

Analysis

Department of Agriculture

Federal-State Marketing Improvement Program

Analyst: John Terpening

Request: Approve the submission of a federal grant application by the Department of Agriculture to the U.S. Department of Agriculture, in the amount of \$165,000 to explore new international market opportunities for Oregon dairy products.

Analysis: The Department of Agriculture (ODA) is requesting approval to apply for a federal grant in the amount of \$165,000 as part of the Federal-State Marketing Improvement Program. This program provides grants to assist in exploring new market opportunities for U.S. food and agricultural products and to promote research and innovation to improve efficiency and performance of the marketing system.

This grant opportunity would allow ODA to join with the Oregon Dairy and Nutrition Council (ODNC) and its partners to increase visibility and acceptance of western dairy products specifically in markets in Southeast Asia. The requirements of the grant are that it goes through a state agency and that there is a one-to-one match. ODA will provide technical assistance related to the grant application and reporting, while ODNC and its partners will provide the match through cash and in-kind contributions.

The grant application deadline is May 24th, with anticipated awards in September 2021. ODA does not anticipate needing any additional Federal Funds expenditure limitation if the grant is awarded.

Legislative Fiscal Office Recommendation: Approve the request.

Department of Agriculture Klein

Request: Authorization to apply for a grant of \$165,000 for providing funding to assist in exploring new market opportunities for western dairy products in Southeast Asia from the United States Department of Agriculture under the Federal-State Market Improvement Program.

Recommendation: Approve the request.

Discussion: The Oregon Department of Agriculture (ODA) is requesting authorization to apply for a grant from the United States Department of Agriculture through the Federal-State Market Improvement Program. The Department would partner with the Oregon Dairy and Nutrition Council (ODNC) and their partners for this opportunity. The grant would provide funding to increase visibility and acceptance of dairy product lines in Southeast Asia. The work associated with this grant would be performed primarily by ODNC and their partners, with ODA providing technical assistance for the grant application and grant reporting processes. This grant opportunity requires a dollar-for-dollar match. ODNC has agreed to provide \$120,000 as a cash match and contribute \$45,000 of in-kind match. ODA will not provide any cash or in-kind contributions. The Department anticipates having sufficient Federal Funds expenditure limitation in the 2021-23 biennium if the grant is awarded.



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April 29, 2021

The Honorable Senator Betsy Johnson, Co-Chair
The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairpersons:

Nature of the Request

The Oregon Department of Agriculture (ODA) requests permission to apply for a USDA Federal-State Marketing Improvement Program (FSMIP) grant in partnership with the Oregon Dairy and Nutrition Council (ODNC) and their partners. The ODNC is working with the Dairy Farmers of Washington, Dairy West, and the U.S. Dairy Export Council (USDEC). FSMIP offers grants with a one-to-one dollar match to assist in exploring new market opportunities for U.S. food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the marketing system.

Grant guidelines require that applicants must be state agencies, such as state departments of agriculture, and the ODNC is requesting that ODA become the grant submitting agency. The grant application deadline is May 24, 2021.

The grant will increase visibility and acceptance of an increased product line of western dairy products in SE Asia. The ODNC and partners are seeking \$165,000 in grant funding that becomes available September 30, 2021 and remains available for three years. The partners will contribute a cash match of \$120,000 and in-kind match of \$45,000. ODA will provide technical assistance related to the grant application and grant reporting, but is not making cash or in-kind contributions that will be reported to USDA.

Agency Action/Background

The Oregon Dairy and Nutrition Council (ODNC) works on behalf of all dairy farm families and dairy processors throughout the state of Oregon. With roots that began in 1918 with the Oregon Dairy Council, the ODNC promotes the health and wellness, communications, and development of the Oregon dairy industry.

The Honorable Senator Betsy Johnson, Co-Chair
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The ODNC began exploring SE Asia markets for Oregon dairy products in 2016, partnering with large and small dairy producers. ODNC has utilized in-house resources and grants to research and begin establishing market relationships in Singapore and Vietnam. Recent programmed activities were postponed during the pandemic, but the ODNC continues to support the promise of export demand for Oregon and other western state value-added dairy foods.

The Oregon Department of Agriculture has a long history of working with the ODNC. Currently, the ODNC is the lead of a multi-industry effort to coordinate Oregon food and beverage producers' marketing and promotional efforts in foreign markets. The ODA has identified Singapore as one of two priority markets for Oregon marketing activities, and that is in part as a first step to building distribution channels to markets in Vietnam. Prior to the pandemic, ODA had planned a Director's Mission to Singapore and Taiwan that would have incorporated an ODNC promotion. ODA is also conducting marketing activities in Singapore with the Oregon Trawl Commission, and has made efforts to combine the two programs wherever possible.

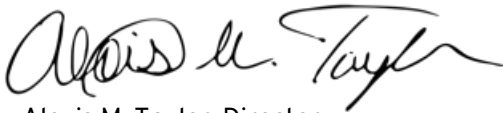
Action Requested

The ODA respectfully requests permission to apply for a USDA Federal-State Market Improvement Grant as the submitting agency in partnership with the ODNC to establish a diverse portfolio of value-added products and ingredients in these new export markets for Oregon dairies.

Legislation Affected

ODA anticipates having sufficient federal funds expenditure limitation.

Sincerely,



Alexis M. Taylor, Director
Oregon Department of Agriculture

