



GREAT & GROWING

People and Jobs in Oregon's Agri-Cluster



1000
friends
of Oregon

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About this report

This report is the result of several months of research by 1000 Friends of Oregon's 2013 Paul Gerhardt, Jr. Intern, Arturo Romo. It is an exploration into the statewide economic benefits of Oregon's agricultural industry, or "agri-cluster." Download the report at www.friends.org/growing.

About 1000 Friends of Oregon

1000 Friends of Oregon is a statewide land use advocacy organization with offices in Eugene, Grants Pass, and Portland. Founded in 1975, our mission consists of working with Oregonians to enhance our quality of life by building livable urban and rural communities, protecting family farms and forests, and conserving natural areas.



For more information on 1000 Friends of Oregon, please visit www.friends.org.

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INTRODUCTION

Oregonians love this state's farmland. Whether we live in cities, small towns, or rural areas, we appreciate its beauty and the bounty it brings to our tables. That is a key reason a full two-thirds of Oregonians—from every corner of the state—believe farmland should be protected from incompatible sprawl.¹

But farmland means far more to Oregon than beautiful vistas or even delicious food. **Oregon's farmland is an economic engine for the whole state. Farmland creates, protects, and supports hundreds of thousands of jobs in cities and rural areas alike.**

This report is an exploration of Oregon agriculture and its related industries, which together we call the “agri-cluster.” The agri-cluster contributes a great deal to Oregon's economy and quality of life on a statewide basis and at the local level. In this report, we chronicle these impacts and visit four counties that directly depend on agriculture. As you read it, we hope you learn more about Oregon agriculture and are inspired to help defend our farmland and grow its positive impact for Oregon.

Key Findings

Oregon's agricultural strength extends to all corners of the state. From the dairies of Tillamook County to the ranches of Malheur County, Jackson County orchards to the seed industry in Jefferson County and the vineyards of Yamhill County, our whole state hums with the industry of agriculture. Even urban counties are major farming centers; in fact, five of Oregon's top ten farming counties are considered urban.

Urban and rural jobs depend on agriculture. Hundreds of thousands of Oregonians have a job thanks in part to agriculture. Most of them do not work directly in Oregon's fields and ranches, but in supportive industries like suppliers, processors, distributors, and retail across Oregon's agri-cluster. These jobs are especially important in rural communities, but they also matter in Oregon's urban counties. These jobs are surprisingly stable, even in our recent recession, and most can't be easily outsourced to other states and nations.

Oregon's agriculture industry, the state's second-largest, is traded-sector. This means that a large percentage of its economic activity comes from out-of-state domestic and foreign sources. With as much as 80 percent of our produce leaving Oregon, this adds up to several billion dollars of new money entering the state.

State and local leaders should continue working to grow Oregon's agri-cluster. Opportunities to grow the agri-cluster include stronger protections for farmland, modernizing infrastructure like irrigation systems and rural roads, educating new farmers, and improving local connections for Oregon farmers.



1. WHAT IS THE OREGON AGRI-CLUSTER?

Agriculture is fundamental to Oregon's way of life. From the harmony with which wilderness, towns, and decades-old farms coexist in the Hood River Valley, to the expansive rangelands of eastern Oregon, to the freshness and color of locally grown goods at farmer's markets across the state, agriculture is a big reason Oregonians love this state.

But one of Oregon agriculture's most important contributions is often missed: its economic benefits for rural and urban Oregonians alike. If you live in Oregon, odds are you know someone that has a job in the agriculture industry; one in eight Oregonians work on farms and in the industries they support.² **This cluster of agriculture industries (or *agri-cluster*) is Oregon's second largest economic sector.**

And, with 80 percent of agricultural goods leaving state boundaries, it is an industry that brings new money into Oregon. Anyone who has ever eaten hazelnuts or bought a Christmas tree could well have a family farm in Oregon to thank.

Unfortunately, surveys on public knowledge of Oregon agriculture indicate Oregonians are not fully aware of the extent of agriculture's contributions, the

issues it faces, or how it affects our daily lives.⁴ Given the agri-cluster's economic importance, and the working landscape that forms our sense of place, it is important to highlight all that this industry does for Oregon, and to grow its contributions. Oregon farmland produces bountiful fruits, vegetables, grains, and livestock that help to feed Oregonians and the world. By understanding these far-reaching benefits we can identify ways to increase their impact.

The dimensions of Oregon agriculture are as varied as the state's harvest, and it is impossible for any single report to fully capture its far-reaching influence. In providing snapshots from the story of Oregon's agri-cluster, however, we encourage all to explore the presence of farming in their individual lives.

What is agriculture?

When people think of agriculture, they typically think of crops. Raising fruits and vegetables is perhaps the best known sector of Oregon's agriculture, but far from the only one.

Agriculture is also the rancher whose sharp eyesight and deft field maneuvering control the movement of countless livestock on vast, multi-hundred-acre fields. Agriculture is the nursery that grows trees for urban landscaping. Agriculture is floriculture, or the growing of seeds and flowers for our gardens. To some, agriculture is lumbering, fishing, and a means of producing ethanol or other forms of energy. As we will soon learn,

"The high regard international customers have for our [agricultural] products should give all Oregonians a deep sense of pride."

– John A. Kitzhaber, Governor of Oregon³

agriculture is also a myriad of other activities that take place beyond working lands: the processor, the packer, the shipper, and ultimately, the cook and consumer.

This report concerns the four most common components of agriculture: farms, ranches, nurseries, and floriculture. Unless otherwise noted, the terms “farms” and “farming” encompass all these activities for the sake of brevity.

Who works in Oregon’s agri-cluster?

Agriculture is one of the state’s largest employers, though it might not seem so if one limits the definition of agriculture to what happens on working lands. Of Oregon’s approximately 1.9 million workers,⁵ about 54,000 work directly as agricultural producers on Oregon’s 38,300 farms.⁶ That’s about 2.8 percent of the state’s workers.⁷

This 2.8 percent is just the beginning, however; it is the core of Oregon’s second largest industry, a multibillion-dollar enterprise that is second only to technology in its contribution to the state’s economy. Oregon farmers and their lands form the core of a larger agri-cluster on which at least six additional industries are anchored: processing, agriculture support services, wholesale trade, transportation and warehousing, food services and drinking places, and retail trade.⁸

Altogether, one in eight people employed in Oregon has a job connected to this agri-cluster.⁹ And because the agricultural industry relies on Oregon’s soil and climate, these jobs will not be out-sourced to somewhere outside of Oregon.

What does Oregon agriculture produce? Who consumes it?

Oregon has some of the most fertile land on earth. The state boasts nearly five million acres of “high-



Farmers Bryan Dickerson and Shari Sirkin of Dancing Roots Farm, near Corbett, are just two of over two hundred thousand Oregonians whose jobs depend on agriculture.

value” classified soils, 60 percent of which are outside the Willamette Valley.¹⁰ Millions of additional acres of agriculturally-productive soil cover much of the state. The state’s rich soil, protected farmland, and unique climate allow Oregon farmers to produce over 220 commodities.¹¹ Marion County berries. Baker County beef. Clackamas County Christmas trees. Oregon’s agricultural harvest is diverse and dispersed. Table 1 shows the top ten farm commodities ranked by their share of total

Table 1: Oregon Commodities by Value	
Commodity	% of all agricultural value ¹²
Greenhouse and nursery products	14
Cattle and calves	12
Hay	12
Milk	12
Wheat	9
Grass seed	8
Potatoes	3
Pears	2
Corn, grain, and silage	2
Onions	2
Top 10 commodities combined	73

agricultural value.

Few states rival the diversity of Oregon’s harvest. For example, a decrease in international demand for corn might devastate Iowa’s economy, as 45 percent of its 30

Table 2: Oregon’s #1!	
Oregon leads the United States in production of these crops: ¹⁴	
<i>Commodity</i>	<i>Share of US production (2012)</i>
Blackberries	100%
Boysen- and youngberries	100%
Hazelnuts	100%
Black raspberries	100%
Ryegrass seed	97%
Orchardgrass seed	96%
Crimson clover	95%
Carrot seed	85%
Fescue seed	87%
Sugar beets for seed	78%
Red clover seed	70%
Potted azaleas	59%
Peppermint	32%
Christmas trees	31%

million acres of farm land grow the crop.¹³ Likewise, a prolonged drought could compromise Georgia’s reputation as the nation’s “Peach State.” Although Oregon is not immune to fluctuating market demand and unfavorable weather conditions, the state’s soil, climate, and diversified crop base give Oregon agriculture the advan-

Table 3: Top Crops	
Top Oregon crop exports to foreign and out-of-state buyers ¹⁵	
<i>Commodity</i>	<i>Total non-Oregon value</i>
1. Wheat	\$374,600,000
2. Planting seeds	\$331,500,000
3. Feeds and fodder	\$247,200,000
4. Fresh fruit	\$138,100,000
5. Processed fruit	\$88,100,000
6. Processed vegetables	\$79,100,000
7. Tree nuts	\$70,900,000
8. Dairy products	\$63,600,000
9. Beef and veal	\$54,600,000
10. Fresh vegetables	\$48,800,000

tage of economic resilience. This agricultural diversity allows Oregon to continue feeding itself, the nation, and much of the world.

The state’s harvest is so bountiful that Oregonians consume only 20 percent. Half of the remaining 80 percent goes to families and businesses in other states, while the rest is exported internationally, much of it to the world’s largest and fastest growing regions.¹⁶ The latter trade is worth a total of \$2.75 billion to Oregon.¹⁷
In other words, Oregon agriculture is a traded-sector industry, and that benefits all Oregonians.

This adds up to huge economic benefit for Oregon. Tables 3 and 4 show the top ten international purchasers of Oregon agricultural crops, and the top ten exports of Oregon agricultural products out-of-state, with their

Table 4: The World’s Table	
Top foreign consumers of Oregon farming exports ¹⁸	
<i>Nation</i>	<i>Sales value</i>
1. China	\$632,712,000
2. Japan	\$618,008,000
3. South Korea	\$448,213,000
4. The Philippines	\$222,362,000
5. Canada	\$157,275,000
6. Taiwan	\$132,102,000
7. Indonesia	\$82,404,000
8. Mexico	\$73,048,000
9. Hong Kong	\$62,383,000
10. The Netherlands	\$39,563,000
All international exports: share of Oregon economy	7.5%

respective sales values.

By exporting billions of dollars worth of agricultural commodities to outside buyers, Oregon farmers introduce out-of-state money to the local economy, and the jobs stay here. Similarly, Oregon agriculture benefits the national economy by selling products abroad.



2. THE AGRI-CLUSTER'S BENEFITS FOR OREGON

Great and growing, statewide

Agriculture provided over \$5.48 billion in farm and ranch sales to the state economy in 2012, yet another record year. And as these products make their way through the agri-cluster, **they ultimately support about \$22 billion in sales of goods and services – 15 percent of Oregon’s total economic activity.**¹⁹

Farms and ranches in the Willamette Valley lead the state in agricultural sales. However, two of Oregon’s top three crops – cattle and hay – are primarily produced east of the Cascades, in counties where agriculture is the top industry and where the interdependence of town and countryside is more pronounced.

Table 5 and the map on page 6 show the top ten counties in farm sales value in 2012. Also note that five of the top ten are classified as “urban” by the US Census Bureau. Oregon agriculture is very much a statewide industry.

Good jobs for Oregonians

Agriculture’s economic contribution is felt strongest in jobs. Approximately 54,000 part- and full-time employees work directly as agricultural producers (farmers, ranchers, and their on-field workforce).²⁰ However, agricultural employment is difficult to measure since crop cycles and ever-fluctuating markets cause employment levels to change constantly. The Oregon

Table 5: State Champs

Top Oregon counties in agricultural sales (2012)²¹

County	Sales (millions)
1. Marion*	\$639
2. Umatilla	\$487
3. Morrow	\$482
4. Malheur	\$373
5. Clackamas*	\$343
6. Linn*	\$301
7. Washington*	\$292
8. Klamath	\$290
9. Yamhill*	\$269
10. Polk*	\$162
Total listed Willamette Valley counties	\$2,006
Total listed non-Willamette Valley counties	\$1,632
Total Top 10	\$3,638
Total Oregon	\$5,048
*indicates a Willamette Valley county	

Department of Agriculture (ODA) estimates that the workers needed to harvest labor-intensive crops, such as berries, can increase to 100,000 during certain peak seasons.²³

The full employment impact of Oregon’s agri-cluster is much greater. **The seven sectors of the agri-cluster together employ over 260,000 people. Thus, 12 percent, or one out of eight, jobs in Oregon exist at least partially because of agriculture.**²⁴

“To grow their crops and raise their livestock, Oregon producers purchase more than \$3.2 billion of inputs... a significant contribution to the vitality of rural and urban businesses throughout the state.”

– The Agriculture Quarterly²⁸

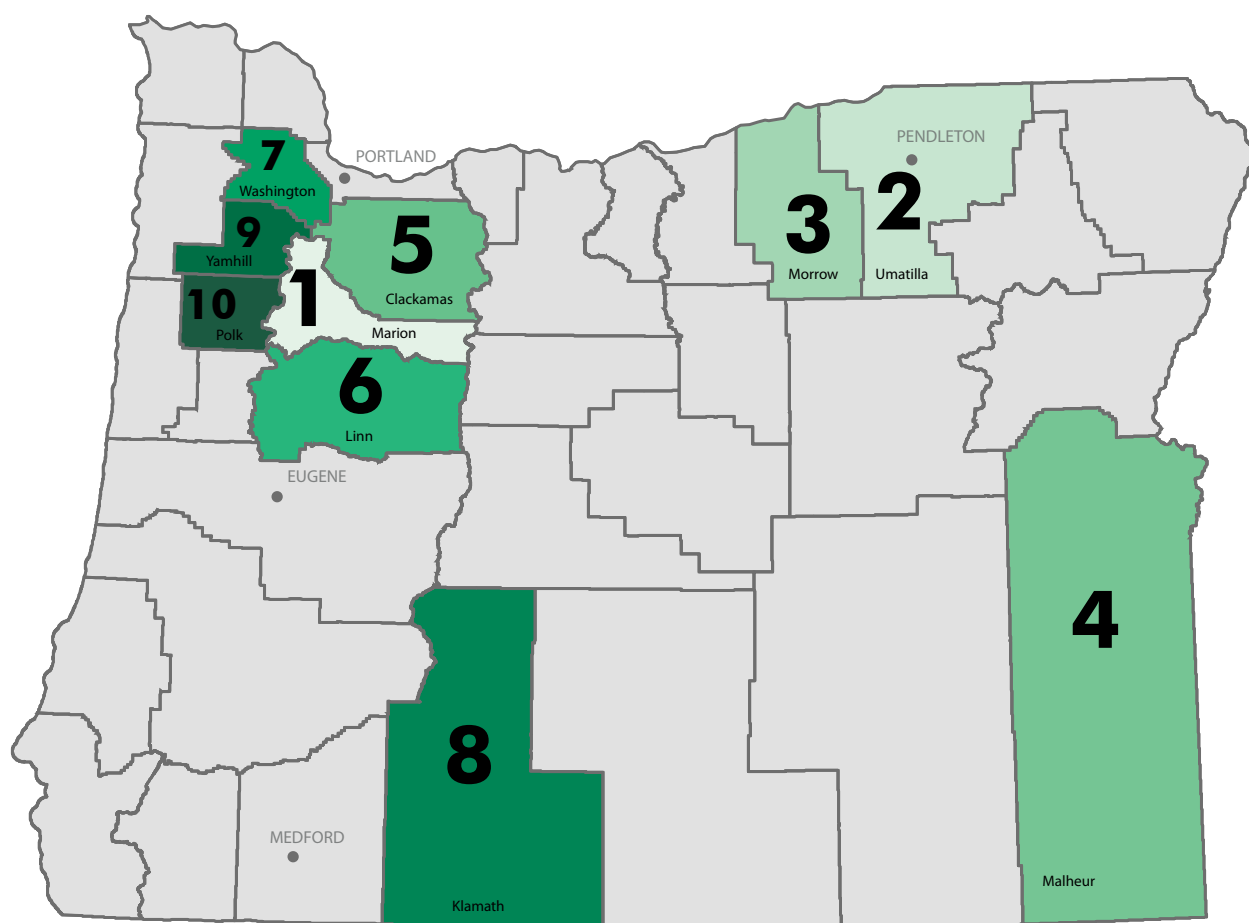
Agriculture is tied to so many jobs because farms and ranches anchor non-farm jobs necessary to prepare agricultural commodities for consumption. For example, an onion grown in Ontario, Oregon is not simply plucked out of the ground by one of Malheur County's more than 600 crop producers and sold directly to a consumer in Portland.²⁵ Before this onion ever gets near a grocery store or dinner plate, it is shipped to workers in one of Malheur County's seven food processing plants, where it is inspected, cut, cleaned, and bagged by workers.²⁶ Factor in the truckers, warehouse workers, and retailers that ship, store, and stock this onion in a produce aisle, and we see how a single commodity requires many workers in

Table 6: Working Widely	
Oregon agri-cluster employment distribution (2009) ²⁷	
<i>Sector</i>	<i>Number of employees (full/part-time)</i>
Production	54,120
Processing	31,308
Agriculture Support Services	7,762
Wholesale trade	12,958
Transportation and warehousing	4,859
Retail trade	16,369
Food services	133,365
Total agri-cluster jobs	260,742
Total Oregon workforce	2,177,594
Percent of workforce in agri-cluster	12%

various locations to prepare it for consumption. Table 6 shows the distribution of employment among the agri-cluster's seven sectors.

Suppliers and farmers: a symbiosis

To produce these commodities, Oregon farmers rely



This map shows Oregon's top ten counties in terms of 2012 farm sales. Oregon's farming counties are located all over the state.

upon many tools and services to ensure a successful harvest. That means local jobs. Whether it is purchasing a hundred-thousand-dollar combine, buying fertilizers, packaging fruit, repairing equipment, or buying insurance, farmers and ranchers depend on local businesses to carry out daily operations. Likewise, these businesses depend on farmers and ranchers for purchases that will sustain their operations.

Table 7 shows the amounts Oregon farmers spent on local supplies and services in 2010—a total of over \$2.75 *billion*. By protecting farm, forest, and ranch lands and investing in value-added production, Oregon can continue to grow these agriculture-related industries and jobs.

Table 7: Local Spending, Local Jobs	
Amount Oregon farmers spent on local products and services ²⁹	
<i>Product/Service</i>	<i>Approximate Spending (2010)</i>
Hired labor	\$900 million
Feed	\$455 million
Supplies, repair, maintenance	\$312 million
Fertilizer, soil conditioners	\$245 million
Business services	\$206 million
Fuels	\$191 million
Chemical products	\$166 million
Seed	\$158 million
Machine hire, custom work	\$75 million
Construction, buildings	\$50 million
Total	\$2.76 billion

Food processing: adding value

Before agricultural products reach our local grocery stores and restaurants, they must be prepared for consumption. For example, vegetables need to be cleaned, live cattle processed into beef, and strawberries dehydrated before finding their way into cereal boxes. Over 31,000 Oregon workers complete these and many other processing steps to prepare food for our tables.³⁰



The agri-cluster includes hazelnut farmers, but it extends to the processing, distributing, selling, and ultimately the consuming of the products. The various industries that support and are supported by agriculture employ over 260,000 people in Oregon.

Food processing is the third largest manufacturing employer in Oregon (a statistic which holds true for the Northwest region and entire United States).³¹ It is a remarkably stable sector. Even during the recession, employment in food manufacturing was not only unscathed, but in fact grew. The scale of food processing operations in Oregon ranges from the 650 small bakeries and domestic kitchens that employ fewer than five people, to nearly 200 larger companies that employ at least 20 workers and make over \$1 million dollars in annual sales.³² The size of the food manufacturing sector is such that it too has its own “food processing cluster.” Many other Oregonians are directly employed by food

“The number and strength of the food processing sector is a reflection of the strength of the growers and their farm operations...”

– Oregon Department of Agriculture³³

processors as box or can-makers, packagers, shippers, and more. Land for agricultural production is vital to the existence of these jobs.

Given the time and diligence required to manage farms and ranches, many producers have little time to prepare their harvests for consumption, let alone market their products to buyers in America and over 30 other countries. Food processing facilitates that market access, by acting as platforms from which Oregon farmers can connect with domestic and international buyers.

In addition, processing is the biggest “value-adder” agriculture has. Processing adds over two billion dollars’ worth of value to agricultural commodities in Oregon every year.³⁴ This added value increases the amount of income a farmer earns for his or her harvest.

Saving land, saving taxpayers money

Producing food and fiber year after year also benefits Oregonians financially in less obvious ways. For example, farmland requires little in the way of public services (roads, sewers, water, etc). By contrast, suburban development patterns generally cost more to provide with facilities and services than they pay in property taxes.³⁵

Sprawling development disproportionately targets the nation’s most agriculturally productive land—86 percent of US fruits and vegetables are produced on land at risk.³⁶ Once a development breaks ground, however, the agricultural integrity of that land is forfeited or severely diminished.

Oregon fares better than all other states in preserving resource lands.³⁷ Although conversion of agricultural land happens, it tends to occur in areas planned for development through the statewide land use system.



More houses on or near farmland can intensify a “cycle of conversion,” shrinking the agri-cluster and increasing costs for local governments.

Nevertheless, developing farmland – be it in accordance with land use laws or not – compromises the strength of the agri-cluster by eating away at Oregon’s essential farm land base. It catalyzes a “cycle of conversion” that also damages local businesses that provide the goods and services that go into agricultural production.³⁸ Post-harvest handlers shrink their operations because less farmland means a smaller harvest and therefore fewer truckers, processors, and other agri-cluster workers.

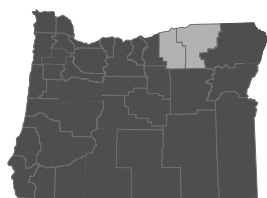
Eventually, when the agri-cluster has little or no regional presence, existing and potential farmers are discouraged from remaining in or entering agriculture. Without farmland to anchor an area’s agri-cluster, the cycle of conversion continues. Thus the urgency of protecting farmland from unnecessary sprawl is all the more acute.

Did you know?

Over 60 percent of the volume exported through the Port of Portland is made up of agricultural products. This supports good jobs even in the state’s largest metropolitan area.³⁹

3. LOCAL FRUITS: MORROW & UMATILLA COUNTIES

It is at the local level, in Oregon's communities, where the agri-cluster's impact is most directly felt. In the next three sections, we will visit Oregon communities where farming provides the backbone of the local economy.



The Willamette Valley has traditionally been Oregon's most agriculturally productive area, but in recent years the eastern counties of Umatilla and Morrow, along with Malheur, have been among the top five sellers of agricultural commodities.

Despite arid conditions, Morrow and Umatilla County agriculture is playing an ever larger role in the state's economy, thanks in part to irrigation infrastructure that yields onions, watermelons, and much more. The agricultural value from Morrow and Umatilla

counties has also increased because the Port of Morrow supports facilities and businesses that process locally-grown products.

Located near the town of Boardman, the Port of Morrow (POM) is an industrial facility that provides space, utility, and transportation services to various regional businesses. POM houses industries involved in frozen-dehydrated vegetable and food process-

ing; ethanol and biofuels production; dairy products processing and distribution; and vegetable and hay products. The close proximity of Morrow and Umatilla farms provides convenient access to the agricultural products POM clients need to make their products. Thanks to these nearby farms, many of the Port's more than 30 businesses have the inputs needed for them to do business in Oregon.

Agriculture is the economic leader in Morrow and Umatilla counties. Morrow County was Oregon's third most productive agricultural economy in 2012 with \$482 million in sales.⁴⁰ Much of the potatoes, wheat, and livestock products exported from Oregon come from this highly productive county of only 11,100 people.⁴¹ Meanwhile, Umatilla produces one-third of all Oregon wheat, making it the largest producer of the state's fifth most valuable crop, Oregon's top agricultural

Table 8: SNAPSHOT: Morrow and Umatilla Counties

The agri-cluster in Morrow and Umatilla counties⁴²

Indicator	Morrow County	Umatilla County
Total Employees	5,693	40,308
Agriculture share	33%	13%
Food processing share	15%	2%
T.C.U.* share	17%	4%
Total economic sales (millions)	\$975	\$5,663
Agriculture share	21%	6%
Food processing share	32.5%	9%
T.C.U.* share	22%	7%
Export Value Share		
Agriculture share	23%	7%
Manufacturing share (including food processing)	45%	77%
T.C.U.* share	28%	n/a
*T.C.U.: Transportation, communication and utilities		

export in 2011.⁴³

Table 8 summarizes the large presence of the agri-cluster in these two counties during 2006. Although only about two percent of Oregonians live in Morrow and Umatilla counties, they are the state's second and third biggest revenue sources for agriculture. Most of this revenue is new money introduced to the Oregon economy via exports—making these counties key traded-sector contributors.

As Lisa Mittelsdorf, Director of Economic Development at POM, explains, “We [the Port of Morrow and its clients] are an agricultural community.”⁴⁴ She states that most of the farm commodities processed at POM are grown in Oregon, particularly Morrow and Umatilla counties. Some POM crops are grown by local farmers who lease surplus land within the Port.⁴⁵

The Port of Morrow generates \$850 million dollars worth of goods and services, many of which are derived from potatoes, onions, and other locally grown vegetables. This output is 15 percent of Morrow and Umatilla's economic activity.* In total, food production at POM has an export value of \$318 million, 45 percent of Morrow County's total export value.⁴⁶ POM's more than 2,000 direct jobs were 36 percent of Morrow County's total employment in 2006.⁴⁷ Many Umatilla County residents also work at the Port, making both



communities beneficiaries of POM employment.

But POM's jobs impact spreads well beyond its direct employees. POM has an “employment multiplier” of 2.5, meaning that every direct job at the Port creates two and a half jobs elsewhere in the two counties. Over 4,000 direct and indirect jobs are thus tied to the Port (one out of every ten jobs in Morrow and Umatilla counties) and every dollar paid in income at POM generates two dollars in income elsewhere.⁴⁸

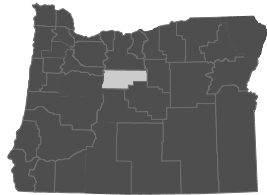
POM also benefits the state overall. The Port supports more than 5,000 jobs across Oregon; these workers return \$28 million to the state via income taxes. On top of this, the POM pays \$41 million in business-related taxes, while also contributing \$9.4 million in county taxes – nearly half of Morrow County's tax revenue.⁴⁹

Mittelsdorf expects the presence of agriculture to continue growing at the Port. POM products go to every continent. As local and global food demand increases, it is likely that the economic interdependence between Morrow, Umatilla, and the Port will as well.

* Since POM is located in Boardman, all exports are considered Morrow County products. However, many products (particularly agricultural ones) originate in Umatilla County.

4. LOCAL FRUITS: JEFFERSON COUNTY

The economic contributions of agriculture are obvious when the industry supports a majority of the businesses and generates a lot of the revenue within a community – as is the case with northeastern Oregon and the Port of Morrow.



In contrast, government, health, retail, and manufacturing in central Oregon's Jefferson County are bigger than agriculture in terms of employment and sales. Yet the county's farming, particularly its seed production that serves niche markets, gives it a competitive edge that is not easily duplicated in other counties.

A majority of central Oregon's farm sales, and much of its farming acreage, is in Jefferson County. In 2012, the county included 65 percent of central Oregon's oil crop acres, 85 percent of its vegetable seed acres, and 100 percent of its grass seed acres, along with 80 percent of its mint, potato seed, and "miscellaneous" crop acres.⁵⁰ Altogether, the county produced 49 percent of the region's total agricultural value, and 60 percent of its crop value. Nationally, Jefferson County ranks fifth among all counties in vegetable seed production.⁵¹

While potatoes and onions from the Port of Morrow are purchased on a global commodity marketplace, seeds produced in Jefferson County are made for higher-value specialty crop mar-

kets. Alfalfa hay, for instance, is primarily purchased by dairy companies who value the crop for its high protein count. Purple cone flower seeds are desired by garden-owners, while yarrow flower seed is a key ingredient for some brewers.⁵⁰

The niche-market focus of Jefferson County seed production is perhaps best appreciated through hybrid carrots. Jefferson County produces 85 percent of the hybrid carrot seeds in the US, and 70 percent of global supply.⁵³ These seeds are bought mainly by Japanese and Europeans for culinary purposes.⁵⁴ The agricultural value of Jefferson County lies in its ability to produce crops highly demanded by specialized markets. Thanks to Jefferson County agriculture, Oregon continues to be the nation's sole or primary provider of many of these crops.

Such high-value markets also provide economic stability within Jefferson County, including during the recession, when agriculture helped prevent job loss in Jefferson County.⁵⁵ The inelastic demand of food products allowed Jefferson County to continue seed and other agricultural production, while the larger central Oregon building product manufacturing sector experienced large job losses.⁵⁶

"In rural Oregon...agriculture is at the heart of long term sustainable economic development. But even in urban counties, agriculture is still key."

-Jim Johnson, Oregon Department of Agriculture⁵⁷

Meet Mickey Killingsworth, Jefferson County Rancher

Mickey Killingsworth was raised on a family ranch in Malheur County, and has since brought her passion for farming to Jefferson County. Animal products are a major part of Jefferson County's agricultural economy, accounting for twenty percent of 2011 sales.⁵⁸ Mickey contributes to these sales as owner and operator of a sheep farm.

Mickey's sheep meet the demand of specialized buyers, including high end restaurants and grocery stores that value high quality meat. Mickey's farm is also important to her rural community because she purchases supplies, like hay and grain to feed her sheep, from local businesses.

Mickey appreciates the social benefits the industry brings. As she explains, farming plays a central role in the identity and pride of rural Oregonians. Around Easter, Mickey is often approached by people curiously asking, "Aren't you the lady with the lambs? When will we be able to see them?"

Non-farmers are very interested in learning about local agriculture, Mickey says. Local residents bring families by Mickey's farm to admire sheep that graze with picturesque views of rural Oregon as their backdrop. Mickey and some other farmers and ranchers use roadside banners to inform people about the products being raised.

People who live near farms enjoy agriculture in many ways. Wine tastings, berry picking, and scenic views

*"Aren't you the lady with the lambs?
When will we be able to see them?"*

are the parts of farming most are familiar with. At the same time, however, some typical farm practices can be annoying to those not used to living in farm country. For example, farms sometimes create dust during

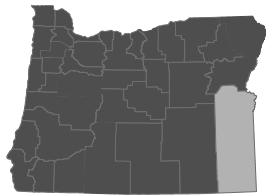
the day, require machinery use at night, or cause bad smells.

Although Mickey appreciates the admiration non-farmers have for farmers, she says people must learn to accept agriculture as an industry, and see farms as factories without walls. In doing so, pressure to convert agricultural land or restrict farming activities near residential areas will decrease, thus allowing agriculture to continue providing economic stability to places like central Oregon.⁵⁹



5. LOCAL FRUITS: MALHEUR COUNTY

In 2012, Malheur County, located along Oregon's eastern border with Idaho, became the state's fourth biggest agricultural producer.



Eastern Oregon's agricultural industry has seen steady growth in recent years, thanks in large part to the animal products, onions, and other diverse crops that thrive in Malheur's high desert climate.

Malheur County produces over half of eastern Oregon's agricultural sales.⁶⁰ With rangeland covering 94 percent of this large county's land, ranching is the

runaway driver of the region's agricultural growth.⁶¹

Malheur County is the state's fifth largest dairy maker, and currently leads the Pacific Northwest as the United States' seventh largest beef producer.⁶²

In 2011, livestock and other animal products accounted for 51 percent of Malheur's agricultural sales.⁶³ Meanwhile, crops account for the remaining half of sales, thanks to Malheur growing more acres of onions, sugar beets, and alfalfa hay than any other Oregon county.⁶⁴

Agriculture is also Malheur County's largest jobs provider, employing 21 percent of working men and



six percent of working women as farm owners, managers, or pickers. The second largest jobs provider, construction, does not provide even half as many jobs.⁶⁵ Other major employers are trucking, production, and sales companies that at least partially depend on farm products. Half of the top twelve employers in Malheur County are farms and food processing firms.⁶⁶

Malheur's farm and ranch sales generated \$373 million in 2012, and the value of the county's agri-cluster topped \$1 billion.⁶⁷ Onions are one of Malheur County's staple commodities. In 2011, onions led in crop sales, accounting for 13 percent of the county's total agricultural sales value.⁶⁸

For Juan Becerril, a Malheur County native and former onion farmer, this and other regional crops are vital to Malheur County's economic livelihood, as well as its sense of community. This town's booming farm industry gives the Becerril family opportunities to have consistent employment in nearly every industry within the agri-cluster that handles onions.⁶⁹

Small- and medium-sized farms are crucial to Malheur County's agricultural economy. For example, outside Ontario at Navarrete Farms, Juan and ten to fifteen other family members work to grow and pick onions.

Come harvesting season, Juan's father works for a trucking company that transports Navarrete onions and other products to local food processors. One of these local processors is Partner's Produce. Here, Juan's uncle, cousin, and other local residents sort, clean, and bag onions before sending them for further processing.

Agriculture has allowed Juan's family to make a living, and even start their own businesses. Aside from the financial benefits of



Agriculture, including vital food processing jobs, is Malheur County's largest employer. Juan Becerril's cousin, Paola Garcia, sorts onions at Partners Produce in Ontario, Oregon, where she works alongside an uncle and local neighbors.

steady employment is a sense of community.

The tight-knit community created by Malheur County's small population and large agriculture industry has allowed Juan's family to make connections that landed them jobs at other farms to supplement their incomes.

Agriculture's strength in rural Oregon helps preserve family ties, in part because families are often working together.

Did you know?

No county in America has more acres of onion farms than Malheur County, Oregon. Malheur County is also among the nation's top 50 counties in sales of potatoes and vegetables.⁷⁰



6. GROWING A STRONGER AGRI-CLUSTER

Perhaps the most important part of Oregon agriculture's story is interdependence. Everything from the land to our dinner plates has direct and significant impacts on the economies and sustenance of Oregon and the nation. These forces likewise affect what and how goods make their way through the Oregon agri-cluster. Though your symbiotic relationship with agriculture might seem complex or distant, it is real and immediate.

Despite its strength, Oregon's agri-cluster faces challenges that could harm its contributions to the state economy. The recommendations listed below are made by many farmers, agricultural researchers, and others with a stake in the agri-cluster. These challenges are opportunities to build an even stronger agriculture industry.

Limit farmland loss and loopholes. Our statewide land use program has helped protect Oregon's farmland from incompatible sprawl for decades. But the balance is always tenuous. New houses and expanded events near or on farmland can harm farmers' ability to do their jobs, while development destroys farmland forever. Leaders at state and local levels must keep up a commitment to protecting farmland by limiting unnecessary and incompatible development and activities—remembering that the backbone of Oregon's great farming industry is its great farmland.

Support a new generation of farmers. The average age of principal farm operators in Oregon is 57.5.⁷¹ Educating young Oregonians about agriculture will encourage more to consider farming as a career. Managing farmland requires business, economic, and scientific knowledge, while also demanding time and team management, and mechanical capabilities. College and university programs, along with farm "incubators", can help emerging farmers develop these skills and ease the transition to a new generation of farmers.

Improve water and transportation infrastructure to support farms. Aridity and the timing of crop demand in Oregon affect the availability of agriculture's most important ingredient: water. Irrigation systems can help farmers overcome this challenge in many areas. Moreover, farmers cannot sell to willing buyers without transportation infrastructure that makes market access possible. Oregon must modernize and maintain its irrigation systems, rural roads, rails, and ports to improve efficiencies in agricultural production and export.

Better connections for local products. Much of what Oregonians consume is bought from non-local producers. For instance, 90 percent of the Portland area's food is imported from outside the region.⁷² We can improve connections for local products through farmers markets, farm-school lunch programs, and better distribution networks. This would give farmers more access to local markets, while mitigating the risks of being export-dependent. Incentivizing schools and restaurants to substitute non-Oregon imports with local ones creates more stability for several Oregon industries, while supporting local businesses and fostering new food entrepreneurship.



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