

HB 2689 STAFF MEASURE SUMMARY

House Committee On Economic Development, Small Business, and Trade

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/12, 3/3

WHAT THE MEASURE DOES:

The measure directs the Oregon Department of Agriculture (ODA) to establish and implement a program to promote Oregon-made food and beverage products, complete a study on food and beverage processing, and complete a report with recommendations related to the industry. Declares an emergency, effective on passage.

Detailed Summary:

Directs ODA to establish and implement a domestic trade program to promote the purchase of Oregon-made food and beverage products in other states. Appropriates \$3,000,000 from the General Fund to ODA for this program.

Directs ODA to partner with non-profit organizations to study the competitiveness of food and beverage processing business in the state. Requires the study to quantify limitations on growth related to labor availability; talent and labor needs; access to affordable energy; access to affordable capital; imbalance between demand and supply of debt and equity capital; the capacity, capabilities, and state funding of co-manufacturing; and access to technical assistance.

Requires ODA to submit a report and recommendations to committees on natural resources no later than September 15, 2026. Recommendations must include how to ensure that food and beverage processing businesses remain competitive in Oregon as well as how to reduce regulatory barriers and expand market opportunities for these products. Appropriates \$750,000 to carry out this study and report. This section sunsets on January 2, 2027.

Declares an emergency, effective on passage.

- *FISCAL: Fiscal impact issued.*
- *REVENUE: No revenue impact.*

ISSUES DISCUSSED:

- Cost to administer the program
- Partnership between industry and the Oregon Department of Agriculture
- Purpose of the food and beverage processing study
- Local organization support for the industry

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Food and beverage is one of Oregon's target industries, according to the Oregon Business Development Department (OBDD). There are nearly 1,700 food and beverage businesses in Oregon. The state is known for craft beer and wine as well as a range of agricultural products. Currently, about 40,000 workers are employed in the industry statewide, and employment has increased 24 percent between 2011 and 2021.

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House Bill 2689 directs the Oregon Department of Agriculture (ODA) to establish and implement a program to promote Oregon-made food and beverage products, complete a study on food and beverage processing, and complete a report with recommendations related to the industry.