



## **Testimony for the House Committee on Economic Recovery and Prosperity**

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Good morning. I'm Elizabeth Nardi, CEO of Organically Grown Company. Organically Grown Company, known in the industry as OGC, began 43 years ago as a non-profit, grower's cooperative. In our early days, we formed a centralized network for sharing information, educating each other and buying supplies to build a stronger organic marketplace. By 1980 we had created an agricultural marketing cooperative, purchased a cooler and built our first loading dock in Eugene, Oregon.

As the dream of growing our farmer-owned business became a reality, in 1983, we hired our first employee, to buy, sell, store and deliver produce. The coop had six member farms, and a larger number of "affiliates" mostly located in the upper Willamette Valley and Southern Oregon. Sales in our first year amounted to \$12,000.

Over the next decade, with an expanded facility in Eugene, sales grew an average of 40 percent per year. In addition to our building in Eugene, we opened facilities in Portland in 1994 and Seattle in 2001. In 2012, we expanded our building in Portland to 119,000 square feet. We now serve eaters in six states through these bases, and through our cross docks in Medford, Bend, Boise, and Spokane. Since our inception, we've seen incredible evolution in the marketplace, and Oregon has time and time again been a leader both legislatively and regionally. The Organic Foods Production Act, the federal legislation which created a unified national standard, was an Oregon – Vermont driven advancement. The organic industry is embedded in Oregon's DNA and provides important economic growth for Oregon, particularly in rural communities.

Along the way, OGC became an S-class corporation in 1999, and in 2008 an employee stock ownership program (ESOP) took effect. In 2018, OGC became proudly owned by the first-of-its-kind, Sustainable Food and Agriculture Perpetual Purpose Trust (SFAPPT), an ownership model that allows us to remain independent and true to our mission. At the time the Trust was created it was necessary to incorporate in Delaware, but in partnership with Representative Julie Fahey, legislation was introduced to make Oregon the first state in the nation to adopt a new alternative ownership option called the Stewardship Trust. This bill was signed into law by Governor Brown in 2019 and went into effect in January 2020. This important change recognized that private sector leaders are hungry for innovative tools to ensure that independent,





purpose-led, community-minded businesses can continue their legacy and stay true to their mission through growth and succession.

Today, OGC employs over 250 produce and transportation professionals. We're dedicated to helping Oregon's organic farms get their products into independent retailers as well as the area's major chains, restaurants, processors, and consumer product brand companies.

Over the years we have seen organic grower's needs for support evolve and expand. Much like their non-organic counterparts, Oregon's organic farmers struggle to source reliable, skilled labor, navigate extreme weather and fires, and remain viable amidst a competitive global economy. Organic production is increasingly being recognized by Oregon's farmers as an opportunity for growth, differentiation and long-term farm security. We frequently see the next generation of farmers transitioning their family's land or starting anew, with hope for higher premiums and regenerative soils. The challenges these farmers face rely on technical expertise and innovation, much of which is being cultivated by Oregon State University (OSU)'s Organic Extension program. Programs like these, and those of Oregon Tilth's Farm Viability, work to connect farmers so that they can learn and adapt together. They showcase research-based best practices to assist farmers through transition - a noted priority in surveys of growers transitioning to organic production.

In response to the challenges faced by our farmers and the lack of access to financial support, OGC developed a new program to provide direct assistance where it's needed most- on the farm. In 2020 we launched the OGC Mission Fund, offering over \$200,000 in grants to mission-aligned partners and farmers. Grants were provided to over 30 projects which preserve natural resources, promote diversity and equity, and implement new regenerative practices to mitigate climate change and create business resiliency.

Unfortunately, this barely scratches the surface. To support growers in Oregon, we must holistically invest in the infrastructure and knowledge needed to recognize the opportunity in front of us. Oregon's organic farmers are struggling to compete with California, a state that has invested heavily in the growth of the organic sector. With commitments from Oregon's Business Development Department, we can better understand the landscape and support growers in their development of strategies for transition to organic. Technical investments at OSU and the Oregon Department of Agriculture (ODA) will ensure our growers have the resources they need to succeed and the support systems in place to navigate a shift in production.

An investment in Oregon's organic sector is an investment in Oregon's farmers, farmland, and regional food security. It is an opportunity for us to continue being a leader and pursue the vision that Oregon has long held and on which we founded Organically Grown Company.

