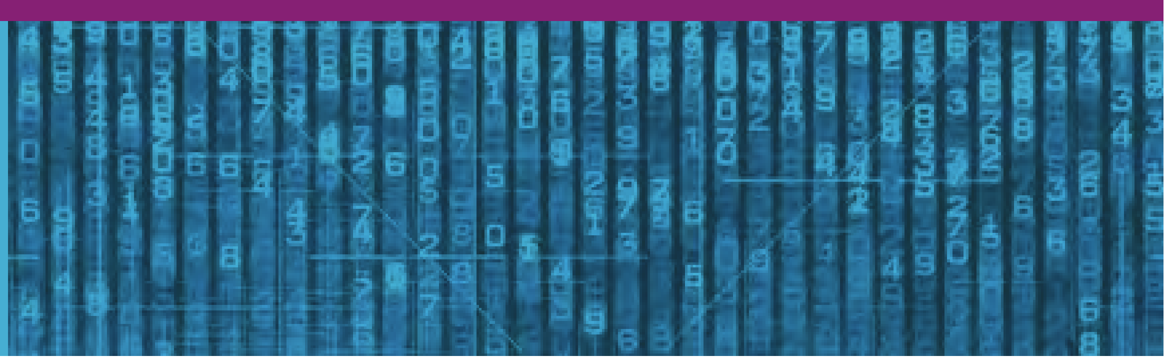
LIVABILITYLANE
building smarter communities together

Economic Cluster Reports

Food and Beverage



For additional tools and resources related to this and other topics and projects supported by the Lane Livability Consortium, visit the Livability Lane Toolkit webpage:

www.livabilitylane.org/toolkit

LIVABILITYLANE Toolkit

Lane County

Regional Food/Beverage Industry Cluster Analysis and

Strategic Development Recommendations

For Lane County by Lane Workforce Partnership and City of Eugene

LIVABILITYLANE

building smarter communities together

ACKNOWLEDGEMENTS

Prepared by Robin Scott, Lane Workforce Partnership with assistance from William Ellis, City of Eugene, 12/31/12

Community Partners:

- Lane County Community and Economic Development Department
- Lane Workforce Partnership
- City of Eugene
- Eugene Area Chamber of Commerce
- NEDCO
- Willamette Valley Sustainable Foods Alliance
- Willamette Farm and Food Coalition

Special thanks to all of the food and beverage industry businesses that contributed to this report by participating in interviews, surveys and industry events.

This Publication was prepared by Robin Scott of Lane Workforce Partnership with assistance from William Ellis of the City of Eugene. The work that provided the basis for this publication was supported by funding under an award with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Government.

Table of Contents

List of Tables

List of Figures

Appendices

Appendix 2 Industry Comparisons to Other MSAs

Appendix 3: Expanded Definitions of Economic Development Strategies Relating to Food

Appendix 4: Regional Food/Beverage Cluster Survey Results

Appendix 5: Follow Up Marketing & Distribution Survey Results

Appendix 6: Roundtable Discussion Notes

Appendix 7: Lane County Food/Beverage Industry by type of firms and employment

Appendix 8: Matrix of Lane County Food Organizations and Initiatives

Executive Summary

Purpose of Study

The food and beverage cluster of Lane County has recently emerged as a potential economic development investment area. The purpose of this analysis was to determine the scope of the cluster and if appropriate for investment, what economic development strategies would best serve the cluster. Research was conducted via surveys, interviews, roundtable discussions and census and labor market data. A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis was developed and strategies were derived from that analysis and validated via representatives from industry. The conclusion from research for this project is that the food and beverage industry has significant value as an economic engine for the local economy, especially in the areas of branding/economic identity, job creation and infrastructure development.

Introduction

Lane County anchors the southern end of one of the world's most fertile valleys and is home to numerous food and beverage businesses. A Mediterranean climate, an economic heritage in food processing and natural food movements, and fast-growing food and beverage manufacturing sectors are all distinguishing characteristics of the area. Place distinctiveness and a marketable high quality of life have long been understood as important hallmarks of city and regional development. More complicated to understand is how the synergies between agricultural producers, food manufacturers, distributors, retailers, tourism and hospitality businesses can best be supported.

This report catalogues and acknowledges the breadth of economic activities in this section of the Valley, notes some the relative size of food companies as compared to the overall local economy and to other regions nationally, underscores this cluster's most unusual or distinctive qualities, and indicates areas of comparative strength and weakness.

Project Approach

Lane Workforce Partnership, on behalf of Lane County economic development and the Regional Food Consortium, conducted surveys of local food and beverage industry leaders. City of Eugene staff assisted in interviews, staging an informational workshop with businesses for coordinated regional food brand in October 2012, and collecting background data and information on sector concentration. A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis was prepared by Lane Workforce Partnership on the basis of information from these sources.

Key Findings

Through this process, a number of key findings emerged about the food and beverage industry in Lane County:

- **A large and diverse amount of activity is underway in adjoining agriculture areas with implications for regional economic development.** Agriculture has come under scrutiny by policymakers and advocates. Across the Willamette Valley grass seed prices have plummeted as wheat prices rise, leading to conversion from grass seed back to wheat. The number of small family farms is increasing, bucking a century-long trend. Both nurseries, which grow a wide assortment of plants ranging from aquatic plants to Christmas trees, as well as wineries, continue to be significant sources of occupation in the region. Adjacent counties, once famous for their hops production before Prohibition, are again increasing production as craft breweries statewide and nationally continue their and bold experimentation in flavor profiles and rapid sales growth. A regional demonstration farm on the McKenzie, funded with proceeds from local breweries, publically owned utilities, and a federal value-added crop grant, is now seeking to leverage the talents and research of Oregon State University biologists in demonstrating how hazelnut trees orchards can be inoculated profitably with truffle spores.

- **Specialty food producer employment is on the rise in Eugene, illustrating the potential for evolution in this sector, from production of commodities to higher value products , with resulting higher wages and employment security.** A diversity of small agricultural inputs and local retail outlets are encouragements to entrepreneurial activity. Although Agripac left the region in 2008 as part of a sale to a larger conglomerate to Salem, a local cold storage company, Sno-Temp, has managed to replace lower-value commodities like cut corn with 500 varieties of high-value organic ice creams and frozen desserts from expanding boutique producers. This warehousing company is now considering expanding. This industrial resilience and “climbing the product ladder” from commodities to higher value products are good omens for food and beverage manufacturing in Eugene. This story illustrates the way forward to higher wages and employment security—a steady replacement of processing and packaging commodities with affordable luxury consumer items: ranging from beer to specialty desserts.

- **There is a need and opportunity to establish a coordinated regional brand to unify the disparate elements of the cluster.** Growing national consumer preference for local products, steady growth among wineries, and rapidly expanding brewery and niche frozen dessert employment mark this as an exciting period for the food cluster’s growth and an important time for policy-makers to reach out to young businesses, strengthen networking within the cluster (including public and private entities), and to co-finance supportive measures where feasible. In the case of food producers and manufacturers, since many firms are still relatively small or locally based, now is an appropriate time to pursue a coordinated regional brand to unify the disparate elements of the cluster into a coherent message of regional dynamism, industrial resilience, and an affordable, but high quality of life.

- **There is an opportunity to build collaborations within the cluster, especially within the areas of distribution and marketing.** Building momentum for collaborations within the cluster, especially within the areas of distribution and marketing, will strengthen not just individual businesses, but the region’s comparative advantages in fostering innovation and entrepreneurial activity.

Recommendations

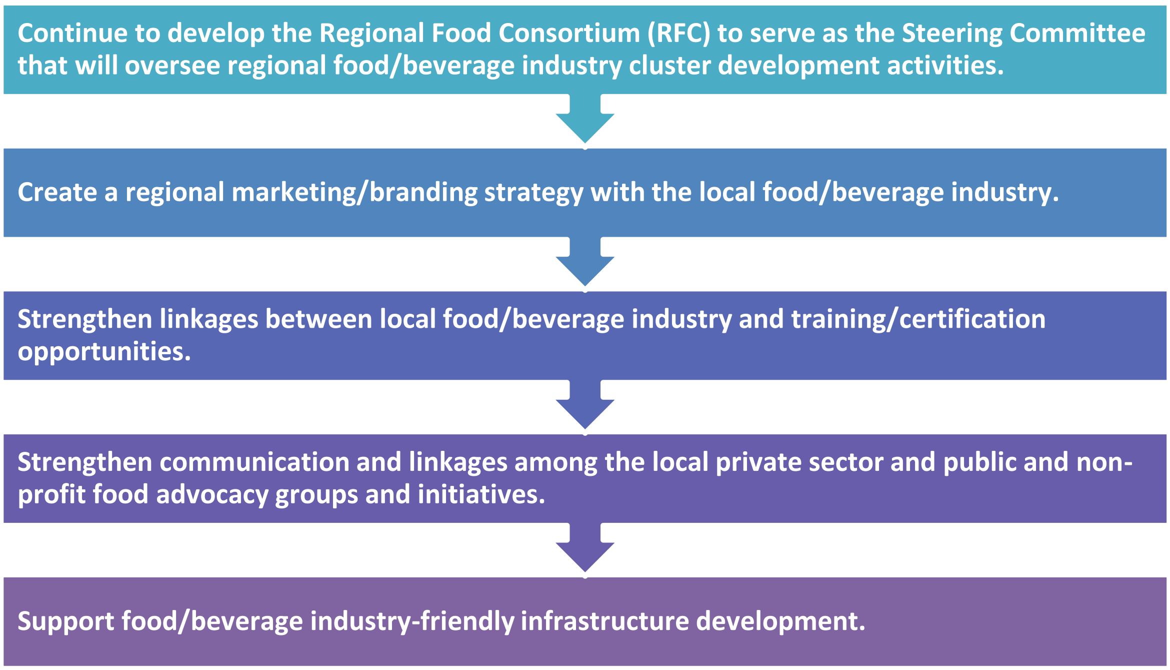
Recommended economic development strategies to support the continuing development of the food and beverage industry include:

a. Further development of a steering committee to guide local development efforts;
b. Creation of a regional marketing and branding strategy for the industry that ties in to tourism and other related efforts;
c. Further exploration of distribution challenges that may be impeding growth in the industry;
d. Strengthening linkages among a patchwork of industry training and professional development opportunities;
e. Increasing communication and alignment of local private and public/non-profit food industry initiatives; and

f. Supporting food/beverage industry-friendly infrastructure development.

Figure 1 is a brief summary of the critical path outlined in the Regional Food Recommendations and Next Steps section.

Figure 1: Key Recommendations and Next Steps



Next Steps

1. Continue to develop the Regional Food Consortium (RFC) to serve as the Steering Committee that will oversee regional food/beverage industry cluster development activities.

2. Create a regional marketing/branding strategy with the local food/beverage industry.

3. Explore and address distribution challenges faced by the local food/beverage industry.

4. Strengthen linkages between local food/beverage industry and training/certification opportunities.

5. Strengthen communication and linkages among the local private sector and public and non-profit food advocacy groups and initiatives.

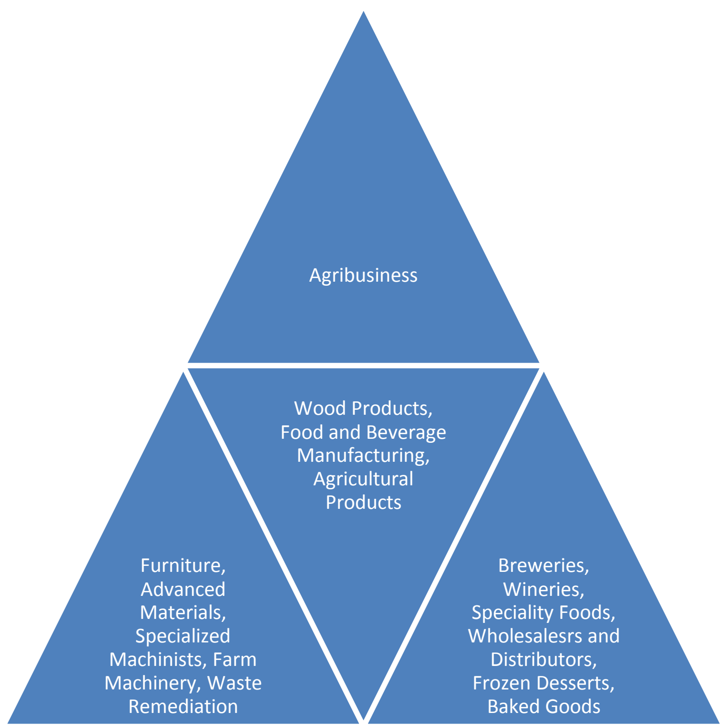
6. Support food/beverage industry-friendly infrastructure development.

Agribusiness: *Forest Products and Agricultural Products*

Forest and agricultural products are industries centered upon the extraction of local natural resources. However, as these industries grew, so did their ancillary and supporting industries. These industries, like food processing or furniture, surpassed natural resources employment and added value. The economic history of Lane County charts the growth of these related industries. Their heritage in the region leaves comparative advantages in knowledge and skills at local firms in related products and services.

While agricultural products and food/beverage manufacturing share inputs and are complementary, each cluster contains businesses that can, and do, operate distinct and unattached from a local network of suppliers and service companies. Often these businesses export product of greater value than pure extractive farming and forestry operations, and pay significantly higher wages.

Figure 2: Diagram of Agribusiness



This report focuses on food and beverage manufacturers in Lane County. In developing the strategies and recommendations, however, this report goes beyond these two key manufacturers to also consider the economic history of this industry's location in the region and some of the synergies it continues to enjoy with other parts of these larger agglomerations of economic activities.

The Argument for Food/Beverage Manufacturing as a Key Industry

Food and beverage manufacturing employment in the Lane County is growing, despite contractions in most other sectors since the start of the "Great Recession." There are many reasons for this: food and beverage product demand tends to be inelastic, the total population in Eugene and Oregon continues to grow (and demand for local food products with it), the decade long national trend towards craft brewers, and the continuing success stories of several Eugene-based firms in niche specialty or natural foods such as Larry & Luna's, Yogi Tea, and Mountain Rose Herbs.

Food and beverage industries in Lane County are exhibiting several signs of a traded cluster readying for expansion. The concentration of firms (also known as location quotient) in Lane County in areas including milk and non-dairy frozen desserts, breweries, wineries, packaged baked goods, and specialty foods and ingredients means a regional specialization and a competitive advantage in these areas. There is also an above-average concentration of small businesses. The fast pace of establishment startups in Lane County within this cluster demonstrate high levels of entrepreneurism and further possibilities for job creation. The presence of several large scale companies means there is a base of supportive services from cold storage to distributors to allow companies to grow in scale while remaining in the area. Lastly, Lane County has a workforce with an aptitude for agriculture (as measured relative to national averages) and a heritage in food processing that traces backs to the region's settlement.

The number of local retail and grocery outlets who make a concerted effort to stock locally made products provides an advantage to both locally grown agricultural items and locally manufactured or processed foods. This above-average concentration of natural and local grocers is significant for small batch entrepreneurs or other start-up producers to gain traction in the marketplace. At these stores producers can more easily get on shelves to test consumer preferences than if they started-up in a region without these opportunities for developing a base of customers.

Uniquely Edible Lane County

In 2008, the Top 50 subclusters by National Employment Share in Oregon were ranked by the Harvard Business School's Cluster mapping Project. Agricultural products within Oregon were listed at 11, Wine and Brandy at 17, coffee and tea at 25, farm management and related services at 25, fish products 27, malt beverages at 31, food products wholesaling at 33, milk and frozen desserts at 40, specialty foods and ingredients at 46, and farm material and supplies wholesaling at 42. In 2008, Oregon ranked nationally 5th in employment in Agricultural Products cluster, 27th in Processed Food. (One explanation for low-wages in Oregon, and especially in Eugene, is the composition of the local economy in primary resource extraction and less in value-additive businesses. This cluster report recommends strategizing for ways to climb product chain by utilizing primary resource extraction expertise.)

From 1998 to 2008, the local food and beverage processing and the distribution cluster (as opposed to the traded sector cluster) far exceeded job creation expectations (given the growth of the national cluster) by more than 10,000 jobs. Likewise, processed food and agricultural products both exceeded expected job creation in that ten

Quick Facts

Oregon State University in nearby Corvallis is home to an agricultural school and sponsor of the Food Innovation Laboratory in Portland.

The state of Oregon is #2 in breweries per capita, Lane County is one of the world's leading producers of hazelnuts, and the Willamette Valley grows over 129 varieties of crops.

Lane County's coast is one of the only places outside of Japan where Wasabi roots may grow, and our nearby forests are one of four locations on earth where you may forage both white and black truffles.

Anchoring the southern end of the Willamette Valley with ample fresh water and cheap electricity, Lane County is part of a larger region with a very impressive endowment of natural resources and agribusiness resume.

year period. This contrasts with the information technology cluster, which lost thousands of jobs in information technology, despite national trends predictions of positive job creation. Among traded cluster industries, agricultural products were one of the few in that ten year period to add jobs.

The Eugene/Springfield area belongs to a network of college towns and other natural food meccas nationwide, from Burlington VT to Ithaca NY to Colorado Springs Colorado. Mycological, an organic mushroom purveyor based in Eugene, first engaged in a nationwide distribution chain of natural food companies that led to their products skipping to other natural food specialty retailers across the country before being picked up by Whole Foods. Food businesses started in Lane County have the potential to go national and global on well-worn routes.

Is Track Town Really Beverage Town?

Many metropolitan areas across the nation possess either a significant number of soda manufacturers, or a juice plant, or breweries, or wineries, but in Lane County something remarkable is happening. While not dominating in any single sector, the Eugene-Springfield metropolitan area is home to 30 businesses—breweries, wineries, coffee roasters, tea importers, alcohol distillers and organic juice producers. The presence of the University of Oregon provides a youthful test market for products like beer, but the reasons for this clustering of beverages is beyond the proximity of a market of imbibers. The growth potential for the beverage cluster is high since the markets currently being pioneered are widening, and sectors like specialty foods and craft beers are highly innovative.

Related, Ancillary and Supporting Industries

The Lane County food and beverage manufacturing cluster is also highly synergistic with the hospitality and tourism industries and may, depending on the business, have occupational skill matches with other manufacturing or service industries, such as in machinery repair or environmental services.

A literature review of local food studies suggest Lane County has the necessary ingredients to scale-up certain agricultural crops and processed food production direct from field to retailers. Other studies of the Lane County food supply chain detail gaps in the production and distribution of certain regional crops to local consumers. They recommend government assistance in the provision of intermediate inputs (like cold storage) to support a local substitution strategy of economic development. In these “substitution strategy” approaches, a government may assist on both the supply and demand sides in switching consumption of an imported commodity, like tomatoes, in favor of locally produced food stuff, so to increase local employment as well as retain capital in localized circulation.

Theorists of cluster strategy usually advise that governments avoid subsidizing or distorting competition, or picking favored clusters or companies, but do encourage convening firms representing the industries of various clusters in facilitated discussion of local needs, co-financing the construction or setting up of resources for the firms within a cluster in direct response to requests or identified needs of intermediate inputs or capital.

There are some distinctions and a great deal of overlap between a strategy to increase consumption of local grown agriculture product and localized cluster of suppliers, distributors, and wholesalers of local food and beverage manufactured product, and a traded cluster strategy meant to lend support to agglomerative forces at work.

Figure 3: Employment Specialization, Share of Cluster Employment, and Large Employers in the Agricultural Products and Processed Food Subclusters

Italicized equals growing employment specialization, **bold** means above-average share of national cluster employment, underlined means employees more than 100 people within Eugene-Springfield MSA.

Agricultural Products Subclusters: *Farm Management & Related Services*, Soil Preparation Services, Irrigation Systems, Packaging, Fertilizers, *Agricultural Products*, ***Wine and Brandy***, Cigars, Milling and Refining.

Processed Food Subclusters: ***Milk and Frozen Desserts***, ***Baked Packaged Foods***, *Coffee and Tea*, *Processed Dairy and Related Products*, *Flour*, *Specialty Foods and Ingredients*, Milling, *Candy and Chocolate*, ***Malt Beverages***, Paper Containers and Boxes, Metal and Glass Containers, *Food Products Machinery*, and Meat & Related Products and Services.

More information on the subcluster's size and national ranking is contained in ***Appendix 1***. A comparison of food and beverage industries in the Eugene Metropolitan Statistical Area (MSA) to other MSAs is contained in ***Appendix 2***.

Economic Development Strategies Applicable to Food

There are literally at least a dozen organizations that are public, private, and in-between who are at this moment, either consciously or unconsciously, pursuing objectives or executing activities in relationship to food that can also be associated with one of the following economic development strategies. A survey of different initiatives is contained in ***Appendix 8***.

The purpose of the following is to attempt to explain some of the shared and growing sense of mutual advantage for working collaboratively on economic development around food issues and to provide useful delineations between potential future activities.

Import Substitution: *When a locality substitutes externally produced goods and services, especially basic necessities such as energy, food, and water, with locally produced ones to keep money circulating within a region. Encouraging consumers to "buy local" is an example of capturing local funds.*

Cluster Strategy/Traded Sector Focus: *When government and institutions work collaboratively to understand and address cluster industry leaders concerns and bring resources to these areas—often government prioritizes traded sectors, but does not create clusters. Instead, it assesses, understands, and takes a role of guidance and response to broadly stated business interests.*

Economic Identity*: A strategic long-term campaign to create and genuinely communicate an identity that raises awareness, generates excitement, and highlights the opportunity and spectacular nature of the region. Underscores regional comparative advantages as a way of attracting members of creative class and promote the growth of high-wage industries.*

Community Development*: For those food agenda items that do not explicitly fit one of the other listed economic development strategies, but are pursued as community values and are seen as enriching one of* *four areas of place-based capital (human, physical, natural, or social), thereby supporting economic development. Example: addressing childhood obesity in schools can make for a more appealing school system today and a healthier workforce tomorrow.*

More detail on all of these strategies can be found in *Appendix 3* "Expanded Definitions of Economic Development Strategies Relating to Food".

Table 1: How Various Food Advocate Group "Agendas" Relate to Economic Development Strategies

Food Agendas	Import Substitution	Creative Class/ Economic Identity	Cluster	Traded Sector	Community Development
Food Security	X				X (Physical Capital)
Food Resilience					X (Physical Capital)
Business Recruitment Retention/Expansion			X	X	
Marketing/Branding		X	X	X	
Economic Identity		X			
Farm Support	X				
Organics/Certification		X		X	
Supply Chain	X		X		
Exports/Import substitution	X				
Regional Food Hubs	X		X		
Obesity Prevention		X			X (Human Capital)
Policy Impact					X (Social Capital)
Climate Change		X			X (Physical Capital)
Transportation					
Watershed		X			X (Natural Capital)
Cluster Development			X		
Natural Resources/Sustainability		X			X (Natural Capital)
Agrotourism		X	X	X	
Capital Investments	X		X		
Infrastructure	X		X		
Storage/Distribution	X				
Workforce/Training			X		
Food Safety	X		X		
R&D Access/Capability		X	X	X	
Regulatory Compliance	X		X		

An analysis of nine local food-related advocacy organizations was conducted. See ***Appendix 7*** for a detailed matrix of these organizations. Interviews were conducted with four of these organizations that had economic development as part of their charter and had potential to be significant strategic allies in a regional food cluster development plan.

The Willamette Valley Sustainable Foods Alliance, Willamette Farm and Food Coalition, NEDCO and the NW Food Processors Association are now working closely with a local group called the Regional Food Consortium, lead by Lane County Community and Economic Development.

The Regional Food Consortium

The Regional Food Consortium was convened in late 2011 by the Lane County Community and Economic Development Department. The makeup of the group has evolved over time and now includes representatives from Lane County, the City of Eugene, Lane Workforce Partnership, the Eugene Area Chamber of Commerce, NEDCO, Travel Lane County, the Willamette Farm and Food Coalition, the Willamette Valley Sustainable Foods Alliance, Lane Metro Partnership, the Oregon Employment Department and industry representatives. The aim of the group is to provide oversight of the creation and implementation of a regional food/beverage cluster development strategy.

Local Industry Surveys & Roundtables

Two surveys were administered and multiple roundtable discussions and dozens of individual interviews were held with local food/beverage industry representatives to gain first-hand information for this report. Full survey results for the F*ood/Beverage Industry Cluster Survey* and the *Marketing/Branding and Distribution Follow Up Survey* are available in ***Appendices 4 and 5***. A copy of notes from roundtable discussions is available in ***Appendix 6.***

Overall, survey results of local food related businesses indicate that consumer demand preferences, availability of competitively priced agricultural products, food safety requirements, transportation logistics, fuel costs and labor costs are most important impacts to a company's bottom line performance.

Two surveys were most revealing. In answer to the question "how important do you believe a coordinated regional "brand" approach can be for our local food/beverage/agricultural industry?" seventy-five percent of industry respondents chose "somewhat important" or "very important." Only four percent called it "somewhat unimportant and no one responded "very unimportant."

Figure 4: Survey Results, Importance of Regional Marketing Strategy

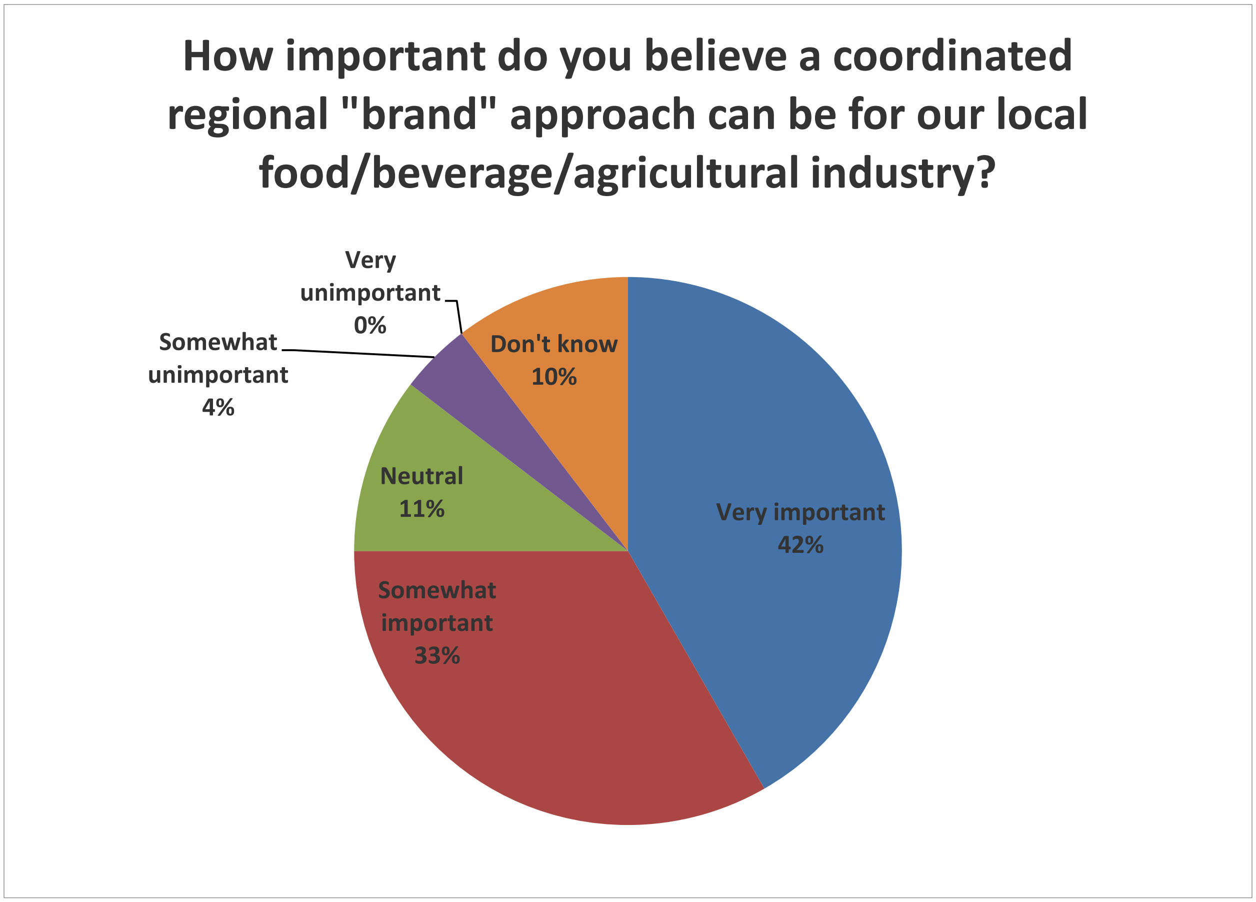
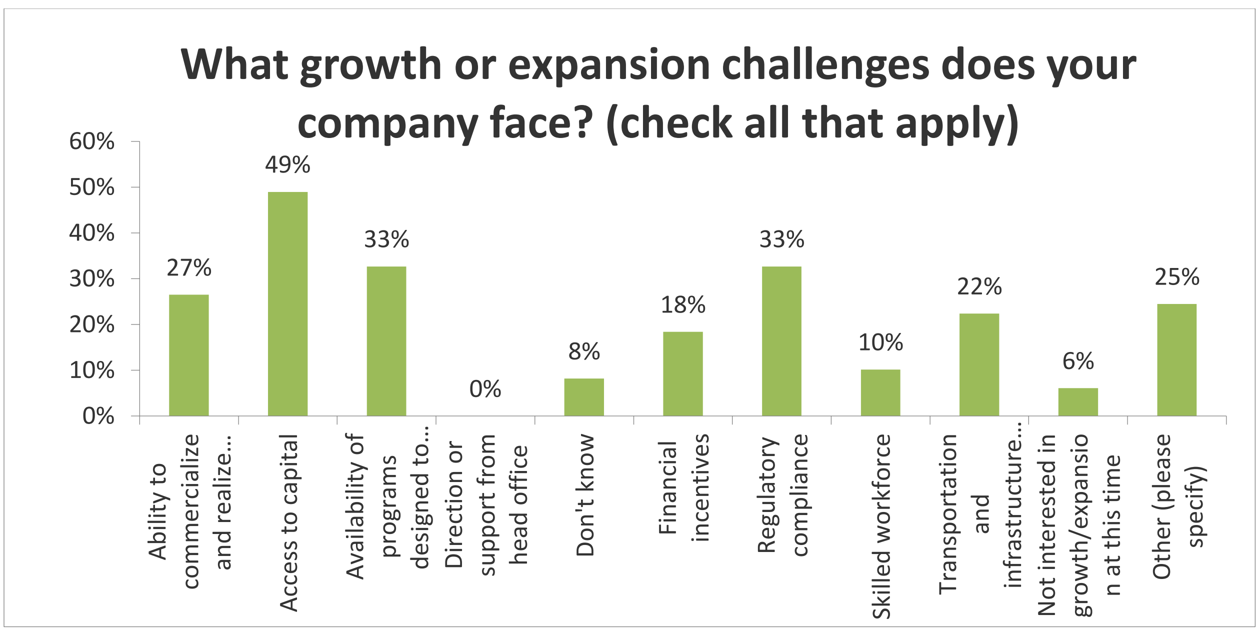


Figure 5: Survey Results, Growth or Expansion Challenges



When answering “What growth or expansion challenges does your company face? (check all that apply)”, 49% checked access to capital, 33% availability of programs designed to facilitate expansion, 33% regulatory compliance. 22% cited transportation and infrastructure improvements.

Access to financial capital is a perennial concern for all of the region’s industries, exacerbated by the on-going aftermath of the Great Recession. Training and assistance in regulatory compliance and a place for small processors to aggregate their wares for distribution are issues, as are local suppliers limited availability of product (81% of respondents checked ‘limited availability of product’ as a challenge to using Lane County suppliers—confirmation of national trends and other regional studies).

SWOT Analysis

Information from industry surveys and interviews, local food advocacy organizations, and data sets from the US Census, Bureau of Labor Statistics, the Oregon Employment Department and Michael Porter's Harvard Cluster Mapping website was utilized to complete a SWOT analysis which was later organized into a framework to develop regional food/beverage cluster strategies. The SWOT analysis and recommendations have been reviewed by a focus group of local food industry representatives. Feedback from the group has been incorporated into this final model.

Area	Strengths	Weaknesses	Opportunities	Threats	Regional Food Strategy Recommendations
Leadership	Craft brewers are emerging as local champions: could have 'tailcoat' effect on other products. Local small firms are creative, innovative, committed and passionate about their businesses-	Lots of small processors, few large ones with resources to champion broader efforts The small size characterizations of local firms means there is low resource base and low individual capacity to either undertake or sustain significant collaborative effort without subsidy, leverage, or champion.	At this early, cooperative stage of growth for many companies, possibility to build a sound base of mutual support mechanisms from which larger, more daring ventures can be launched	Companies that are potential champions become less inclined to cooperate and fund mutual endeavors as they become more inwardly focused on managing their own expansions Challenge to organizing variety of producers and processors in one marketing strategy, when emphasis on local consumption/export, organic or artisanal, etc. are so various	Continue to develop the Regional Food Consortium. The RFC can serve as convener and driver of overall regional food strategy. Mobilize champions identified as regional industry leaders (Toby's, Springfield Creamery, Glory Bee Foods, Lochmead, Hummingbird Wholesale, Ninkasi, Coconut Bliss, Mountain Rose Herbs, King Estate)
Regional Branding and Marketing	Lane County is affiliated with Team Oregon Food Processing (BRE initiative-includes booth/presence at 3 trade shows annually and a promotion of local products angle—could tie in to our marketing branding efforts locally) Some widely distributed products (e.g. wine, Oregon Tilth & organic certification) have put the Willamette Valley on the map as having good terroir/good location for locally produced food/beverages.	Lack of a coordinated regional branding/marketing strategy or organization with full representation	Marketing/branding of the region, or signature products, could be tide to lift all boats. Craft beer is a leading product for quality consortium concept (e.g. McKenzie water, local hops) Travel Lane County is ready to put resources into regional branding/marketing strategy There are many growing food businesses which constitute a critical mass and experienced labor		Create a regional marketing/branding strategy in consortium with Travel Lane County, Willamette Farm and Food Coalition, Willamette Valley Sustainable Foods Alliance and other interested stakeholders.

Area	Strengths	Weaknesses	Opportunities	Threats	Regional Food Strategy Recommendations
	Local culture in natural foods: publications like Take Root, message boards at stores, demonstration classes on things like fermentation or home brewing: rich milieu/environment. WVSFA events like "Taste the Valley, Panoply of 'food activists' who churn ideas and reflect broader interest Proximity of quality and diverse agricultural inputs in the Valley (Benton, Lane, Linn & Marion County)—from Wasabi Root to Truffles, berries, seed crops, etc.		pool. Willamette Food and Farm Coalition has established some marketing materials and has marketing grant funding that may help support this effort.		
Distribu-tion	OGC collaborates and supports area producers, processors and distributors w/ deliveries and back hauls. Co-shipping (e.g., Sweet Creek Foods, Wild Time & Hummingbird combine shipments in loads on long haul trucks).	Distribution is a challenge for small food/beverage businesses seeking to scale up their operations; places a ceiling on company growth in early stage Lack of common, centralized aggregation and refrigerated cross-docking discourages small value-added producers from combining their distribution efforts.	New distribution model(s) could be pioneered with local private and public aggregators (SnoTemp, Sprout!, Hummingbird Wholesale) NEDCO has capacity to bridge Ag and Food Processors with its Food Hub Sprout program	Complexity Financing and access to capital Regulatory burden for central aggregation space	Bring together a group of distribution stakeholders to begin to work on ideas to address distribution for smaller specialty foods companies. Suggested representatives: Willamette Valley Sustainable Foods Alliance, Hummingbird Wholesale, SnoTemp, NEDCO, McDonald Warehousing, Emerald Valley
Education and Training	Proximity to OSU Food Science program in Corvallis Lane Community College has Culinary Arts Program (with plans for expansion of programming) NEDCO is developing a food business	Low-tech production methods for many small, or specialty, start-ups (may correlate with lower wages) Lack of a local food innovation center ie. Portland. Lacks food scientist workforce of an area like Salem	Diverse education opportunities for food entrepreneurs could be more food industry focused (culinary arts at LCC, business classes at LCC, UO, NEDCO, trade groups, etc) and made more accessible.	Some in the cluster are slow to adopt or unable to afford high tech processes.	Explore potential linkages with OSU Food Science Program. Can coursework be marketed if not offered in our area? Connect LCC Culinary Arts Program with RFC initiatives Continue to work with NWFPA to see if some of

Area	Strengths	Weaknesses	Opportunities	Threats	Regional Food Strategy Recommendations
	focused incubator Informal tutoring; SCORE, local culture and historical interest in natural foods	Many smaller businesses need business and finance education Lack of locally available food science/food tech instruction- this is accessible via OSU and industry workshops. Training, education, and support for cluster (e.g. NW Food Processor Association, PDC and OSU sponsored Food Innovation Center) are Portland/Salem-centric	Food/beverage association development is still emerging. There are opportunities to support/influence efforts.		their programming can be offered in Lane County. Create an education portal that aggregates all food processing related training available in the area. (Could be a part of clearinghouse website referenced below)
Communi-cation and Linkages	Local craft brewers are linked Many farms & growers are linked (e.g., WFFC, Farmers Markets, OGC)	Communication among private/public food/beverage related initiatives	Need for a clearinghouse website for both public and private entities	Disagreements about leadership or definitions of food products, 'local' scale, sustainability leads to cooperative efforts splintering or losing momentum	Establish a clearinghouse website for local food organizations and processors that links information about local food-related initiatives- again, this might be best accomplished supporting enhancements to exisiting sites at WFFC & WVSFA, etc., as well as increase linkages among exisiting trade organizaions.
Infra-structure/ Land use	I-5 corridor—can tie in to related efforts/resources.	Lack of processing infrastructure/efficiencies		Industrial land supply Land use regulations (zoning issues limiting use of land especially in the unincorporated areas, also makes on-site processing at farms virtually impossible)	Develop capital investment programs that strategically invest in processing and storage infrastructure (e.g. Camas Country Mill) Identify local regulations that impede growth in the industry

Regional Food Recommendations and Next Steps

1. **Continue to develop the Regional Food Consortium (RFC) to serve as the Steering Committee that will oversee regional food/beverage industry cluster development activities.**

   At this stage, there is a need for a unifying body to drive overall regional food cluster development strategy. Once momentum is built and larger private sector representatives are engaged, it may be possible for the RFC to take a secondary role. For long term sustainability, this should be the goal.

   Next Steps:

   a. *Larger regional industry leaders must get involved in the RFC to help champion and resource efforts. Suggested companies include: Toby's, Springfield Creamery, Glory Bee Foods, Lochmead, Hummingbird Wholesale, Ninkasi, Coconut Bliss, Mountain Rose Herbs, King Estate Winery.*
   b. *Monthly or bi-monthly meetings should be scheduled with the agenda driven by an agreed upon strategic plan.*

   <u>Timeline:</u> December 2012/January 2013

2. **Create a regional marketing/branding strategy with the local food/beverage industry.**

   Much work has already been accomplished on this front. Regional Food Coalition partners reached out to the Willamette Valley Sustainable Foods Alliance (WVSFA) and the Willamette Farm and Food Coalition (WFFC) and assisted in facilitating a joint marketing/branding discussion. This discussion led to a mutual understanding and agreement regarding a marketing/branding strategy that could meet both of the group's needs. WVSBA and WFFC and both now committed to working together with the RFC and Travel Lane County to develop a regional branding/marketing strategy.

   A regional branding/marketing survey was conducted (***see Appendix 5***) and an initial planning session with both WVSFA and WFFC was facilitated by Travel Lane County. This planning session set forth some agreements on focus and definitions that will help set the foundation for future strategy sessions.

   Travel Lane County and WFFC both have resources to contribute to this effort. Travel Lane County is committed to sharing staff and resources to designing and hosting a micro-site on the local food/beverage industry under the umbrella of their Travel Lane County site.

   WFFC has received funding from Meyer Memorial Trust to design a branding/marketing campaign for local food. They will be receiving additional funding to implement the campaign next year. Much of this marketing is directed toward local consumers, but some of the materials developed under this grant, such as stickers that identify a product as locally grown, will be applicable within the larger outward-directed regional strategy.

Next Steps:

a. *The RFC should continue to serve in a steering committee role for this effort to insure that existing efforts and resources are leveraged.*
b. *Develop a micro-site as an interim measure until more specific branding is developed. Travel Lane County is willing to facilitate this process and develop the product, which would be updated as Step c is rolled out.*
c. *Engage a local marketing firm to help develop consistent branding/image/messaging and a larger marketing/branding strategic plan that incorporates existing resources*

Timeline: January-March 2013

3. Explore and address distribution challenges faced by the local food/beverage industry.

Distribution concerns and issues came up continually throughout surveys, roundtable discussions and individual interviews. As examples, 71% of those surveyed cited cost as a major barrier to working with distributors and 38% have been unable to find a smaller-scale or specialty distributor. More details are available in the survey results and comments in ***Appendix 5***.

Next Steps:

a. *Convene a group of distribution stakeholders to begin to work on ideas to address distribution for smaller and specialty foods companies. Suggested representatives: Willamette Valley Sustainable Foods Alliance, Hummingbird Wholesale, SnoTemp, NEDCO, McDonald Warehousing, and Emerald Valley*

Timeline: April-June 2013

4. Strengthen linkages between local food/beverage industry and training/certification opportunities.

There is a patchwork food/beverage industry-related training and certification programs available locally and statewide. There is currently no single resource that lists all of these opportunities. Programming offered outside our area by organizations like OSU and the NWFPA might be brought to our area if need was aggregated.

Next Steps:

a. *Explore potential linkages with OSU Food Science Program. Can coursework be marketed if not offered in our area?*
b. *Connect LCC Culinary Arts Program with RFC initiatives*
c. *Continue to work with NWFPA to see if some of their programming can be offered in Lane County.*
d. *Create an education portal that aggregates all food processing related training available in the area. (Could be a part of clearinghouse website referenced below)*

Timeline: April-September 2013

5. **Strengthen communication and linkages among the local private sector and public and non-profit food advocacy groups and initiatives.**

   As noted in this report, there are numerous local “food agendas” and at least nine local non-profit organizations that are involved in local food/beverage initiatives. Many of these entities do not regularly communicate with one another. Synergies and reduction of duplication may be realized if communication is enhanced among these groups.

   Next Steps:

   a. *Establish a clearinghouse website for local food organizations and processors that links information about local food-related initiatives.*

   Timeline: January-June 2013

6. **Support food/beverage industry-friendly infrastructure development.**
   As the food/beverage processing industry grows in our area, there will be more need for industrial land, processing and storage facilities. Regulations that impede the growth of businesses in this sector should be identified and better-adapted to the needs of industry wherever possible.

   Next Steps:

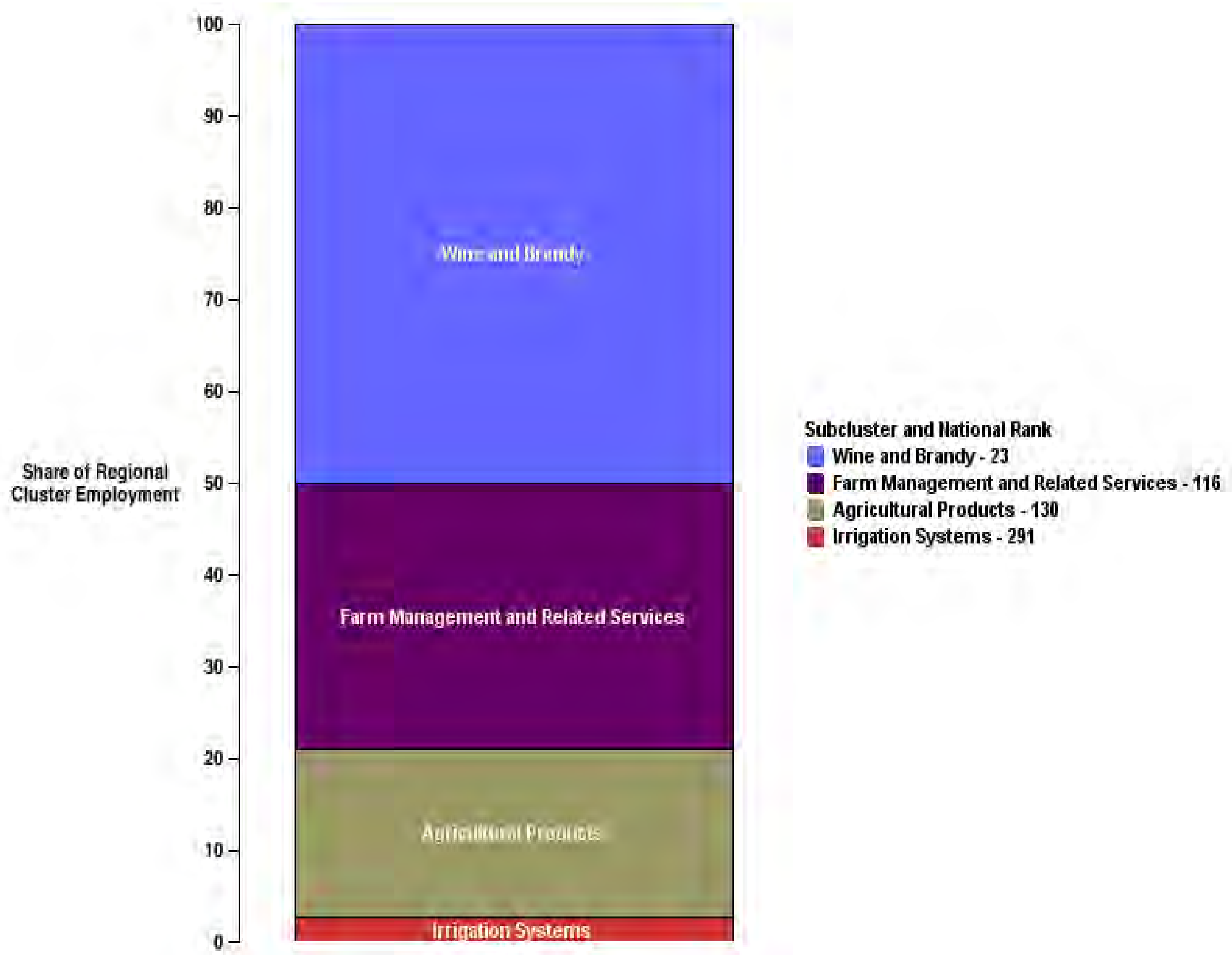
   a. *Develop capital investment programs that strategically invest in processing and storage infrastructure (e.g. Camas Country Mill)*
   b. *Identify local regulations that impede growth in the industry*

   Timeline: April-September 2013

Appendix 1: Sub-cluster's Size and National Rank

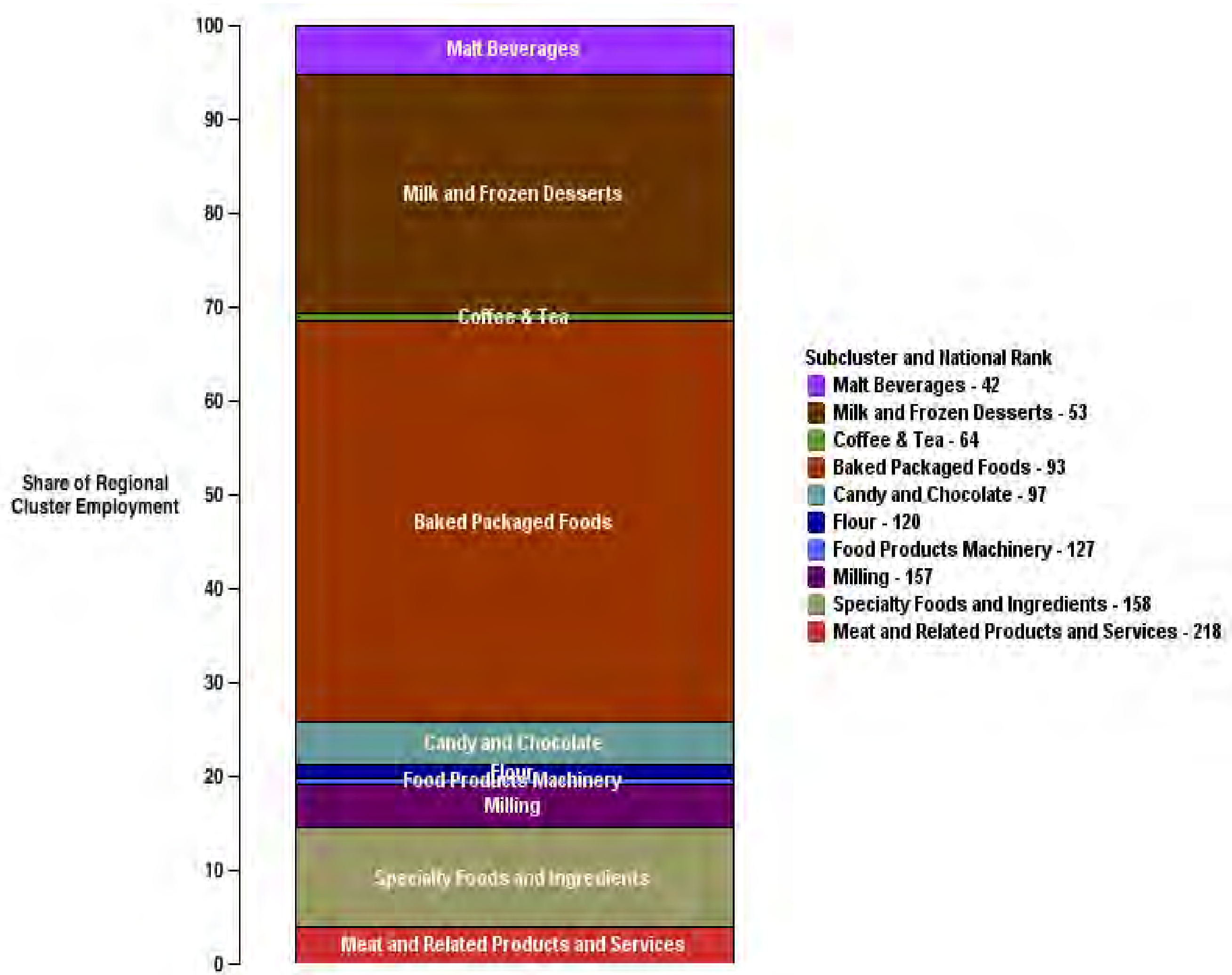
Appendix 1: Sub-cluster's Size and National Rank

Agricultural Products: Subcluster Percentage Size and National Rank

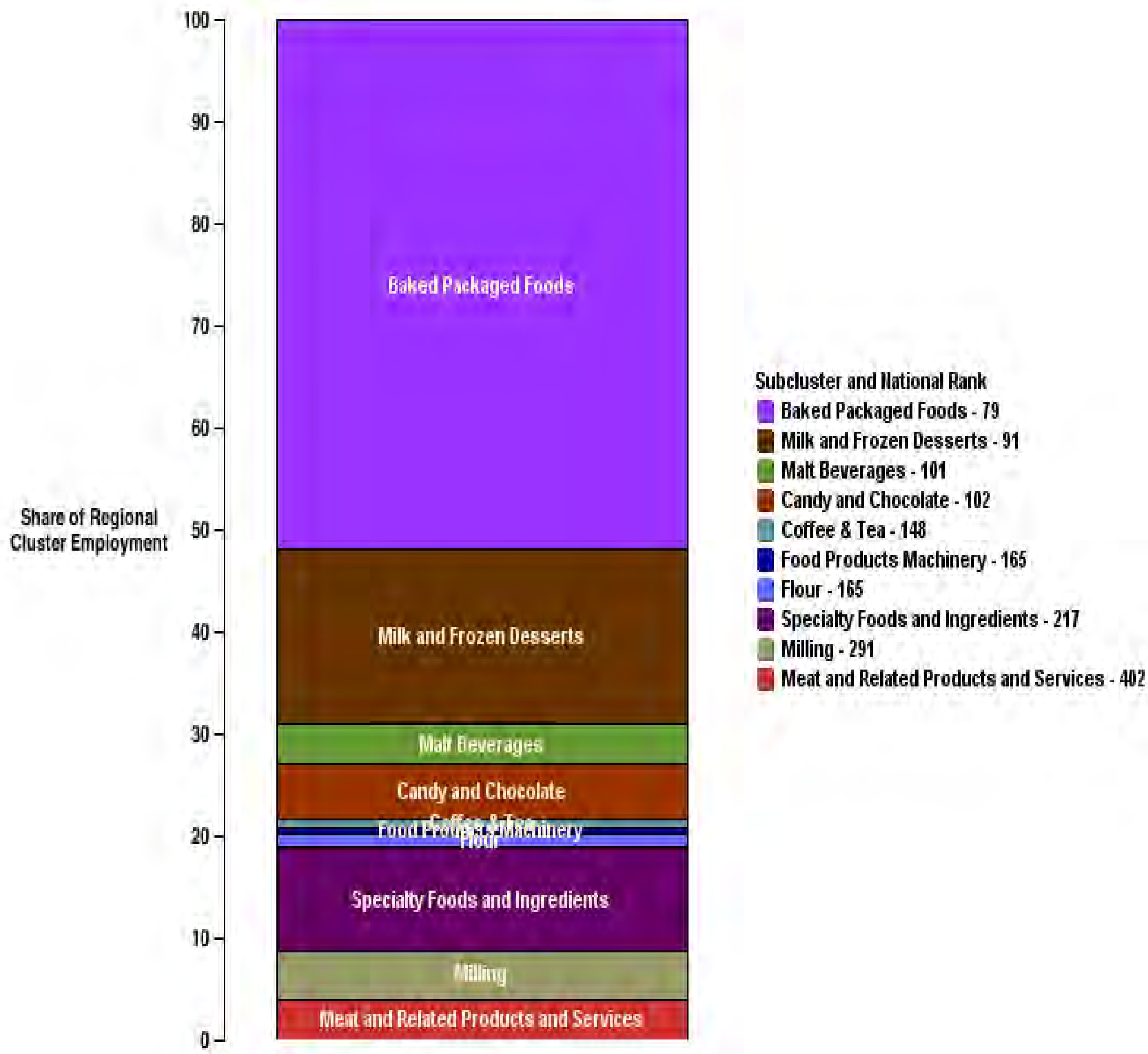


The wine and brandy subcluster in Lane County is 23rd in the nation among metropolitan areas, far above the city's national employment rankings in most every sector or subcluster aside from forest products and construction materials. This can be traced mostly to King Estate Wineries, a major regional exporter.

Food Processing: Subcluster Percentage Size and National Rank



This graphic was made with data from 2009—close to the beginning of extraordinary growth in Ninkasi Brewing Company, Oakshire, Hops Valley, and the additions of businesses like Falling Sky Brewing. Milk and frozen desserts (which include non-dairy frozen desert makers Larry and Luna as well as Coconut Bliss) are also undergoing dramatic growth.



Job creation in Lane County's food cluster is being driven primarily the industries of Malt Beverages, Milk and Frozen Desserts, Specialty Foods and Ingredients, and Wine, although expansion of wholesalers like Hummingbird, the grocery operation Market of Choice, and planned expansion of Glory Bee Distribution point to growth across the food cluster sectors.

Page left blank intentionally

Appendix 2 Industry Comparisons to Other MSAs

Appendix 2 Industry Comparisons to Other MSAs

Table 1: Sample of Metropolitan Areas with Significant (more than 50 employees) Ice Cream and Frozen Dessert Manufacturing (Censtats Database) 2009

Metropolitan Area	Employees (Pay Period Including March 12)	# of Establishments	MSA Population
Jamestown-Dunkirk-Fredonia, NY	250 – 499	1	
New Haven-Milford, CT	81	6	
Charlotte-Gastonia-Concord, NC-SC	100	4	
Eugene-Springfield	208	4	351,000
Houston-Sugar Land-Baytown, TX	252	10	
Madison, WI	100 – 250	2	
St. Louis, MO-IL	166	6	
Riverside-San Bernardino-Ontario, CA	284	6	
Burlington-South Burlington, VT	250 - 499	2	
New York-Northern New Jersey-Long Island, NY-NJ-PA	307	30	
Chicago-Naperville-Joliet, IL-IN-WI	1,381	16	
Los Angeles-Long Beach-Santa Ana, CA	995	23	

Industry Comparison 3121 Beverage Manufacturing—2010 MSA Business Patterns US Census

MSA	Paid Employees for pay period including 3/12/12	Total establishments	Annual Payroll (in $1,000s)	Population of MSA (Sorted Smallest to Largest)
Seneca Falls, NY	230	12	5,162	35,248
Walla Walla, WA	309	59	11,109	58,781
Bellingham, WA	160	10	3,674	201,140
Charlottesville, VA	336	20	10,463	201,559
Boulder, CO	108	12	5,732	294,567
Fort Collins-Loveland, CO	1,122	14	63,319	299,630
Eugene-Springfield, OR	361	18	10,661	351,715
Salem, OR	393	26	2,927	390,738
Asheville, NC	255	8	7,280	424,858
Madison, WI	76	10	3,823	568,593
Akron, OH	251	13	15,382	703,200
Allentown-Bethlehem-Easton, PA-NJ	1,174	14	56,577	821,173
Albuquerque, NM	93	13	2,880	887,077
Buffalo-Niagara Falls, NY	325	14	13,569	1,135,509
Cincinnati-Middletown, OH-KY-IN	1,323	23	88,145	2,130,151
Minneapolis-St. Paul-Bloomington, MN-WI	700	22	39,271	3,279,833
San Francisco-Oakland-Fremont, CA	1,772	99	91,342	4,335,391
Boston-Cambridge-Quincy, MA-NH	1,255	33	79,727	4,552,402

Source: http://censtats.census.gov/cgi-bin/msanaic/msacomp.pl Accessed 9/25/12

Location Quotient Comparisons of Regions by Food and Beverage Industries

Industry	Eugene-Springfield, OR MSA	Boulder, CO MSA	Burlington-South Burlington, VT MSA
Base Industry: Total, all industries	1.00	1.00	1.00
NAICS 4452 Specialty food stores	1.76	0.83	ND
NAICS 44521 Meat markets	1.08	ND	ND
NAICS 445210 Meat markets	1.08	ND	ND
NAICS 44522 Fish and seafood markets	ND	NC	ND
NAICS 445220 Fish and seafood markets	ND	NC	ND
NAICS 44523 Fruit and vegetable markets	ND	ND	ND
NAICS 445230 Fruit and vegetable markets	ND	ND	ND
NAICS 44529 Other specialty food stores	2.44	1.39	3.56
NAICS 445291 Baked goods stores	ND	1.03	ND
NAICS 445292 Confectionery and nut stores	ND	0.39	ND
NAICS 445299 All other specialty food stores	3.37	1.76	5.03
NAICS 4453 Beer, wine, and liquor stores	0.63	2.53	ND
NAICS 44531 Beer, wine, and liquor stores	0.63	2.53	ND
NAICS 445310 Beer, wine, and liquor stores	0.63	2.53	ND

Industry	Yakima, WA MSA	Portland-Vancouver-Beaverton, OR-WA MSA	Napa, CA MSA
Base Industry: Total, all industries	1.00	1.00	1.00
NAICS 4452 Specialty food stores	2.70	1.20	1.55
NAICS 44521 Meat markets	ND	ND	ND
NAICS 445210 Meat markets	ND	ND	ND
NAICS 44522 Fish and seafood markets	ND	ND	ND
NAICS 445220 Fish and seafood markets	ND	ND	ND
NAICS 44523 Fruit and vegetable markets	5.19	1.09	0.26
NAICS 445230 Fruit and vegetable markets	5.19	1.09	0.26
NAICS 44529 Other specialty food stores	2.71	1.65	2.46
NAICS 445291 Baked goods stores	ND	0.16	ND
NAICS 445292 Confectionery and nut stores	ND	0.78	ND
NAICS 445299 All other specialty food stores	3.52	2.34	1.95
NAICS 4453 Beer, wine, and liquor stores	0.12	ND	2.04
NAICS 44531 Beer, wine, and liquor stores	0.12	ND	2.04
NAICS 445310 Beer, wine, and liquor stores	0.12	ND	2.04

Location Quotient Comparison of Oregon Counties in Food and Beverage Manufacturing

INDUSTRY / NAICS	Benton County, Oregon	Lane County, Oregon	Linn County, Oregon	Marion	Polk	Yamhill	Hood River	Clackamas	Multnomah
NAICS 3112 Grain and oilseed milling	NC	6.18	NC	NC	NC	NC	NC	ND	ND
NAICS 3114 Fruit and vegetable preserving and specialty	NC	0.22	ND	23.26	ND	1.99	8.66	0.3	0.97
NAICS 3115 Dairy product manufacturing	ND	2.12	ND	ND	ND	ND	NC	0.8	1.72
NAICS 3118 Bakeries and tortilla manufacturing	0.5	1.65	ND	1.78	0.42	0.54	ND	1.27	2.98
NAICS 3119 Other food manufacturing	ND	0.39	ND	2.51	NC	ND	ND	0.67	2.98
NAICS 3121 Beverage manufacturing	1.67	2.21	NC	1.7	8.39	9.77	12.09	0.09	1.23

Source: Oregon Employment Department March, 2014

Appendix 3: Expanded Definitions of Economic Development Strategies Relating to Food

Appendix 3: Expanded Definitions of Economic Development Strategies Relating to Food

Food Strategies

Agriculture, food processors, beverage manufacturers, wineries, supply chains, and food movements looking to shake up existing supply chains for reasons which range from good taste, good health, or civic pride can confuse a route forward for economic development. Three, non-exclusive, approaches are available to the region as it makes decisions on where to aim investments to best support "food" as an economic development tactic.

Import Substitution:

Paraphrased from U of Michigan report, import substitution is defined as: "Wherein a locality substitutes externally produced goods and services, especially basic necessities such as energy, ***food***, and water, with locally produced ones. By doing so, local communities can put their money to work within their boundaries. The strategy is also known as plugging the 'leaky bucket.' This metaphor requires that some money exist in the bucket to begin with—one way this happens is when local goods and services are purchased by consumers outside the region.

One way to prevent money from leaving the local economy is to connect local demand for goods and services with the local suppliers of those goods and services—or remediating gaps in the supply chain. Many of the things that individuals or businesses need could be found from suppliers within the area but, due perhaps to lack of adequate information or convenience, those things are often purchased from outside. This represents another flow of capital leaving the system. By substituting demand for externally produced things with locally produced things, communities can retain capital for use within the community. Import substitution can mean increasing the purchase of local foods by consumers, but it also may refer to a firm increasing its inputs locally (energy efficiency is an example).

It's reasonable to assume we cannot rely solely on people's good will to purchase locally—especially when many locally produced goods are far more expensive than alternatives. Instead, consumers must have both an understanding of the impacts of their purchases on the local economy and also find real value in the goods that are locally available. And this is often the case with many CSA customers who find that fresh produce from the farm is better in quality than what can be bought at supermarket chains. Which gives good reason to be hopeful that import substitution can provide local communities a path to economic prosperity."

When considering what creates value for local consumers when it comes to food, it must also be remembered that "quality" itself is a complex concept to be unpacked. Definitions of "quality food" includes a basket of individual or societal values ranging from the disuse of pesticides to carbon footprint scale, sustainable animal husbandry practices to artisanal attributes that might have as much to do with a processor's skill or practices as the freshness or *terroir* of the foodstuff itself. Sometimes these values will be in perfect alignment with one another, but more often they will not. Difficulty in defining the quality of their products will be at the core of potential disagreements on a coordinated, regional marketing strategy between various firms within the food cluster.

Cluster Strategy with Focus on Traded Sector Firms:

An industry cluster is a group of geographically concentrated, inter-related firms. Companies that locate in a cluster benefit from a skilled labor force, increased innovation, coordinated advocacy efforts, high-quality supply chains, and knowledge spillover. Clusters interact in ways that establish competitive advantages through the creation and incorporation of new knowledge into products and the processes that produce them. Although clusters may contain industries that are traded-sector, they are not by definition operating exclusively in competition with firms outside their region, and many are often extensively comprised of highly localized services and markets.

Clusters generally will be made of firms that serve both regional and outside markets, and will not be contained within existing political boundaries. Regions and metropolitan areas, like the Portland Development Corporation, focus on "traded-sector clusters" because they want to bring new money into the community, or to continue with the metaphor of the leaky bucket from import substitution strategy, they do so in order to "Refill the bucket." An economic development strategy for clusters bolsters the co-locational competitive advantages of firms, examples: training a specialized workforce, helping to coordinate the advocacy efforts of firms within the cluster, provision of public goods that increase place based advantages, supporting capital investment, or complementary services.
Location quotient data, of both firms and employees, analyzed by the consulting group Creative Class, are indicative of "clustering" within the City of Eugene in food and beverage related industries. Signature products exported from the region include frozen desserts, beer, wine, and traded sector businesses include distributors of natural or organic food stuffs like the Organically Grown Company, Hummingbird Wholesalers, and Glory Bee distributors. Other important traded-sector firms within the food and beverage cluster based in our region might include Market of Choice or Franz Bakeries.

Agglomerative economies undergird cluster theory. Agglomeration processes (knowledge spillover, skill matching and intermediate inputs fostered by geographic proximity) work between local and traded sectors—their common geographic proximity is more relevant to cluster success in job creation than whether or not they export. The significance of exporting is in attracting money from outside the region, which helps growth of the overall economy and the correlation of these exporting clusters with more sophisticated products and higher wages (not causation). The purpose of distinguishing between traded or local clusters is to encourage focus on how to draw money from outside the region combined with the observation that innovation, value, and higher skill or wage occupations are often housed in export clusters. So, while a primarily localized food cluster can be seen as supporting, nurturing, and growing businesses that may later export, those firms and occupations are building skills and inputs in a given geographic area that can provide benefits to firms that are already exporting, or part of traded clusters. An example from another cluster is how health care professionals in a teaching hospital primarily serve a local market, but exporting bioscience companies benefit from the co-location of that cluster. Therefore, government and economic development agencies should not separate their support for the local cluster and the traded cluster, just like high-tech firms cannot be separated as its own industrial category. Like there are no low-tech or high-tech industries or clusters but only low-tech or high-tech businesses, there are no clusters which are truly made up of only exporting industries or local firms, only those that are more or less so oriented.

However, there are some broad-based measures governments can take in collaboration with industries that can support an entire cluster. They can help create the locally available skills through workforce training or education, they can sponsor and convene events across sectors or clusters that spur person-to-person connections and networking, or they may set up public goods that serve as an intermediate input (research centers, lighthouses). A coordinated regional brand, built in collaboration between government and industry, is one such form of support.

For instance, Eugene brewers took advantage of a local market, sources of input, and talent base before reaching a certain level of local product popularity and began exporting to Portland and adjacent states. Given the flourishing statewide industry for craft beers and Eugene's long history in food manufacturing, the local occupational specialization in food processing, history and local culture of do it yourself home brewers, combine to mark the recent rise of breweries in the city less surprising than if a venture capital or bond trading business or new movie production studio opened for business. Put simply, the long-standing presence of similar or related inputs are indications of regionally based strengths and explain what is most likely to succeed now and in the future, and what can be reasonably thought of as highly unlikely. Observations of these factors both quantitatively and qualitatively, through review of data and discussions with local members of industry and the workforce, can indicate what partnerships and government support are desirable and which are too far-fetched—this distinguishes cluster support, which is broad-based and generalizes benefits to the community across several sectors, from industry targeting—which can often be too narrowly focused to the needs and concerns of individual firms whose fortunes are far too variable and narrow to prioritize.

Another example of food clustering in action is the recent launch of Falling Sky Brewery. A home beer kit retailer opens a brewery that includes a restaurant with a "farm to table" ethos, but would not have happened without the involvement of talented people from a host of seemingly unrelated but complementary sectors who shared broad interests in the concepts of sustainable business practices: green designers, university faculty, organic food producers, and other local breweries and retailers that had proved local demand and established the parameters of market preferences.

Creative Class and Economic Identity, or Kraft to Craft:

This is an economic development strategy that argues for foremost developing and recruiting additional human capital (a talented and skilled workforce) to position a region for long-term economic growth. While the buzz term "Creative Class" is mostly associated with Richard Florida (founder and principal of consulting group 'Creative Class' that Chamber of Commerce hired last year), there is a voluminous body of professional research linking quality of life to the recruitment of talented, creative, or highly educated professionals who, in turn, are linked to producing better economic performance for a region over time.

"Economic identity" is another phrase descriptive of how a city or region attracts human capital (members of the creative class—generally measured by educational attainment but just as often by bohemian or design-based occupations) and solidifies a reputation for certain lifestyles or business activities. Building an economic identity around food that is credible, authentic and desirable begins with acknowledgement of the impressive benefits to being part of the Willamette Valley food shed and continues as part of a strategic campaign to communicate a regional brand that generates excitement and awareness of the region's growing food and beverage industries.

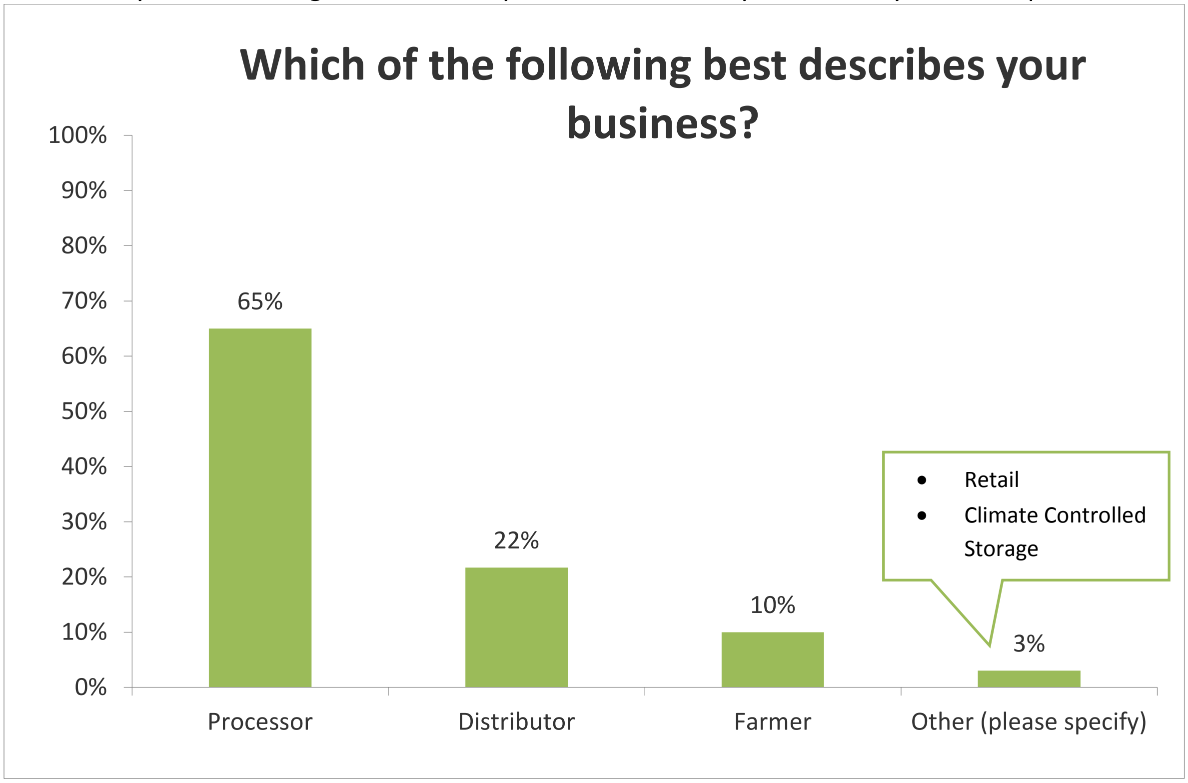
While it is intuitively understood that local food stuffs are identifiable with regions and that a region's produce or food products can create positive associations in the minds of workers, investors, or entrepreneurs, the exact reasons for these links are difficult to quantify or causally link to everyone's satisfaction. Yet, the quality of a region's food can unquestionably be asserted as a premier and fundamental measure of a region's quality of life. The availability and reputed quality of local food stuffs and products are beneficial to business recruitment or marketing a location's lifestyle to high-skill, high-wage earners. Furthermore, specialty food products whose origins are labeled may work as mini-ambassadors for a city and its region, advertising the region's culture to tourists or others who might wish to relocate. Examples of flagship food products closely associated with a regional origin include Parmigianino cheese from the City of Parma, or Ben and Jerry's Ice Cream for Burlington, VT. The specialty food product frequently embodies a set of positive values or regional heritage, and has the capacity to brand a region nationally or globally through that product's presence on shelves, menus, or general notoriety. In some instances, the specialty food is so defined by a place, that the location may essentially bestow a monopoly of the product to firm who produce there (Cotijia cheese, Swiss chocolate, etc.).

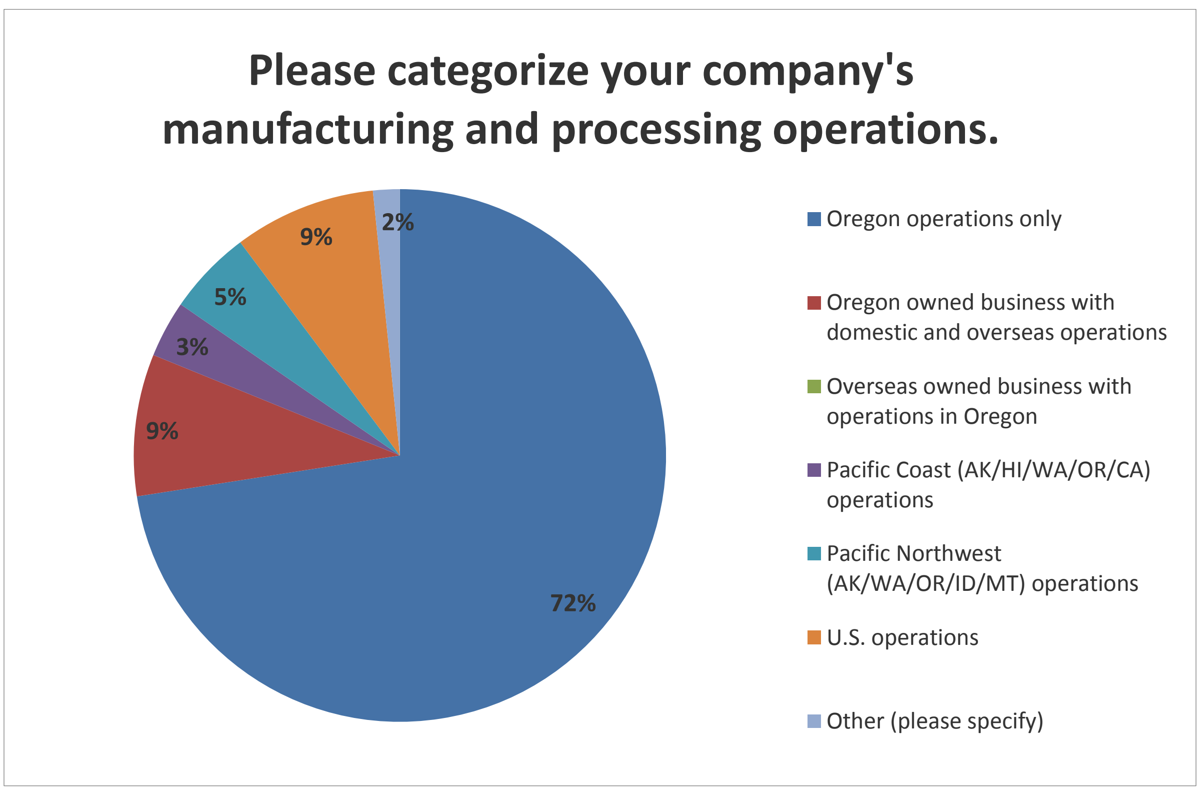
Pursuing a strategy that seeks to recruit the adaptable economic virtues of the "creative class" to its workforce may alternatively be viewed as a strategy to increase the quality of regional products and by extension, product competitiveness based upon value-additive processes—in contrast to competing purely on lowest cost. In addition, of coequal or perhaps greater importance, is the nutritional quality of locally consumed foods. Food is fundamental to the development, health, and productivity of the community's workforce and long-range regional economic performance. Again, it must be remembered that definitions of quality itself will vary and be set either by societal conventions or more literally as contractual agreements amongst consortium or other industry groups as to the nature of their shared products.

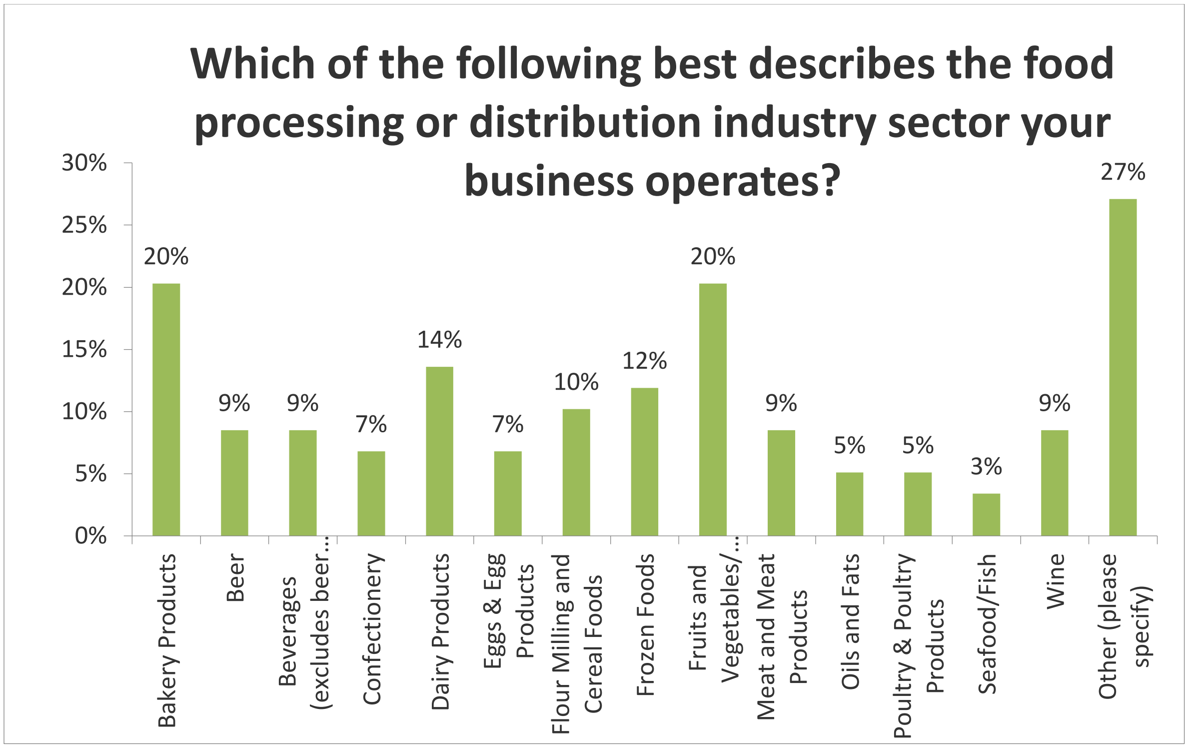
Appendix 4: Regional Food/Beverage Cluster Survey Results

Appendix 4: Regional Food/Beverage Cluster Survey Results

Lane County Food/Beverage Cluster Survey 2011/12, 175 Companies Surveyed, 60 Responses

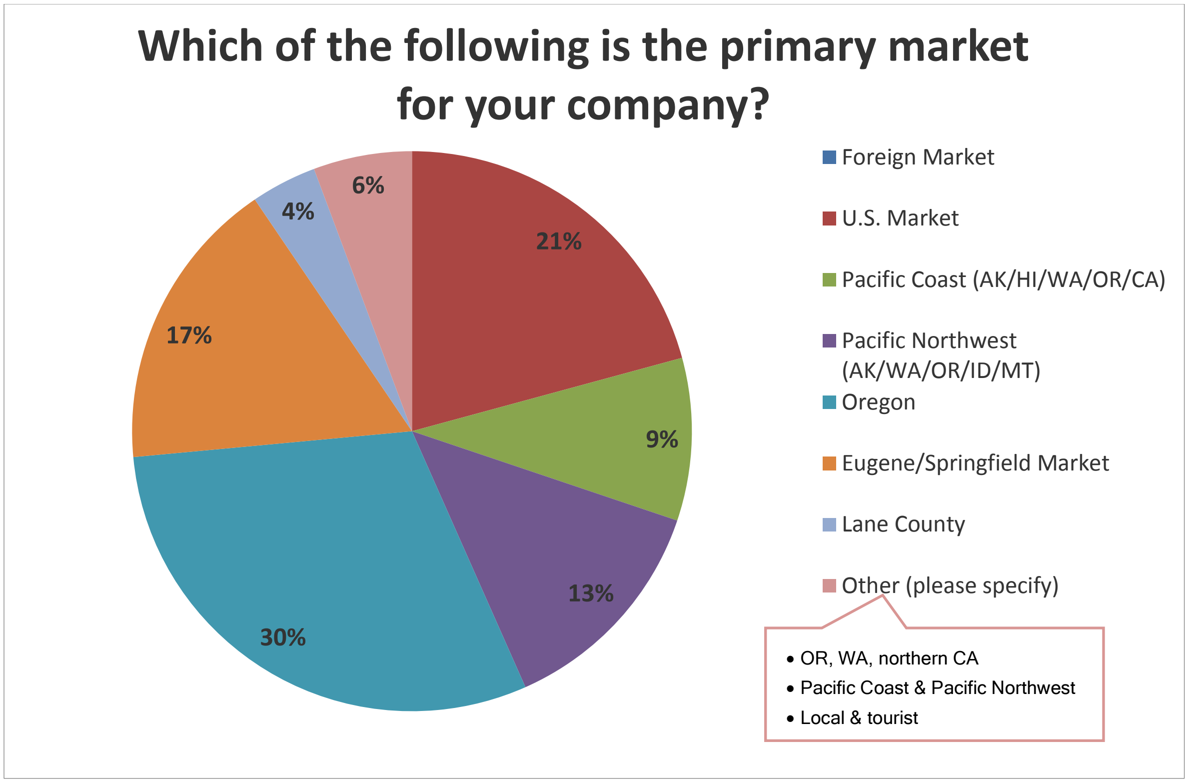


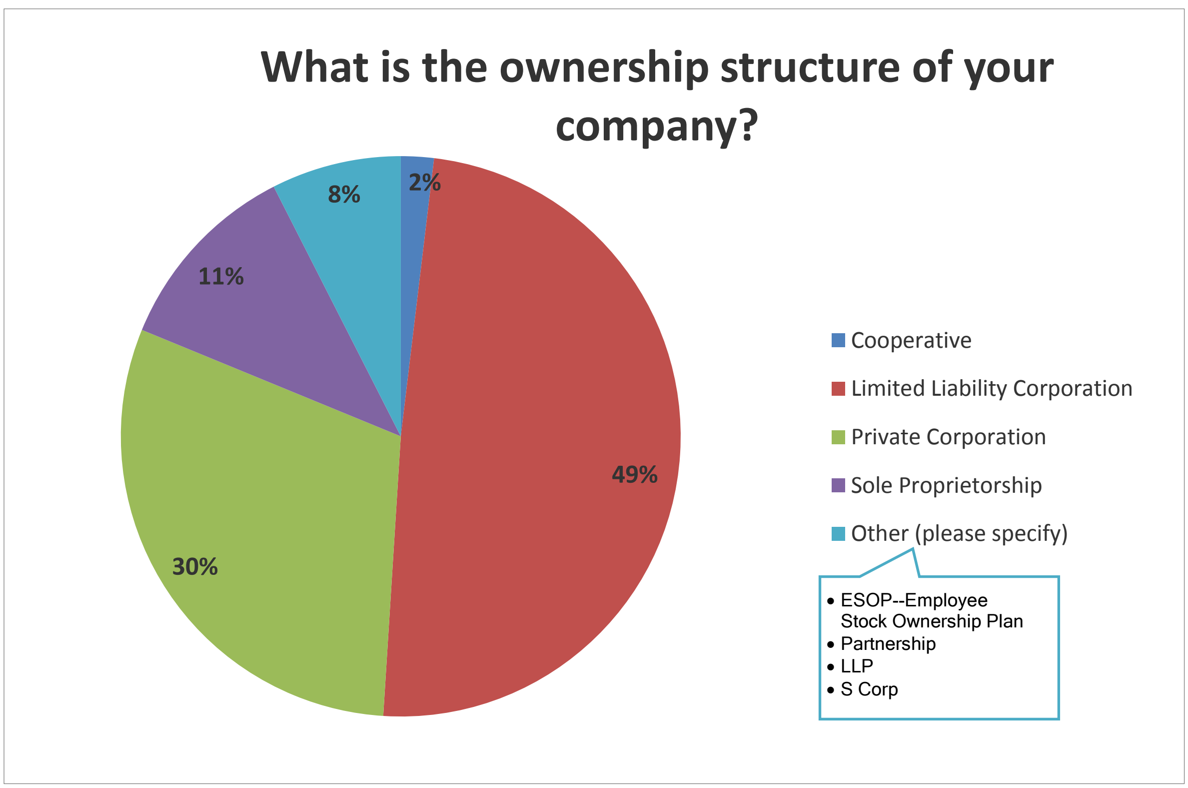


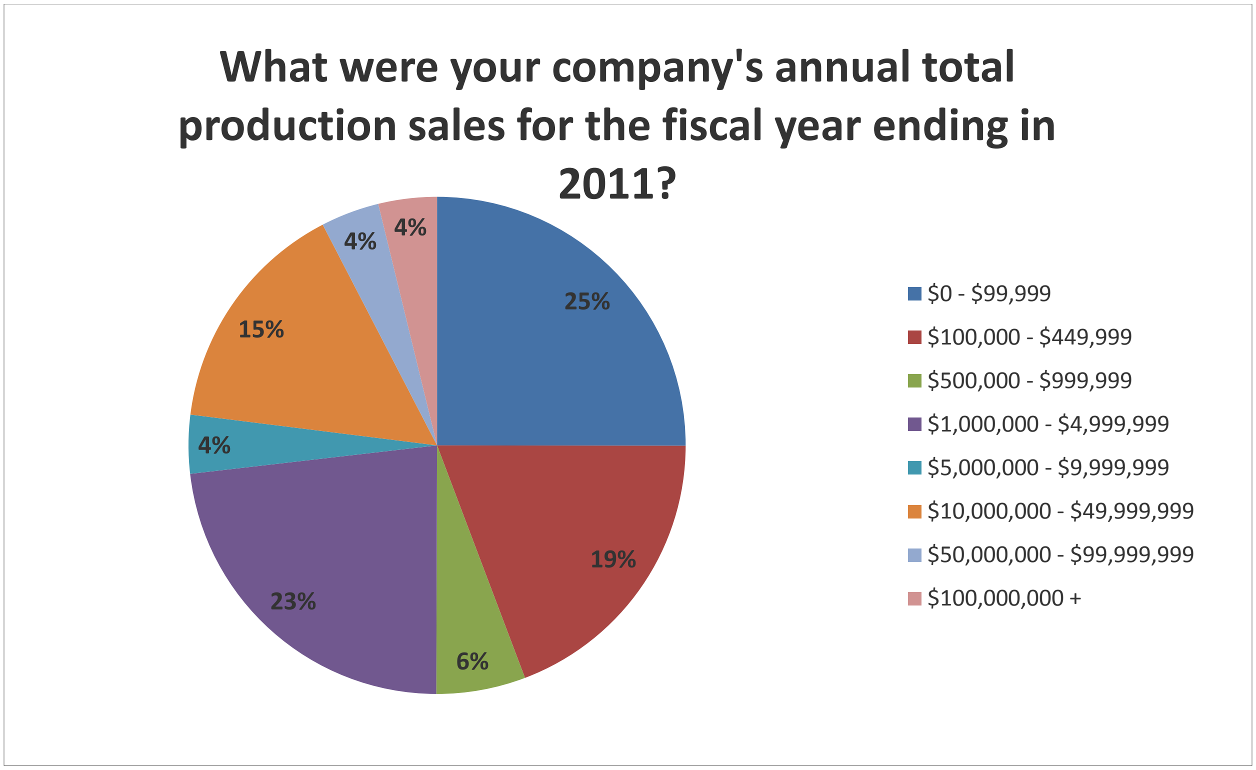


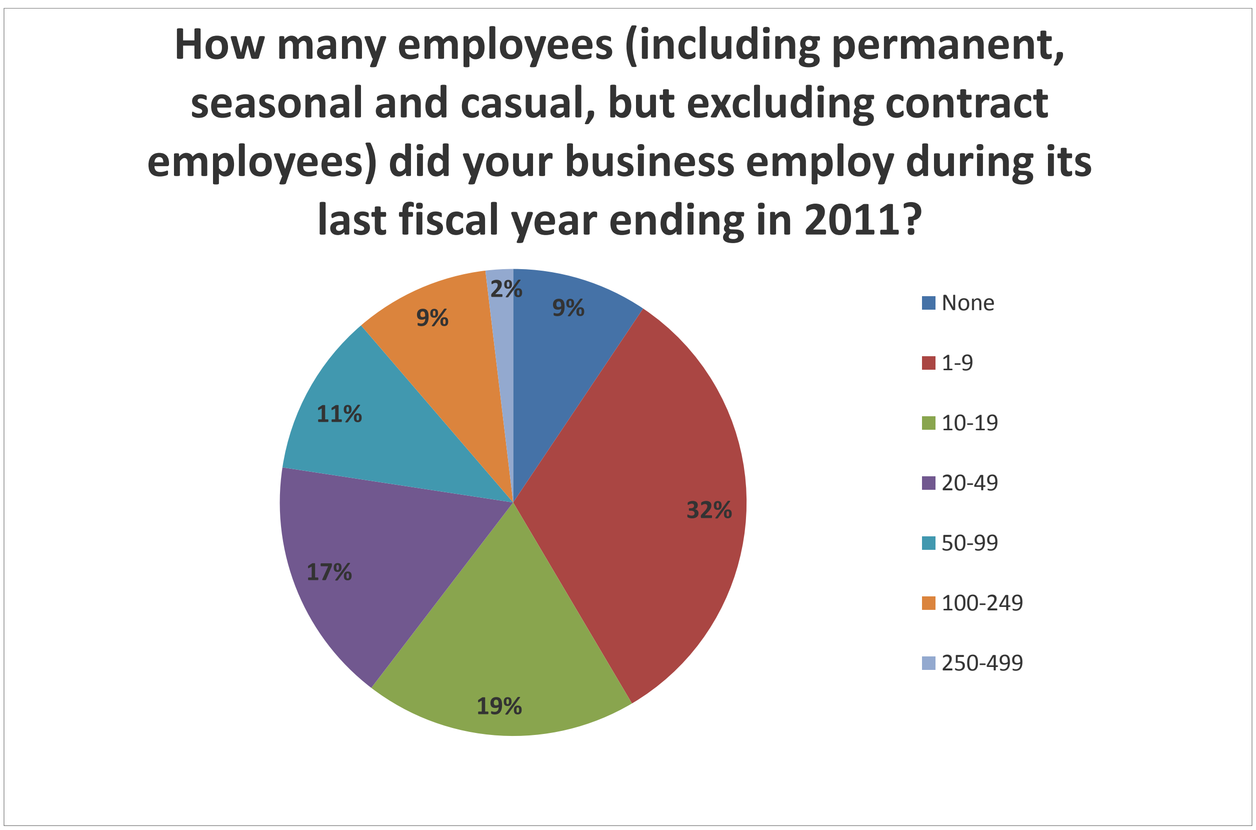
Other:

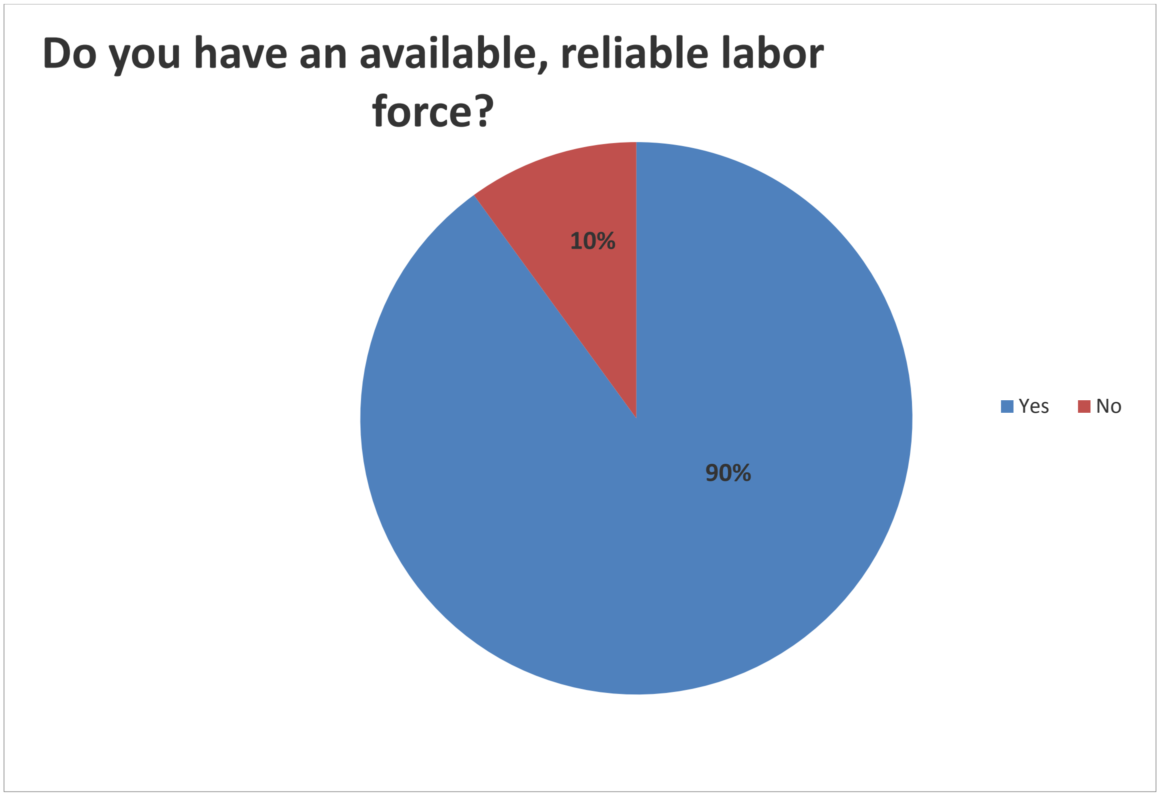
- Non-Dairy Ice Cream
- Roasted Coffee
- Organic Bulk dried foods and RAW sprouted granolas
- all of the above
- Wholesale Bulk foods
- Agriculture
- Natural and Organic Foods and Ingredients
- specialty snack foods
- Branded vanilla product
- Shelf stable food processing
- natural and organic breakfast cereals, trail mixes, dried fruit and nut commodities
- Pesto and pesto base
- soups, sandwiches, other lunch-type items
- Condiments (salsa, sauces, spices)
- Grab and go ready to eat meals
- dressings, salsas, sauces, soups, and more


Which of the following is the primary market for your company?
Foreign Market
U.S. Market
Pacific Coast (AK/HI/WA/OR/CA)
Pacific Northwest (AK/WA/OR/ID/MT)
Oregon
Eugene/Springfield Market
Lane County
Other (please specify)
• OR, WA, northern CA
• Pacific Coast & Pacific Northwest
• Local & tourist
21%
9%
13%
30%
17%
4%
6%


What is the ownership structure of your company?
Cooperative
Limited Liability Corporation
Private Corporation
Sole Proprietorship
Other (please specify)
• ESOP--Employee Stock Ownership Plan
• Partnership
• LLP
• S Corp
2%
49%
30%
11%
8%

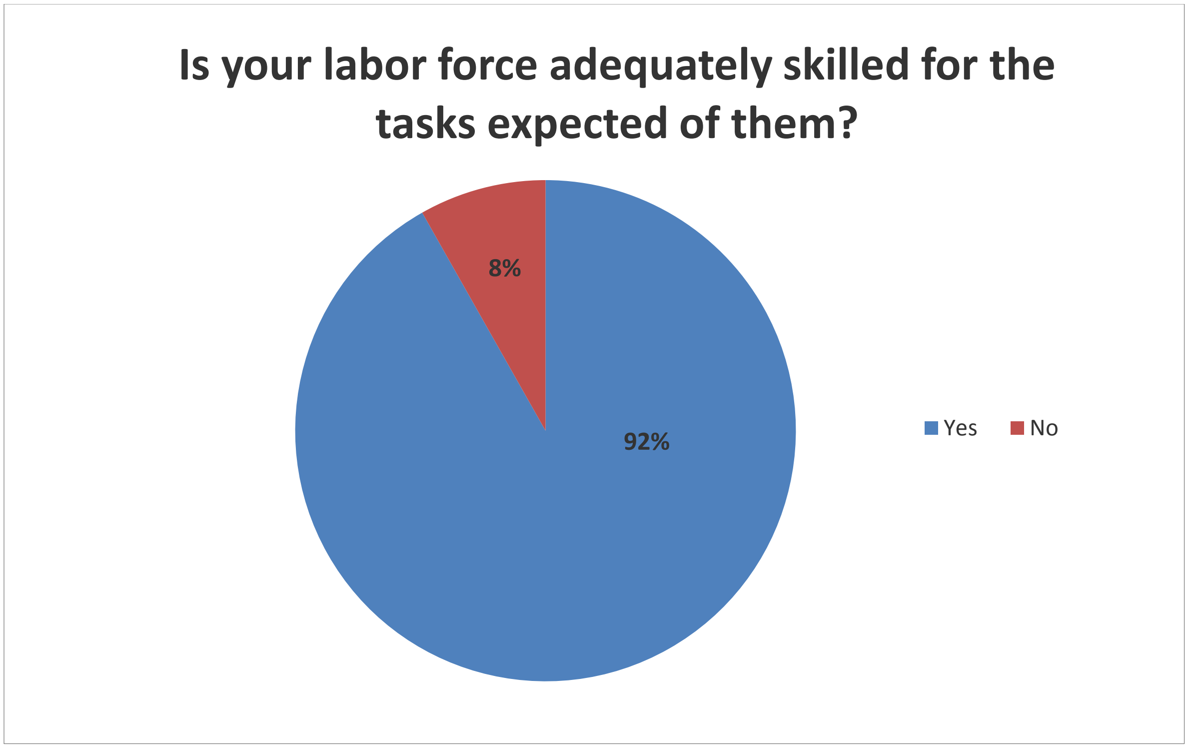

What were your company's annual total production sales for the fiscal year ending in 2011?
25%
19%
6%
23%
4%
15%
4%
4%
$0 - $99,999
$100,000 - $449,999
$500,000 - $999,999
$1,000,000 - $4,999,999
$5,000,000 - $9,999,999
$10,000,000 - $49,999,999
$50,000,000 - $99,999,999
$100,000,000 +


How many employees (including permanent, seasonal and casual, but excluding contract employees) did your business employ during its last fiscal year ending in 2011?
9%
32%
19%
17%
11%
9%
2%
None
1-9
10-19
20-49
50-99
100-249
250-499



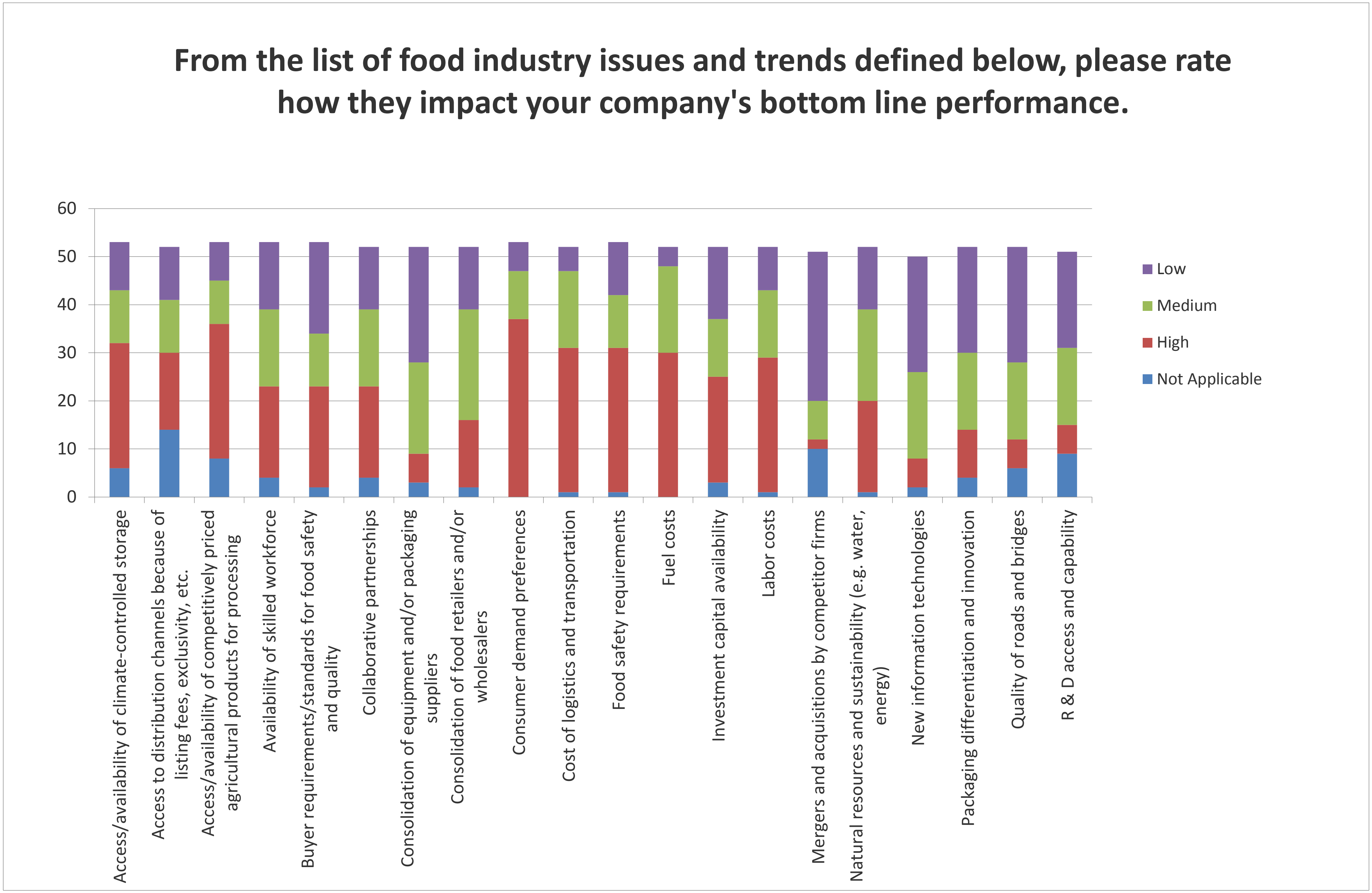
Comments:

- Rural area
- Educated, experienced and competent brewers are in short supply.
- It's hard to find people who are willing and able to do repetitive manual labor in weather for more than a few weeks or months. Also we are so small we cannot provide enough stable work to allow for stable employees.
- Due to the seasonal nature of wine grape growing, the unique skill sets required, the nature of the outside work and the small size of my vineyard, I find I lose my best employees to larger vineyards and as a result I am required to train new employees every 2-3 years. I understand this is a problem I will face until such time as I am large enough to hire and keep a full time employee.
- Our processing business is a part of our larger farm. In both # 6 and 7, I answered for only the processing portion of our business



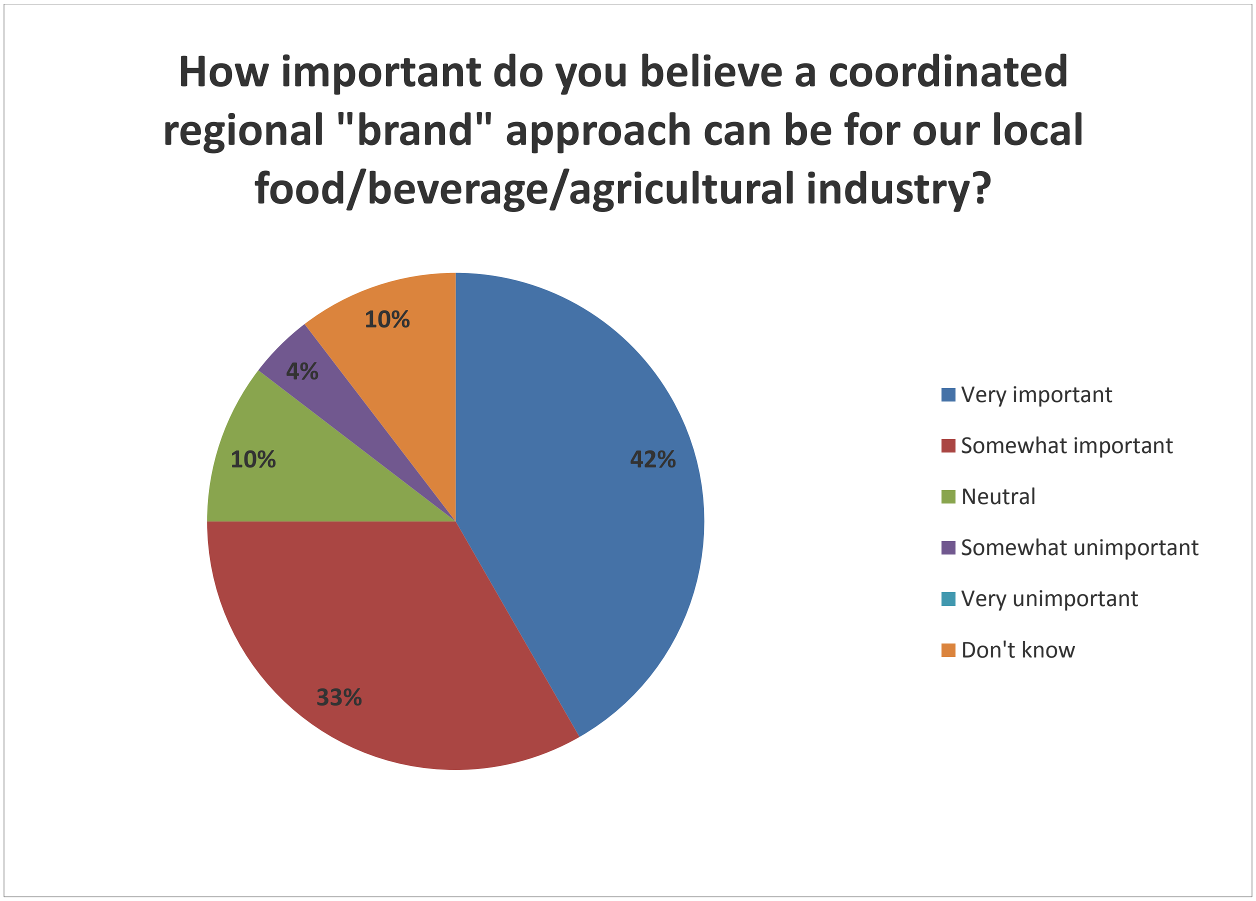
Comments:

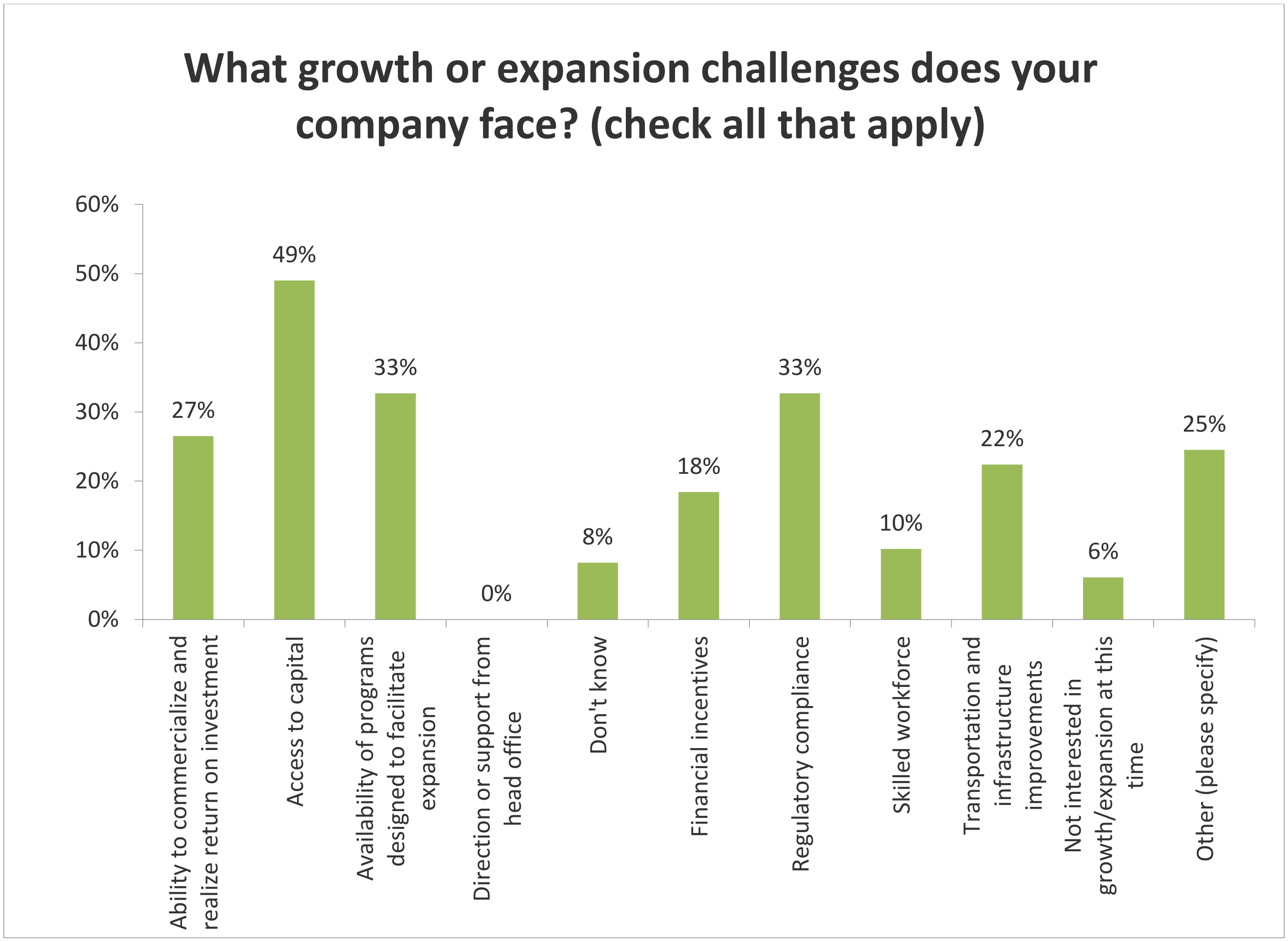
- Our labor force is adequately skilled for the current demands of our business. However, very few of our staff are prepared for the future. Training them for success in the future of our industry appears to fall squarely on our shoulders as the employer.
- Although experienced cooks are hard to find.
- Specific skill training in a few areas would be helpful. Accounting on Peachtree, pos on Brdata, HR
- Some are but many folks are very idealistic about the reality of farm work and not able to work hard in the sun or rain. There are very few experienced workers in diverse organic farm systems.
- Production labor needs to be more skilled in using automated equipment and also in lean manufacturing. Administrative staff need to be more skilled in programs such as Microsoft Excel.
- Although some of the tasks we ask people to perform require only a strong back, there are tasks that I feel require a skill level above that, and a willingness to pay attention and work with your eyes open.



Comments: 1) Minimum wage labor costs for restaurant employees who earn tips is a very important item!! 2) Human Resources
3) Small scale harvesting equipment 4) Health care costs 5) Government tax incentives/grants/guaranteed loans

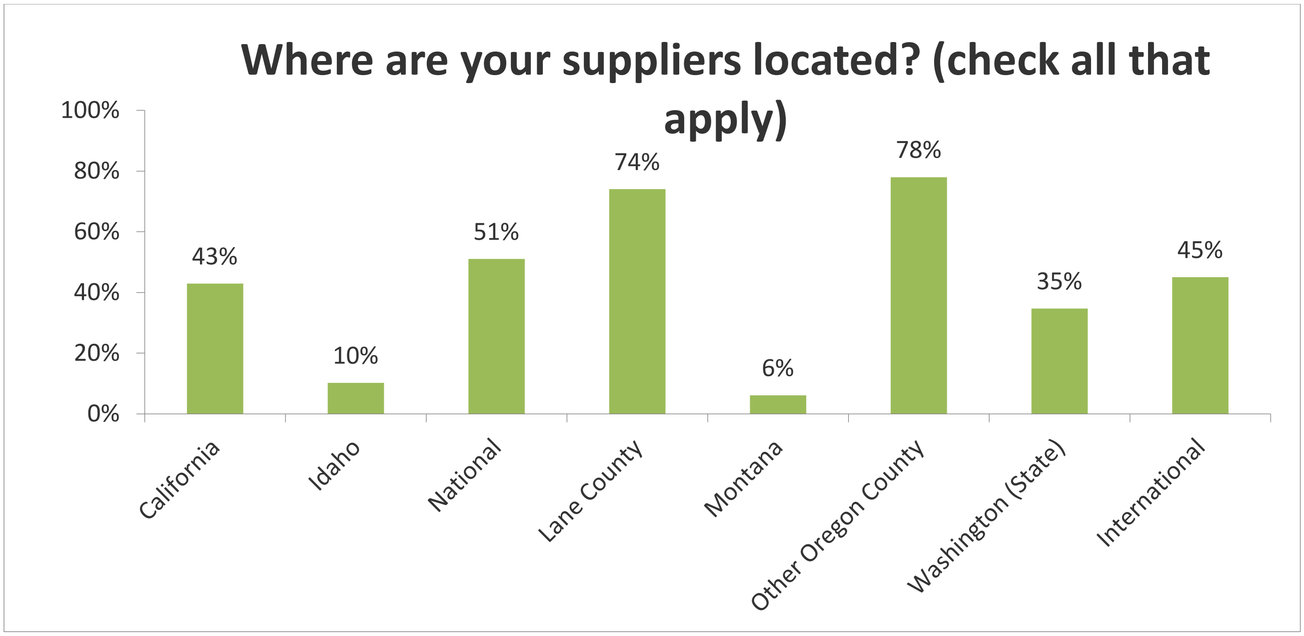
Page left blank intentionally

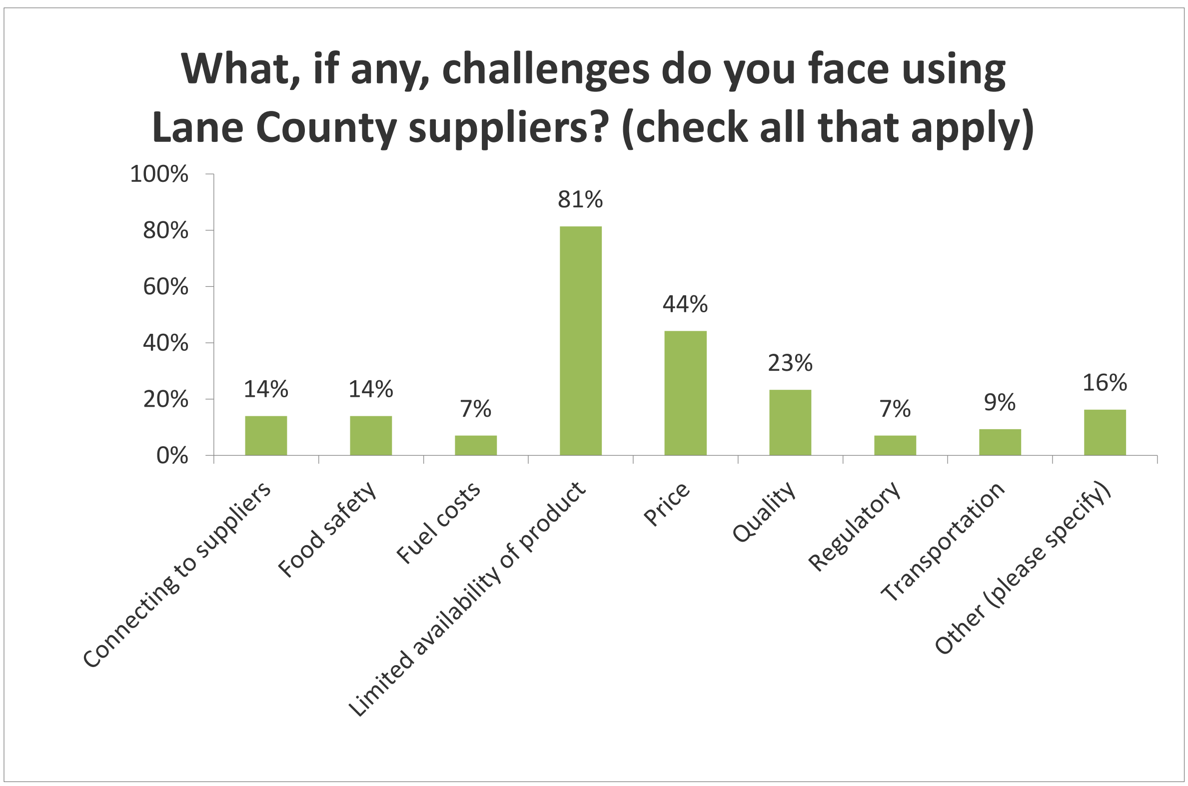

How important do you believe a coordinated regional "brand" approach can be for our local food/beverage/agricultural industry?
42%
33%
10%
4%
10%
Very important
Somewhat important
Neutral
Somewhat unimportant
Very unimportant
Don't know



Other:

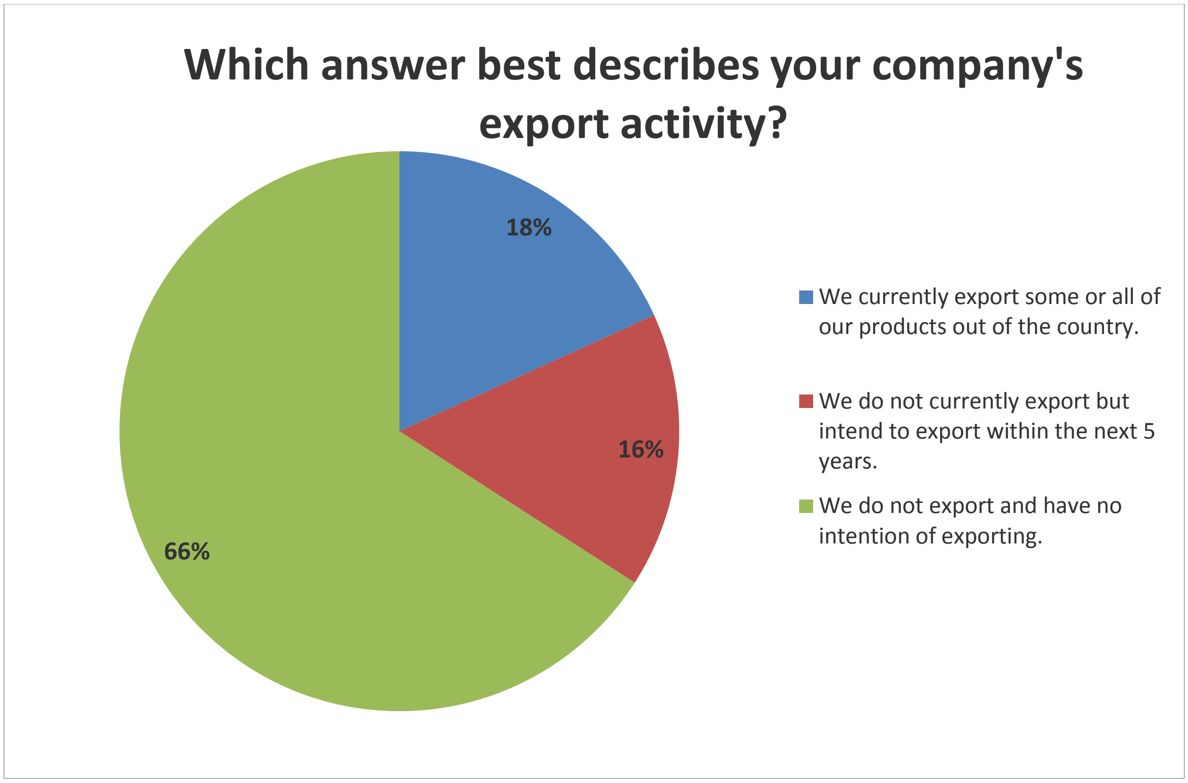
- Even roll out of distribution
- Availability of raw materials, and at the right price
- Availability of light industrial greenfield land
- Sourcing challenges due to poor weather/crop failures
- working with the city
- Organic industry domination of market with inferior imported products
- Distribution
- Distributors ability to service small processors
- better economy=more customers
- Low customer storage volume, seasonality of business
- Supply chain and food safety issues (water, power, integrity of organic industry)
- Competition in the market





Other:

- Lack of organic hazelnuts and walnuts; many organic berries are used for fresh market, not in processing.
- Not enough Organic!!
- Distribution to restaurants is lacking in area.
- Unstable commodity prices and changing weather patterns
- Processors able to comply with unrealistic government regulations
- Certain items are not avail in Lane County

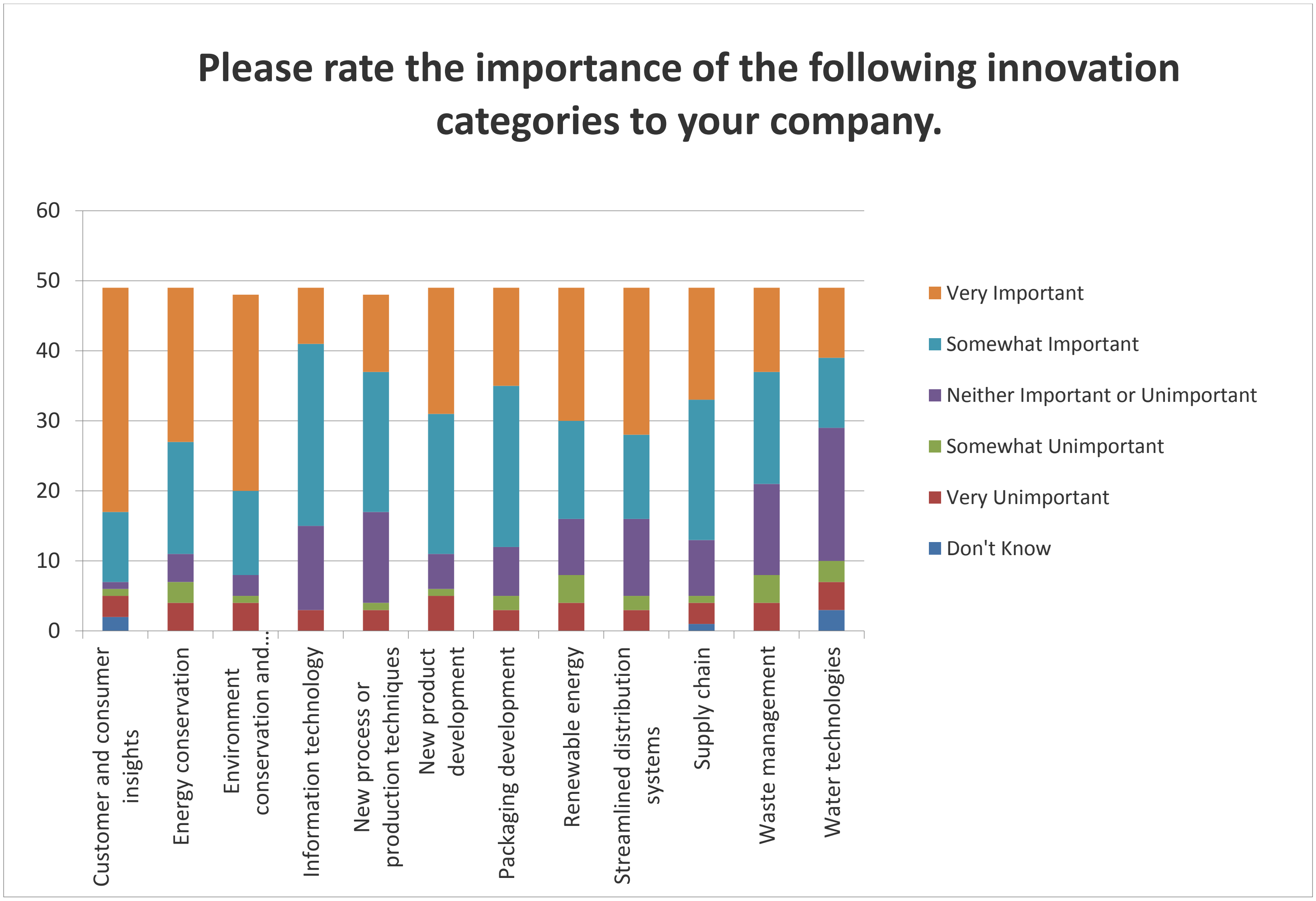


Comments:

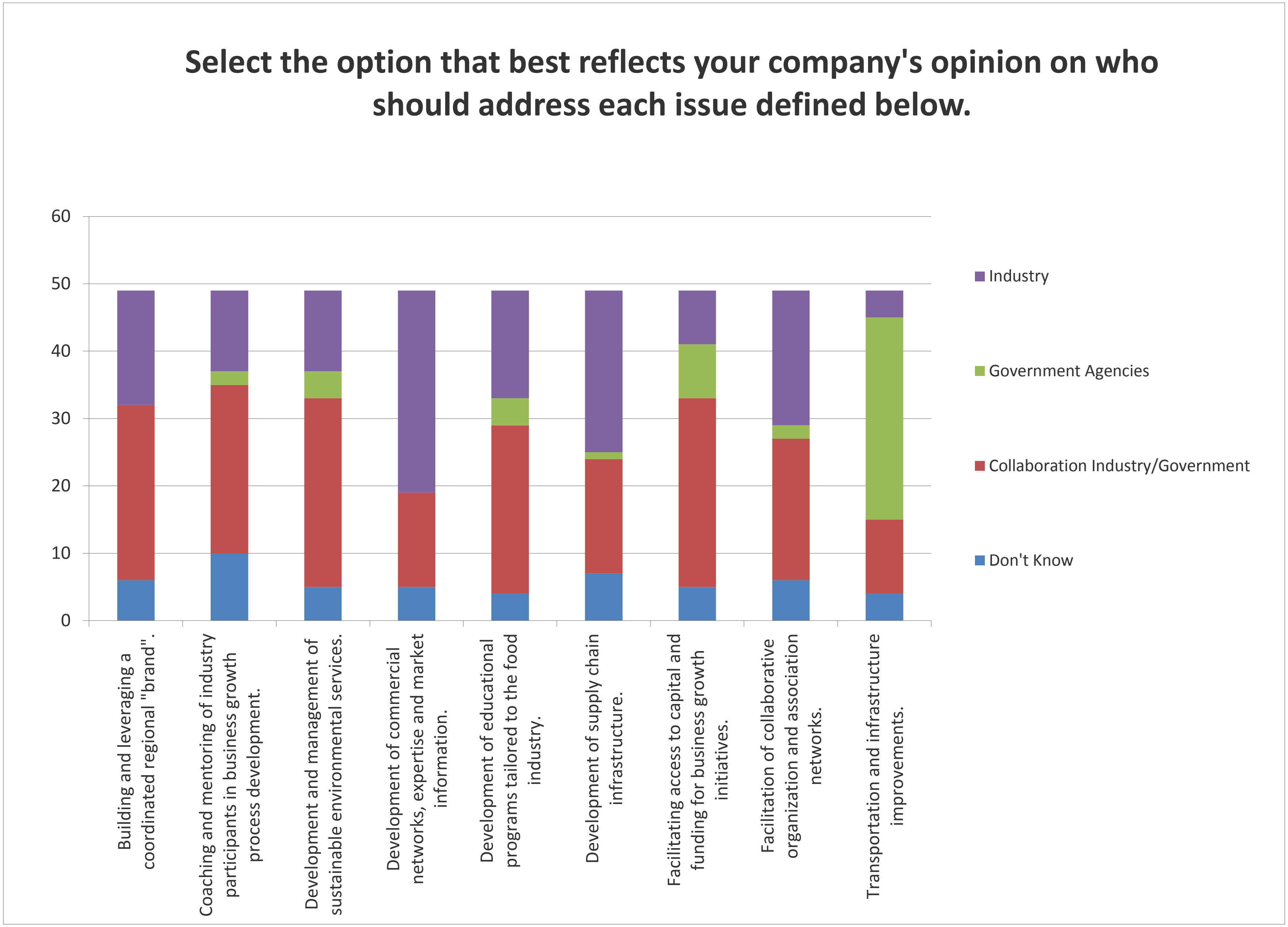
- Export very little outside USA
- Very small portion of our business
- We do not currently and have no plan to but could in the future
- We do a very small amount of export
- Export a limited amount for local customers
- We do not currently export but intend to export at some indefinite time.


If you do export your product, to which countries does your company export its goods?
12
10
8
6
4
2
0
11
2
2
0
7
2
4
3
2
4
Canada
China
Europe
India
Japan
Mexico
Singapore
South Korea
Taiwan
Other
• Philippines and Guam
• Australia, New Zealand
• South Africa
• New Zealand


How do you ship your goods? (check all that apply)
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
90%
5%
15%
22%
Truck
Rail
Air
Other (please specify)
• Cargo Ship
• In town Bike delivery
• Cargo bicycle
• Ocean going for Pacific Rim export
• TDI Jetta :)
• Frozen Cargo Container to Alaska
• Ocean Freight
• UPS & FedEx Ground Small Package
• USPS but I need to find another way



Please rate the importance of the following innovation categories to your company.
60
50
40
30
20
10
0
Customer and consumer insights
Energy conservation
Environment conservation and...
Information technology
New process or production techniques
New product development
Packaging development
Renewable energy
Streamlined distribution systems
Supply chain
Waste management
Water technologies
Very Important
Somewhat Important
Neither Important or Unimportant
Somewhat Unimportant
Very Unimportant
Don't Know



Select the option that best reflects your company's opinion on who should address each issue defined below.
60
50
40
30
20
10
0
Industry
Government Agencies
Collaboration Industry/Government
Don't Know
Building and leveraging a coordinated regional "brand".
Coaching and mentoring of industry participants in business growth process development.
Development and management of sustainable environmental services.
Development of commercial networks, expertise and market information.
Development of educational programs tailored to the food industry.
Development of supply chain infrastructure.
Facilitating access to capital and funding for business growth initiatives.
Facilitation of collaborative organization and association networks.
Transportation and infrastructure improvements.

Page left blank intentionally

Additional Comments/Suggestions:

- As a retailer of local products and member of the Willamette Valley Sustainable Food Alliance one of the biggest problems we see are small and midsized manufacturers finding distribution for their products. Larger distributors are dropping smaller local and regional lines to make room for larger brands and contracts with national retailers interested in carrying their own brands. There is a need for a smaller distributor with chill and frozen storage ability to fill this gap. We are dropping brands and line that sell well because we can't get them economically or they are unable to distribute outside of the area and go under... these are quality proven sellers.
- Lane County Economic Development's support of us was CRUCIAL to our successful start in this industry!!! Thank you!
- Recognizing the existing natural food industry in our area as a valuable economic and cultural resource and seeking to support those businesses and attract new ones to the area seems to me to be consistent with other important goals for our region and would leverage the current significance of the existing activity without a great deal of effort on the part of the County and State.
- Less government regulation unties the hands of the producers of goods within the community.
- As agriculture has scaled up, small scale machinery has been abandoned. Small scale harvesting equipment for beans, grains, and other crops would be very helpful for many small farmers in the valley.
- Our company is unique in that we supply from a list of Lane County ranchers, farmers, manufacturers, suppliers, distributors, etc. We are interested in the financial impacts our business can have on Lane County's economy. We would like to see more folks investing in the infrastructure of the Lane County food system, as existing processing facilities are aging, arguably past their prime or simply not available where a need may currently exist. We understand the great cost involved in being a participant in the local food processing sector. We see long term opportunity in keeping this sector of our economy vibrant. The tools needed to foster this growth are greater than any one farmer, rancher, fisherman, processor, or distributor can contribute on the whole. With collaboration of industry AND government it could be possible to build a "brand" of quality products based on a safe food system.
- The greatest impediment I have found in starting our small family winery has been Lane County, which seems to be very business unfriendly. There seems to be a perception that everyone in the wine industry is rich and we are held to a higher standard.
- I believe strongly there is a great need for a state marketing plan for the food and drink industry. This could be incredibly beneficial to both businesses and our state's citizens by increasing business opportunities in the US and internationally and increasing travel interests for Oregon as a destination for individuals interested in quality food/drinks.
- Development of Rural areas for new industry, support of current businesses in rural areas seems to be less important/supported than city centers.
- "No mention specifically about organic.
- We need build the Willamette Valley as a sustainable food shed. No GMOS. This is a big threat to my part of the food industry. Also farming issues of how to hold small family

farms togethr thru generations, how to get new farmers into the business, and more. Just ask."

- Thanks for the attention on the local food industry!
- I believe that economic development monies could be more successfully used as low-interest rate loans to local growth companies, rather than used to entice larger out-of-area companies to locate here. Or, at least, have a combination of both strategies in operation at once.

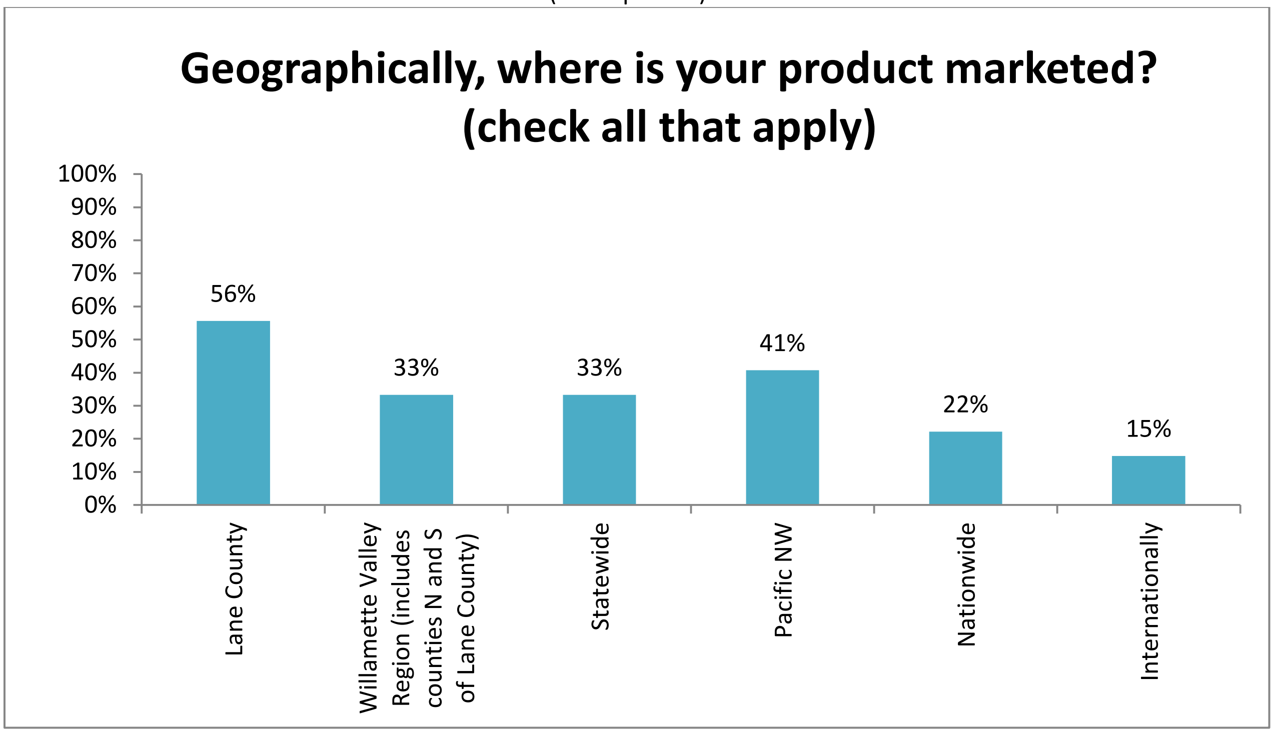
Companies that responded to the survey include:

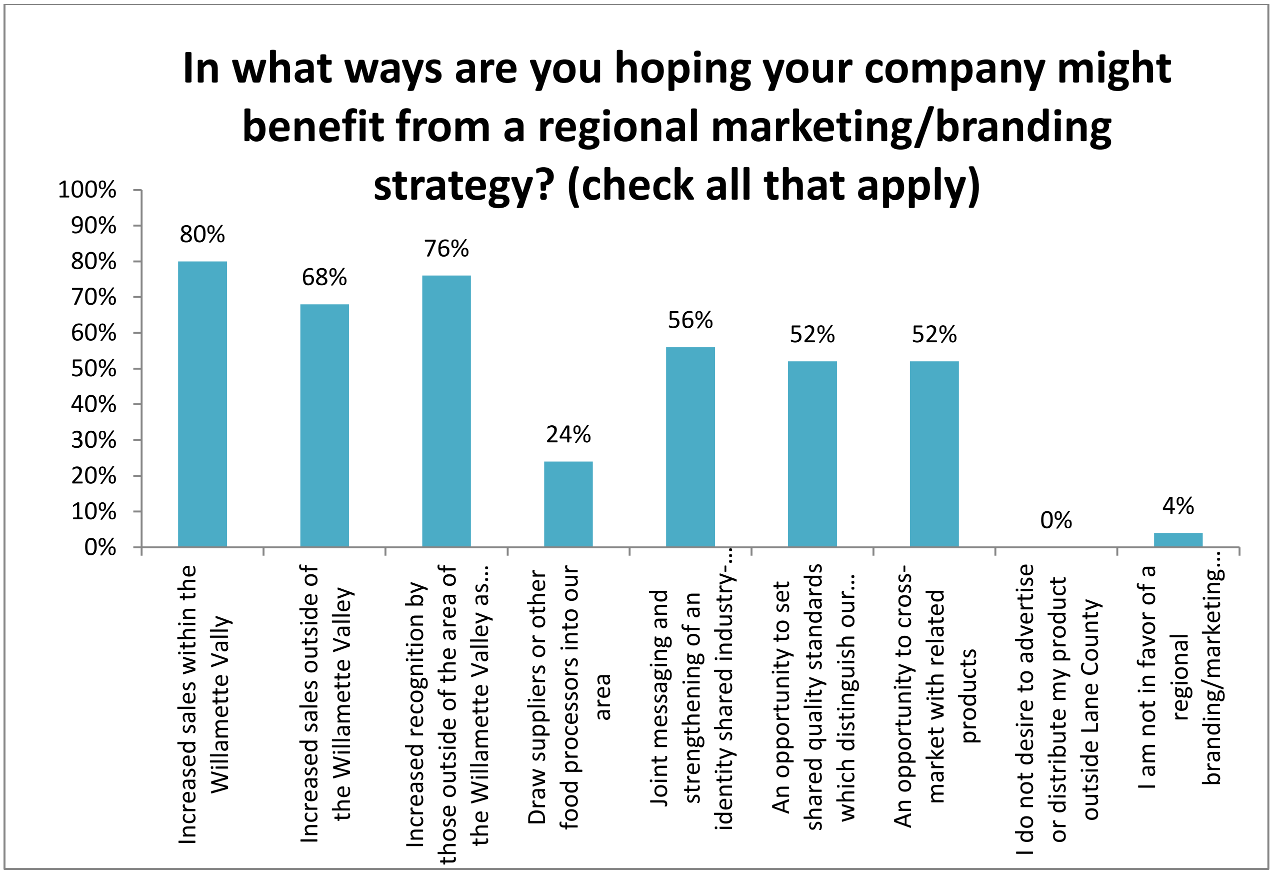
Anderson Coffee Roasters
Bliss Unlimited (Coconut Bliss)
Blue Dog Mead
Blue Lotus Chai Company
Brewers Union
Brigadoon Wine Co.
Café Mam/Royal Blue Organics
Café Yumm
Camas Country Mill
Capella Market
Capitello Wines
Childers Meat Inc.
Ciao Bella Gelato Co.
Cousin Jack's Pasty Co.
Creative Growers Organic Farm
Deck Family Farm
Diamond Hill Farms, LLC
Divine Cupcake
Emerald Fruit and Produce Co.
Eugene City Bakery
Eugene Handbuilt
Glorybee Foods
Grainmillers Inc.
Hearthside Food Solutions
Holy Cow!
Hop Valley Brewing Co.
Hummingbird Wholesale
Lane County Farmer's Market
Lion Mountain Bakery
Lochmead Dairy
McDonald Wholesale Co.
MoonTime Farms
Myco Logical
Ninkasi Brewing Co.
Oakshire Brewing
Pure Peppers
Rainsong Vineyard Inc
Red Wagon Creamery
Singing Dog Vanilla
SLO Farm
Sno Temp Cold Storage (Eugene Freezing & Storage)
Springfield Creamery
Sweet Cheeks Winery
Sweet Creek Foods
Sweet Life Patisserie/Sweet Sisters Inc.
The Bread Stop Bakery
Tibalu Foods
Transcold Distribution
Umpqua Dairy Products
Vanilla Jill's
Wandering Goat Coffee Roasters
Wildtime Foods
Winter Green Farm

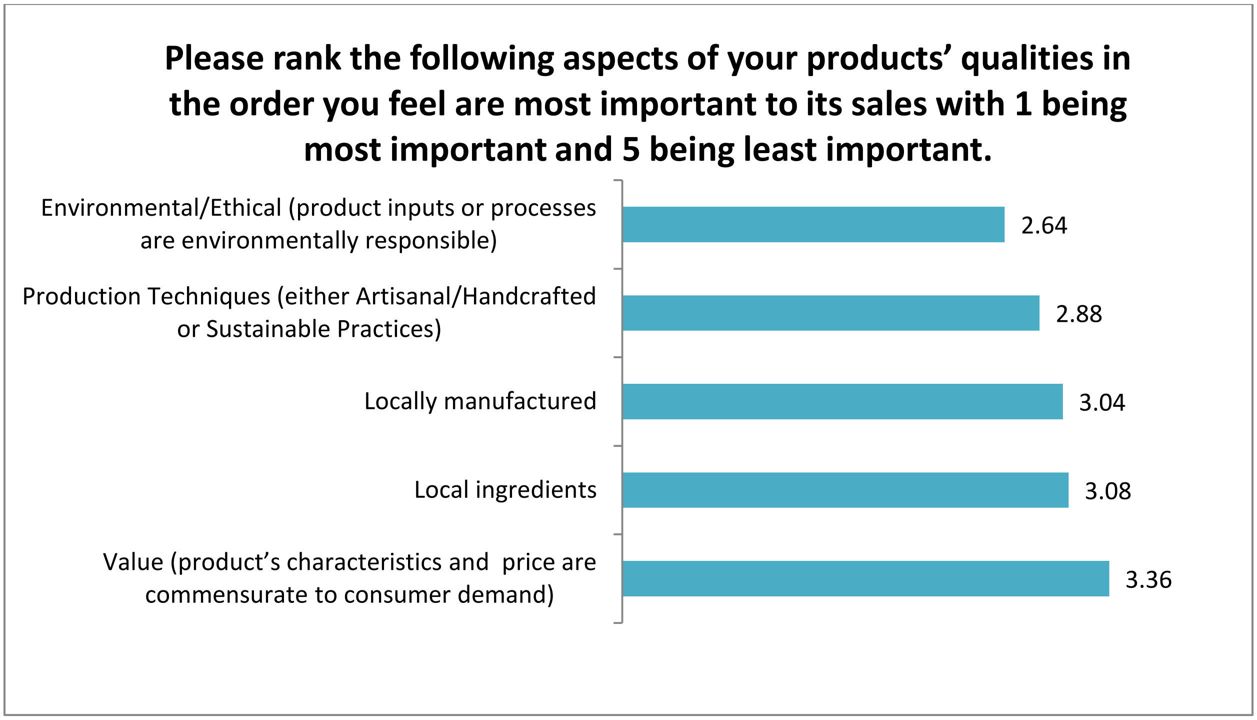
Appendix 5: Follow Up Marketing & Distribution Survey Results

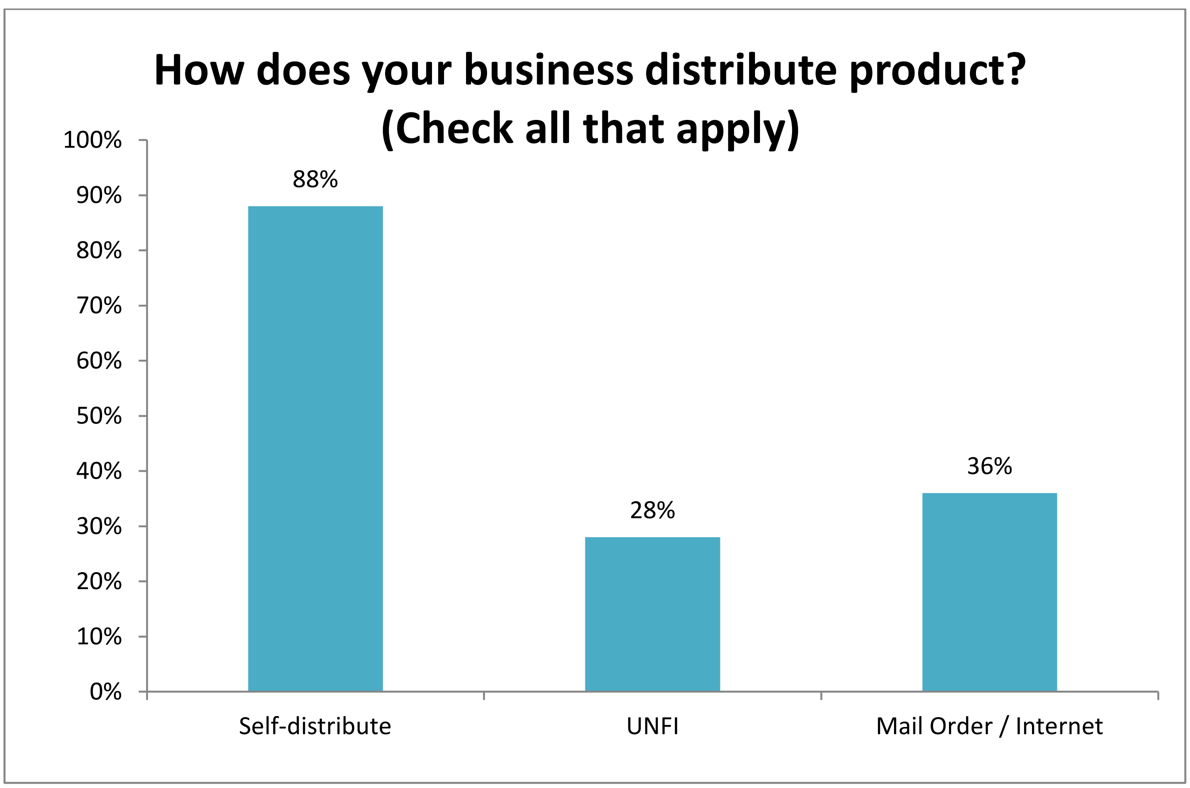
Appendix 5: Follow Up Marketing & Distribution Survey Results

Regional Marketing/Branding and Distribution Survey--Lane County Food/Beverage Processors
(27 responses)




In what ways are you hoping your company might benefit from a regional marketing/branding strategy? (check all that apply)
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
80%
68%
76%
24%
56%
52%
52%
0%
4%
Increased sales within the Willamette Vally
Increased sales outside of the Willamette Valley
Increased recognition by those outside of the area of the Willamette Valley as...
Draw suppliers or other food processors into our area
Joint messaging and strengthening of an identity shared industry-...
An opportunity to set shared quality standards which distinguish our...
An opportunity to cross-market with related products
I do not desire to advertise or distribute my product outside Lane County
I am not in favor of a regional branding/marketing...

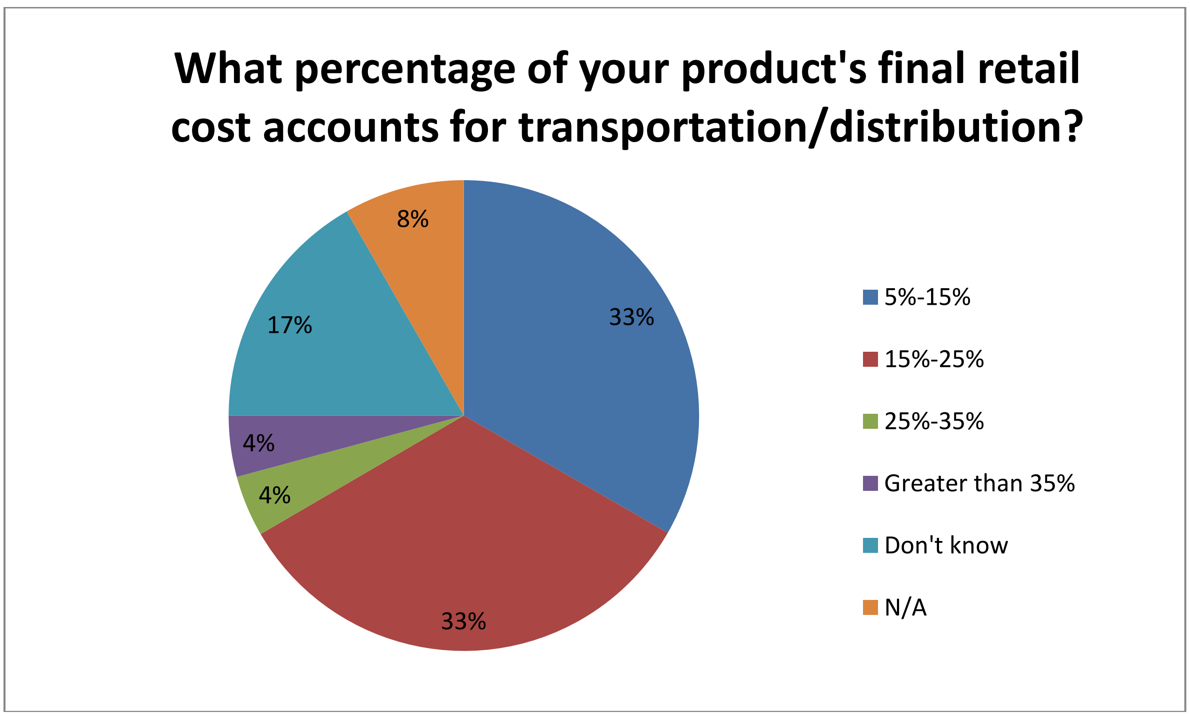


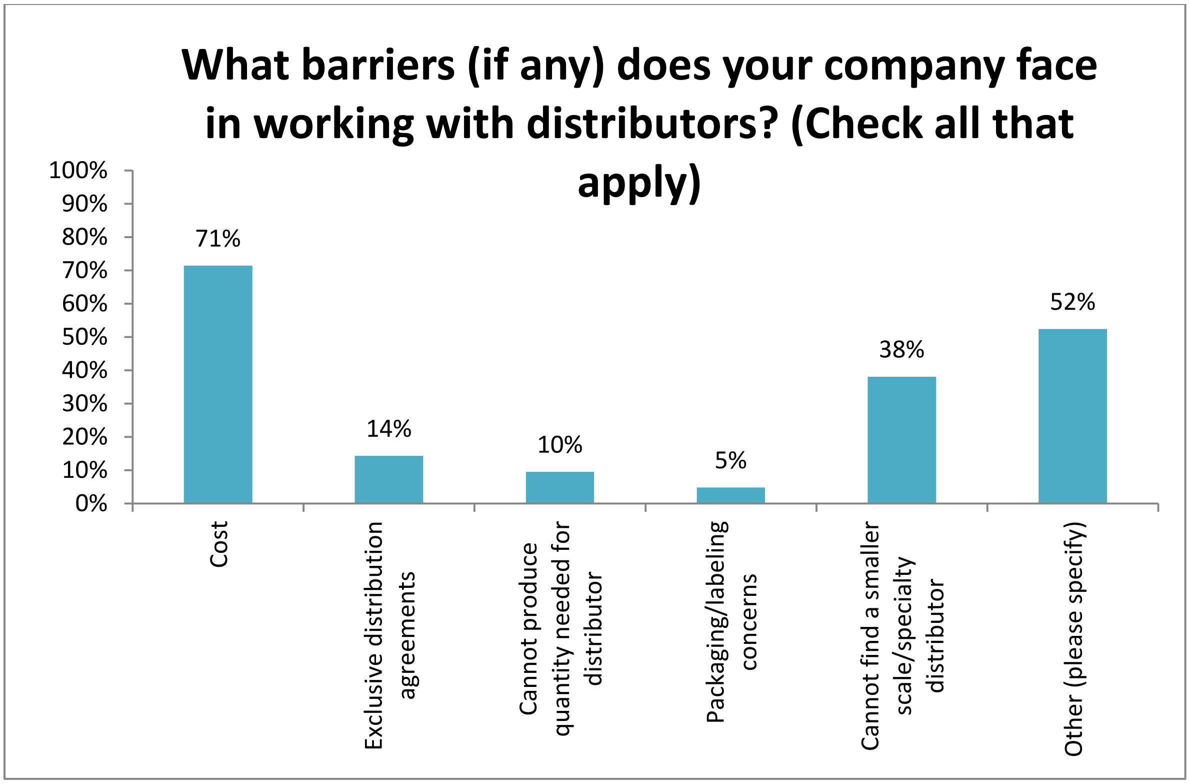


Comments:

- We occasionally use UPS for small, non liquid orders.
- Through educational media

- + other distributors
- small distributors
- United Salad
- R & K
- AZURE Standard
- Unified Grocers
- Organically Grown DELIVERS for us as well as Oceana Natural Foods.
- other smaller distributors in other states
- Festivals and shows
- Beverage Distributors
- Nature's Best, KeHe, Unified Grocers, Rainforest Organics, etc.
- As a retailer we receive products locally, regionally and nationally through UNFI, Tree of Life, Natures Best as well as direct.
- Independent distributors.
- Use small distributor for sales to food buying clubs and small stores outside of Pacific Northwest I-5 corridor





Other:

- Have yet to explore distribution opportunities. Currently self distributing nationwide.
- As a food business consultant, the businesses I work with come up against all of these barriers.
- Finding distributors that deal with perishable items with short shelf life, less than 60 days is hard to find.
- Shelf life of product
- Our company needs FROZEN distribution to Natural food stores. Besides UNFI and UNIFIED we have not found a small frozen food distributor with the ability to meet the criteria for distribution into places like Whole Foods, New Seasons, etc. Direct sales of our product into these stores is not something W.F. and N.S. are willing to work with. They prefer to order from their chosen distributors and not the independent smaller distributors.
- We will need funding for a production facility to move into distribution. We want to do this in 18-24 months.
- Distributors are gaining power as retailers want to consolidate their distributors. As they gain power they have more requirements for promotions, new item introduction, etc that lower margin and affect profitability.
- Most distributors no longer offer comprehensive marketing and representing of the products they sell.
- Legislative issues surround malt beverage distribution contracts.
- Product sampling is required to build demand and that is often not possible in grocery stores without first having demand. So Delicious! did a tremendous job of marketing through a touring bus with free samples at community events. Would it be possible to create a touring bus to promote specific local products which can build demand in other cities? Maybe a few product

companies can join with a regional distributor who agrees to support the effort through a commitment to carry specific products to areas where the touring bus visits.

- Most distributors no longer help with marketing the products they distribute. This used to be a **shared effort.**

Appendix 6: Roundtable Discussion Notes

Appendix 6: Roundtable Discussion Notes

Roundtable Discussion Notes from 5/24 Meeting

BUSINESS MENTORING AND ENTREPRENEURSHIP

Newer businesses cited struggles:

- "$6,000 in fees and had to redo all plumbing day before the grand opening"
- "Needed to hire an expert to help navigate bureaucracy"
- "What do we do when we get past the SBDC (Small Business Development Center) beginning business development programs?"
- "What do we do when business growth outstrips our ability to manage effectively"
- "I need coaching that's free or low cost"
- Other areas of assistance needed: marketing, website development, social media, distribution, markets, office space

Ideas:

- Provide mentors that can help new businesses navigate bureaucracy. Even a pamphlet would be helpful
- Provide a building and land inventory specific to food/beverage businesses and include incubator and retail/kitchen spaces
- Need to have a resource list of people to hire on contract for expanding food/beverage businesses: finance, IT, distributor/industry consulting etc. Smaller businesses could work together to hire.
- "UO has good student involvement/assessment opportunities"—link in with UO business school to connect with students from marketing, finance, sales.
- Expand SBDC offerings to support businesses beyond the start up stage and into the growth stage.
- Provide evaluative coaching and assessment
- Provide student space in the community to plug into classes and start up food/beverage businesses

REGULATORY ISSUES

Regulatory issues and concerns cited:

- Rules seem inconsistent—e.g. why is distilling ok, but a winery is not?
- Liquor laws—cannot ship to some other states such as Texas
- Special events permits difficult to obtain

Ideas:

- More reasonable regulations
- Make regulations adaptable to specific situations
- Increase coordination among regulating agencies

EDUCATION AND WORKFORCE

Workforce challenges cited:

- Finding food/beverage machine operator skills and mechanical aptitude
- People don't seem to come with mechanical skills like previous generations
- Finding applicants with advanced computer skills
- For smaller businesses, finding lead workers for lower pay that a small business can afford
- Shortage of applicants who have worked in the food industry
- Is the food/beverage industry being marketed in high schools as a cool industry to work in?
- Some need for ESL (English as Second Language) training
- Finding time to train people on the job

Ideas:

- Some success in working with college interns cited
- Outreach to LCC and UO
- Tap into resources at WorkSource Lane Centers for recruitment and hiring
- On-the-Job Training program through Lane Workforce Partnership may help some

INFRASTRUCTURE

Infrastructure issues cited:

- "Industry is challenged by older power and sewer infrastructure. Improvements can be so expensive; it is often easier to just move to a new location instead."
- "There is only one USDA meat slaughter facility in Lane County and it is aging. Will they be around for 50 years?"
- "We found a big difference in responses between EWEB and SUB. Our company moved to Springfield and SUB got work done within days."
- "Climate control storage is critical. Its availability allowed us to grow our business."

Lots of discussion about distribution issues:

- "Dozens of small businesses need full service distributor."
- "Large stores don't want to deal with anything other than a full service distributor."
- "I need a frozen distributor."
- UNFI – As full service distributor, will buy all the inventory. They require upfront payment to pick up.
- Tony's Fine Food; SACTO – potential small scale full service distribution
- Bigger distribution – DPI – Alexis – medium
- Full service distributors can also act as sort of brokers which can simplify things for the business.
- Reps and distributors are not the same and are not equal. We need a comprehensive distribution plan.
- "Even for a company 31 years strong, getting into new markets and securing distribution channels is difficult." Seeking efficiency in this area.

Ideas:

- Can power/sewer upgrades be incentivized via cost sharing?
- Take advantage of economies of scale: grain farming, food processing facilities, farm processing facilities, distribution strategy
- There is crossover between infrastructure and marketing
- Need a focused discussion on distribution issues in the future
- The Resource Innovation Group and their Willamette Valley Resilience Compact were mentioned as a resource

REGIONAL MARKETING/BRANDING

Thoughts on regional marketing/branding:

- A cohesive and positive brand will have a positive influence on our area's self identity. Quality consistency and conventional processes/standards are needed.
- "Our strength is our product diversity: beer, truffles, hazelnuts, etc."
- "This is a region that cares about artisan quality. Is it about a specific product or is it about the dirt/terroir"
- Many regions start with a unique product – Parmesan Cheese comes only from Parma, Italy.
- "Healthy, innovative, sustainable, enjoyable"
- "Pioneers came over the Oregon Trail to the promised land soils of the Willamette Valley to <u>create a quality life</u> for themselves and their descendants. Both the consumer and the industry are looking to Create a Quality Life."
- "How do we distinguish ourselves from Portland?" Very important to distinguish ourselves from Portland.
- Quality of Life. How do we take that essence and make it a brand?
- Leverage state recognition and the branding budgets of Travel Oregon and Travel Portland while also differentiating the uniqueness of the Willamette Valley.
- Is some kind of certification planned? Not embedded within a regional brand necessarily, but perhaps a short list of certification programs that local producers and processors might want to use. No criteria on percentage of product produced locally planned.
- How will we project the brand out in the market place, to a broader base and also include people within the region?

Regional Scope:

- Willamette Valley
- Southern Willamette Valley
- Five county area, Lane County and counties that touch Lane County
- State or Valley?

Local Branding Initiative:

- Willamette Valley Sustainable Foods Alliance (WVSFA) started a branding campaign this year. It involved local product stamps and product tagging. Capella Market sponsored a fundraiser for WVSFA. They placed tags on all alliance members in the store. Customers received a bingo card – buy four items and get a raffle ticket. This successfully raised awareness of WVSFA, its members and local food. Packaging or co-packaging has been discussed that might incorporate a regional brand mark in addition to individual product/company design.

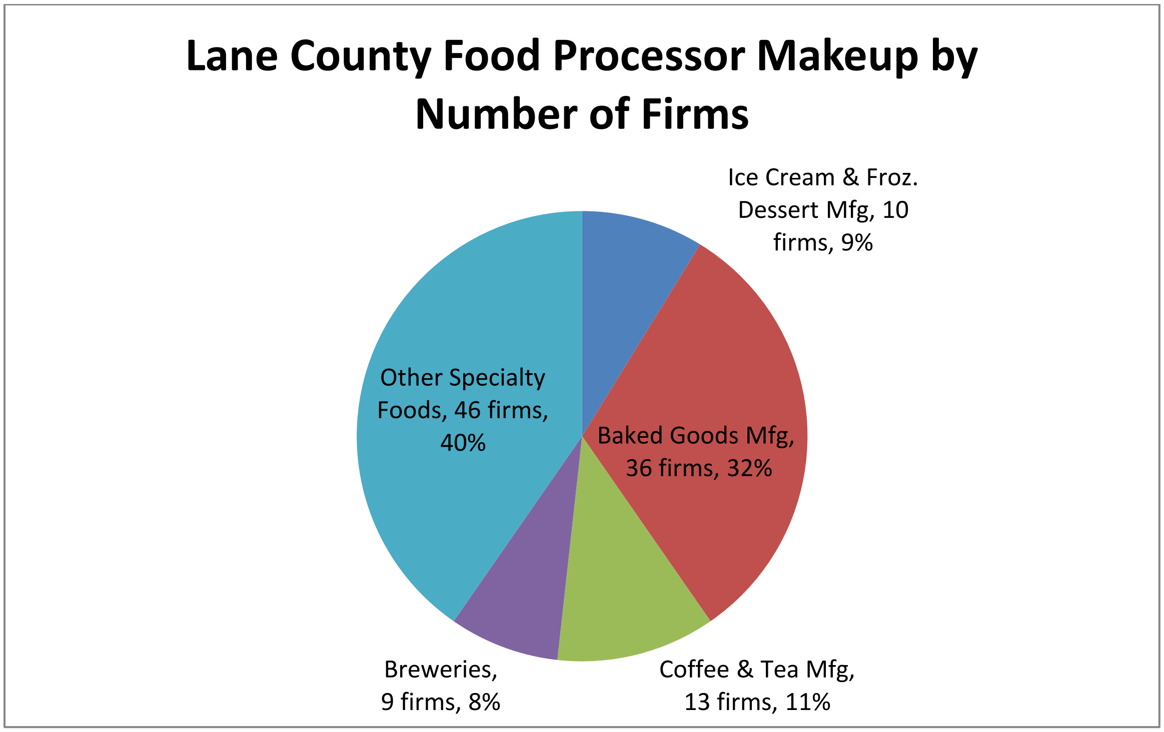
ACCESS TO CAPITAL

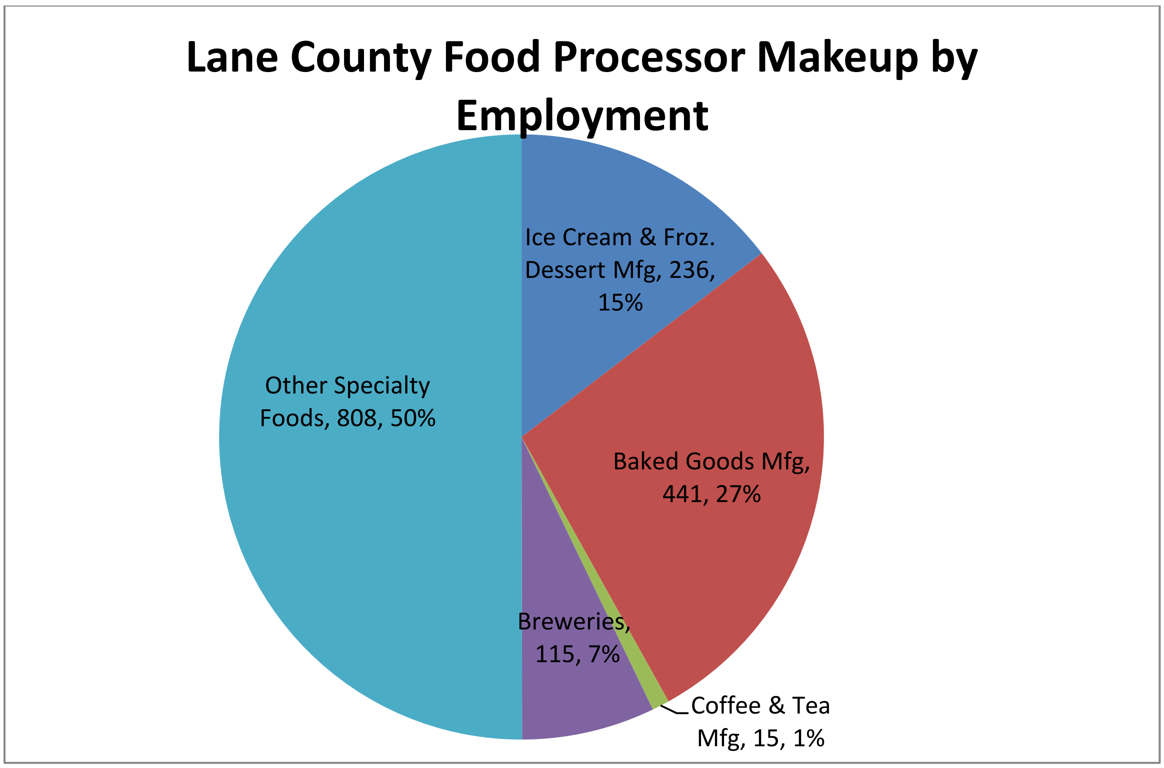
- Many food/beverage companies have relied on creative bootstrapping to grow their companies rather than relying on traditional financing.
- A list of Lane Council of Government (LCOG) loan programs is available at http://www.lcog.org/documents/loan/LoanMatrix_July2011.pdf
- Ben Sappington of the Eugene Chamber is available to meet with any company in Lane County to assist with financing concerns and make referrals to the best loan/financing resources for their situation.

Appendix 7: Lane County Food/Beverage Industry by type of firms and employment

Appendix 7: Lane County Food/Beverage Industry by type of firms and employment

Lane County Food/Beverage Industry by type of firms and employment





Appendix 8: Matrix of Lane County Food Organizations and Initiatives

Appendix 8: Matrix of Lane County Food Organizations and Initiatives

Organization	Mission	Goals	Key Board Members	Main Contact
Willamette Valley Sustainable Foods Alliance	To establish recognition of the Willamette Valley as a premier source of natural foods through shared values, relationships, education, and sustainable business practices.	Work with the City and County on issues affecting the viability of natural foods businesses in Eugene and Lane County. • Nurture new and existing businesses by sharing best practices and acting as mentors • Educate the community about the health benefits of natural and organic foods. • Foster a network to assist in regional sourcing of ingredients and raw materials. • Foster and develop access to distribution channels • Find ways to make health insurance affordable for natural foods businesses of any size. • Provide venues and opportunities for social networking. • Develop a regional brand around natural foods produced in Eugene and Lane County (akin to Napa Valley wines). • Network with organizations in Lane County who have aligned goals. *Additional Notes:* • In process of hiring first Executive Director and fully establishing as a 501c6 • Represent approximately 50% of area food processors	Kylie Christenson Hummingbird Wholesale (President) Leda Hermecz Sweet Life Patiserrie (VP) Mary Elizabeth Woodruff Mt. Rose Herbs Michael Levine Coconut Bliss Brad Averill Wildtime Foods Rex Snellstrom Capella Market	Leda Hermecz ledaletters@gmail.com 541-345-3247
Willamette Farm and Food Coalition	The Willamette Farm and Food Coalition facilitates and supports the development of a secure and sustainable food system in Lane County, Oregon.	WFFC promotes the purchase of locally grown and produced foods: • to keep valuable agricultural land in production • to ensure the economic viability of farms • to benefit public and environmental health • to strengthen our local economy • publishes the annual Locally Grown guide; and serves as network, matchmaker	Amy McCann, President Principal, Local Food Marketplace Harper Keeler, Vice President Director, Urban Farm, University of Oregon	Lynne Federsson, Executive Director 150 Shelton McMurphey Blvd. Suite 102 Eugene, OR 97401 Phone: (541) 341-1216 E-mail: Lynne@lanefood.org

Organization	Mission	Goals	Key Board Members	Main Contact
		Additional Notes: • Has a grant from Meyer Memorial Trust to do a local foods marketing/branding project • Connected to a statewide network of local food advocacy organizations • Has organizational capacity and history of successful grant acquisition	Marisela Taylor, Secretary Principal, Painted Mountain Design Erica Trappe, Treasurer Farm & CSA Manager, Sweetwater Farm and Nursery	
NEDCO Sprout Food Hub	Impact statement: ...to increase consumption of locally grown food by removing barriers to entry to the local food business cluster (production, processing, and sales); to increase outlets for consumer access including low-income access to food; and, to increase connections across the local community food systems.	• Provide a comprehensive slate of business development services to help small businesses in the food industry grow and succeed • Establish a certified kitchen • Develop a year-round farmer's market *Additional Notes:* • Interested in addressing distribution system for small farms, processors in the future. • Has good organizational capacity	In process of forming Sprout! Advisory Board	Stephanie Scafa, Rural Outreach Coordinator 541-345-7106 stephanie@nedcocdc.org
Cascade Pacific Resource Conservation and Development Local Food Connection Program		Produce annual Local Food-Connection Conference	Connie Karr, President Processing Program Manager, Oregon Tilth Karl Morgenstern, Vice President Drinking Water Source Protection Coordinator, Eugene Water & Electric Board Milo Mecham, Senior Planner, Lane Council of Governments Paul Harcombe, Professor Emeritus, Rice University Courtesy Faculty, Oregon State University	http://www.cascadepacific.org/lfc-wp/ Company located in Tangent, OR Conference Coordinator: Willow Cordain 541.821.1332 localfoodcx@gmail.com

Organization	Mission	Goals	Key Board Members	Main Contact
Northwest Food Processors Association NWFPA is headquartered in Portland, Oregon and has more than 450 member companies including nearly 80 food processors with nearly 200 production facilities throughout the Northwest region. Membership is primarily fruit and vegetable processors but has expanded over the past several years to include seafood, dairy, bakeries, specialty and fresh-cut.	1. Innovation Infrastructure 2. Workforce Development and Pipeline 3. Operational Productivity 4. Strategic Alliances 5. Transportation	Issue Areas: • Energy • Environmental Affairs • Government Affairs • Food Safety and Technical (Regulatory Compliance) • Sustainability Provides training and workshops, GFSI training NWFPA is organized principally as an advocate with political lobbying activity in Salem, Olympia, Boise, and Washington, D.C. We also advocate for members' interests on regulatory matters. The Innovation Productivity Center and Endowment Fund are organized under a public benefit corporation to enhance the overall economic health of the northwest food processing industry cluster and its enabling communities. *Additional Notes:* • Working on development of services, training for smaller scale businesses • Interested in working with Lane County area	**Chair**: Kurt McKnight, Ever Fresh Fruit Co. **Chair** Elect: Mark Dunn, J.R. Simplot Company **Vice Chair**: Dean Stearman, DePaul Industries Kelly Brown, Smith Frozen Foods, Inc. Ian Mitchell, McCain Foods Clark Nelson, Kraft Global Foods Debbie Radie, Boardman Foods Jim Robbins, Wm. Bolthouse Farms	Dave Klick, Cluster Outreach Executive dklick@nwfpa.org cell: 503-327-2207
Southern Willamette Valley Bean and Grain Project	The Southern Willamette Valley Bean and Grain Valley Project is a step by step strategy to rebuild the local food system by increasing the quantity and diversity of the food crops that are grown in the Willamette Valley. 1. Encompasses four counties, including coastal and low cascade areas	Goals: • Evaluate deficiencies in the food system infrastructure, build buyer/seller relationships for locally grown food • Compile information on organic and sustainable agricultural practices specific to this region • Stimulate the cultivation and local marketing of organically grown staple crops like beans and grains to provide a foundation for year-round food resources in the Willamette Valley • host grower/bulk buyer meetings to discuss spring plantings of field crops that	No formal incorporation—have established affiliation with Ten Rivers Food Web (Benton, Lincoln, Linn County) and Willamette Farm and Food Coalition Key drivers of project: Harry MacCormack, Sunbow Farms, Corvallis (also co-founder of Oregon Tilth) Tom Hunton, Camas Country Mill Hummingbird Wholesale	http://www.mudcitypress.com/beanandgrain.html Harry MacCormack sunbow@peak.org

Organization	Mission	Goals	Key Board Members	Main Contact
		can be marketed locally		
Food Hub (Based in Portland, covers western US)	FoodHub gathers professional food buyers, wholesale producers, distributors and industry suppliers in one dynamic online community.	Provide a searchable online database connecting food producers and food buyers *Additional Notes:* • Piloting a distribution system for small farms, food processors in the NE US. May expand to Pacific NW.	EWEB was involved in startup, project sponsored by ecotrust and a variety of grant funders plus member fees	503.467.0816 or meet@foodhub.org
EWEB McKenzie Watershed Healthy Farms Clean Water Program	EWEB Program: • Reduce chemical storage on farms • Reduce chemical use by transitioning to certified organic crops or other methods • *Provide access to local markets that tend to pay more for crops* • Participate in programs designed to increase energy efficiency, incorporate renewable energy and reduce water consumption • Participate in natural resource conservation programs or consider placing some land in conservation or working agricultural easements	Access to Local Markets Program: The purpose of this project component is to assist farmers in learning about and accessing local markets for their crops, which tend to pay more and help to increase regional food security. As farms become more economically sound, agricultural land is less likely to be sold and converted to urban development, which can threaten water quality Subsidizes $100 fee for growers to join Ecotrust's FoodHub (http://food-hub.org),		Karl Morgenstern: karl.morgenstern@eweb.org Nancy Toth (541) 685-7438.

Organization	Mission	Goals	Key Board Members	Main Contact
4Huerto de la Familia	The mission of Huerto de la Familia is to offer Latino families a place to connect with their roots and the earth by growing their own food. We work to cultivate community integration and economic self-sufficiency by offering opportunities and training in organic gardening and farming and the development of food-based micro-enterprises. Huerto de la Familia is committed to building social equity, food justice and sustainable agriculture that has a lasting impact.	Offers micro development program and business counseling (in collaboration with NEDCO) Received a grant from Meyer Memorial Trust this year for the effort.	Board President: Marcia Koenig	Executive Director: Sarah Cantril Familygarden@efn.org Jorge Navarro, Micro Development Program Manager: jnafamilygarden@efn.org