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February 6, 2022

House Committee on Economic Recovery and Prosperity  
Attn: Representative John Lively (Chair), Representative Jami Cate (Vice-Chair) and Members of the Committee  
Oregon State Capitol  
Salem, OR

**RE: Testimony in Support of HB 4048**

Dear Chair Lively, Vice-Chair Cate and Members of the Committee:

For over a decade, I've served as Executive Director for Oregon Tilth, a leading nonprofit certifier, educator & advocate for organic agriculture since 1974. The organization's administrative office is located in Corvallis and we work with farmers, processors and distributors across Oregon, the U.S. and Mexico. The organization is accredited by the USDA to offer organic certification services in accordance with the USDA National Organic Program. We certify over 1100 farm operations, with diverse crops, geography and scales of production. We are the largest organic certifier in Oregon.

***I'm writing to ask for your support for HB 4048, "Emerging Sector" legislation that includes an economic assessment of Oregon's organic sector.***

Show me the numbers: The importance of organic sector data

Decision-makers at federal agencies, land-grant universities, and local government place a high value on good data. Oregon Tilth has successfully cultivated strategic partnerships with public institutions like OSU's Extension Service and federal agencies, like USDA's Natural Resources Conservation Service, to increase support for organic agriculture. Having good data from reliable sources helps our partners at government agencies and public universities understand the potential return on investments in organic agriculture. *An economic assessment of Oregon's organic sector will provide current data on organic production and processing trends, economic performance, and market opportunities, both in both domestic and international trade.*

## Organic is good for the economy

Several decades ago, organic agriculture was a fairly limited and narrow market category, and the distribution of products was not wide scale. Today, organic agriculture is a fully arrived segment and a very important part of the retail setting. U.S. organic sales have grown substantially from \$1 billion in 1990, when the federal organic law was signed, to over \$55 billion in 2020. U.S. organic food sales continue to grow at a rate more than double the rate of the overall U.S. food market and now account for nearly 6% of all food sales. Organic produce captures 15% of the nation's overall fruit and vegetable market.<sup>1</sup>

Oregon currently ranks 5<sup>th</sup> nationally in certified organic acreage and 8<sup>th</sup> in the number of certified farms. Oregon organic commodity sales increased 64% from 2017 to 2019, to \$454 million annually. And 30% of Oregon organic farms plan on increasing production over the next five years.<sup>2</sup> With Oregon's ability to produce a wide variety of crops, there is now considerable momentum for Oregon to be a leader in a number of organic crops.<sup>3</sup> However, national organic data shows Oregon falling behind other states that have recently made strategic investments in their organic sectors.

Organic hotspots help drive rural economic development. Hotspots, defined as counties with high levels of organic agricultural activity whose neighboring counties also have a high level of organic activity, boost median household incomes by an average of \$2,000, and reduce poverty levels by an average of 1.3 percentage points. Nearly half (47%) of the counties in Oregon are Organic hotspots.<sup>3</sup>

To position Oregon's food and agriculture sector for long-term success, we must forecast the future of consumer trends and preferences. The Hartman Group's *Organic and Beyond* 2020 report shows that 82% of consumers currently use organic food and beverages at least monthly, challenging the notion that organic is only for the wealthy, with much higher adoption rates among Gen X, millennials, and Gen Z. These buyers represent the market of the future.

HB 4048 provides support to Oregon's "Emerging Sectors" and organic agriculture plays an important role. Funding for the Oregon Business Development Department to conduct a comprehensive economic analysis of Oregon's organic sector will give decision makers the data they need to make informed decisions on investing limited resources to leverage optimal economic opportunities for continued growth and development.

***I strongly encourage you to support HB 4048 as a strategic opportunity to put Oregon on the map as a state investing in an organic market analysis to build increased economic opportunity for Oregon's food and agricultural sector.***

Thanks in advance for your consideration.

Kind regards,



Chris Schreiner

Executive Director, Oregon Tilth

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<sup>1</sup> The Organic Trade Association. 2020 Organic Industry Survey

<sup>2</sup> USDA National Agricultural Statistics Service. 2019 Organic Survey.

<sup>3</sup> Jaenicke, Edward C. 2016. U.S. Organic Hotspots and Their Benefit to Local Economies