

Remarks  
Oregon Cattlemen's Association  
November 19, 1987

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...If so-called experts try to tell you that this state's economic future lies in high technology alone, or in tourism alone, or in timber alone, tell them they are dead wrong.

Agriculture and the cattle industry are absolutely vital to the health of the Oregon economy -- this was true in the 19th century and it will be true in the 21st century -- as long as people like yourselves continue to fight storms, drought, and economic depression in order to put food on our tables.

But you and I know that we cannot sit back and expect a great product to sell itself. In these days of fierce, international competition, marketing and promotion are just as important as making sure your cattle are well-fed and healthy.

A combination of public and private initiatives are opening up new markets for Oregon's agricultural products.

I recently returned from a trade mission to the Far East. Our focus was on agriculture, in a part of the world where rising incomes are producing a demand for imported food.

I saw firsthand the potential for Oregon exports to those countries.

For example, demand for beef in Japan has outstripped that country's import quota. So the Japanese recently announced a 37,000 ton increase in their beef import quota for the second half of fiscal year 1987.

Oregon is ready to take advantage of these new opportunities. We opened new trade offices in Taiwan and South Korea, and expanded our Tokyo office.

Penetrating those markets takes hard work and persistence. But it can be done.

The trade mission was already successful in introducing Oregon beef to Taiwan. And the contacts we made will pay off even more in the months and years ahead.

But the real story of the trade mission was that a hundred Oregon business people, paying their own expenses, worked together to build the image of a state committed to trade, and committed to a strong presence in Asia.

Promotion is another area in which public and private cooperation is paying off.

I am referring to legislation passed during the previous session that authorized the Oregon Beef Council and the State Department of Agriculture to collect an additional 50 cents as a part of the livestock brand inspection fee. The additional funds are to be used for promotion and research for the benefit of the beef industry.

These promotion efforts are reminding the public of the value and benefit of beef as a high quality food product.

For the past 10 months, the price received by Oregon cattle producers has been best in the last six years. And the outlook is very positive.

But we must not forget that more than 500 Oregon farm and ranch operations will not be around to enjoy this prosperity. They are forced out of business during some of the most difficult economic times in this state's history.

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When cattlemen suffer, Oregon agriculture suffers. And that means all of Oregon suffers.

Your comeback is Oregon's comeback.

By working together in public/private partnership we can lessen the disastrous effects of downturns in the business cycle on Oregon's economy.

If it means traveling halfway around the world to promote Oregon products, we will do so....

If it means supporting research efforts here at home that will keep us on the cutting edge of tomorrow's economy, we will do so....

If it means trying the different approach, the unexpected combination, the unlikely alliance needed to get the job done, we will do so.

**Remarks  
Blue Mountain Potato Growers  
March 13, 1989**

Taking advantage of opportunities means investing in the infrastructure needed for Oregon to compete: ports, highways, processing plants, rail lines.

We MISS opportunities when we sell off our natural resources for less than their worth so that they can be processed elsewhere....

That's why the Morrow-Umatilla County regional strategy, which I am announcing tomorrow -- is important to the future of this region:

Creating jobs through agriculture and value added agriculture.

Investing \$3.5 million in local, state and federal public funds, and \$5 million in private sources to increase the value and sales of this region's agricultural products.

Building a central packing facility near the intersection of I-84 and I-82 which will provide the packing, handling and marketing capabilities needed for high value crops.

Funding experimentation and testing of high value crops at the OSU Experiment Station in Hermiston.

Improving the Port of Morrow to allow for expansion of the Lamb-Weston Plant.

\$300,000 for a matching grant program for agriculture development and marketing.

This is a partnership that will help build a healthy agriculture industry in Umatilla and Morrow counties.

Governor Neil Goldschmidt, Prepared Remarks  
Oregon Partnership for Agricultural Progress Awards  
Corvallis, November 11, 1989

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I understand that some of you are a little upset over the scheduling of this event. Something about a conflict with elk hunting season? Let me see if I understand this -- you would rather be elk hunting than listening to a politician give a speech?

I'll try to keep it under an hour.

There is a story told in Louisiana politics about a visitor to a farm who wants to know why the farmer's pig has a peg leg. The farmer says, "Why that's Horace, a wonderful pig, who has saved my family on many occasions with great acts of pig heroism. Don't you ever say anything bad about Horace," says the farmer.

"I wouldn't dream of saying anything bad about him, but why does he have a peg leg?," asks the visitor.

"Well, man," said the farmer, "you don't eat a good friend like that all at once."

The moral of the story is, of course, "If you eat, you are involved in agriculture."

When I was elected three years ago this month, our immediate priority was clear: Economic recovery -- an Oregon Comeback.

A comeback that would be based on certain principles:

- o Invest resources and create opportunities;
- o All Oregonians from every region of the state are invited to this party;
- o State government must become a good partner

To be a good partner, you have to first be a good listener. And when we listened to the agriculture industry, this is what we heard:

We've got the best wheat; the best potatoes; the best nursery crops; the best wine; the best grass seed, and so on -- but in today's global marketplace, being the best is not enough. We need a marketing strategy; we need more research at our universities; we need good transportation; we need a healthy business climate.

Think of these items as the rain and the sun and the soil needed to make a farm economy grow strong. You can make it through a growing season or two without enough rain or sun, but after awhile it takes its toll.

That's what happened to our economy in the early eighties. Because of the recession -- because of a lack of leadership -- we neglected these vital components. And we paid the price at harvest time.

Now we have a strategic plan, part of the Oregon Shines document: a plan that calls for adding more value to crops, strengthening the food processing industry, global marketing.

We know what it takes to harvest this vision, and together -- in partnership -- we are getting it done.

Before this administration, Oregon had never prepared an agriculture marketing plan. Never. The money for marketing was just not there.

The first thing we did was add marketing resources.

The successful promotion of Oregon food and wine at Bloomingdale's in 1987 and a repeat performance at Neiman Marcus in 1988. Result of partnership between Oregon gourmet food producers and the state.

The promotion with Neiman Marcus was so successful that we recently held another one, concentrating on fresh Oregon products, in two San Francisco Bay area Neiman Marcus stores.

Department of Agriculture has been a part of ten trade shows, in 1989 -- from Chicago to Germany.

We added the Agricultural Opportunity Fund to promote the sale of products, and encourage investment in new products through research and development.

The Agri-Business Council used it to spearhead a successful partnership among council members, private business and state government.

By leveraging industry money with lottery funds, the council helped 19 Oregon firms advertise their products in Utah and Idaho last year. The program helped Oregon firms boost profits and created a broader economic base for the state. A similar plan is in the works for Canada.

We have been more aggressive in going after international business.

Trade missions:

A partnership which could bring big benefits to Oregon: State government officials, and leaders in business and higher education recently returned from an exploratory trade mission to the Soviet Far East.

Another partnership resulted from the 1987 Pacific Rim trade mission. A partnership between Oregon and Hiroshi Tanaka, president of Kyotaru Co., one of Japan's largest restaurant chains.

Tanaka recently announced plans to build a \$7 million food processing plant in Salem. Not only will Tanaka's plant purchase Oregon products, it could eventually employ up to 135 Oregonians.

Higher ed research

When you are looking at global marketplace, strong research base becomes even more important -- gives you that extra advantage.

Dean Arnold and the faculty and staff at OSU give us that advantage.

Need to educate and recruit our most talented young people into agriculture and research.

And if they choose a career at a public college or university they should be paid what they deserve.

Oregon was the first state in the nation to invest in a wheat reasearch endowed chair (Warren Kronstad) I am proud of that accomplishment.

And the partnerships between Oregon's food processors and the many university food science researchers who are always looking for more and better food products, new packaging and marketing techniques.

Agricultural research will get a boost with the construction of a new science building at Oregon State University.

There is an immense need for research that is swift, effective, and decisive -- with the least amount of bureaucratic overtone.

Now, more than ever...

In recent years, the Environmental Protection Agency has withdrawn 27 agricultural chemicals from the market because of evidence of health hazards.

The EPA considers agriculture the largest nonlocalized source of surface water pollution.

We can sit on our hands and let federal regulators tell us what we can't do...sooner or later we have to find out what we can do.

We are to a great extent niche producers. Many of these products are indigenous and the operations are not very big.

The chemical companies are not creating herbicides and pesticides for their use. This is going to be rotated to the top of the list at our universities and extension services.

State should make the investment...

It is in the state's best interest -- for environmental reasons and for agriculture -- to find pesticides we can use. Not a question of are you or aren't you going to use them -- the question is will they be safe, effective, and affordable.

Regional strategies: this is where the value-added concept and research and marketing all come together to produce measurable results.

One example:

The Morrow-Umatilla County regional strategy for creating jobs through value-added agriculture

Investing \$3.5 million in local, state and federal public funds, and \$5 million in private sources to increase the value and sales of this region's agricultural products.

Building a central packing facility near the intersection of I-84 and I-82 to provide the packing, handling and marketing capabilities needed for high value crops.

Funding experimentation and testing of high value crops at the OSU Experiment Station in Hermiston

Improving the Port of Morrow to allow for expansion of the Lamb-Weston plant.

\$300,000 for a matching grant program for agriculture development and marketing.

Results?

Partnerships have grown between state officials and food processors such as Norpac -- which added a Hermiston plant to

their operations -- and Ore Ida and Oregon Potato Company (of Boardman) -- both of whom expanded their existing facilities.

Norpac -- Art Christianson -- came to Oregon partly because of reasearch facility at Hermiston, working on melons and fruits.

Continental Mills is considering expanding into Pendleton. Why? Because white wheat makes a batter that when added to french fries keeps them crisp for up to an hour instead of 10 minutes.

Builds on value-added strategy, and would lead to expansion of Pendleton Flour Mill.

The Regional Strategy -- by emphasizing agriculture -- allows local and state officials to act quickly in a coordinated effort to respond to Continental Mills.

And the snowball gets bigger and bigger...

We are now in the position to go on the road in the Midwest and market what is enormous opportunity. We think there is going to be more freezing capacity and storing capacity built by the private sector in Morrow and Umatilla counties.

This region may very quickly become known as the emerging agriculture center of the West.

As we look ahead to the '90s, we face several challenges..

First -- Deal with ever increasing federal government influence.

Oregon must be a leader, not a follower, in directing federal policy

The last federal farm bill contained export enhancement program to help regain our ability to compete in world markets. Was a boon to Oregon, with our Pacific Rim connection.

In 1990, the new farm bill will affect wheat and feed grain industries. We -- meaning federal and state government and all business persons interested in exporting Oregon products -- need to continue to work together to get countries to drop the tarriff and non-tarriff trade barriers that block free trade.

It's a matter of life or death for Oregon.

Another challenge that cannot be postponed:

Changing political environment -- more and more people are

moving closer to where you conduct your business. The result is that you are being scrutinized more closely by society.

We have seen the results in clampdowns on pesticide contamination of water supplies. And we are seeing the results in heightened concerns over the effects of field burning.

I am not neutral; I take stands and I mean what I say.

I know that the grass seed industry is essential to a healthy Oregon economy. I meant it when I said that I intend to see the grass seed industry not only survive, but prosper.

That is why I threatened to veto legislation that would have shut it down.

However, we must strike a balance between preserving an industry that produces more than \$200 million a year and the necessity for keeping smoke at an acceptable level.

I understand the concerns of the grass seed industry, which includes not only the growers, but the handlers, the teamsters and the longshoremens.

But any Governor who is worth his salt has to advocate the broad public interest; and that is what I intend to do on my watch.

I believe you understand that and would not ask me to abandon that stance.

However, I am determined to work with the industry to find a solution to this problem.

First, I have directed my staff to find solutions to the problem of straw utilization.

This may come in the form of power generating plants, or development of a price competitive straw board for the construction industry, or paper products, or further development of export markets.

Or it may be a combination of all of these things.

Let me assure you -- let me assure all of agriculture -- that we share a common goal -- to not only keep you in business, but to keep you growing and profitable.

Yes, we face many challenges.

Has the Comeback reached every community and every citizen in Oregon? Of course not.

But we have earned the right to be optimistic about our



future; we have earned the right to fight for that future.

Economy expanded by nearly 100,000 jobs in '87 and '88. In September we reached the lowest unemployment rate since comparable figures were first kept in 1972. And we're going to beat the national average in job growth in 1989.

Our economy is back. And because it is, I was able to announce recently that starting in January of next year, unemployment taxes will drop by the largest amount ever. It will mean \$31 million in savings for nearly all of Oregon's 72,000 businesses.

The agriculture community has led the way, as it always has.

Net cash income from farming was up 9% last year over 1987. Nationally the figure was up 3.8%.

The number of farms in Oregon actually increased in 1988, bucking the national trend of larger but fewer farms.

The average debt-to-asset ratio on Oregon farms in 1988 was the lowest it's been since 1983. Farmers and ranchers are gaining equity in their farms; debts are declining. And that's a clear sign that Oregon agriculture has turned the corner, away from the recession of the early-eighties and toward rising profits.

Whenever I am tempted to take credit for the good news, I remember what Jonathan Swift wrote in Gulliver's Travels: "that whoever could make two ears of corn, or two blades of grass to grow upon a spot of ground where only one grew before; would deserve better of mankind, and do more essential service to his country, than the whole race of politicians put together."

But I am not ashamed to take credit for knowing talent when I see it:

- o Board of Agriculture

I believe Barry Fujishin, David Doerfler, Robert Elder, Eric Lindauer, Ed Myers, Bob Nixon, and Gary Wells are here tonight

- o Bruce Andrews is doing a terrific job...

- o I appointed Bob Buchanan as Director of the Department of Economic Development because he knows what it takes to do business here -- be it in agriculture, timber, high tech.

Let me close with this story:

Healthy watersheds are absolutely critical for farming, timber, recreation, wildlife. And as far back as anyone can

remember ranchers and farmers have been fighting downstream water users over this issue. We listened to all of their needs and their complaints, and we started the Governor's Watershed Enhancement Program for the huge sum of \$500,000.

The idea was to bring warring parties together and encourage better riparian zone practices; to make sure cattle aren't stomping through the water, while ensuring plenty of water for the ranchers. It's a model program for the United States. But most important, former enemies are working together in their mutual interests.

The point of the story is this: if we couldn't protect our most precious natural resource, if we couldn't listen and perform in partnership with the citizens of this state, then how in the world can we keep the promise of opportunity for the next generation?

I admit, I haven't always been the best listener. But I have never stopped fighting for greater opportunity for you and for all the people of this state.

It's clear that partnerships among business, education and state government work.

But we need to keep the momentum of the past three years going; and with your help and a lot of hard work we will do exactly that.

Thank you and congratulations to all the award winners.

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