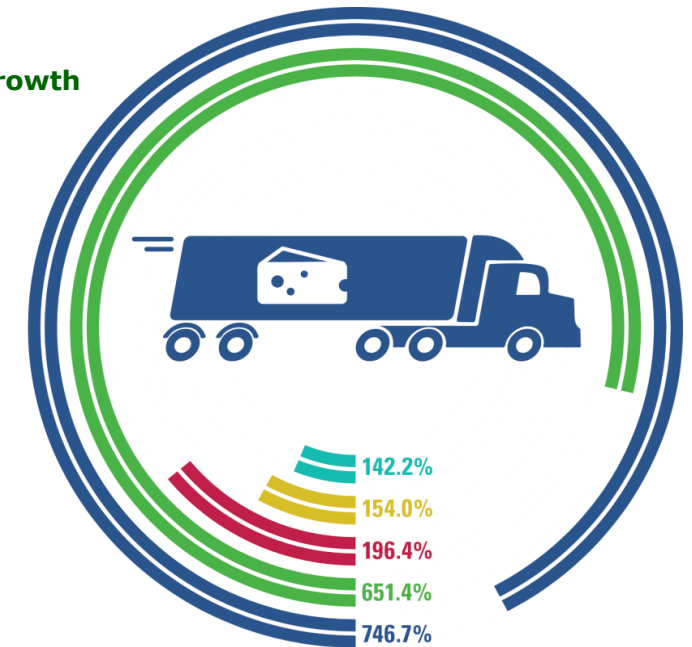
Industry sub-sectors identified for in-depth exploration:

- Fruit and Vegetables
- Grains and Baking
- Dairy Products
- Beverages
- Snacks, coffee, tea, ingredients & mixed food manufacturing

Cross cutting issues identified

- Leadership and Coordination
- Research and Development / Technical Assistance
- Workforce Development
- Distribution Infrastructure
- Market Development
- Government Regulation

**Export Sales Growth
2003-2014**



Strategic Themes

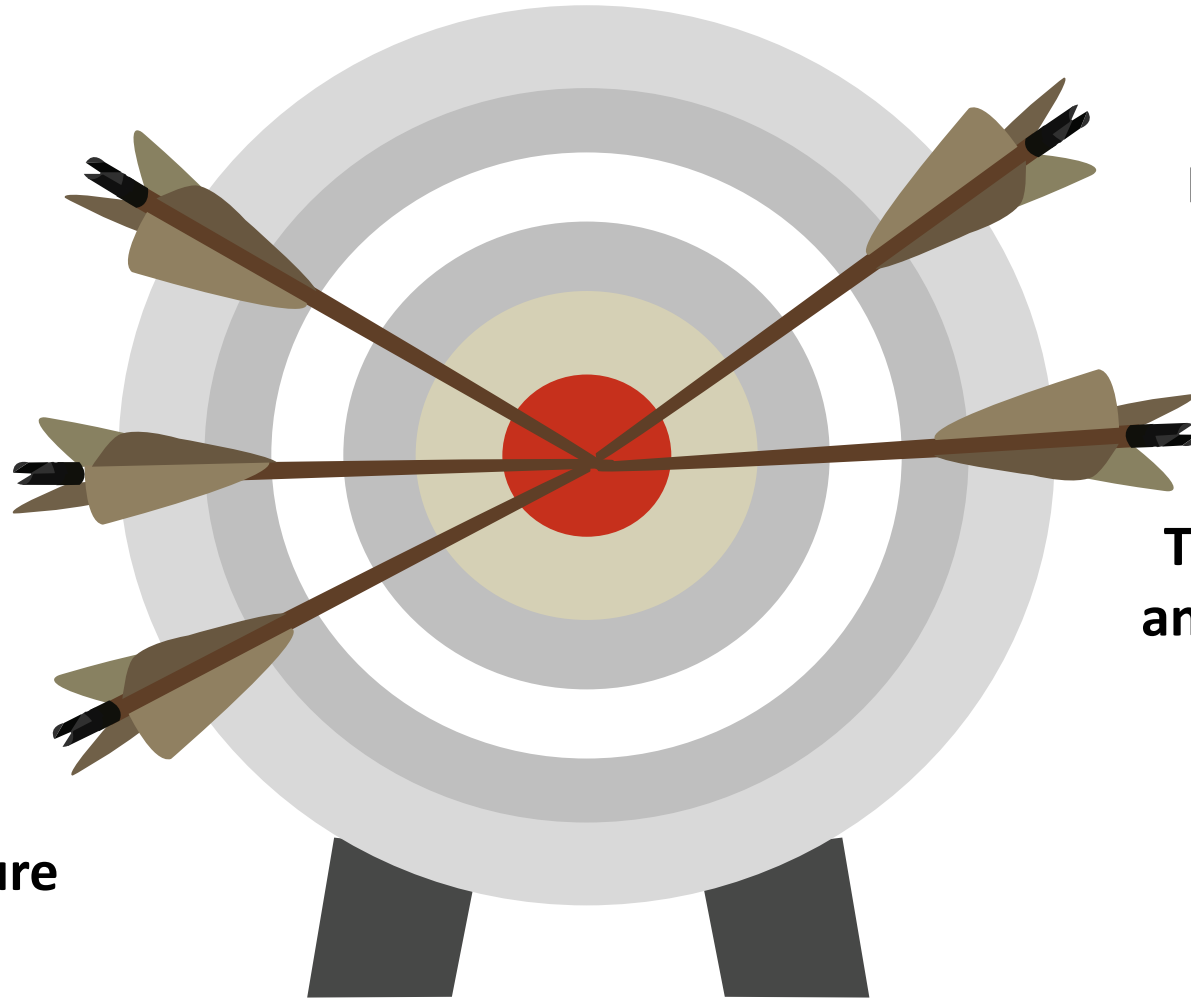
Theme 1: Research and Development / Technical Assistance Investments

Theme 2: Prepare the 21st Century Workforce and Develop a Viable Talent Pipeline

Theme 3: Invest in Transportation Infrastructure

Theme 4: Coordinate Market Development

Theme 5: Collaboration and Regulatory Resource Utilization



Improve . . .
Research & Development
and Technical Assistance

- **Executive Summary**
– Page 8

- **Full Roadmap Report**
– Pages 30 - 32

Recommendations for R&D and Technical Assistance Investments:

1. Support the expansion and upgrade of OSU facilities in the proposed "Soil to Shelf" project; \$18 million total investment, \$9 million leveraged;
2. Develop a business model whereby OSU can work directly with food and beverage companies on proprietary research, leveraging the new facilities;
3. Develop a financially sustainable business model and public-private funding model to expand the capacity and scale of services offered at the Food Innovation Center (FIC);
4. Expand resources and research capacity to assist firms with food safety issues (particularly with additional microbiologists) and utilize federal programs in which the state could match federal funds in the area of food safety and technology development.

Prepare 21st Century. . . Workforce and Talent Pipeline

- **Executive Summary**
– Page 9
- **Full Roadmap Report**
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Recommendations to achieve a quality, well-trained workforce:

1. Develop an inventory of existing resources and providers of education and training programs specific to the Food and Beverage Industry;
2. Assign a single, state-wide resource to partner with private industry to better leverage existing educational resources, notably to:
 - a) Explore opportunities to develop technical education models through the Oregon Talent Council (OTC).
 - b) Connect with Workforce Investment Boards (WIBs) sector training strategies
 - c) Connect with STEM Industry Council and regional STEM Hubs
 - d) Identify a local area in which to activate a pilot of the Oregon Career Technical Education Skill Cluster for Food Science and Processing
3. Work with university business schools to integrate focus on food and beverage careers in the curriculum.
4. Work with Oregon Employment Department and private workforce referral agencies to better coordinate part time and shared worker availability and summer/high school work rules and liability issues.

Invest. . . . Transportation Infrastructure

- **Executive Summary**
– Page 9

- **Full Roadmap Report**
– Pages 36 - 38

Recommendation to support critical investments in freight transport:

1. Pass a statewide transportation improvements package that adequately invests in highways, roads, bridges, and other critical transportation infrastructure.

Coordinate... Market Development

- **Executive Summary**
– Page 11
- **Full Roadmap Report**
– Pages 38 - 40

Recommendations to expand markets for Oregon food and beverage products:

1. Assign and appropriately fund either Business Oregon or ODA to work with the private sector to define and develop an explicit value-added food and beverage manufacturing market development strategy and coordinate with existing state marketing programs where appropriate such as those conducted by Travel Oregon;
2. Assign and appropriately fund either Business Oregon or ODA to work with the private sector to develop a comprehensive public education campaign within Oregon to convey the benefits of the food and beverage manufacturing industry;
3. Support existing recruitment efforts through the Team Oregon partnership to attract more food and beverage companies and entrepreneurs to Oregon, particularly co-packaging, distribution, transportation, and food machinery businesses.

Collaborate & Streamline. . . Government Regulations

- **Executive Summary**
– Page 10

- **Full Roadmap Report**
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Recommendations to streamline government services and requirements:

1. Follow federal lead in food and beverage regulatory issues, including issues such as labeling and capital investment tax incentives;
2. Invest in modern regulatory compliance systems that feature online data entry and retrieval;
3. Collaborate on information clearinghouse system to make regulatory and technical assistance services more visible to small and medium-sized firms;
4. Initiate public-private dialogue, particularly leveraging NWFPA and other industry associations, on the impacts of recent changes in workforce-related regulations;
5. Resist implementation of new workforce-related regulations pending thorough understanding of how those regulations would impact the food and beverage industry and employment;
6. Collaborate to promulgate building development standards and wastewater reclamation processes that meet performance criteria but recognize unique food and beverage characteristics.

Short- to Mid-Term Strategies

Theme 1 - R & D	Theme 2 - Workforce	Theme 3 - Infrastructure	Theme 4 - Marketing	Theme 5 - Collaboration and Regulatory Resources
Support the expansion and upgrade of OSU facilities in the proposed "Soil to Shelf" project; \$18M with \$9M private match	Develop and maintain inventory of existing resources and providers of education and training programs specific to the Food and Beverage Industry	Pass a statewide transportation improvements package that adequately invest in highways, roads and bridges and other critical transportation infrastructure.	Define and develop an explicit value added food and beverage manufacturing market development strategy	Follow federal lead in food and beverage regulatory issues, including issues such as labeling and capital investment tax incentives
Develop a financially sustainable plan to expand the capacity and scale of services offered at the Food Innovation Center (FIC).	Assign a single, state-wide resource to partner with private industry to better leverage existing educational resources.	Conduct a more detailed analysis of supply chain gaps and Identify ways to expand business-to-business distribution channels and marketing	Compile marketing data base including high level consumer analytics	Invest in modern regulatory compliance systems that feature online data entry and retrieval
Develop a business model whereby OSU can work directly with companies on proprietary research, leverage the new facilities.	Work with university business schools to integrate focus on food and beverage careers in the curriculum.	Improve the effectiveness of the resources available to solve regional infrastructure and development issues	Define and develop an explicit value-added food and beverage manufacturing market development strategy and coordinate with existing state marketing programs where appropriate, such as those conducted by Travel Oregon.	Collaborate on information clearinghouse system to make regulatory and technical assistance services more visible to small and medium-sized firms
Expand research capacity to assist firms with food safety issues, particularly with additional microbiologists.	Work with Oregon Employment Department and private workforce referral agencies to better coordinate part time and shared worker availability; summer/high school rules and liability issues.	Provide retention and expansion assistance for small shippers and consolidators that operate in rural areas and typically have less than full truck or container loads.	<p>Develop a comprehensive public education campaign with Oregon to convey the benefits of the food and beverage manufacturing industry.</p> <p>Attract more food and beverage companies and entrepreneurs to Oregon, particularly co-packing, distribution, transportation, and food machinery businesses.</p>	Collaborate to promulgate building development standards and wastewater reclamation processes that meet performance criteria but recognize unique food and beverage characteristics



Questions?

