

'AG OF THE MIDDLE'

Portland food project assists producers who are too big for direct-marketing but too small for commodity distributors

By ERIC MORTENSON
Capital Press

Mark Anderson, owner of Champoeg Farms about 35 miles south of Portland, delivers eggs at 22 to 30 high-end grocery stores and bakeries in the city each week. In Portland traffic, that's no picnic.

He savors the idea of a centralized, affordable delivery hub that would take on that job. "That would be a game changer," Anderson said. "Drive up, drop everything off, turn around for home."

An exhaustive new study of Oregon's "Ag of the Middle" says market infrastructure gaps hinder Anderson and legions of other mid-sized meat, greens and grain producers.

Instead of spending time expanding their businesses, medium-size producers are obligated to pick, sort, size and pack orders, attach labels and drive from store to store in urban areas making deliveries. Many neighborhood stores and cafes are besieged by clusters of small delivery vehicles, some of them amounting to no more than a cooler in a car trunk.

"Small producers are playing a giant game of Tetris" as they cobble together networks of storage, processing and distribution options, said Amanda Osborne, who co-wrote the "Ag of the Middle" study for Ecotrust, a Portland nonprofit.

The resulting inefficiencies drive up the price of fresh, sustainably produced, healthy food, especially for what the study describes as low-income and other "vulnerable" people. Portland is one of America's foremost "foodie" cities, but many people can't afford to eat the high-quality food flowing into the city. Anderson's eggs, from pasture-raised hens, cost nearly \$6 a dozen.

Food must be "differentiated" to help justify additional cost, the study said. Differentiation can be achieved by product attributes such as certification as organic or non-GMO, geography, business structure, family story and production methods.

"Being local is not enough," Osborne said.

Ecotrust wants to develop a robust regional food economy. Osborne, the organization's vice president of food and farms, said the effort is about "the food system, not food scene."

The study, paid for by Meyer Memorial Trust, calls for major infrastructure investment to "catalyze" the work of medium-sized producers whose operations fall between commodity growers who sell by the ton and tiny growers who sell only to CSAs and at farmers' markets.

The study cites several specific investment opportunities:

Oregon prisons, hospitals and schools serve about 40 million meals a year, but lag well behind restaurants and retailers in buying local food. Osborne said such facilities serve vulnerable populations, but can't afford the cost of dealing with multiple "itty-bitty" producers.

"The carrots have to come in peeled, the onions have to be diced," she said. "They can't afford the labor to do that on site, and they need a bazillion pounds."

Facilities to aggregate and minimally process food for institutions would fill a gap, she said.

Almost all the cattle raised in Oregon are shipped off for processing out of state, the Ecotrust study said. A US-DA-certified slaughter facility in Southeast Oregon's Harney Basin and Northeast Oregon's Wallowa County would convert a significant portion of the state's beef



Mark Anderson of Champoeg Farms gathers eggs in this 2014 photo. He delivers weekly to up to 30 grocery stores and bakeries in Portland, more than 30 miles away. Like many mid-size Oregon producers, Anderson takes on multiple roles to get his product to market.

sector from cow-calf raising to finished processing, and increase its value.

The study said Oregon produces only 2 percent of the pork it consumes, and could raise many more hogs. Although Oregon lacks the corn and soybeans fed Midwest hogs, a "Northwest Blend" of pig feed could be developed using such things as crops grown in rotation with wheat, and spent grain from breweries.

Ecotrust's ideas win support from progressive powerhouses such as New Seasons Market, Grand Central Bakery, Whole Foods, Oregon Tilth and Oregon Food Bank.

"They do their homework, and I respect that," said Chris Tjersland, private brands development manager for New Seasons.

Ecotrust itself is coordinating development of a \$23 million food hub, called The Redd Campus, on Portland's inner eastside industrial area, where many small brewers, bakers and produce vendors and distributors wheel and deal.

The two-block Redd Campus is on Southeast Salmon Street and takes its name from the egg nests salmon scoop out in streambeds. It will have 80,000 square feet of space available for what the Ecotrust study calls "last mile logistics" of the journey from farm to table. That includes the aggregation, warehousing, processing and distribution of meat, grains and greens.

The project, part of which will open late this year, is financed by Ecotrust, charitable foundations, private investors, tax credits and grants.

In a touch of what Osborne affectionately acknowledges is testament to the quirks of "Portlandia," one of The Redd's core tenants will be B-Line, a company that delivers produce and other goods with a fleet of electrically assisted cargo trikes.

The cargo trikes are limited in range and speed, but they carry up to 700 pounds of goods and are nimble enough to weave through narrow streets and park close to businesses. Riders typically make deliveries to restaurants — coffee, kale, potatoes and strawberries on a recent day — and pick up from other businesses on the way back. In bike-friendly Portland, B-Line gets a thumbs up.

"I can't remember the last time I got flipped off," said delivery rider Bill Hewitt, a former truck driver.

"It certainly works in Portland," said Franklin Jones, B-Line's founder and CEO.



Mark Anderson of Champoeg Farms lugs eggs to the back of a Grand Central Bakery outlet in Southeast Portland in this 2014 photo, one of up to 30 deliveries he makes a week. A report says many Oregon producers can't expand production because they're busy sorting, packing and delivering.



Delivery rider Elijah St.Clair loads a B-Line electrically-assisted cargo trike before heading out on his route from Portland's industrial east side. The company delivers produce to a network of restaurants, juice bars and other businesses.

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