



**REGIONAL SOLUTIONS OFFICE**  
**GOVERNOR KATE BROWN**

**MEETING SUMMARY**

**Central Oregon Regional Solutions Advisory Committee**  
*Representing Crook, Deschutes, and Jefferson Counties*

Wednesday March 21, 2018  
10:00 am – noon

OSU Cascades Graduate and Research Center, Room 209  
650 SW Columbia St.  
Bend, 97702

Committee members:

Mike Hollern, Governor's Convener  
Bruce Abernethy, Councilor, City of Bend  
Roger Lee, EDCO  
Tony DeBone, Commissioner, Deschutes County  
Betty Roppe, Mayor, Prineville  
Lonny Macy, Warm Springs Tribes  
Erin Borla, Roundhouse Foundation  
Wally Corwin, JeldWen  
Mae Huston, Commissioner, Jefferson County  
Melanie Widmer, Madras Sanitary  
Amy Tykeson, Tykeson & Associates  
Becky Johnson, OSU Cascades  
Karen Friend, COIC

Team members:

Kim Travis, OHCS  
Amy Gibbs, Employment Department  
John Harrang, ODA  
Adam Miller, ODA  
John Swanson, DSL (via conference call)  
Tom Schnell, Business Oregon (via conference call)  
Scott Edelman, DLCD  
Damon Runberg, employment Department  
Theresa Yoshioka, ODA  
Amy Pfeiffer, ODOT  
Rob Del Mar, ODOE  
Kale Donnelly, Employment Department

Guests:

Carol Toleffson, OSU Extension  
Peggy Lynch, League of Women Voters  
Cory Sparks, Central Oregon Landwatch  
Nathen Hovecamp, Central Oregon Landwatch  
Adam Krynicki, Innovation Co-Lab, OSU Cascades  
Dana Martin, OSU Extension  
Steve Curley, SBDC, COCC  
Scott Aycock, COIC  
Megan French, Boundless Farmstead  
Mike Kirsch, Madras Farms  
Mike Weber, Central Oregon Seed  
Tom Headley, Century West Engineering

II. Panel discussion large and small scale agricultural production in Central Oregon

Theresa Yoshioka, Oregon Department of Agriculture summarized the value of agricultural products in Central Oregon. In 2012 there were \$128M in agricultural products produced in Central Oregon. Theresa also talked about the focus on value added processing and highlighted Mecca Malt as an example of a company that is growing and processing high value ag products in Central Oregon.

Damon Runberg, Employment Department

Damon summarized the attachment that had been sent out earlier. There are over 3000 agriculture related jobs in the region with approximately 40% of the jobs located in Jefferson County. The number of jobs is roughly the same as in the financial sector which includes real estate businesses, banking, mortgage lending, etc. In the region as a whole, agriculture is not a large percentage of payroll with the exception being Jefferson County. Agriculture plays a major role in Jefferson County's local economy. The county only accounts for around 8 percent of Central Oregon's nonfarm employment, however it accounts for over 40 percent of all agriculture-related jobs. Agriculture-related employment represents less than 1.5 percent of Deschutes County's jobs and around 8 percent of Crook County jobs, but over 14 percent of Jefferson County's employment. A much smaller share of Jefferson farms are "hobby" farms as over half (53%) of local farm operators consider farming their primary occupation.

Mike Weber, Central Oregon Seed, Inc.

Mike provided a high level overview of what is grown in Jefferson County: potatoes, peppermint, grass seed, wheat, alfalfa, garlic and carrot seed. In fact, 40% of the world's supply of carrot seed is produced in Jefferson County. Central Oregon Seed works with farmers to grow seeds from varieties developed from around the world. The Dutch are the primary plant breeders in the world. Their total sales are at \$35-40M per year. Major issues for seed producers are: water availability and efficient use of water (a Regional Solutions priority) and cost and availability of labor. Farms in Central Oregon have started bringing in labor from the Willamette Valley. Mike expressed support for the collaborative efforts to address water availability and Endangered Species Act issues and asked for the committee's support for these efforts.

Mike Kirsch, Madras Farms

Madras Farms is a multi-generational family owned business that farms 2000 acres in Jefferson County. Primary crops are carrot seed, grass seed, garlic seeds, seed potatoes and peppermint. The family also recently started experimenting with growing hazelnuts. They employ 35-40 seasonal workers (9-10 mos/yr) and have 11 year round FTEs. Agriculture is facing an aging workforce. Many long time workers are or will be too old to work in the fields and their children have generally opted for less rigorous work. Farmers will most likely need to rely on guest workers through the H2A visa program. Additional state requirements, such as requiring the employer to pay unemployment benefits when the employee will never use the benefits, makes the program challenging. Additional labor protections in Oregon such as the requirement for seasonal workers to be paid on the same day that they quit are onerous on farmers who may only have part time office help. Finally, the phase in schedule for Oregon's escalating minimum wage presents challenges because the changes occur in July right in the middle of busy farm season.

Megan French, Boundless Farmstead

Megan and her partner farm 17 acres of irrigated land. They raise a variety of crops and poultry. Challenges include the lack of a USDA certified slaughter facility for non-hooved animals. Their farm is a senior water rights holder and is in the process of transitioning to micro overhead sprinklers (from wheel lines) to save water. The ability to scale production is a challenge. They would like to sell to institutional users but need a local broker and more storage at different temperatures and frozen storage. They are also focused on becoming GAP certified and on complying with the Food Safety Modernization Act.

Scott Aycock, Central Oregon Intergovernmental Council

Scott briefly summarized the economic impact study on the local food system. Study was jointly funded by USDA, COIC and was completed in partnership with OSU. While the jobs number is not big, when considering how much of a dollar that is spent on local food stays in the region as compared to buying food from outside the region, buying local food not only reduces impacts from transportation it recirculates money within the region. COIC is working on a business plan for a public/private partnership to create a Food Hub. The draft business plan indicates that a three year start up period would be needed before the facility would be profitable. Scott mentioned that what is really needed right now are 1) volunteers for their Advisory Committee, 2) developmental funding for the business plan, and 3) early institutional adopters. Adam Krynicki indicated that some of the workshops at OSU's Innovation co-lab may be relevant.

Discussion: Amy Tykeson asked how the committee and/or the state can help address labor issues. Mike Kirsch mentioned that the H2A program does not establish a cap on the number of guest workers who can come to the US but it limits their stay to 11 months. What's needed is for the Employment Department to make the transition to using guest workers easy for farmers. Support for agricultural programs in the classroom is also critical. Generally farmers are working to increase mechanization but this also comes with costs. Energy Trust has been a good source of funds for increasing efficiency.

There was also a question about whether transportation is a challenge for transporting products out of Central Oregon. General transportation is not a barrier but the port slow down/shut down at T6 has had an impact on exports.

### III. OSU Cascades funding request/OSU Cascades update – Becky Johnson, OSU Cascades

Becky thanked the Committee for its support of OSU Cascade’s 2018 funding request. The legislature awarded OSU Cascades the full \$39M they had requested. This will allow the university to build its second academic building and the associated infrastructure. The next academic building will focus on offering courses in the “STEAM” curriculum.

### IV. 2017-19 Regional Solutions priority project funding process – Annette Liebe, Regional Coordinator

Annette reviewed the flow chart describing the process for identifying, recommending and funding 2017-19 Regional Solutions projects. Applications are currently being sought for capital projects; deadline is April 30th. Projects in the \$50k - \$1M range are being sought. Total funding available statewide is \$4M with each region receiving at least \$200k. The RST will review and evaluate the applications in May. The next committee meeting will be in late June/early July. The Committee will recommend projects; the final project list will be selected by a grant and loan review committee that will likely include RS committee conveners. The legislature has to sign off on the project list; this is scheduled for the September Emergency Board meeting. Overall the goal is to identify/recommend strategic, innovative partnership projects that support the regional priorities.

### V. OSU Cascades Innovation Co-Lab - Adam Krynicki, Executive Director

Adam provided an update on the launching of the OSU Cascades Innovation co-lab. The co-lab will function as an accelerator/incubator for new and existing businesses. The first course offerings have been scheduled and there are currently 8 businesses using the shared space. Adam is working with the businesses to identify what shared services will be most useful before securing them but this is part of the vision. Adam has also reached out to the existing coaching, mentoring, etc. programs in the region to ensure strong partnerships and no duplication. The meeting was followed by a brief tour of the space. The current space was built out with funding recommended by the Regional Solutions Advisory Committee (\$524,800 in the 2015-17 biennium).

Adjourn