

Appendix 6

Toolkits

This appendix contains paper copies of each of the tools in the toolkit. The tools can be accessed at the SARE web site:

smallfarms.oregonstate.edu/pdx-foodshed.

The table below shows the tools in alphabetical order, which is the order in which they appear in this appendix.

Tool	Policy Makers/Local Planners	Producer	Consumer
Access to Healthy Food	●		●
Accessing Capital		●	
Agricultural Permitting in Urban Zones	●	●	
AgTools		●	
Business Planning		●	
Certification		●	
Community Design	●		
Diversifying Agricultural Activities in Urban Zones	●	●	
Energy Efficiency and Renewables	●	●	
Increasing Exports	●		
Farm Management Workshops		●	
Farmers Markets	●	●	●
Farmworker Housing	●	●	
Food Cluster Development	●		
Import Substitution	●		
Institutional and Agency Procurement	●		●
Labor Laws		●	
Market Development and Regional Food Distribution	●	●	
Marketing		●	
Rainwater Harvesting	●	●	
Regional Branding	●	●	
Succession Planning		●	
Transferable Development Rights	●	●	

On the project web site, the tools are divided into two toolkits: Farmer/Producer toolkit and Policy Toolkit. The contents of those toolkits are shown on the following pages.

Farmer/Producer Toolkit

The purpose of this Farmer/producer Toolkit is to help producers access resources and tools to help improve their operations. The Toolkit contains strategies to overcome the barriers and challenges faced by Portland-area farmers.

Tools for Farmers include:

Business Education and Management

- AgTools
- Accessing Capital
- Business Planning
- Certification
- Farm Management Workshops
- Labor Laws
- Marketing
- Succession Planning

Land Use Design and Policy Issues

- Agricultural Permitting in Urban Zones
- Diversifying Agricultural Activities in Urban Zones
- Farmworker Housing
- Transferable Development Rights

Market Development

- Farmers Markets
- Regional Branding
- Market Development and Regional Food Distribution

Resource Inputs

- Energy Efficiency and Renewables
- Rainwater Harvesting

Policy Toolkit

The purpose of this Policy Toolkit is to help producers, consumers and local governments strengthen the Portland metropolitan food economy. The Toolkit contains strategies to overcome the barriers and challenges faced by Portland-area farmers.

Economic and Market Development

- Food Cluster Development
- Import Substitution
- Increasing Exports
- Market Development and Regional Food Distribution
- Farmers' Markets
- Institutional and Agency Procurement
- Regional Branding

Food Access and Labor

- Access to Healthy Food
- Farmworker Housing

Land Use and Community Design

- Agricultural Permitting in Urban Zones
- Community Design
- Diversifying Agricultural Activities in Rural Zones
- Transferable Development Rights

Resource Inputs

- Energy Efficiency and Renewables
- Rainwater Harvesting

Access to Healthy Food

Summary

School districts and county governments can develop a regional strategy to support measures that provide healthy and affordable food to low-income and food-insecure groups to address poor health and nutrition problems in the region.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive	X		X		
Investment					
Plan	X	X	X	X	X
Policy	X	X	X	X	X
Program					
Project					
Regulation					
Tax change					

Current Context

Oregonians and regional residents suffer from several food access and quality issues. For example, over half of all adults in Multnomah County are overweight or obese and a quarter of all 8th to 11th graders show signs of becoming or are overweight or obese.¹ The paradox of hunger co-existing with obesity, in the same individual, family or community is a function of low-income and food insecure communities which spend their food dollars on energy fulfilling foods at the cheapest rate to satisfy hunger.² These foods usually include high amounts of refined sugars, fats, and refined carbohydrates rather than nutritiously dense elements necessary for human health. These foods, a sedentary lifestyle, the design of car-dependent communities and limited access to parks and recreation increase the obesity and hunger epidemic in affected populations.³ Resultant health issues such as diabetes, hypertension, heart disease and some cancers seriously impact public health.

Multnomah County has rolled out four tools to support healthy foods in neighborhood corner stores and health awareness with its “It Starts Here” program.⁴ A 2011 state law - HB 2800 - directs the Oregon Department of Education to award grants to school districts to reimburse costs incurred in purchasing Oregon food products that meet certain criteria and for funding food, agriculture, and garden-based educational activities. Additionally, some Portland farmers’ markets accept users of

¹ Sanchez, T. (2011, July 07). Americans continue to pack on the pounds; Oregonians are no different. *Oregonian*. Retrieved from http://www.oregonlive.com/health/index.ssf/2011/07/americans_continue_to_pack_on.html

² *Fighting obesity and hunger*. (n.d.). Retrieved from <http://frac.org/initiatives/hunger-and-obesity/>

³ (2008). *Regional equity atlas*. (pp. 69-79). Portland, OR: Coalition for a Livable Future. Retrieved from <http://equityatlas.org/chapters/Chapter6.pdf>

⁴ <http://www.multco-itstartshere.org/>

the Supplemental Nutrition Assistance Program (SNAP) benefits to encourage low-income people to purchase healthy local foods where they can find in-season and abundant crops that are often competitively priced.. Linking local healthy food sources to food insecure communities in urban areas can address these challenges while supporting expansion of the regional food economy.

The City of Damascus is the recipient of a Kaiser Permanente Health Initiative Grant to develop healthy food policies for help ensure access to healthy food by city residents. The project found that lack of access to healthy food can occur regardless of income. ⁵

Barriers/Challenges

Barriers to obtaining healthy food in low-income communities include: cost, access, lack of preparation and/or storage knowledge, lack of supplementary items to cook healthy foods, cultural values and lifestyles, disabilities, lack of social service agency resources for education, state and federal food purchase restrictions, lack of education at social service agencies, and a lack of education in the general population about difficulties accessing healthy food for low-income populations.⁶ Other challenges found in the Damascus study include transportation, land use patterns, isolation, age and infirmity.

Opportunity

A rich network of agriculture, food service, and food culture exists in the region. Coordinating county social services, schools, and local and regional economic development efforts with the provision of healthy foods to food insecure and low-income populations can strategically address the rates of obesity and hunger as well as the related public health issues that arise from these conditions.⁷ An example to review is a Philadelphia-based non-profit, the Food Trust. They have developed multiple initiatives in the city to address obesity and hunger challenges in city schools an across several community based programs.⁸ In addition, one of the goals of Oregon HB 2800 Farm-To-School legislation is increasing the amount of fresh local food served in public schools.

Proposed Actions

- Provide training for county social service agency staff and clients on healthy food education, preparation and storage.
- Tie health and nutrition standards and local food purchases to public agency procurement policies.
- Incentivize community development corporations and micro-enterprise developers to support community economic development, workforce training and micro-merchant

⁵ *The Edible Community: Healthy Damascus Food Assessment and Plan, Damascus/Boring Food Retail Assessment*, Oregon Public Health Institute, July 2012

⁶ *Top ten barriers to organic and local food access for low-income individuals*. (n.d.). Retrieved from http://www.organicconsumers.org/articles/article_11228.cfm

⁷ *Fighting obesity and hunger*. (n.d.). Retrieved from <http://frac.org/initiatives/hunger-and-obesity/>

⁸ *The food trust mission*. (n.d.). Retrieved from <http://www.thefoodtrust.org/php/about/OurMission.php>

development in to increase wages and enable people to buy healthier food to combat obesity and hunger.

- Support federal legislation to increase the minimum allotment of SNAP dollars allowed to be spent at farmer's markets for obtaining healthy and local food.
- Strengthen HB 2800 legislative and operations guidelines with recommendations provided by Upstream Public Health's May 2011 Report.
- Support development of broad healthy food alliances among health care, education, and social service providers.
- Consider developing a statewide Healthy Food Strategy to focus a variety of resources on improving Oregon's diet.

Resources, Models, Best Practices

The Food Trust: <http://www.thefoodtrust.org/>

Proceedings from the Roundtable on Understanding the Paradox of Hunger and Obesity
<http://frac.org/wp-content/uploads/2009/09/proceedings05.pdf>

How Competitive Foods in Schools Impact Student Health, School Meal Programs, and Students from Low-Income Families

http://frac.org/newsite/wp-content/uploads/2010/04/cnr05_competitivefoods.pdf

Accessing Capital

Summary/Current Context

Farmers identify the need for capital sources as a primary need for farm improvement and expansion. Capital is the primary need for survey respondents to increase their capacity to generate new markets, increase revenues and reduce costs. Capital is needed for land to expand farm operations, production or processing equipment, season-extending materials, meeting requirements (e.g. food safety), water/energy/resource/land conservation measures, and to finance start-up operations.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive		X			
Investment	X	X			
Plan					X
Policy	X	X			X
Program		X	X		X
Project	X	X	X	X	X
Regulation					
Tax Changes					

Barriers/Challenges/Opportunity

There is a gap in lending institutions for small and medium sized farms. Traditional agricultural lenders are not accustomed to lending to small farms, and many small farms do not have the skills or capacity to prepare traditional bank loan applications. This is related to the gap in business management educational resources. Innovative approaches to providing capital to growers and information on capital sources will allow expansion and diversification of the farm economy. Increased capital access will result in grower access to land, water, labor and specialized equipment.

Proposed Actions

Improve access to existing and potential financial resources and intermediaries. Develop and increase distribution of technical assistance tool, such as education and training packages and on-line databases, such as AgTools. AgTools is a free software suite from OSU designed to assist agricultural producers make long-run decisions on a whole farm and ranch basis. It allows farmer to plug in their information to analyze their financial ratios and performance measures, which include working liquidity, solvency, profitability, debt repayment capacity, and efficiency. You can change the number of units in each scenario and observe the financial effects of implementing technologies, adding value to products, conservation practices, changing cropping systems or livestock enterprises, or leasing additional land. . Hold workshops on how to use AgTools specifically for small, urban area farmers.

Resources, Models and Best Practices

Albina Opportunities Corporation Micro Loan Program

<http://www.albnaopportunities.org>

Craft 3 Formerly Enterprise Cascadia

<http://www.craft3.org/borrow>

Farm Service Agency

<http://www.fsa.usda.gov/FSA/>

MercyCorps NW Micro Loan program

<http://www.mercycorpsnw.org/what-we-do/loan-program/>

NW Farm Credit Services: Young and Beginning Producer Program: AgVision

<http://www.farm-credit.com>

Slow Money NW

<http://www.slowmoneynw.org>

People's Food Co-op Micro Loan Program

<http://www.peoples.coop/why-peoples/farmer-loan-program>



Farmer/Producer Accessing Capital Tool

Traditional Financing

Many farmers and small business owners will try and go it alone and fund their operations solely with personal savings and loans from friends and family. While those are certainly important start-up revenue sources, to build up your operation to be sustainable in the long-run and to purchase land, loans are often required. Do not fear this process. While any loan requires a lot of paperwork and many traditional city banks do not speak your language, it is not impossible. Lenders generally look at your credit worthiness and the financial information associated with the loan. Below are definitions of lender terms and a checklist to help you prepare for loan applications.

Standard Loan Application Check list:

1. Business Plan – A basic plan is fine. It should include standard content including why you are doing this, a farm description, product description, a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis, etc.
2. 2-years personal and business tax returns (if existing business)
3. Projected 2-3 year monthly Profit & Loss statement
4. Past 1-2 years Actual Profit and Loss Statements
5. Current Balance Sheet and Profit and Loss Statements
6. Sources & Uses Statement (Sources of funds including borrower cash and how the funds will be used e.g., equipment, land, inventory, etc.)
7. Legal entity documentation e.g., copy of LLC Operating Agreement, Corporation doc's, registration documentation, etc.

See attached Lender Terms Definition Sheet



Local Micro Lenders

[People's Food Co-op](#)

0% interest micro-loans for operation or new projects for local farmers. People's Food Co-op primarily lends to local farmers who they already work with, but have made loans to Mercy Corp Farmers as well as Portland Association of CSA Farmers.

Please email kris@peoples.coop or johanna@peoples.coop.

[MercyCorps NW](#)

Provides micro-loans to small businesses (including small farmers) in Oregon and Washington that cannot access traditional loans. Microloan Terms

- Loan amounts: From \$500 up to \$20,000 for new businesses
- Up to \$50,000 for businesses in operation for more than one year
- Repayment terms: Two months to Five years
- No penalty for early repayment
- Loan Fees: 1-5%
- Interest: 8-12% Fixed Rate
- Credit-building potential: Loans payments are reported to the three credit reporting agencies

Local Lenders

[Albina Opportunities Corporation](#)

430 NW 10th Ave

Portland, OR 97209

Phone: 503-227-3950

www.albnaopportunities.org

Description

AOC provides small business loans ranging from \$10,000 to \$200,000, business advisory services, and access to a peer group support network coupled with additional outside business networking resources that enable its borrowers to expand their self-employment business ventures. Interest rates between prime +3-8%.

[NW Farm Credit Services](#)

2345 NW Amberbrook Drive Suite 100

Beaverton, OR 97006

Phone 503-844-7920 or 800-213-8555 (Oregon only)

Fax 503-844-7924



Description

Farm Credit Services is a cooperative lending institution established by the U.S. Congress in 1916 to make credit more available to the country's farmers and ranchers. Borrowers are required to invest in capital stock as a requirement for the loan. All types of loans are offered to full-time farming and ranching operations (other lending programs are available to part-time farms and rural residents).

[Young and Beginning Producer Program: AgVision](#)

Special loan programs for young and beginning farmers

You must meet one of the following characteristics:

1. 35 Years of age or younger
2. 10 years or less of agricultural experience
3. Recognized minority: African American, Native American, Alaskan Native, Hispanic, Asian, and Pacific Islanders
4. Producer with annual gross farm production of less than \$250,000.

Financing includes:

1. Real Estate Purchases
2. Operating Expenses
3. Livestocks and Equipment purchases
4. Refinancing of Existing Debt

[Craft 3](#) Formerly Enterprise Cascadia

1000 SW Broadway, Suite 1000

Portland, OR 97205

Phone: 503-688-1700

Web: www.craft3.org/borrow

Description

Microloans from \$5,000 to \$50,000, for a variety of purposes including business start-up. Enterprise Cascadia lends throughout Oregon and Washington with focal points around our current offices in Astoria, Ilwaco, Port Angeles, Portland, Seattle, and Shelton. We specialize in transactions that traditional banks could not accomplish alone and look for opportunities to invest our resources in businesses and activities that will promote family, environmental and/or economic resilience.

[Farm Service Agency](#)

7620 SW Mohawk Street

Tualatin, OR 97062-8121

Phone 503-692-6830, Ext. 256

Web <http://www.fsa.usda.gov/or> Email lynn.voigt@or.usda.gov



Description

USDA Loan program for existing and beginning farmers. They provide loans for purchase of land and operating expenses with specific loans for beginning farmers (3-10 years farming experience). No minimums on loans, maximum \$800,000, rates vary for products 3.875-5.5% currently.

[Harvest Capital Company](#)

PO Box 579 675 NW 2nd Ave., Suite 7

Canby, OR 97013

Phone 503-263-6616

Web <http://harvcap.com>

Email admin@harvcap.com

Description

Harvest Capital Company functions as originators and direct correspondent lenders for many types of agricultural and agribusiness real estate and facility loans. As an accredited Originator and Servicer in the Farmer Mac Loan Program and as direct correspondents for life insurance companies, we have the ability to service any size long-term agricultural mortgage loan request that meets the above criteria. Our lending expertise extends not only to ag long-term debt and working capital lines of credit, but also to private placement of complicated agribusiness term-loans. For additional information, please contact Harvest Capital Company.

National

[Whole Foods Mirco Loan Program](#)

For producers who currently qualify or sell to Whole Foods, loans between \$1,000-100,000 dollars

Alternative Financing:

[Kickstarter www.kickstarter.com](http://www.kickstarter.com)

[Slow Money NW www.slowmoneynw.org](http://www.slowmoneynw.org)

Micro Loans, Equity deals, and larger Loans for food producers who share Slow Money principles.



Lender Term Definitions Sheet

Courtesy of Oregon Dept. of Agriculture

Credit-worthiness

An evaluation of credit-worthiness includes a review of your credit history, repayment record, experience and training, etc. Generally, lenders will obtain a credit report from a credit reporting agency to review your credit history. You may want to obtain such a report for your own use to verify the information. Errors are not uncommon and many people have found they cannot get loans because of an erroneous credit report. The following credit reporting companies can provide you a copy of your report. Usually a fee of about \$30.00 is required.

Experian

1-888-397-3742

http://www.experian.com/experian_us.html

First American CREDCO

1-800-887-3535

<http://www.facredo.com>

NACM-Oregon, Inc.

1-800-622-6985

<http://www.nacm-or.org>

Financial information

Depending on the purpose of the loan (operating, farm purchase, capital improvement, expansion, etc.), lenders may require different financial statements about the operation.

The two most common financial statements required by lenders are the balance sheet and the income statement. Some lenders also require a cash flow statement, particularly if the loan is for operating purposes. These documents can be obtained from most any lender, and many variations exist. It is strongly suggested that the prospective borrower complete and evaluate financial forms before making a loan application.

Any USDA Farm Service Agency (FSA) office will have financial forms which might be used (the Farm and Home Plan form), whether or not you are a borrower of FSA. These forms are generally more detailed than those used by commercial lenders. However, they provide a good format to evaluate the operation and the loan request. Any Farm Credit Service office or local bank will also have their respective financial forms. Other sources of financial forms include County Extension Offices, Oregon



State University Department of Agricultural and Resource Economics, 541-737-2942, Chemeketa Community College Farm Business Management Program in Salem, 503-399-5089, and Blue Mountain Community College Farm Management Program in Pendleton, 541-276-1260.

The balance sheet

A balance sheet lists the assets and liabilities of the farm and the owner/operator. It documents the net worth (difference between assets and liabilities), and provides information to calculate various ratios measuring the solvency (or long-term financial strength) of the operation, and the liquidity (or short-term financial status) of the operation.

Debt-to-asset ratio

Once debts and assets have been totaled, the debt-to-asset ratio can be computed. This measures the amount of total debt compared to total assets. Lenders prefer this ratio to be less than .45, meaning the operation should have no more than 45 percent debt compared to total assets.

- Debt-to-asset ratio = $\text{total debts} \div \text{total assets}$
- Preferred ratio = less than .45

Other ratios that lenders will evaluate include the liquidity ratio, the cash flow margin, and debt service coverage.

Liquidity ratio

The liquidity ratio is calculated by dividing current assets by current debts. This measures the ability of the operation to meet debts which are payable in the near future. Lenders prefer this ratio to be no less than 1.25. In other words, at least a 25 percent margin should exist between short-term obligations (accounts payable, accrued interest and notes payable within 12 months, taxes, etc.) and the value of short-term assets, such as cash-on-hand, savings accounts, crops and feed or livestock held for sale.

- Liquidity ratio = $\text{short-term assets} \div \text{short-term debts}$
- Preferred ratio = 1.25 or higher

Cash Flow Statement

The next ratio requires the preparation of a cash flow statement. Lenders prefer that a monthly cash flow statement be prepared for at least one year. This statement shows the expected cash outflows and inflows throughout the coming year, detailing when additional moneys may be needed, and when surplus income will be available to repay debt.

Lenders are looking to see if the projected operation can support all necessary operating costs, living expenses (unless these are provided by an outside job or other source), and repay borrowed funds on a timely basis.



Cash flow margin

The cash flow margin is computed by subtracting monthly (or annual) cash expenses from gross cash income, then dividing by monthly (or annual) expenses. Lenders prefer a 15 to 25 percent margin. In other words, monthly (or annual) cash income should exceed cash expenses, including interest payments on debt, by 15 to 25 percent.

- Cash flow margin = $[\text{gross cash income} - \text{cash expenses (including interest)}] \div \text{total cash expenses}$

Debt service coverage ratio

The debt service coverage ratio is computed after completing an income statement. This ratio shows the income generating ability of the operation toward servicing the total debt. The calculation uses net cash farm income (plus interest) divided by debt payments (principal and interest). Lenders prefer this ratio to be 1.15:1 to 1:25:1.

- Debt service coverage = $[\text{net cash farm income} + \text{interest}] \div \text{interest and principal payments}$.
- Net cash farm income = net farm income, plus depreciation and net off-farm income, less living expenses and income taxes.

This discussion of lender qualifications for agricultural loans has covered only a few of the items which lenders evaluate. Other considerations include the experience and management skills of the operator/borrower, the value of property to be purchased, market conditions, and other subjective factors.

However, by completing financial forms ahead of time, evaluating the strengths and weaknesses of the application, and keeping good records the prospective borrower will enhance the probability of obtaining a loan and better understand the decision process of the lender.

Profit and Loss Statement

Is a company's financial statement that indicates how the revenue (money received from the sale of products and services before expenses are taken out, also known as the "top line") is transformed into the net income (the result after all revenues and expenses have been accounted for, also known as Net Profit or the "bottom line"). It displays the revenues recognized for a specific period, and the cost and expenses charged against these revenues, including write-offs (e.g., depreciation and amortization of various assets) and taxes. The purpose of the income statement is to show managers and investors whether the company made or lost money during the period being reported. The important thing to remember about an income statement is that it represents a period of time.

Agricultural Permitting in Urban Zones

Summary

Local governments can update land use regulations to permit more agricultural uses in urban areas. Examples of such uses include community gardens, community farms or parks, market gardens, truck gardens, community sustainable agriculture (CSA) and animal husbandry.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan	X				
Policy	X				
Program					
Project					
Regulation	X				
Tax change					

Current Context

Most zoning codes in Oregon pertaining to agricultural uses were originally developed to regulate large, rural farms and therefore do not adequately consider food production at smaller scales and in urban areas. Urban farms tend to be more intensively cultivated and are smaller scale than typical farms. Increasing the allowed agricultural activities in urban areas provides a number of environmental, economic and community benefits.¹

- **Environmental:** urban green spaces; enhanced wildlife habitat; storm water retention; carbon sequestration; and filtration
- **Economic:** entrepreneurship and employment opportunities; reduced household food costs; import substitution
- **Community:** access to local, healthy foods; improved food security

Barriers/Challenges

Existing zoning codes often confine agricultural uses in urban areas to certain zones and place extreme restrictions on such uses. This is particularly true in residential areas. Additionally, many codes do not allow food production for retail purposes. These

¹ Bureau of Planning and Sustainability, (2011). Urban Food Zoning Code Update Concept Report: <http://www.portlandonline.com/bps/index.cfm?a=357823&c=55358>

regulations have resulted in a lack of suitable land and opportunities for farming in urban areas.

Urban agriculture can have a number of negative impacts which must be taken into consideration. Of primary concern is how agricultural activities may adversely affect adjacent land uses, especially in residential zones. Communities may experience increased litter, noise, odors, traffic and on-street parking. The risk of exposure to toxins through pesticides, fertilizers, contaminated soil and polluted air are among the potential health concerns.

Opportunity

A comprehensive update of land use plans related to agricultural uses can ensure that lands best suited for urban activities remain available for that use and nearby residential areas are protected from adverse impacts. Policies can be developed to support local food production, ensure safe and sanitary conditions, contribute to a healthy community and enhance the environment. Furthermore, permitting such uses provides opportunities for agriculture-based entrepreneurship and employment.

Local governments across the United States and in Oregon are modifying zoning ordinances to support growing and selling food in urban areas. They recognize multiple forms of food production such as community gardens or market gardens and use a variety of approaches from allowing uses outright in existing zones to form-based codes, planned unit developments (PUD) and overlay zones.² For instance, the City of Portland recently updated its code to address: market gardens; community gardens; farmers' markets; food membership and distribution sites; and animals and bees.

Updated zoning codes share one common element – allowing urban agriculture in all or most zones as a primary or accessory use. When this is not possible, agricultural uses could be considered open space, an employment/industrial use or integrated into residential development (see Community Design).

Proposed Actions

Local government can conduct a comprehensive review of local zoning codes and associated policies; identify codes that could be added, deleted or modified to support urban food production and sales; initiate code updates accordingly to allow agricultural uses

² Neuner, K., Kelly, S., & Raja, S. Food Systems Planning and Healthy Communities Lab, (2011). Planning to Eat? Retrieved from University at Buffalo - State University of New York website: http://www.farmlandinfo.org/documents/39040/Planning_to_eat_SUNYBuffalo.pdf

in all or most zones; and enact regulations that minimize impact to adjacent uses and address other environmental considerations.

The following considerations are important when updating plan policies and code regulations for urban agriculture:

- Buildings: greenhouses; storage
- Deliveries
- Fencing/screening
- Health: pesticide/fertilize use
- Incentives (PUD)
- Mitigation
- Noise and litter
- Pests
- Setbacks
- Space for fowl/livestock/bees
- Traffic/parking/signage
- Use of heavy machinery
- Use of chemicals
- Waste disposal/compost

Resources, Models, Best Practices

Planning to Eat? From the Food Systems Planning and Healthy Communities Lab at the University of Buffalo provides examples of how local governments from across the country are incorporating food into official plans:

http://www.farmlandinfo.org/documents/39040/Planning_to_eat_SUNYBuffalo.pdf.

Ag Tools

Summary and Current Context

Many small farmers get into farming because they love being outside working the land, not inside staring at a spreadsheet. However many small growers do not have a business plan which often prevents farms from even starting as you cannot access capital with one. Without good financial documentation and plans, banks won't lend to farmers who need access to capital for land or business operation/expansion expenses.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan					
Policy					
Program				X	X
Project				X	
Regulation					

Barriers/Challenges

There is a lack of available resources such as software, for farmers to be able to develop sound financial and whole farm management plans. Lenders like to see a solid business plan with sufficient financial documentation, and many farms do not have the skills to do this on their own.

Opportunity/Proposed Actions

Increase accessibility to OSU's AgTools free software, which aids farmers in developing sound financial documents such as ratios, plans, and performance measures. Develop and expand workshops for urban area farmers to learn to apply the Ag Tools suite to their operations, which will help them become lender-ready.

Resources, Models, Best Practices (click titles for links)

Ag Tools <https://www.agtools.org/>



AgTools



Ag Tools are a suite of risk management and farm business planning software tools. They are available website free-of-charge to U.S. users. The AgProfit™ and AgLease™ programs require a license file to operate, which will be emailed to you after registering at this site.

AgProfit™ is a computer program designed to assist agricultural producers make long-run decisions when implementing technologies to a specific crop or analyzing cropping systems. AgProfit™ estimates machinery, labor, and production input costs as well as fruit size, grade, and total yield for calculating returns for crops with multiple establishment and production years. The program allows you to inflate specific return and input cost items over time to analyze the net present value, internal rate of return, and financial feasibility when implementing a particular technology, making minor changes to returns or input costs, or comparing cropping systems.

AgLease™ is a computer program designed to assist growers and landowners establish equitable crop share and cash rent lease agreements. With AgLease™ you can easily comprehend and evaluate the potential risks associated with annual and long-term leases, reevaluate current leases, or changing cropping systems. AgLease™ estimates machinery, labor, and production input costs as well as fruit size, grade, and total yield for calculating returns for crops with multiple establishment and production years. The program allows you to inflate specific return and input cost items over time to analyze the net present value, internal rate of return, and financial feasibility for a crop share and cash rent lease.

AgFinance™ is a computer program designed to assist agricultural producers make long-run decisions on a whole farm and ranch basis. You can load scenario files from AgProfit™ and AgLease™ into AgFinance™ to analyze your farm's financial ratios and performance measures, which include working liquidity, solvency, profitability, debt repayment capacity, and efficiency. You can change the number of units in each scenario and observe the financial effects of implementing technologies, adding value to your products, conservation practices, changing cropping systems or livestock enterprises, or leasing additional land.

See AgTools Website which features videos and case studies on how to use them for your farm- <http://www.agtools.org>



AgTools™ for Managing Financial Risk in Agriculture

Flowchart of how AgTools™ interact and work together

Crop Budget and Grower Information



AgTools™ Case Study
Smith Apple Farms
OSU-Department of Agricultural & Resource Economics



Title: Smith Apple Farms - Base Strategy

Page Number: 6

Date Analysis created: October 15, 2011

Date Analysis last changed: February 20, 2012

Farm/Ranch Net Income

Year	Farm/Ranch Gross Income	Farm/Ranch Costs	Annual Net Income	Accumulated Net Income
1	\$4,205,816	\$3,305,194	\$900,621	\$900,621
2	\$5,664,415	\$4,682,241	\$982,175	\$1,882,796
3	\$3,374,130	\$3,396,663	-\$22,533	\$1,860,263
4	\$5,870,137	\$5,086,863	\$783,273	\$2,643,536
5	\$4,509,540	\$3,869,499	\$640,042	\$3,283,578
6	\$6,058,309	\$5,435,721	\$622,589	\$3,906,166
7	\$4,649,135	\$4,121,150	\$527,986	\$4,434,152
8	\$4,459,323	\$5,334,152	-\$874,829	\$3,559,323
9	\$4,628,202	\$4,365,570	\$262,632	\$3,821,955
10	\$6,046,648	\$6,103,024	-\$56,376	\$3,765,578

View Case Studies of how to use AgTools to make a business plan

https://www.agtools.org/content/documents/Smith_Apple_Farms.pdf



Sample Outputs using Ag Tools

AgTools™ Case Study
Smith Apple Farms
OSU-Department of Agricultural & Resource Economics



Title: Smith Apple Farms - Base Strategy
Page Number: 7
Date Analysis created: October 15, 2011 Date Analysis last changed: February 20, 2012

Year	Liquidity			Solvency		
	Current Ratio	Quick Ratio	Working Capital (\$)	Debt/Asset Ratio	Equity/Asset Ratio	Debt/Equity Ratio
1	33.45	12.45	\$3,151,941	4.77	95.23	0.05
2	40.57	19.90	\$3,983,195	3.61	96.39	0.04
3	38.95	17.53	\$3,831,468	3.82	96.18	0.04
4	43.58	22.89	\$4,454,801	2.92	97.08	0.03
5	46.44	26.08	\$4,928,275	2.15	97.85	0.02
6	46.77	27.64	\$5,389,344	2.95	97.05	0.03
7	67.50	41.17	\$5,800,850	2.18	97.82	0.02
8	53.89	27.91	\$4,770,141	2.11	97.89	0.02
9	53.19	27.58	\$4,870,579	1.71	98.29	0.02
10	55.65	27.11	\$4,667,826	1.37	98.63	0.01

Year	Profitability			
	Rate of Return on Assets	Rate of Return on Equity	Operating Profit Margin	Net Income
1	14.97	15.54	21.73	\$900,621
2	14.40	14.86	17.53	\$982,175
3	-0.14	-0.32	-0.29	-\$22,533
4	10.58	10.81	13.51	\$783,273
5	8.05	8.17	14.35	\$640,042
6	7.43	7.46	10.50	\$622,589
7	5.96	6.00	11.58	\$527,986
8	-9.96	-10.28	-19.44	-\$874,829
9	3.26	3.25	5.80	\$262,632
10	-0.65	-0.70	-0.87	-\$56,376

Table 4: A three-year average of yields, prices, and packout information.

Block	Variety	Grade 1		Grade 2			Grade 3			Culls			
		% Size > 88's	% Size < 100's	\$/Box FOB, Size > 88's	\$/Box FOB, Size < 100's	%	\$/Box FOB, Size > 88's	\$/Box FOB, Size < 100's	%	\$/Box FOB, Size > 88's	\$/Box FOB, Size < 100's	%	
A	Gala	40	60	\$25	\$21	5	\$24	\$20	55	\$18	\$15	20	20
B	Gala	60	40	\$25	\$21	72	\$24	\$20	12	\$18	\$15	5	11
C	Gala	90	10	\$25	\$21	79	\$24	\$20	5	\$18	\$15	5	11
D	G. Delicious	50	50	\$17	\$15	35	\$13	\$11	35	\$10	\$9	5	25
E	BC2 Fuji	40	60	\$20	\$18	32	\$16	\$14	32	\$14	\$13	16	20
F	Granny Smith	50	50	\$22	\$18	61	\$17	\$14	10	\$13	\$11	10	19
G	Cripps Pink	60	40	\$28	\$22	83	\$25	\$20	10	n/a	n/a	0	7
H	Cripps Pink	40	60	\$28	\$22	83	\$25	\$20	10	n/a	n/a	0	7
I	Honeycrisp	75	25	\$60	\$35	25	\$50	\$25	25	\$18	\$15	20	30
	Mature > 7	75	25	\$60	\$35	60	\$50	\$25	20	\$18	\$15	10	10

Table 5. Projected Harvested Yields, Packed Units, Packing Costs and Returns to Grower.

Block	Variety	Yields Harvested Bins/acre	Packed Boxes/acre	Packing Costs/Box Sold	Return To Grower/Bin Harvested
A	Gala - ON Year	60	1,020.00	\$10.09	\$179.18
	- OFF Year	30	510.00	\$10.09	\$179.18
B	Gala	60	1,134.75	\$9.54	\$255.60
C	Gala	60	1,134.75	\$9.54	\$279.46
D	G. Delicious - ON Year	70	1,115.63	\$10.45	\$58.47
	- OFF Year	35	669.38	\$9.33	\$99.52
E	BC2 Fuji - ON Year	60	1,020.00	\$10.09	\$107.91
	- OFF Year	30	573.75	\$9.48	\$159.02
F	G. Smith - ON Year	80	1,377.00	\$10.02	\$150.31
	- OFF Year	40	765.00	\$9.48	\$203.85
G	Cripps Pink	40	790.50	\$9.32	\$317.99
H	Cripps Pink - 5 YOA	50	988.13	\$9.32	\$294.70
	- 6 YOA	60	1,185.75	\$9.32	\$294.70
I	Honeycrisp - 2 YOA	n/a	n/a	n/a	n/a
	- 3 YOA	n/a	n/a	n/a	n/a
	- 4 YOA	35	520.63	\$10.87	\$437.67
	- 5 YOA	50	743.75	\$10.87	\$437.67
	- 6 YOA	60	892.50	\$10.87	\$437.67
	- 7 YOA	60	1,147.50	\$9.48	\$729.26



AgTools™ Academy

In an attempt to help more growers make wise financial decisions for their farm, we are preparing to launch the **AgTools™ Academy**. These are workshops where we go through step by step, how to put AgTools to use for your farm industry. Our first Academy, held for the sweet cherry industry in The Dalles, Oregon, was held on November 30, 2011. This one-day workshop will focus on orchard renewal strategies using updated features of the AgTools™ program. Topics include choosing cherry varieties, what to expect from lenders, and trends involved in the future of the industry. For more information or to express interest in attending, please register by calling the Wasco County Extension Office at (541)296-5494. Look for more AgTools™ Academy workshops coming to you in the future.

**For questions or comments regarding the AgTools™ software,
please contact:**

Clark Seavert
Department of Agricultural & Resource Economics
213 Ballard Extension Hall
Corvallis, Oregon 97331-3601

Email: Clark.Seavert@oregonstate.edu
Office: 541-737-1422
Mobile: 503-961-4709

Business Planning

Summary and Current Context

Many small farmers get into farming because they love being outside working the land, not inside staring at a spreadsheet. However many small growers do not have a business plan which often prevents farms from even starting as you cannot access capital with one. It also inhibits their ability to grow a sustainable farming operation. Helping farmers' access business planning services and basic business management education is one way to grow a thriving foodshed.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan					
Policy					
Program	X	X		X	X
Project					
Regulation					

Barriers/Challenges

Groups offering technical assistance in this are often focused on large, rural farm operations. There is a lack of service providers for small, urban area farmers. Accessing the information and assistance for urban area farmers is in a variety of places, there is one stop shop for business planning help for small farms in Oregon.

Opportunity/Proposed Actions

Expand small farm business planning classes that already exist through OSU and other organizations. Put existing workshop/class content online in addition to bringing those classes and workshops to the urban area. Put information about classes and assistance online along with other business planning tools, all one place, specifically tailored for urban area farms.

Resources, Models, Best Practices (click titles for links)

AgTools from OSU <https://www.agtools.org/>

AgTools are FREE online computer programs that assist farmers and ranchers make long term decisions on a whole farm basis. You can load in your financial and farm information to analyze ratios and performance measures. You can see how different decisions you make will affect your operation in long term, such as implementing technologies, changing crop systems, conservation practices, or adding additional land. These tools will help you get ready to talk with a lender or investor.

Beginning Urban Farmer Apprenticeship (BUFA) Portland, OR

<http://web.multco.us/sustainability/bufa>

This program is a partnership between Oregon State University (OSU) Extension Service and Multnomah County designed to provide in-depth and comprehensive training in sustainable, small-scale, urban farming methods.

Farm Service Agency, Tualatin, OR <http://www.fsa.usda.gov/or>

This lender has a USDA Loan program for existing and beginning farmers, and technical assistance for preparing business plans for loan applications.

Growing Farms Workbook from OSU, Corvallis, OR

This will help you consider all of the important decisions you need to make prior to starting your business, from how to incorporate or what kind of marketing tools you might employ.

The New American FoodShed Guide Decision Tree <http://foodshedguide.org/decisions/>

This decision making guide will help start up farmers determine how they should incorporate as a business. It is a very simple way to understand and consider different business models. They also have numerous resources related to farm management and financing.

THRIVE Ashland, OR <http://www.buylocalrogue.org/index.php>

Small Farm technical Assistance, Regional Cooperative Marketing and Farm Incubator Programs.



Business Planning Tool



Many small growers get into farming because they love being outside working the land, not inside staring at a spreadsheet. However, many small growers do not have a business plan and this inhibits their ability to grow a thriving farm. Below see some steps and guides to get started on your plan.

Business Planning

Farms and ranches at all stages need a plan to succeed. Without a plan to guide you, it will be difficult to meet your goals. Without being a solvent business, you will not only be unable to meet your financial goals, but will have difficulty meeting your social and environmental objectives that brought you to farming in the first place. A business plan is critical in obtaining a loan or bringing on business partners, and in guiding important business decisions. A business plan is simply your story of how you plan to run your farm or ranch operation so others can understand your goals. You can start with a [One-Page Business Plan](#) and [One-Page Financial Plan](#) and then move on to a larger comprehensive plan.

What to include in your business plan:

Mission

The mission of your business guides everything you do. Keep it simple by finding what values drive you to farm. Values are core beliefs and philosophies that reflect your view on life. They often influence your goals and business decisions and help guide management of your farm. Values typically do not change with time and are reflected in everything you do.

Vision

A vision statement describes the big picture of your business over time. It defines an ideal future and impacts on your local community or society in general. Your vision may include what you want your farm to look like in 10 years, what products you'd like to produce, or how your farm will grow.

SMART Goals

Goals are short-, medium-, and long-term plans that align with your farm vision. Your goals must be Specific, Measurable, Attainable, Rewarding, and Timed. With SMART goals, you're getting into detail about what you need to accomplish to achieve your objectives.

Action Plans

Your goals must each have an action plan on how to get there. Action plans are specific and itemized to each goal. The Who, What, When and Where of your plan.



What to include in Your Financial Plan:

A One-page Financial Plan will help you scope out your costs of running your business and how much money you will need to start. A financial plan helps you make a budget without surprises. You don't want to plan to fail, so don't fail to plan.

“Take a fresh market vegetable operation, for example. Such farms require an early cash outlay on the producer’s part for seeds, soils, fertilizer, crop protectants, tomato stakes or cages – the list goes on. The sales dollars aren’t collected, though, until the crop is sold. How will you cover those expenses in the meantime?” from the Field Guide to the New American Foodshed website

Please see these tools to get you going:

- **[Growing Farms Workbook from OSU](#)**

This will help you consider all of the important decisions you need to make prior to starting your business, from how to incorporate or what kind of marketing tools you might employ.

- **[AgTools from OSU](#)** are FREE online computer programs that assist farmers and ranchers make long term decisions on a whole farm basis. You can load in your financial and farm information to analyze ratios and performance measures. You can see how different decisions you make will affect your operation in long term, such as implementing technologies, changing crop systems, conservation practices, or adding additional land. These tools will help you get ready to talk with a lender or investor.

- **[The New American FoodShed Guide Decision Tree](#)**

This decision making guide will help start up farmers determine how they should incorporate as a business. It is a very simple way to understand and consider different business models. They also have numerous resources related to farm management and financing.

- **[Local Farm Management Workshops](#)**

Check out local workshops and classes on managing the business of small farms.

Certification

Summary and Current Context

Consumers are increasingly demanding certified organic, sustainable, humane, or safe certified foods. Deciding on a certifier and becoming certified can be costly in both time and money. There is a lack of information for small urban farmers to decide what's best for them in their area.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan					
Policy					
Program	X	X		X	X
Project			X		
Regulation					

Barriers/Challenges

There are numerous advantages of becoming a certified organic grower, but deciding which certification program can be intimidating. The first step is choosing a certifier.

Opportunity/Proposed Actions

Develop an info sheet/guide for Portland area farmers to guide their decision making. Make the existing information more readily available to farmers.

Resources, Models, Best Practices (click titles for links)

An extensive list of certifiers can be found on the [Rodale](#) webpage, which also has an option to [compare certifying agents](#) to determine which is right for you. Below is a list of various certification programs that serve growers and producers in Oregon:

[Oregon Tilth Certified Organic \(OTCO\)](#)
[Stellar Certification Services](#)
[California Crop Improvement Association](#)
[CCOF](#)
[Global Organic Alliance](#)
[Natural Food Certifiers](#)
[Nature's International Certification Services](#)
[Nutriclean/Scientific Certification Systems](#)
[OneCert](#)
[Organic Crop Improvement Association International \(OCIA\)](#)
[Quality Assurance International](#)
[Quality Certification Services](#)

In addition to Organic Certification, your farm may be interested in another certification such as one of the following:

[Certified Naturally Grown](#)
[Salmon Safe](#)
[Low Input Viticulture and Enology \(LIVE\)](#)
[Food Alliance Certified](#)
[American Grass-fed](#)
[Certified Humane](#)
[Animal Welfare Approved](#)

Community Design

Summary

Local governments can take steps to integrate agriculture and the agricultural economy directly into the urban landscape by encouraging local food production through community planning and design tools, such as local planning and zoning, development and redevelopment, and parks policies. Portland State University can develop a regional resource for community design for food in the Portland region.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan	X	X	X	X	X
Policy					X
Program					
Project	X	X	X	X	X
Regulation					
Tax Changes					

Current Context

Current examples of urban agriculture in community design in the region include local farmers' markets, school gardens, garden landscaping in developments, backyard or shared garden space, community gardens in parks, and agricultural park/centers such as Zenger Farm in Portland, Luscher Farm in Lake Oswego and the Multnomah County CROPS farm.¹ These community food assets are not normally developed systematically. Therefore, as highlighted in the Portland Plan's background report on food systems, community gardens and farmers' markets are not equally distributed throughout the region. The lack of availability in some neighborhoods presents a significant equity issue.

Barriers/Challenges

Barriers and challenges are two-fold: lack of a coherent vision for incorporating food systems in community planning and design, and limited education as to where and how urban agriculture can be integrated into a community. This has not been a priority for the Metro regional government and information and resources regarding regional or community design for food production are limited.

¹ Bureau of Planning and Sustainability, (2009). *Portland plan food systems*. Portland, OR: City of Portland.

Opportunity

There is a wide variety of national and international examples and case studies of integrating urban agriculture in community design. Identifying which models most closely apply to the Portland region and applying them at the policy level to integrate urban agriculture in zoning and design/landscaping guidelines can help support greater access to local healthy food in the region.

Urban agriculture can be supported by community planning, design, development and redevelopment in multiple ways:²

- Backyard and shared garden space such as in curb strips
- Community garden systems
- Community gardens as landscaping in affordable housing communities, co-housing projects, corporate campuses, and private rental or housing projects
- Farmers' markets and public markets such as the planned James Beard Public Market in Portland and Hacienda CDC's current initiative to build a Latino-themed public market
- Local urban Community Supported Agriculture (CSA) including those with production distributed in several locations
- Public educational farm/parks such as Zenger that also incubate new farmers and farm products
- Open space as food production zones including instead of or as part of golf courses
- Eco-roof and wall eco/food projects
- High value food production facilities with significant employment including multi-story food production towers³
- Major agricultural parks such as the planned Intervale Park in Burlington, Vermont⁴

Other examples include Urban Ag Design from Milwaukie, Wisconsin, which works to create positive change in food and farming systems in urban areas to increase food access, provide community gathering, engage youth, create jobs and economic development and provide ecosystem benefits. Concept plans exist in the City of Seattle and other cities to create vertical farms and completely self-sufficient buildings which provide food in addition to energy. Finally, Carrot City is a traveling exhibit which shows how design can enable the production of food in cities. It examines the relationships between design and urban food systems at five distinct scales: city, community, housing, rooftops and products.⁵

² In part see *Cities as Natural Processes* pages 205-243 (1995). Michael Hough, Routledge.

³ http://mithun.com/news/article/video_center_urban_agriculture_remix/

⁴ http://www.usc.edu/schools/price/research/NCEID/Profiles/Mini_Sites/Intervale_Food_Center.html

⁵ <http://www.ryerson.ca/carrotcity/>

Proposed Actions

Portland State University's Urban and Regional Planning student Planning Workshop, in cooperation with Metro and other participating organizations, can develop a regional foodshed community design vision and on-line resource on how food production and related development can be integrated into community planning, design, development and redevelopment. .

Resources, Models, Best Practices

Land Use Planning and Urban-Peri Urban Agriculture

<http://www.cdc.gov/healthyplaces/healthtopics/healthyfood/landuse.htm>

Zenger Farms, Portland, OR: <http://zengerfarm.org/urban-farming>

Intervale Parks, Burlington, VT: <http://www.intervale.org/>

Carrot City: <http://www.ryerson.ca/carrotcity/>

Diversifying Agricultural Activities in Rural Zones

Summary

Agriculture-related activities, such as event agricultural-tourism, the processing and sales of agricultural products, incubation of farm products, distribution and education and training, provide farmers with supplemental income that help make their farms viable. Local governments can update rural zoning regulations to permit activities that complement agricultural uses. A regional network of food processing facilities that serve small and medium sized growers also could be established.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan	X				
Policy	X				
Program	X	X	X		X
Project		X			
Regulation	X				

Current Context

State regulations for rural lands permit many farm-related uses as long as they are subordinate to the primary agricultural use and don't impact neighboring farms. Some diversified uses are allowed as home occupations. A survey of counties throughout the Portland regional foodshed (Clackamas, Columbia, Multnomah, Washington, Yamhill) shows a broad range of regulations on ag-related uses in agriculture and rural zones that are often more restrictive than State requirements. Wineries are allowed in all five counties, but regulations on other activities such as event hosting, farmstays, farm stands, signs and parking, storage, and the processing and sales of agricultural products vary. This indicates that perceptions of what state regulations due and do not allow differ from county to county.

On-site processing of agricultural products is of particular interest for urban area farmers. When asked in a survey of Portland region foodshed farmers, 36 percent of respondents identify "value added and processing activities" as a primary source of their gross farm income. Value-added food products will continue to be a major feature of the regional food economy and the region has significant food processing expertise. Currently small scale processing locations such as USDA certified collective kitchens and small-medium meat processors do not appear to be adequate to the potential demand.

Barriers/Challenges

Urban area farmers face many unique challenges and often struggle to maintain an economically viable farming operation. Agriculture-related activities can bring a second stream of income to help these farms survive. Potential impacts of traffic, noise and odors are a primary concern. There also is some concern that wineries are becoming more event-centered than for agriculture/viticulture uses. It is not clear how newer agricultural innovations such as demonstration or educational farms, aquaculture, hydroponics, and aquaponics will be accommodated in rural zones.

Opportunity

The emergence of broad interest in local healthy food from the region presents local governments with the opportunity to develop their own strategies to strengthen the viability of their agricultural industries. Many of the agriculture-related activities described above are permitted by state regulations. Counties may want to work with state representatives to ensure their agricultural codes allow the broadest range of agriculture-related uses. Counties also may wish to advocate for expanding the list of allowable agriculture-related uses. One possible tool would be an agri-business zone or overlay that allows more intensive agricultural uses.

Oregon Senate Bill 960 was signed into law in June 2011 providing for increased agri-tourism activities on land zoned for exclusive farm use. Specifically, it “creates processes by which counties may conditionally approve agri-tourism events and other commercial events or activities related to and supportive of agriculture in EFU zones zoned for exclusive farm use (EFU), including events in EFU areas designated as rural or urban reserves.” The law provides an opportunity for counties to review their land use ordinances and diversify the list of permitted and conditionally permitted activities, while minimizing impacts, such as noise and traffic, to adjacent properties.¹

Additionally, local governments may wish to work with the private sector, including the Northwest Food Processors Association, to stimulate a regional network of small scale food processing facilities for small and medium growers to increase value of food produced in the region and potential for exports.

Proposed Actions²

Local governments can:

- Review state and local statutes regulating agriculture-related activities in natural resource and rural zones.
- Update local statutes to diversify allowed and conditionally allowed activities that may include:
 - Community kitchens
 - Educational classes and programs

¹ Oregon State Legislature. Oregon Senate Bill 960.
<http://www.leg.state.or.us/11reg/measpdf/sb0900.dir/sb0960.en.pdf>

² Clackamas County Master Plan for Agritourism Development (detailed information not yet available).

- Event hosting
- Bed & breakfasts
- Farm stands
- On-site processing
- Tours
- U-Pick
- Provide agri-tourism training for planning and code enforcement staff.
- Develop codes that clearly accommodate educational and incubation farms, small and medium sized farm related food processing, aquaculture, hydroponics, and aquaponics and other advanced and intensive food production techniques.
- Create informational materials to educate rural landowners on allowed uses and packages of pre-approved farm site plans for fast track approval.
- Advocate for further changes to state regulations to allow uses such as farmstays and farm restaurants.
- Allow a coordinated system of high-quality agri-tourism road signs.
- Work with the private sector to develop a vision and action plan for a regional network of food processing facilities that serve small and medium sized growers based on global best practices.

Resources, Models, Best Practices

The Master Plan for Agri-tourism Development in Clackamas County was recently completed to diversify agricultural activities in rural zones.

Energy Efficiency and Renewables

Summary

Energy efficiency improvements and development of renewable energy systems on Portland regional farms can lower costs and take advantage of on-farm natural resources. This tool targets soil and water conservation districts, federal and state agencies such as the Department of Energy, local utilities, and the Energy Trust of Oregon.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					X
Investment					X
Plan	X				
Policy	X				
Program	X	X	X	X	X
Project					X
Regulation					

Current Context

Many farms in the 1940s and 1950s had iconic steel wind mills producing power for wells and homes. Today, energy is a significant expense for small farmers because of the older buildings and equipment they use. Farmers living in the urban fringe often have higher energy costs than their urban counterparts based on the distances they drive to markets. Farmers who distribute directly have an additional cost of delivery to multiple farmers' markets or other locations. They are also often dependent on the high cost of gasoline and diesel fuel, electricity, natural gas or propane with limited development of renewable energy on their farms.

Barriers/Challenges

Smaller urban area farmers often pay city prices for their services or a premium for delivery of energy in the urban fringe. Multiple programs are focused on implementing energy efficiency measures in buildings and the development of renewable energy capacity in cities. The Energy Trust of Oregon (ETO) does have a program for farms in the territories of Portland General Electric and Pacific Power, comprising most of the Portland region. ETO programs support energy efficiency projects in irrigation equipment, greenhouse upgrades, motors and drives, heating and cooling, insulation,

compressed air systems, bio-power, solar electric, solar water heating, small scale wind, commercial scale wind, geothermal, and hydroelectric power.¹

These excellent programs are not clearly linked to the organizations focused on small urban area farmers including soil and water conservation districts, Oregon State University Cooperative Extension, and the USDA Natural Resources Conservation Service (NRCS).

Opportunity

An important study published in 1980 documents a wide range of ways farms can benefit from energy efficiency and renewable energy innovations.² This report and the work of the National Center for Appropriate Technology (NCAT) sustainable agriculture project, document multiple opportunities for on-farm energy including:³

Renewable Sources	Energy Efficiency
Anaerobic Digesters and Other Biomass Options	Climate Change and Sustainable Agriculture
Biodiesel	Conserving Fuel and Electricity
Energy Co-ops and Local Ownership	Dairy Energy Efficiency
Ethanol	Farm Energy Calculators
Funding Opportunities	Funding Opportunities
Hydro Power	Irrigation Efficiency
Solar Energy	Reducing Food Miles
Wind Energy	Reducing Nitrogen Fertilizer and Indirect Energy Usage

In addition, there may be an opportunity to develop new techniques for small farmers to streamline and share their delivery systems to markets in the region.

Proposed Actions

Soil and water conservation districts, the USDA Natural Resource Conservation Service, ETO, and the Oregon Department of Energy can develop a region-wide program to assist small urban-impacted farmers with energy efficiency measures and renewable energy system development and financing. The focus should be on reducing operating costs.

It is clear that subsidies or sources of patient capital will be needed given the thin profit margins of urban area farms. This program can identify the needs of producers, workable models for diverse situations, the technical expertise available, and financing strategies, such as revolving low interest loans, equity investment, and coordinated grants can be explored. There may be some potential to engage Oregon Best and Manufacturing 21 to identify economic development initiatives related to on-farm energy efficiency and renewable development.

¹ *Harvest more energy savings every season.* (2012). Retrieved from <http://energytrust.org/industrial-and-ag/incentives/agriculture/>

² Small Farm Energy Project (1980). *Small Farm Energy Primer*, Center for Rural Affairs.

³ *Farm energy alternatives.* (2011). Retrieved from https://attra.ncat.org/attra-pub/farm_energy/

Resources, Models, Best Practices

Oregon Department of Agriculture, Energy Efficiency and Renewables, Opportunities for Oregon's Agricultural Producers, March 1011. Overview of approaches useful in Oregon:

http://www.oregon.gov/ODA/docs/pdf/ag_energy_brochure.pdf?ga=t

National Sustainable Agriculture Information Service energy efficiency and renewable energy on farms: https://attra.ncat.org/attra-pub/farm_energy/

Sustainable Agriculture Research and Education overview of efficiency and renewable strategies on farms: <http://www.sare.org/Learning-Center/Bulletins/National-SARE-Bulletins/Clean-Energy-Farming>

Main Rural Partners, Harvesting Clean Energy Guide and web site provides a comprehensive set of tool addressing energy efficiency and renewable energy: <http://www.mainerural.org/energy/fieldguide/>

Increasing Exports

Summary

Develop a regional strategy to expand the supply and markets for regionally-produced food outside the Portland region. Such an export strategy can be led by public and private economic development organizations.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment	X				X
Plan	X	X	X	X	X
Policy	X	X	X	X	X
Program					
Project					
Regulation					
Tax change					

Current Context

Exporting is an economic development strategy with significant potential for the regional foodshed economy. Portland is an export powerhouse with a total of more than \$22 billion in exports overseas in 2011. The region is ranked second in the nation for exports as a percentage of gross metro products. The region is one of four nationally receiving assistance from the Brookings Institution to create and implement a customized Metropolitan Export Plan.¹ In choosing Portland as a pilot city, the Brookings Institute notes that there is great potential to boost Portland's export performance even further, driving our regional economy beyond the recession and serving as a model for other regions around the country.

Increasing US exports is part of a national program laid out by President Obama in 2010 to double exports from the US in five years. According to Brookings, metropolitan regional economies account for most US exports. The Portland region is one of the most export-dependent regions in the nation, serving as a gateway for products from the Pacific Northwest.

The Portland region currently exports substantial food commodities, processed products and fresh fruits and vegetables. The Oregon Department of Agriculture estimates that 85 percent of Oregon agricultural products are exported outside the state.² Oregon has a specific focus on foreign exports to the Pacific Rim. A recent trade success was the opening of the South Korean market to Oregon blueberries, which grow abundantly in the Portland region.

¹ Brookings Institution (2010). *Export Nation* and other reports. Also see: <http://www.brookings.edu/metro/MetroExports.aspx> Also see: http://www.brookings.edu/projects/state-metro-innovation/about_MEI.aspx for a discussion of the regions being assisted by Brookings.

² *Regional and national market development*. (n.d.). Retrieved from http://www.oregon.gov/ODA/ADMD/mktg_regional.shtml

Barrier/Challenge

There are several challenges to increasing Portland regional food exports. First, the current Brookings Institution strategy for Portland is focused on overseas markets rather than West Coast markets and does not address the agricultural industry. The focus on international markets is limiting for relatively small urban-impacted growers who distribute their products locally and regionally. Another potential barrier is the supply of land and productive capacity in the region. Finally, relatively small urban-oriented producers do not have adequate marketing expertise or networks to export outside the region let alone internationally.

Opportunity

A regional food export strategy has the potential to “grow the grower” as they develop capacity to expand, become profitable, and target markets outside the Portland region. This strategy could be addressed in several ways. A regional food economic cluster strategy (see Food Cluster Development and Import Substitution tools) could help identify potential markets and relationships in the value chain of production, processing, distribution and consumption. A cluster strategy can address how small growers can build the network of connections necessary to export to the West Coast or globally. Available land does not appear to be a problem. According to Ecotrust, there is more than enough land to meet local food demand and increase production of food for exports. Application of advanced covered and greenhouse, aquaculture, hydroponics and aquaponic systems can increase production dramatically. Finally, distribution companies such as Organically Grown, Sysco, Bon Appetite and others can help small growers expand into larger West Coast and international markets.

Proposed Actions

Develop a regional food export strategic plan in cooperation with the Oregon Department of Agriculture. A regional advisory committee or outreach process can ensure the strategy builds upon the work of regional economic development partners.

1. Identify a lead organization to convene regional partners, develop the strategy and form an advisory committee composed of major partners. Potential candidates include:
 - Oregon Department of Agriculture
 - Representatives of the counties and cities in the region
 - Oregon State University and Portland State University
 - Oregon Department of Agriculture
 - Greater Portland, Inc.
 - Business Oregon
 - Ecotrust
 - Brookings Institution
2. Obtain funding.
3. Analyze of the regional food economy and its potential for export growth.
4. Develop a strategy to increase exports of foods outside the Portland region and overseas.
5. Identify clear benchmarks for implementation.
6. Assign responsibility for actions to implement the strategy.

Resources, Models, Best Practices

National Export Strategy focuses on small and medium sized firms: 2011 National Export Strategy, Trade Promotion Committee. <http://trade.gov/publications/pdfs/nes2011FINAL.pdf> See especially page 3 and 13 addressing the the top priority of the strategy to support small and medium sized firm exports.

Midwest support organization for small and medium sized farm exports provides a set of tools to support exports: <http://www.iatp.org/about/programs>

Farm Management Workshops

Summary and Current Context

People get into farming because they are passionate about working the land to create a valuable product for their community, not because they love running a business. However many small growers do not have a business plan which often prevents farms from even starting as you cannot access capital with one.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan					
Policy					
Program	X	X	X	X	X
Project	X	X	X	X	X
Regulation					

Barriers/Challenges

There is a lack of educational service providers for small, urban area farmers for business and farm management expertise.

Opportunity/Proposed Actions

Expand the existing workshops and classes for small farm management and/or hold these classes in the Metro area.

Resources, Models, Best Practices

[Beginning Urban Farmer Apprenticeship \(BUFA\)](#) Portland, OR

<http://web.multco.us/sustainability/bufa>

This program is a partnership between [Oregon State University \(OSU\) Extension Service](#) and [Multnomah County](#) designed to provide in-depth and comprehensive training in sustainable, small-scale, urban farming methods.

Building Farmers in the West Program Aurora, OR

<http://www.buildingfarmersinthewest.org>

The Portland Metro program consists of a series of six weekly workshops for farmers who need help developing a comprehensive, strategic business plan.

THRIVE Ashland, OR <http://www.buylocalrogue.org/index.php>

Small Farm technical Assistance, Regional Cooperative Marketing and Farm Incubator Programs.



Farm Management Workshops Tool

There's two new programs for learning whole farm management for small urban area farmers.

1. [Building Farmers in the West Program](#)

A new, federally-funded program [Building Farmers in the West](#) offers new and transitioning commercial farmers in Western states tools and strategies to help build and maintain the economic vitality of their operations. The Portland Metro program consists of a series of six weekly workshops held at the North Willamette Research and Extension Center in Aurora.

Who is Building Farmers in the West For?

- Farmers who want to start a market farm enterprise
- Farmers who have a market farm business but have farmed less than ten years
- Farmers who desire to improve their business management & marketing skills
- Farmers who would like to network closely with other market farm producers
- Farmers who recognize the need to plan carefully and develop a farm business plan
- Farmers who would like to market directly to consumers, chefs, and local wholesale or retail firms

Farmers Teaching Farmers

The Oregon "Building Farmers" program builds farm community and farmer capacity through classroom and experiential learning for beginning farmers (farmers who have less than ten years of farming experience). The program is a series of eight evening classes designed to help potential or very new farmers explore farming as a business and to provide intermediate and experienced farmers with tools and ideas necessary to refine and enhance their strategic planning, business management, and direct marketing skills.

The program includes six workshops held every Wednesday, starting May 2nd 2012. Course Schedule- Every Wednesday (Portland Metro) for six weeks, as follows:

- **May 2, Strategic Planning**
- **May 9, Financial Management**
- **May 16, Direct Marketing**
- **May 23, Agritourism**
- **May 30, Elective**
- **June 6, In-Class Presentation of Business Plans**



To register or for more information click here www.buildingfarmersinthewest.org

Or contact Bart Eleveld, Ph.D., Extension Economist

Ballard Extension Hall 213

Corvallis, OR 97331-3601

541-737-1409 | bart.eleveld@oregonstate.edu

[2. The Beginning Urban Farmer Apprenticeship Program \(BUFA\)](#)

The Beginning Urban Farmer Apprenticeship (BUFA)



The Beginning Urban Farmer Apprenticeship (BUFA) <http://web.multco.us/sustainability/bufa> program is a partnership between Oregon State University (OSU) Extension Service and Multnomah County designed to provide in-depth and comprehensive training in sustainable, small-scale, urban farming methods.

Through formal classes, hands-on training, field-trips, online learning, farmers' market sales and supervised apprenticeships, BUFA instruction will prepare students to produce market fresh vegetables, fruits, grains, cut flowers, and other value-added products using organic methods. Participants will also learn the knowledge and skills needed to design, install, and manage farm and community landscape infrastructure in urban and peri-urban settings. BUFA will provide educational programming to build participants' knowledge and skill-base in small-scale urban farming and farm business management through:

- Classroom training, online learning platform and field trips
- OSU's established Growing Farms: Successful Whole Farm Management Workshop Series – with a concentration in farm business planning
- Supervised, hands-on, in-the-field apprenticeship with experienced farmers



Course Topics Include:

- Soil management including fertilizers, compost, mulch, and cover crops
- Intensive vegetable production using hand tools and small power tools
- Berry and fruit tree production and edible landscaping
- Ecological landscape management including native and ornamental plants
- Organic Integrated Pest Management (IPM) with special emphasis on weed control
- Farm/landscape infrastructure including irrigation, materials choices, and installation
- Farm business planning and marketing
- Community resources and next steps

PLEASE NOTE that the 2012 BUFA program has begun, but check back for next year!

Other Farm management classes are here:

[OSU Small Farms Growing Farms Workshops Series](#)

Growing Farms workshops provide beginning farmers with the tools and knowledge needed to manage the biological and financial risks of farming. Workshops are through out the year, check website for topics and dates. <http://smallfarms.oregonstate.edu/growing-farms-workshop-series>

[OSU Small Farms Program](#)

This program has a variety of resources for small farmers new and old, including workshops, classes, and their annual Small Farms Conference which brings together growers from across the NW to share knowledge and inspiration. <http://smallfarms.oregonstate.edu>

[Clackamas Community College Urban Agriculture Certificate Program](#)

This new program is for beginning farmers focusing on small scale, organic food production. Classes are focused on the biological aspect of food production. For more information contact Loretta Mills at 503-594-3292.

http://www.clackamas.edu/News_Stories/CCC_Offers_Oregon%E2%80%99s_First_Urban_Agriculture_Certificate_Program.aspx

Farmers Markets

Summary

Local governments can work with regional farmers to encourage development of farmers markets in each city in the region. They also can support Oregon State University's Farmers Market Association programs to assist markets in the Portland region. A critical need is to increase demand for farmers market products.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment	X	X	X		X
Plan	X				
Policy	X				
Program	X	X	X	X	X
Project	X	X	X	X	
Regulation					

Current Context

People shop at farmers markets for high-quality products, good value, specialty items, organic produce, convenience, to support farmers, to socialize, and for entertainment.¹ A 2008 study indicates that successful markets require vendors, a good product mix, a visible location, clarity of vision and mission, professional management, value for both customers and communities, partnerships, promotion, a sound business plan, and vibrant public spaces.³ Most farmers markets serve a variety of economic functions, including incubating new farms, connecting farmers directly to consumers, creating vital urban spaces and creating a variety of cultural and community interactions.

Barriers/Challenges

Consumers in urban areas of the Portland region do not have equal community access to farmers markets and often shop at large retail chains. According to several studies, the perception that products at farmers markets cost more than conventional markets is not accurate, especially for organic products.²

¹ *Characteristics of successful farmers.* (p. 13-20) Retrieved from City of Portland website: <http://www.portlandonline.com/bps/index.cfm?c=49940&a=236585>

² "Is Local Food More Expensive" Leopold Center. 2009. Retrieved from <http://www.leopold.iastate.edu/>. July 17, 2012.

Anthony SCALE, Inc. "Is Local Food Affordable for Ordinary Folks? A Comparison of Farmers Markets and Supermarkets in Nineteen Communities in the Southeast." Retrieved from <http://www.ruralscale.com/>. November 2011.

In 2011 there were 40 markets in the region with 20 within Portland city limits.³ A 2008 study found there are two major reasons people do not shop at farmers markets: inconvenient times and problematic parking.⁴ The Portland region also has a temperate climate with a rainy fall and winter climate which limits production and market visitors in the fall and winter seasons. Open-air markets also may be a shopping deterrent during inclement weather. In addition, expertise on farmers markets in the region is fragmented and could be more focused to support growth of this part of the foodshed economy. Demand for the products at farmers markets varies based on seasonality and market demand.

Opportunities

The vitality of the regional grassroots local food movement indicates opportunities for increased purchases and activity at farmers markets in the Portland region. These markets can also help increase the availability of nutrient dense fruits and vegetables in areas with limited access to healthy foods. Several programs for low income and childhood nutrition support food purchase at farmers markets.⁵

Successful farmers markets are often located in vital community spaces and surrounded by other shopping and services. Local governments can increase the viability of these markets and local neighborhoods by incorporating them into community economic development or urban renewal plans. Farmer incomes, the vitality of urban areas and access to local healthy food appear to be strengthened by expanding the number, hours of operation, and convenient locations of farmers markets. Indoor farmers markets, such as those in European cities, may be able to use indoor spaces not fully utilized on weekends or other times. In addition, a coordinated marketing campaign can increase demand for products sold at farmers markets.

Proposed Actions

Each city and urban community can assess the need for and potential of locating a farmers market in their area. Initial feasibility analysis and planning can be supported by students at Portland State University or Oregon State University (OSU). In addition, the OSU-supported Oregon Farmers Market Association⁶ is well-positioned to develop a regional strategy and support structure to help urban-area farmers markets be successful.

Claro, Jake. "Vermont Farmers Markets and Grocery Stores: A Price Comparison" Retrieved from <http://nofavt.org/pricestudy>. January 2011.

³ *2011 guide to Oregon farmers markets*. (n.d.). Retrieved from http://oregonfarmersmarkets.org/directory/docs/OFMA_2011_Directory_Final.pdf

⁴ *Characteristics of successful farmers* (2008), (p. 11) Retrieved from City of Portland website: <http://www.portlandonline.com/bps/index.cfm?c=49940&a=236585>

⁵ Women Infants and Children (WIC) and Supplemental Nutrition Assistance Program (SNAP) programs

⁶ <http://oregonfarmersmarkets.org/>

In addition, there appears to a need for collective marketing to increase demand for local food products offered at farmers markets. Several farmers suggest that increase demand is critical to support profitable local small farms.

Resources, Models, Best Practices

Characteristics of successful farmers. (p. 11) Retrieved from City of Portland website:
<http://www.portlandonline.com/bps/index.cfm?c=49940&a=236585>

Ten Principles for Successful Farmers' Markets from New York Association of Farmers' Markets:
<http://agmarketing.extension.psu.edu/ComFarmMkt/PDFs/marketprinciples.pdf>

Marketing strategies to increase the sales at farmers markets:
http://www.cascadeharvest.org/files/u1/FM_marketing_plan_FINAL_II.pdf

“Is Local Food More Expensive” Leopold Center. 2009. Retrieved from
<http://www.leopold.iastate.edu/>. July 17, 2012.

Anthony SCALE, Inc. “Is Local Food Affordable for Ordinary Folks? A Comparison of Farmers Markets and Supermarkets in Nineteen Communities in the Southeast.” Retrieved from
<http://www.ruralscale.com/>. November 2011.

Claro, Jake. “Vermont Farmers Markets and Grocery Stores: A Price Comparison” Retrieved from
<http://nofavt.org/pricestudy>. January 2011.

Farmworker Housing

Summary

Local governments working in conjunction with community development corporations (CDCs) can develop a regional strategy to expand the development of affordable housing for farmworkers and food service laborers in cities and on farms with access to education, child care, healthcare, and other community services.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan	X	X	X		X
Policy	X		X		X
Program	X	X	X		X
Project	X	X	X		X
Regulation					
Tax change					

Current Context

Existing farmworker housing is insufficient to provide for the number of farmworkers needed in regional agriculture and related food processing. For example, a recent Washington County study identified the number of needed beds for farmworkers in 2009 as between 10,500 and 11,500.¹ Existing farmworker housing typically involves multiple families living in small apartments or homes, or on-farm housing with far more people per unit than would typically live in a structure. Housing is often crowded, sub-standard, and located in areas with limited access to needed support services. Locations are often far from farmworker jobs, which adds commute time and cost. Due to cost or housing availability fluctuations, low-income farmworker families with children do not often have the opportunity to live in stable home and educational environment. Housing options located on farms are limited in Oregon due to rural land use regulations. Farmers and growers often do not have the expertise or resources to provide affordable farmworker housing or are not able to comply with regulations that can lock them into agreements they are not willing or capable of taking on. Some regulations can be particularly onerous, including from one funding source that dictates farmworker housing be offered in perpetuity for 33 years.²

¹ Portland State University, Tierra Planning. (2010). *Harvesting opportunity: A strategic vision for farmworker housing*. Retrieved from website: http://pdx.edu/sites/www.pdx.edu.usp/files/usp_2010_harvesting.pdf

² Quartini, L. (2012, January 04). Interview by E. Wyoming [Personal Interview]. Casa of Oregon housing manager interview.

Barriers/Challenges

Agricultural producers in the region lack a dependable high quality labor force. Farmworkers need safe, sanitary, and supportive housing for themselves and their families. Challenges to obtaining and providing farmworker housing include income, language and cultural differences, household size, migrant status, eligibility criteria to enter farmworker housing, real or perceived legal repercussions, and discrimination. The ability of local governments to provide an adequate supply of housing overall in the region is limited by lack of funds for predevelopment, high land costs, land use limitations, and meeting the support service needs of residents.

Opportunity

Existing networks of housing service providers in the region can be encouraged to develop exemplary community-based urban farmworker housing which address several of the barriers listed above. CDCs engaged in this work currently include the Community and Shelter Assistance Corporation of Oregon (CASA of Oregon, www.casaoforegon.org, based in Sherwood, OR), Hacienda Community Development Corporation (www.haciendacdc.org, based in Portland, OR) and the Farmworker Housing Development Corporation (www.fhdc.org, based in Woodburn, Oregon). Community-based housing provides the stability needed for families of farmworkers which other types of farmworker housing do not provide. Community-based housing also comes with supportive services such as education, child care, training, and agricultural business incubation support services for farmworkers and their families. Local governments can support CDC efforts to provide quality, lasting, and supportive community-based farmworker housing in the region as a distinct investment opportunity. Such housing would directly support the local food economy and related food industry cluster.

Proposed Actions

Four actions should be considered: 1. Develop a coalition of farmworker housing developers who are experts in providing homes with built-in services for farmworkers and their families. Focus on models built by the FHDC, CASA of Oregon, or Hacienda CDC to build farmworker housing within an urban environment. Subsidies need be packaged to increase urban projects feasibility. 2. Currently, farmworker housing is permitted on farms, but innovations are needed to expand its availability and improve its quality. For on-site farm-worker housing the California Agricultural Innovations Network is exploring the feasibility of assisting farmers and growers with covenants that protect farmworker rights and allow growers to receive public funds to maintain and supply farmworker housing on their property that is supported by a community partner³. 3. A third opportunity is to develop new strategies for farmworkers to innovate new businesses and assume ownership or other equity opportunities in farm land and farm operations. 4. Local governments can also support policy clarification in the Oregon Revised Statutes to better define types of accessory dwelling units for

³ McIntyre, J. (2012, January 05). Interview by E. Wyoming [Personal Interview]. Ag innovations network director interview.

farmworkers that are allowed on agricultural property for seasonal or migrant farm-workers. Although these dwelling seem to be permitted in EFU zones there is uncertainty regarding local interpretation of state policy.

Resources, Models, Best Practices

USDA Farm Labor Housing Funding Programs:

http://www.rurdev.usda.gov/rhs/mfh/brief_mfh_flh.htm

Oregon Farmworker Housing Tax Credit Program:

http://www.oregon.gov/OHCS/HRS_Farmworker_Housing_TC.shtml

Farmworkers Housing Development Corporation: <http://www.fhdc.org/>

Hacienda CDC: <http://www.haciendacdc.org/>

CASA of Oregon: <http://www.casaoforegon.org/>

Food Cluster Development

Summary

State, regional and local economic development organizations can develop a Portland region food economic cluster strategy and action plan.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan	X	X	X	X	X
Policy	X	X	X	X	X
Program					
Project					
Regulation					

Current Context

The Oregon Business Plan focuses on industry clusters as a core concept for economic development in Oregon. Industry clusters are geographic concentrations of similar and/or related firms that draw competitive advantage from their proximity to competitors, a skilled workforce, specialized suppliers and a shared base of sophisticated knowledge about their industry. Businesses thrive in particular locations because their local connections to a skilled workforce and suppliers in proximity to one another generate business advantages that cannot easily be imitated or competed away by low cost competitors.¹

The food production sector (farming) is only one part of a much larger cluster that also includes food processing, distribution and consumption. These four elements interact and have strong supply chain relationships throughout the Portland region. In 2008, the cluster included an estimated 16,000 firms, with 156,000 employees and an annual payroll of almost \$3 billion per year.²

Barriers/Challenges

In spite of its strength, the regional food economy is not a focus of regional economic development organizations such as Greater Portland, Inc. or the Portland Development Commission. Both Clackamas and Multnomah counties have made foodshed economic development important economic development goals. Oregon continues to focus on protection of prime productive farmland, but not on increasing the economic viability of small-medium sized farmers in the urban region.

¹ *About oregon's industry clusters.* (n.d.). Retrieved from <http://www.oregonbusinessplan.org/Industry-Clusters/About-Oregons-Industry-Clusters.aspx>

² SARE Portland Regional Foodshed: Current Situation Report, Cogan Owens Cogan, LLC October 1011, page 18.

Opportunities

In order to maximize the potential and linkages within the regional foodshed economy, economic development agencies can identify the food cluster as an economic development focus. They can analyze the linkages among the elements of the food economic system -- food production, processing, distribution and consumption – and develop a cluster strategy that includes food production, processing, distribution and consumption. The strategy can support and examine the benefits of both import substitution and export strategies to expand and support food production in the Portland urban region. By focusing on the entire food system, an economic cluster strategy can consider opportunities for family wage jobs and skilled workers across the industry.

Proposed Actions

Develop a Portland region foodshed economic cluster strategy that defines current and potential linkages in the system to benefit producers, processors, distributors and consumers. The cluster can also strengthen local connections to skilled labor and suppliers. The food system strategy can also encourage research, innovation, development and technology transfer within the cluster. Key steps include: conducting a food cluster economic analysis and landscape study of the Portland region, and identifying leaders, such as Clackamas and Multnomah Counties. Other counties and major cities in the region can be encouraged to participate. Partners or supporters may include the Portland Development Commission, Greater Portland Inc., Oregon Business Council, the Oregon Department of Agriculture and Business Oregon. A similar plan, focused on skills and education in the food system, was developed in Vermont.³

Resources, Models, Best Practices

Food economy cluster studies and strategies for: <http://www.crcworks.org/?submit=fffc>

Creating jobs through regional foodshed strategies:

http://www.ucsus.org/food_and_agriculture/solutions/big_picture_solutions/market-forces.html

Lane County food as an economic development strategy:

<http://www.planning.org/awards/2011/pdf/oregonnarrative.pdf>

³ Rosenfield, S. Regional Technology Strategies, Inc., (2010). *Growing jobs Vermont style: Skills and knowledge for Vermont's "sustainable food system cluster" and natural resources. Prepared for the Vermont department of education.* Retrieved from website: http://rtsinc.org/publications/documents/VTRreport_000.pdf

Import Substitution

Summary

Public and private economic development organizations can develop a regional strategy to substitute locally produced food for food currently imported from outside the Portland region.

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan	X	X	X	X	X
Policy	X	X	X	X	X
Program					
Project					
Regulation					
Tax change					

Current Context

Import substitution is an economic development strategy with significant potential for the regional foodshed economy. The 2011 Union of Concerned Scientists report outlines ways to create local jobs through public investments in local and regional foods systems.¹

Other regions throughout the US are implementing import substitution strategies. The Cleveland region has developed a plan to shift 25 percent of current food purchases from imported to food produced in the region.² The plan details current consumer and institutional demand by crop and product. The plan also identifies a localization scenario including potential employment benefits, challenges such as economic reality, human capital, land, and financial capital, and describes how these challenges can be overcome. Multiple strategies to encourage local food consumption address food access and public health, urban agriculture, rural-urban collaboration, education and skill training, and business support.

Barrier/Challenge

The Portland region currently imports more than 95 percent of the food consumed. If 10 percent of food currently imported from outside the region was locally produced, it would generate

¹ O'Hara, J. K. Union of Concerned Scientists, UCS Food and Environment Program. (2011). *Market forces: Creating jobs through public investment in local and regional food systems*. Retrieved from UCS Publications website: http://www.ucsusa.org/assets/documents/food_and_agriculture/market-forces-report.pdf

² Masi, B., Schaller, L., & Shuman, M. H. (2010). *The benefits of food localization in northeastern ohio & how to realize them*. Retrieved from website: <http://www.neofoodweb.org/sites/default/files/resources/the25shift-foodlocalizationintheNEOregion.pdf>

approximately \$470 million in increased local economic wealth per year. This assumes adequate capacity for additional production by that amount without reducing food exports.³

Currently, neither the Portland region nor its cities have an economic development strategy to increase the amount of regionally produced food consumed in urban areas. In addition, there is no regional organization charged with coordinating the development of such a strategy. The lack of institutional capacity and incentives for regional import substitution will need to be addressed.

Opportunity

Regional and local governments can engage a wide range of stakeholders, to develop a regional import substitution strategy that builds on work currently underway in the region's cities and counties and takes advantage of vitality of local food movements in the region. See the Market Development and Regional Food Distribution for strategies to make regionally produced food more competitive through regional infrastructure and cooperatives development.

Proposed Actions

Develop a broad-based regional import substitution strategic plan (see the Food Cluster Development tool for a definition of linkages between food production and processing, distribution, and consumption.) A multi-sector regional advisory strategy committee or outreach process would ensure the strategy builds upon the work of regional partners.

1. Identify a lead organization to convene a broad-based regional partnership, develop the strategy and form an advisory committee. Potential candidates include:
 - Representatives of the counties and cities in the region
 - Oregon State University and Portland State University
 - Oregon Department of Agriculture
 - Greater Portland, Inc
 - Ecotrust
2. Obtain funding.
3. Conduct an economic landscape analysis of the regional food economy.
4. Develop a strategy to increase consumption of foods produced in the region.
5. Identify clear benchmarks for implementation.
6. Assign responsibility for actions to implement the strategy

Resources, Models, Best Practices

A detailed strategy to substitute regionally produced food for food imported into NE Ohio was developed: <http://www.neofoodweb.org/sites/default/files/resources/the25shift-foodlocalizationintheNEOregion.pdf>

The Crossroads Center has conducted multiple studies of regional food purchase flows and: <http://www.crcworks.org/>

³ Current Situation Report, October 2010, Cogan Owens Cogan, LLC,

Institutional and Agency Procurement

Summary

Public agencies, institutions, and private companies that purchase large amounts of food can work to develop procurement standards that support purchases of local, nutritional foods.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan	X	X	X	X	X
Policy	X	X	X	X	X
Program					
Project					
Regulation					
Tax change					

Current Context

A variety of institutions and associations are developing strategies to encourage support of local healthy food. The Oregon Farm to School Program supports schools to increase local purchases.¹ A leading example of a procurement strategy has been developed by Health Care Without Harm. Their Healthy Food and Healthcare pledge, signed by hundreds of hospitals in the United States, provides a framework for procurement of local healthy foods. The pledge includes the following elements²:

- Work with local farmers, community-based organizations and food suppliers to increase the availability of locally-sourced food.
- Encourage our vendors and/or food management companies to supply us with food that is, among other attributes, produced without synthetic pesticides and hormones or antibiotics given to animals in the absence of diagnosed disease and which supports farmer health and welfare, and ecologically protective and restorative agriculture.
- Increase our offering of fruit and vegetables, nutritionally-dense and minimally processed, unrefined foods and reduce unhealthy (trans and saturated) fats and sweetened foods.
- Implement a stepwise program to identify and adopt sustainable food procurement. Begin where fewer barriers exist and immediate steps can be taken. For example, the adoption of rBGH-free milk, fair trade coffee, or introduction of organic fresh produce in the cafeteria.
- Communicate to our Group Purchasing Organizations our interest in foods that are identified as local and/or third-party certified.

¹ *Oregon farm to school programs*. (n.d.). Retrieved from <http://www.farmtoschool.org/OR/programs.htm>

² *Healthy food pledge*. (n.d.). Retrieved from <http://www.healthyfoodinhealthcare.org/pledge.php>

- Educate and communicate within our system and to our patients and community about our nutritious, socially just and ecological sustainable food healthy food practices and procedures.
- Minimize or beneficially reuse food waste and support the use of food packaging and products which are ecologically protective.
- Develop a program to promote and source from producers and processors which uphold the dignity of family, farmers, workers and their communities and support sustainable and humane agriculture systems.
- Report annually on implementation of this Pledge.

Barriers/Challenges

School systems, colleges and universities, hospitals, corporate cafeterias and public agencies face several challenges in purchasing local healthy foods. One is the complexity of dealing with multiple farmers to obtain a wider range of foods. Institutional procurement officials also may not have sufficient information on what their colleagues are doing to obtain local health food in the region. Further, procurement policies are often driven by low cost or other procurement requirements. Consistent supply is another barrier often identified by institutions.

Opportunity

If institutions adopt local, healthy food procurement policies, the resulting market demand will help increase local production, processing and distribution to strengthen the regional food economy. Under House Bill 2763 passed on 2009, public agencies are allowed to pay 10 percent more for local food than the low bid price.

Proposed Actions

Multnomah County can continue its leadership to create a regional institutional purchasing coalition to develop coordinated strategies to purchase more local nutritious food by multiple institutions. A purchasers' coalition should, regardless of leadership, include public, private, educational, health care, faith institution, prison and other major purchasers.

Resources, Models, Best Practices

Michigan institutional food purchasing strategy covers the entire range of food purchasing in the public sector.:

<http://www.michiganfood.org/assets/goodfood/docs/Inst%20Food%20Purchasing%20Report.pdf>

Oregon House Bill 2763 providing incentives to purchase local foods:

<http://www.leg.state.or.us/09reg/measpdf/hb2700.dir/hb2763.a.pdf>

Labor Laws and Interns

Summary

Labor is a critical part of farming operations, finding skilled, reliable workers and navigating the legal system governing them can be daunting.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan					
Policy	X	X			
Program			X	X	X
Project					
Regulation	X				

Current Context

Many small farms rely on family members and intern/apprentice labor. Often the family members or interns do not have the same skills as experience farm workers but are interested in learning more about farming and helping your farm. Interns/apprentices often work for free in exchange for lodging and a valuable educational experience. However, if someone is contributing to the financial gain of a farm, then they are considered a worker and farmers must ensure that they are following state and federal laws. This means that farmers legally obligated to pay interns/apprentices minimum wage and provide necessary insurance to protect your hard-earned assets.

Barriers/Challenges

There is a lack of clarity in the laws and ways to find easy answers to labor law questions. It is difficult for new farmers to apprentice with existing farms legally.

Opportunities/Proposed Actions

Develop an internship model with Portland Community College to legalize and formalize farm internships to provide necessary experience for the new generation of farmers. Programs could be based on Oregon's own Rogue Farm Corps Farms Next internship program. Rogue Farm Corps *Farms Next* internship program provides beginning farmers and ranchers entry-level training in sustainable agriculture. Through an innovative cooperative education program, *Farms Next* combines hands-on training, classroom learning and farm-based education on a diverse network of commercial family farms in Southern Oregon's Rogue Valley.

Resources, Models, Best Practices

Rogue Farm Corps Farm Internship Program http://roguefarmcorps.org/?page_id=43

Rogue Farm Corps Legal Guide <http://roguefarmcorps.org/wp-content/uploads/2011/11/Farm-Mentors-Guide-to-Employment-Law.pdf>

Oregon State Bureau of Labor Handbook
http://www.oregon.gov/BOLI/WHD/FLL/docs/fl_handbook.pdf

Market Development, Processing and Regional Food Distribution

Summary

Support organizations focused on helping growers market, process and distribute local and regional food products profitably. This strategy can be facilitated by public and private economic development organizations.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan	X	X	X	X	X
Policy	X	X	X	X	X
Program					
Project	X	X	X	X	X
Regulation					

Current Context

Many local growers are unable to achieve adequate sales to local markets. The process of linking growers to consumers is complex and relies on face-to-face sales. Small growers do not generate enough volume to sell through existing distributors.¹ They are also not able to sell product through shoulder seasons because of limited processing facilities for canning and freezing. They also may face other challenges such as growing products similar to other growers and inadvertently lowering the price for the goods. Small growers often do not have the technical expertise to grow what is marketable in the area, and the costs of transporting their goods to market are exceptionally high if the distribution is not shared across a number of growers. Institutional purchasers (schools, hospitals, corporate cafeterias) are not accustomed or able to procure small amounts from a number of growers to meet their needs. Assistance is needed through partnership with distributors and processors for additional value-added services that provide top-quality products to buyers and bring high value prices back to the grower for their work.

¹ Low, S., & Vogel, S. U.S. Department of Agriculture, Economic Research Service. (2011). *Direct and intermediated marketing of local foods in the united states*. Retrieved from USDA website: <http://www.ngfn.org/resources/ngfn-database/knowledge/ERR128.pdf>

Barriers/Challenges

Portland regional farms are relatively small in terms of acreage. Currently, there is no single organization focused on helping producers improve their business operations, as well as market, process and distribute food within the Portland region. Few funding sources to cultivate key grower/distributor partnership models necessary to expand regional markets exist. Organizations such as the Oregon Fresh Market Growers Association (OFMGA) appear to be addressing some of these challenges, but may need additional funding.

Opportunity

The Portland region has a rich network of small and medium growers in the urban fringe. The regional food and related supplies market is \$4.7 billion per year. Information from interviews with Community Supported Agriculturists (CSA) and farmers' market leaders indicate an opportunity to increase the profitability of growers, demand for local foods (processed and fresh), and systematic distribution of foods produced in the urban region through a coordinated market development strategy. One model is the Organically Grown Company (OGC), which started as a cooperative and became a West Coast supplier of produce. OGC helps growers produce, market and distribute their products throughout the Interstate 5 corridor. Another model is the Oregon Fresh Market Growers Association that supports market growers address a variety of challenges. It is currently a statewide association with some members in the region. Additionally, Adelante Empresas in Forest Grove², part of the community development corporation Adelante Mujeres, is currently developing a distributor model for their organic farmers that echoes recommendations listed in the following section of this paper.

Proposed Actions

Local economic development agencies can work with food processors and distributors to create a business plan focused on developing the Portland regional food economy. Key elements include³⁴.

- Develop a feasibility study and business plan to provide support and resources for local growers to brand and market regionally produced, processed and distributed food throughout the region. This can build on the work of the OFMGA and the current capabilities of private companies.
- Distributors, through a cooperative or membership model, can focus on assisting growers with the following services:
 - Identify markets growers would like to sell to – wholesalers, retail, or direct.

2 Brown, A. (2012, January 26). Interview by E. Wyoming [Personal Interview]. Interview with director of Adelante Empresas.

3 Reitman-White, N. (2012, January 19). Interview by E. Wyoming [Personal Interview]. Interview with sustainability manager at organically grown.

4 Costello, T. (2012, January 19). Interview by E. Wyoming [Personal Interview]. Interview with produce supply-chain expert.

- Assist with good business practices.
- Coordinate with growers to prevent saturation of the market.
- Assist growers to determine a volume ahead of the season.
- Provide services and offer education in high quality post-production handling.
- Provide adequate cold storage to preserve produce that can be stored and sold throughout a season.
- Provide technical assistance to grow the best looking crops to compete with other regions.
- Assist with marketing and branding strategies.
- Assist or manage processing and micro-processing facilities (canning and freezing) to facilitate the sale of goods throughout the year.
- Collaborate with other regional distributors and share “specialist resources,” which is a significant challenge for small farms..

Resources, Models, Best Practices

Rural Cooperatives: http://www.rurdev.usda.gov/supportdocuments/RuralCoop_NovDec11.pdf

Regional Food Hubs: http://www.usda.gov/oce/forum/2012_Speeches/Barham.pptx

Organically Grown Company: <http://www.organicgrown.com/>

Northwest Cooperative Development Center: <http://www.nwcdc.coop/>

Marketing

Summary/Current Context

Many farmers would like marketing support, such as assistance with websites, marketing, advertising and farm membership systems. 60% of our survey respondents said they would like assistance with marketing.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment		X			
Plan					
Policy					
Program		X	X		X
Project	X	X	X	X	X
Regulation					
Tax Changes					

Barriers/Challenges/Opportunity

Many small farmers do not have the skills or resources to adequately market themselves. In part this is due to a gap in the business management educational resources. Develop a regional brand so consumers can determine local sourcing.

Proposed Actions

Increase marketing capacity through education and regional branding. Develop a marketing educational and low cost consulting or peer-to-peer service for growers to build their marketing capability. Increase access to existing resources through linking contact information and content in one place such as a website made for small urban farmers.

Resources, Models, Best Practices

Buy Fresh Buy Local PA, Philadelphia, PA <http://www.buylocalpa.org/philadelphia>
Regional marketing cooperative program through FoodRoutes.org

Eco Trust FoodHub Portland, OR <http://food-hub.org/>
An online tool from EcoTrust to connect local institutions like schools and restaurants with local growers.

Grower's Alliance Portland, OR <http://www.growportland.org/growers-alliance>
A marketing collective for small and beginning farmers

Gorge Grown Hood River, OR <http://www.gorgegrown.com/>
Regional Marketing Network and Advocacy Group

Portland Farmer's Markets Portland, OR <http://www.portlandfarmersmarket.org/>

Portland Area CSA Coalition Portland, OR <http://portlandcsa.org/Welcome.html>

THRIVE Buy Local Rogue Ashland, OR <http://www.buylocalrogue.org/index.php>
Regional Cooperative Marketing and Farm Incubator Program



Farmer/Producer Marketing Tool



Successfully marketing your goods is often the most challenging aspect of a farming business. How will you connect with consumers? The Portland area has more than 50 Farmers Markets and 100 Community Supported Agriculture programs (CSA's). How do you know if its better to sell directly at a farmers market or through a CSA or to use a distributor? How important is it your market to be certified Organic or Natural, or Local? What do those labels mean to your market? Most small farms cannot compete with large growers who sell wholesale, but use a direct marketing approach through CSA's or farmers market, but these are not the only tools.

Potential marketing channels:

- Roadside stands
- Farmers markets
- Community-supported agriculture (CSA)
- Restaurants
- Public institutions (e.g., hospitals and group homes)
- Farmers cooperative
- Websites
- Wholesale
- Other direct marketing opportunities
- Value-added processing (e.g., jams, dried food, and culinary herbs)
- Agritourism (e.g., farm stays, entertainment, and education)



Marketing Plan

Many growers and ranchers employ a variety of marketing tools to connect with the customer. Below are some questions you should consider in creating a marketing plan:

1. Who will purchase your product? What is important to these customers? How can your product appeal to this audience? Think about labeling and packaging regarding your customers.
2. What is your production capacity? What is a manageable market for this production level? If you establish a community-supported agriculture (CSA) operation, how many subscribers would be manageable to start with? How many farmers markets are feasible for you to attend?
3. Who is your competition? How can you increase your competitive advantage? What is your niche marketing strategy? How will you differentiate your product from the competition?
4. What are the standard prices for your product? What's the competition?
5. Are there regulations or special licenses or permits needed to grow and sell your products? (Examples: Do you need to use a USDA-inspected slaughter facility? Some food buyers require Good Agricultural Practices (GAP) certification, Oregon Department of Agriculture egg handlers' license, plant materials permit, food handlers license, etc.)
6. Is there an advantage to marketing your products by using "certified organic," "sustainable," "locally grown," "natural," "grass fed," or other terms? Are there certifications that would be valuable for your farm or products? (Example: Animal Welfare Approved certification of humane livestock production practices for livestock producers) However trying to decide what's best for your farm is up to you, below are some local resources to get started.



Local marketing outlets

[FoodHub](#)

An online tool from EcoTrust to connect local institutions like schools and restaurants with local growers.

[Grower's Alliance](#)

A marketing collective for small and beginning farmers, they connect beginning urban farmers with consumers through Portland farmers markets and Community Supported Agriculture (CSA).

[Portland Farmer's Markets](#)

Non-profit organization hosting 6 farmer's markets with 250+ vendors from around the region. They also have a comprehensive list of regional farmer's markets with market manager contact information.

[Portland Area CSA Coalition](#)

PACSAC is an open group of CSA farmers. We keep in touch through a listserv that is open to CSA farmers and related professionals, and we work to promote CSA to the greater Portland community through our web site, tabling at events, and print materials.

[People's Food Co-op](#)

This co-operative prioritizes purchasing locally grown products over other criteria. They also host a weekly farmer's market.

Regional

[Local Harvest](#)

An online directory for sustainable and local food producers. You want to get listed on this so consumers can find you and where to purchase your products.

[Organically Grown](#)

Organically Grown is the largest wholesaler of organic produce in the Pacific Northwest with Eugene and Portland, OR and Kent, WA locations. They distribute to Fred Meyers, Whole Foods, New Seasons and more.

[Oregon Farmers Market Association](#)

Rainwater Harvesting

Summary

Soil and water conservation districts can promote passive (land based, like ponds) and tank storage rainwater harvesting techniques to store water for agricultural use.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive	X	X	X		X
Investment					
Plan					
Policy					
Program	X	X	X	X	X
Project	X	X	X		X
Regulation					
Tax change					

Current Context

Rain is abundant in the Portland region with anywhere from 35 to 150 inches of precipitation each year. This is a free ecosystem service to the region. Rainfall is seasonal (winter and spring) and otherwise intermittent during summer and fall. Traditionally, farmers employ multiple strategies to harvest rainwater on site through approaches such as conservation tillage, conservation farming and other landscape level techniques.¹ Other landscape level strategies include pitting systems and strip catchment. Many of these techniques are of interest to urban area farmers. Several producers in Oregon have developed water storage techniques involving above and below ground storage in barrels and tanks. These catchment systems are sized to a farm’s particular needs.²

Barriers/Challenges

Farmers in urban areas face several challenges to securing water supplies, including changing weather patterns, low well yields, exhausted wells, the high cost of municipal water and groundwater-restricted areas throughout the region (five areas in Clackamas County alone). In addition, studies have shown that static groundwater levels are dropping west of the Cascades.³ Urban areas face the added challenge of polluted groundwater. Some growers are doubtful that this tool will be feasible because of the scale of water demands and the cost of installing systems.

¹ N Ibrahim, P Munguambe, WaterNet (2007). Rainwater Harvesting Technologies for Small Scale Rainfed Agriculture in Arid and Semi-arid Areas.

² Clackamas County, Soil and Water Conservation District. (2010). *Rainwater harvesting*. Retrieved from website: <http://www.conservationsdistrict.org/packets/rainwaterharvesting.pdf>

³ Ibid

Opportunity

In situ crop management, landscape catchment, deepening an existing well, digging a new well (without assurance of sufficient supply) and designing a rainwater catchment system are among the possible strategies to harvest rainwater. On-farm catchment systems are relatively new and can be a comparatively inexpensive solution.

There are a wide range of water tank storage systems. Water storage rain barrels and small systems are not cost-prohibitive and are relatively easy to install. Larger systems need to be carefully engineered and sized appropriately to the farm. The Clackamas Soil and Water Conservation District, for example, has assisted a number of demonstration systems to show the value of rainwater catchment. Presently, the demonstration sites include a 300 gallon series of 50 gallon barrels, a 7,000 gallon system, a 12,000 gallon tank and delivery system, a below ground 20,000 gallon tank and delivery system, and an 88,000 gallon above ground tank and delivery gallon system. A more systematic approach could be taken to harvest and store rainwater in urban impacted farms.

Proposed Actions

Soil and water conservation districts, the USDA Natural Resource Conservation Service, local water agencies and the Oregon Department of Water Resources can develop a demonstration program to assist small urban-impacted farmers with rainwater harvesting system development and subsidized financing. This program can identify the needs of producers, workable models for diverse situations, available technical expertise, and financing strategies such as revolving low interest loans, equity investment, and coordinated grants. There may be an opportunity for local agencies to finance rainwater harvesting systems on small farms in lieu of supplying water services. There may be some potential to engage Oregon Best and Manufacturing 21 to identify economic development initiatives related to on-farm rainwater harvesting technologies.

Based on growers' review of this tool, it should be considered as a research and development activity to demonstrate proof-of-concept requiring subsidies for some small farms. It may prove to be viable in the future as part of a strategy to adapt to climate change.

Resources, Models, Best Practices

Clackamas Soil and Water Conservation District is supporting and developing models for rainwater harvesting: <http://conservationdistrict.org/?s=RAINWATER>

Source for rainwater harvesting strategies: <http://www.harvesth2o.com/>

Market analysis of rainwater harvesting: http://www.harvesth2o.com/2010_industry_report.shtml

Funding sources for rainwater harvesting: <http://www.harvestingrainwater.com/rainwater-harvesting-inforesources/water-harvesting-tax-credits/>

Regional Branding

Summary

Local governments and industry partners can develop a local/regional brand to help urban consumers determine regional sourcing.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan					
Policy					
Program	X	X		X	X
Project					
Regulation					

Current Context

It is not clear how urban consumers can determine the province of foods they purchase so they can decide to “buy local” or not. Research indicates that at least 95 percent of food purchases are imported from outside the Portland region.¹

There appears to be market growth in food purchases at farmers’ markets, participation in community supported agriculture initiatives, and institutional purchases of regional food. In the Portland region, regional food purchases are facilitated by the Ecotrust FoodHub, an online service that links buyers and sellers of regionally produced food products.² Processors, distributors and consumers in urban areas can use the FoodHub web site to determine the availability of some regionally produced foods. Additional support is provided by companies such as the Organically Grown Company that assists and distributes organic food on the West Coast.

Barriers and Challenges

Consumers in urban areas, excluding those shopping at farmers’ markets, CSAs and regional outlets such as New Seasons and Burgerville, generally have limited information on the sources of their foods. Until recently, major food chains and fast food companies have appeared to have limited interest in local food purchases.

Some industry giants such as Wal-Mart are exploring the possibility of shortening supply chains and increasing direct purchases from growers and processors in order to reduce costs and increase the

¹ SARE Portland Regional Foodshed: Current Situation Report, Cogan Owens Cogan, LLC, October 2011.

² Ecotrust food and farms: Foodhub. (n.d.). Retrieved from <http://www.ecotrust.org/foodhub/>

market for healthy foods to urban consumers. Farmers have experienced situations when major markets advertise products as “local” when they were imported or from mixed sources.

Opportunities

The combination of a grassroots local food movement exhibited by increased purchases at farmers markets and the supply chain strategies of giants like Wal-Mart increase the opportunity for regionally produced food. Wal-Mart plans to increase its purchases from one million small and medium sized local farmers globally by \$1 billion.³ This and other similar initiatives will need to be monitored to track sourcing and economic benefits to growers.

A distinctive regional brand to clearly identify foods grown and processed in the region can be used to capitalize on these and other trends. However, defining the region for promotion by the brand is challenging. A regional food brand could define its region as a county, Portland region, Willamette Valley, Columbia-Willamette, Oregon or Cascadia. A nested system of brands such as a county brand tied to a state or Columbia-Willamette brand is another possibility.

Lessons learned from the Oregon Bounty branding campaign need to be considered in any branding effort. Funding for the Oregon Bounty, a state-sponsored campaign, has been eliminated. The marketing campaign was sponsored by the state tourism agency, Travel Oregon, and was aimed at increasing the visibility of Oregon agricultural products in the national media and to attract visitors to Oregon for food tourism.⁴ It did not address the source of local or regional food products.

Proposed Actions

Develop a regional brand for both the Portland region and the state of Oregon so consumers can determine the source of foods they purchase. This effort can be led initially by Clackamas and Multnomah Counties, possibly with support from Portland State University, Business Oregon and the Oregon Department of Agriculture. Initial steps can include development of a strategic plan to define the goals of the brand, its territory, a strategic assessment analysis (strengths, weaknesses, opportunities and threats), and an action plan.

Resources, Models, Best Practices

Developing local food brands in Japan based on international best practices:

<http://www.iasdr2009.org/ap/Papers/Orally%20Presented%20Papers/Design%20Management/A%20Study%20of%20Design%20Methodology%20on%20Local%20Brand%20of%20Foods%20-%20Focus%20on%20Design%20Elements%20of%20Regional%20Properties.pdf>

³ Walmart unveils global sustainable agriculture goals. (2010, October 14). *Walmart Corporate Pressroom*. Retrieved from <http://walmartstores.com/pressroom/news/10376.aspx>

⁴ *Brand Oregon*. (2007). Retrieved from <http://library.state.or.us/repository/2007/200705180934455/index.pdf>

Succession Planning

Summary and Current Context

The average age of principal farmer owners responding to the survey is 48, the average for all farmers in Oregon is 57. This indicates that there will be a major transfer of farm ownership in the next twenty years. Sixty-eight percent of survey respondents do not have land/farm transference plans formalized in a legal document, and 82 percent indicate they need assistance with legal and tax issues.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive					
Investment					
Plan					
Policy					
Program			X	X	X
Project					
Regulation					

Barriers/Challenges

Many farmers plan to transfer land/farm ownership but do not have land/farm transference plans formalized in a legal document. There is a lack of online resources for finding out how to get started on developing a succession plan.

Opportunity/Proposed Actions

Provide easy access to information and educational programs on alternatives for succession planning and related legal and financial tools. Develop on-line and educational courses and a handbook on succession planning including relatives, employees (including farm labor), cooperatives, land trusts, bank trusts, institutional ownership, public agencies and other ownerships.

Resources, Models, Best Practices

OSU Small Farms Success Planning Videos, Corvallis, OR

<http://smallfarms.oregonstate.edu/pdx-foodshed>

Gorge Grown Hood River, OR <http://www.gorgegrown.com/>

Regional Marketing Network and Advocacy Group host's workshops on Succession Planning

Land for Good Farm Transfer Planning Program, Keene, NH

http://www.landforgood.org/farm_transfer_planning.html



Succession Planning Tool

The average age for all farmers in Oregon is 57. This indicates that there will be a major transfer of farm ownership in the next twenty years. There are many beginning farmers that would like to acquire land or existing farms. Many farmers plan to transfer land/farm ownership but do not have land/farm transference plans formalized in a legal document.

These videos produced by OSU are available to anyone for free, will help you understand the steps you need to take to get a plan in place and the resources to get there. You can see these videos at <http://smallfarms.oregonstate.edu/pdx-foodshed>.



The videos are broken up into the following sections:

Part One: The Planning Process

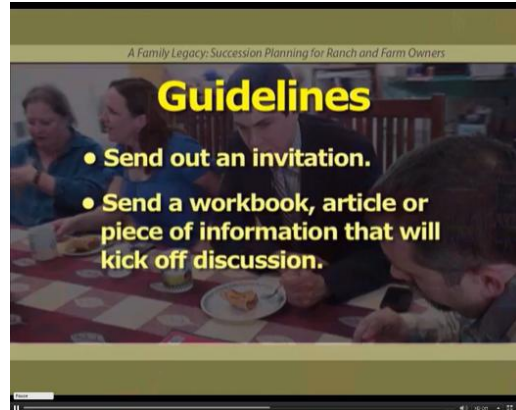




Part Two: The Importance of Planning



Part Five: Family Communication



Part Three: Valuing the Legacy



Part Six: The Tools of the Trade



Part Four: Building your Team of Experts



Part Seven: Implementation, Maintenance and Review



Transferable Development Rights

Summary

Local governments can implement a Transferable Development Rights (TDR) program to protect prime agricultural land in the rural-urban fringe from development pressures. Such programs allow rural landowners to receive financial compensation without having to sell or fully develop their land.

Tool Type and Potential Partners

	Public	Private	Nonprofit	Academic	Partnership
Incentive	X	X	X		
Investment					
Plan	X				
Policy	X				
Program	X	X	X		X
Project					
Regulation	X				

Current Context

Current land use laws in Oregon are designed to concentrate higher density development in urban areas while protecting protect farm and forest land from sprawl. This creates a situation in which land in designated urban reserves has a much higher value in its potential for urban-scale development than it does for agricultural production. Farmers are faced with the choice of maintaining their land for lower value agricultural purposes or selling it to developers at a significant profit.

In 2009, the Oregon Legislature authorized local governments to develop and adopt TDR programs and created the Oregon TDR Pilot Program. The program is intended to test different TDR approaches that conserve private forest lands for timber production and other forest uses.

Barriers/Challenges

Farmers in areas of transition between urban and rural uses receive lucrative offers to convert their farms to more intense urban uses. The conversion of farm land to residential or commercial uses can result in a lack of orderly land use planning and loss of jobs in the agricultural sector. It appears that tools are needed to reduce the pressure to develop and help retain existing farms in these areas.

Opportunity

Transferable development rights (TDR) programs use a market-driven approach to compensate rural land owners for their willingness to forgo development. Land owners are able to realize the full value of their land while protecting natural resources. These voluntary, incentive-based programs

allow landowners in designated “sending areas” (urban-rural fringe) to separate the right to develop land from the bundle of other property rights. These development rights become a tradable commodity that farmers can sell to developers of designated “receiving sites” (urban areas) where development is conditionally permitted. Developers gain the ability to build at densities that exceed what is allowed in the base zone. Farmers receive financial compensation without having to sell or fully develop their land. Some programs permanently preserve agricultural land through a conservation easement, while others allow development rights to be restored by purchasing rights from other “sending” properties.¹

In addition to the benefits for urban-rural fringe land owners and developers, the following are often cited as public benefits of TDR programs:

- Sustained access to healthy foods for local communities
- Privately-owned and managed agricultural land preserved at no public cost
- Orderly development and land use certainty
- Efficient use of urban infrastructure and reduced costs for serving rural development

Challenges to developing a successful TDR program can include:

- Public and farmer education efforts may be needed to build community support
- TDR programs can require extensive governmental administration
- Declining real estate markets have reduced the prospects for establishing receiving areas
- Some TDR programs lack flexibility, which can be a long-term disadvantage as land use needs change over time

There are many examples of successful TDR programs throughout the Western United States. For example, the Washington State’s Regional Transfer of Development Rights Alliance is a partnership of King, Pierce and Snohomish Counties, the Cascade Land Conservancy, the Washington State Department of Commerce, and the Puget Sound Regional Council, encouraging cities to participate in TDR programs.² In 2009, the Oregon Legislature authorized local governments to develop and adopt TDR programs and created a TDR Pilot Program to test different ways to use the tool.³

¹ Cornell University:

<http://government.cce.cornell.edu/doc/html/transfer%20of%20development%20rights%20programs.htm>

² King County, Washington: <http://www.kingcounty.gov/environment/stewardship/sustainable-building/transfer-development-rights.aspx>

Kitsap County, Washington: http://www.kitsapgov.com/dcd/community_plan/tdr/tdr.htm

Washington Department of Commerce: <http://www.commerce.wa.gov/site/1305/default.aspx>

³ State of Oregon: http://www.oregon.gov/LCD/tdr_pilot_program.shtml

Proposed Actions

- Study best practices from TDR programs throughout the United States.
- Monitor and actively participate in Oregon's TDR Pilot Program.
- Design and implement a community process to define sending and receiving areas and determine landowner and developer incentives.
- Identify an entity, such as a county or land trust, to hold and monitor conservation easements over the long term.
- Update local plans and zoning ordinances (overlay zones) to implement the program.
- Develop a process for keeping records of development rights assigned to properties within sending areas and facilitating with the sale and purchase of TDRs.

Resources, Models, Best Practices

The Department of City and Regional Planning and the Cornell Cooperative Extension at Cornell University created a web site on restructuring local government that includes an overview of TDR programs:

<http://government.cce.cornell.edu/doc/html/transfer%20of%20development%20rights%20programs.htm>.

Washington State provides the best examples of TDR programs. Information on the program can be found on the Department of Commerce web site and on the sites of individual counties:

<http://www.commerce.wa.gov/site/1305/default.aspx>.

The State of Maryland has some of the oldest TDR programs in the U.S. A study of five TDR programs in Maryland highlighted the characteristics of effective TDR programs:

<http://www.cga.ct.gov/2010/rpt/2010-R-0464.htm>.

More information on Oregon's Transfer of Development Rights can be found at:

http://cms.oregon.gov/LCD/Pages/tdr_pilot_program.aspx.