

ORGANIC AGRICULTURE & PRODUCTS



This is a summary of one of five emerging industry analyses requested by the Oregon State Legislature and coordinated by Business Oregon through industry consultants in partnership with an industry advisory committee.

ORGANIC PRODUCTION AND FOOD SECTORS IN OREGON

are significant components of the state's economy. There are key opportunities for economic growth in agricultural production, food manufacturing and distribution value chains. Growth in organic production can also benefit Oregonians through enhanced local food security, increased agricultural resiliency to climate change, economic development (jobs and income), and environmental and public health. While the state is well positioned for growth in these sectors, there are areas of regulation, promotion programs, consumer branding / education, and data collection that could be implemented to further support growth in organic sectors of the economy.

KEY FINDINGS:

- **Organic as a Strategy for Rural Economic Development & Prosperity**
Regions with high numbers of organic operations had lower poverty rates and higher median household incomes relative to other agricultural production areas.
- **Import Substitution for Organic Production**
Data from an organic food distributor indicate that only 10 to 16% of organic food products delivered to Oregon customers are from Oregon farms, suggesting room for growth in several organic food categories across Oregon.
- **Organic Food Manufacturing Opportunity**
Organic food manufacturing is growing at a faster rate than general food manufacturing. The state's existing infrastructure for food production and distribution combined with the availability of organic Oregon farm production (i.e., raw agricultural inputs necessary for food manufacturing) create near-term opportunities for growth in this sector.
- **Organic as a Tool in Climate Risk Mitigation**
Organic practices create farms and communities that are more resilient to increasingly volatile climate conditions, such as drought. Conversion of agricultural land to certified organic has the potential to reduce GHG emissions, help meet the state's goal of 80% below 1990 levels of GHG emissions by 2050, and to become a carbon sink.
- **Environmental and Social Health Benefits**
Public and environmental health costs from agriculture are greatly reduced by organic practices. The production of organic food reduces environmental contamination and the threat to human health from pesticides. Organic food products contain fewer pesticide residues and are often safer to consume than conventional products.

2023 OREGON'S EMERGING INDUSTRIES

Organic agriculture produces food grown and processed with little to no synthetic fertilizers or pesticides meant to utilize holistic agronomic management practices to enhance natural resources, build soil health, and conserve biodiversity.

Oregon was the first state to pass legislation regulating organic food in 1973 and has since been a leader in the organic movement.

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Business Oregon, the state economic development agency, invests in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy.



Reccomendations for Growth

Organic Data Collection Initiatives

There is generally a lack of available data on organic agricultural production and organic value chains. Useful data would include: county level organic production data, distributor data on sales by point of origin and point of sale, 100 revenue and jobs at the distribution level specific to organic, and revenue and jobs directly attributed to organic food product manufacturing. Strengthening data collection and presentation would benefit planning efforts around organic food value chains, future studies evaluating economic and social impacts of organic sectors, and likely help in efforts to develop Oregon's organic food manufacturing sectors. The role of data collection activities may best be suited to independent industry organizations as part of a voluntary program, as mandating the reporting for this type of data may overly burden participants in the value chain.

Consumer Education / Branding around Organic

Organizations like the Organic Trade Association, Oregon State University, and Oregon Tilth suggest that increased awareness of organic regulations and the associated sustainable production practice standards will help to strengthen and improve growth in the organic sector. Informing consumers of organic production occurring in the state, and the associated social and economic benefits will help market organic products and strengthens Oregon's brand image as an environmentally healthy place to live (and eat).

Organic to Mitigate Risks of Climate Change

Organic agriculture and relevant production practices can be incentivized as a way to mitigate and adapt to climate change. The OAHF initiative in place already can promote organic agriculture and relevant production practices. These are tools the state can use to help producers with the financial burden associated with organic transition, help close the gap on investment in organic, while funding practices that provide society with public benefits.

Invest in organic as a way to reduce GHG emissions, help meet the state's goal of 80% below 1990 levels of GHG emissions by 2050 (Oregon Department of Energy, 2023), and potentially become a carbon sink (CCOF Foundation, 2019).

Protect Brassica Seed Production in the Willamette Valley

The Willamette Valley is well positioned to capture additional growth in organic seed production, but this growth would be threatened if the ban on canola is lifted in the summer of 2023. To minimize effects of lifting the ban, a buffer zone could be required to allow a sufficient distance between canola and brassica seed production in the valley as other states require (e.g. Washington State).

Promote Organic as Economic Development Strategy & Social Justice Initiative

Initiatives that focus on organic food access, particularly fruits and vegetables, would also contribute to enhanced public health, especially for underserved demographic groups. Additional organic handling and manufacturing capacity in Oregon's food value chain would make the state more resilient to future shocks, including those related to climate change, weather events, supply chain issues, international wars, etc. There is also an immediate opportunity for state initiatives to get matching federal investment funds through the Organic Transition Initiative, thereby allowing the state to 'get more bang for buck'.

Opportunities for attracting additional high valued organic production and food product manufacturing from areas severely impacted by climate change (California in particular) could provide future economic development in the state.

The economic development potential within BIPOC communities is particularly high, and the inclusion of racial equity and social justice groups in policy efforts is important for expanding organic access and development opportunities throughout the state.

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