



February 2, 2022

Senate Committee on Natural Resources and Wildlife Recovery
Attn: Chair Senator Jeff Golden, Vice-Chair Senator Bill Kenemer, and Members of the
Committee
Oregon State Capitol
Salem, OR 97301

RE: Support for SB 1532

Dear Chair Golden and Members of the Committee,

I am writing on behalf of Organically Grown Company to support fulfilling OSU's CSL and Senate Bill 1532 which would approve the hiring of five agricultural extension positions focused on organic and low-input practices that will assist all of Oregon farmers and ranchers, not just those who market their products as certified organic. The bill also funds an economic assessment of Oregon's organic sector, which we wholeheartedly support and would help Oregon's organic stakeholders advocate for Federal funds in the future.

Organically Grown Company (OGC) is an Oregon-based wholesale distributor of organic fresh produce. Headquartered in the Willamette Valley, OGC is owned by the Sustainable Food & Agriculture Perpetual Purpose Trust (SFAPPT) ensuring our company delivers positive economic, social and environmental impacts and maintains our independence into perpetuity, never to be sold. We are proud of our Oregon roots and are proud to be fully committed to a sustainable future.

OGC employs over 250 produce professionals. We source fresh produce from farms across the United States as well as internationally. Despite needing to source from regions outside of Oregon, we remain dedicated to helping Oregon's organic farms get their harvest into independent retailers and the area's major grocery chains, restaurants, processors, and consumer product brand companies, competing with produce and suppliers outside of the state. We distribute Oregon-grown, organic produce to eaters in six states through our facilities and cross-docks in Portland, Eugene, Medford, Bend, Seattle, Spokane and Boise.

Throughout our 44-year journey we have experienced tremendous growth. In 2021 we sold over 6 million cases of organic, fresh produce, yet we have remained dedicated to not only helping organic farmers get their products to consumers, but also in leading policy/advocacy action on behalf of stakeholders, including our farmers who are often too busy on their farms to meet with or provide feedback to legislators.





While our sales volume continues to increase year-over-year, what isn't increasing at the same rate is the percentage of product coming from Oregon farms. Only about 5% of our total purchases are from farms based in Oregon, and a similar, but slightly higher percentage coming from Washington state. We continue to make efforts to increase our sourcing from Oregon farms, however they lack the skills and capacity to scale up to a level where wholesale distribution is complimentary to their CSA and small-scale, direct-to-customer sales. Farmers have told us that they would love to work with us, however we regularly need to turn them away because their ability to produce products meeting wholesale specifications is lacking. If our local growers had more access to scientific-based, technical assistance based on growing practices they could rely less on reactionary advice from fertilizer and pesticides representatives and more on the proactive, practice-based, expertise that extension agents provide.

OGC offers this letter and a strong statement of support for Senate Bill 1532. Senate Bill 1532 creates five agricultural extension positions at OSU's Center for Small Farms and Community Food Systems, providing much needed technical assistance to farmers that are looking for alternatives to input-heavy production and practices that allow them to diversify their operations or try new ways to build resilience. For example, organic methods have led to soil with increased water holding capacity—a benefit that is critical during drought.

The extension agents will focus on organic practices that will help all farmers, regardless of if they are certified organic or not. Through these positions, OSU will be able to expand the reach of organic practices that are already providing benefits to certified organic, transitioning, and non-organic farmers, and increase much-needed applied research. Many of these common practices like cover crops, compost management, crop rotations and efforts to enhance soil health can, when used fittingly, benefit all producers and the planet.

Over the years, we have seen organic growers' need for support evolve and expand. Oregon organic farmgate sales increased 64 percent from 2017 to 2019 to \$454 million annually. However, nationally, Oregon has fallen from the top 10 in organic production to ranking 12th today. 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.

Oregon's farmers increasingly recognize organic production as an opportunity for growth, differentiation and long-term farm security. To support growers in Oregon, we must holistically invest in the infrastructure and knowledge needed to recognize the opportunity in front of us.

In challenging economic times, new investments may seem daunting. However, the estimated additional fiscal impacts of SB 1532 are minor compared to the inevitable return on investment.





In response to the challenges faced by our farmers and the lack of access to financial support, in 2020, OGC launched the OGC Mission Fund, offering over \$200,000 in grants to mission-aligned partners and farmers. Unfortunately, this barely scratches the surface. Supporting Oregon's agriculture and markets through funding SB 1532 is critical to supporting rural communities and supporting more climate-friendly agricultural practices.

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 from which our company, Organically Grown, was formed.

According to OSU's 2021 report *Oregon Agriculture, Food and Fiber: An Economic Analysis*, Oregon's organic industry grew substantially between 2008 and 2019 and while the number of farms decreased, the size of farms increased, with overall organic acreage almost doubling. And even though certified organic farms, as measured by NASS, currently only represent 1.2% of agriculture in Oregon, organic captures 6% of all Oregon farmgate sales.

In general, Organic agriculture is a bright spot in the U.S farm economy, growing to over \$55 billion in sales a year in 2020, more than double the growth rate of the overall U.S. food market. Organic farming also creates jobs with greater stability—organic farms hire more people per acre, and those people work for more days of the year. The number of US organic farms grew by 39% in recent years, while the total number of farms in the U.S. shrank by 3%. During that same period, organic farm income nearly doubled while the income of all U.S. farms remained stagnant. Furthermore, the average value of products sold from organic farms is double the average value sold from all U.S. farms. And younger farmers gravitate to organic—the average age of organic farmers is six years younger than that of the national average of all farmers.

And in terms of youth and market trends, market data from the Hartman Group's *Organic and Beyond 2020* report shows that 82% of consumers 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, the market of the future.

A comprehensive economic assessment of Oregon's organic sector will help identify opportunities that highlight the state's competitive advantages and needs for the future, and to help secure additional private investment. Organic agriculture can be used as an effective economic development tool, especially in rural areas—regardless of if farmers choose to certify all of part of their farms.

Sincerely,

Sarah Brown
Head of Stakeholder Strategy

