

Food and Beverage Processing



Food and beverage processing is a key cluster in Clackamas County with businesses ranging in size from small independents to large international companies. Clackamas County food and beverage processing businesses capitalize on the proximity to locally grown agricultural products and highway, rail and port transportation facilities. This cluster derives much of its sales from customers outside the nine-county Portland-Vancouver region, and includes three of the County's Top 100 private businesses.



Economic Benefits to Clackamas County and the Region

The food and beverage processing cluster is a natural fit in Clackamas County with access to organically grown food produced locally and throughout the Pacific Northwest. Today there are 49 food and beverage processing companies that employ close to 2,000 workers in Clackamas County. This cluster also includes several of the county's largest employers and supports hundreds of small and medium size suppliers.

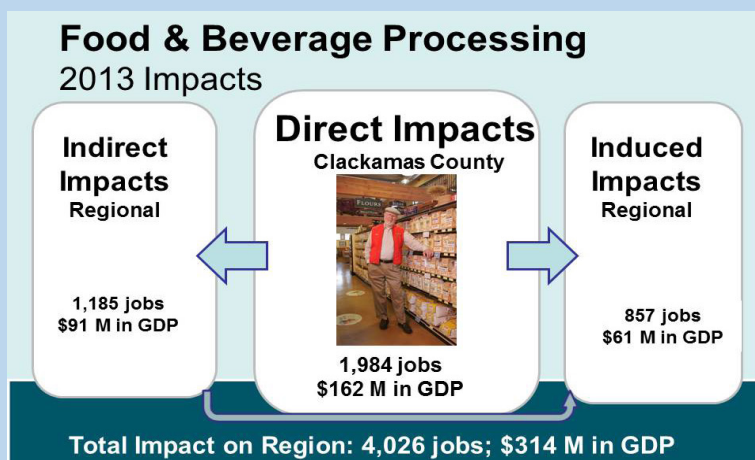
Businesses within this cluster favor Clackamas County's industrial locations with convenient highway and rail access. This cluster provides a large mix of entry level and management career opportunities and may benefit from increasing foreign exports to Asia over the coming decade. The direct economic benefit from production costs, employee compensation, and tax payments accounts for \$162 million in value added GDP in Clackamas County and leverages an additional \$152 million in secondary regional GDP from supply chain purchases and employee spending multipliers.

Food and Beverage Processing Cluster Current Stats for Clackamas County

- Gross Domestic Product (GDP): \$162 M
- Cluster Share of County GDP: 0.9%
- Exports/Sales from Outside Region: 38%
- Direct Employment: 1,984
- County Businesses: 49
- Number of Businesses in the Top 100: 4
- 10-year Job Growth Forecast: 5%
- Cluster Location Quotient (LQ): 0.86

Source: compiled by FCS GROUP based on IMPLAN (2013), adjusted to 2015 dollars. 10-year forecast provided by the Oregon Employment Department. GDP = gross domestic product. Location Quotient (LQ) depicts relative share of this industry's contribution in Clackamas County compared to this industry's contribution in the 9-county Metropolitan Statistical Area.

CLACKAMAS COUNTY ECONOMIC LANDSCAPE Food and Beverage Processing



Food and Beverage Processing: Annual Economic Benefits

	2010	2013
Industry Location Quotient	0.80	0.86
Contribution to County GDP	0.6%	0.9%
Business Establishments in County	50	49
Average Labor Income in County (per job)	\$56,185	\$57,523
Labor Income in County	\$73,550,000	\$114,130,000
Employment		
Direct Jobs in Clackamas County	1,309	1,984
Secondary Jobs	1,492	2,042
Total Direct & Secondary Employment	2,801	4,026
Direct GDP and Output in Clackamas County		
Direct GDP (Value Added)	\$146,470,000	\$162,260,000
% Traded Outside Region	35%	38%
Output	\$734,850,000	\$726,290,000

GDP = Gross Domestic Product.

Source: Analysis by FCS GROUP. All data in this table with the exception of business establishments, are based on 2010, 2013 IMPLAN estimates. Employment reflects total jobs (full and part time workers as well as the self-employed). Estimated business establishments are derived from the Oregon Employment Department. Location quotients are based on Clackamas County's relative propensity to attract employers within this cluster in comparison to the nine-county Portland-Vancouver Metropolitan Statistical Area (MSA). Note: Dollar figures are adjusted to 2015 dollars.

Food and Beverage Processing Strategic Market Opportunities

- The future outlook for the food and beverage manufacturing cluster continues to improve, as overall economic conditions improve nationally and internationally.
- The average compensation in this cluster is well above the county-wide average for all jobs, total GDP (valued added) increased by 11% between 2010 and 2013.
- International market opportunities are expanding with the emerging middle class in major Asian markets, such as China, India and the Middle East.
- Current challenges in the food & beverage processing cluster include complex national and international regulations, fluctuating commodity prices, and safety concerns.
- The national trend towards "buying local organic" produced foods and beverages should benefit Clackamas County specialty food and beverage processors for many years.

Food and Beverage Processing Cluster North American Industrial Classification System (NAICS) Categories

311: Food processing and manufacturing. Such as milling, baking and refining raw food products. These processes produce food and other edible items such as coffee and seasoning.

312: Beverage manufacturing. Such as bottling, producing, fermenting and distilling beverages. This includes breweries, wineries, bottling plants and liquor distilleries.



Sample of Food and Beverage Processing Companies in Clackamas County

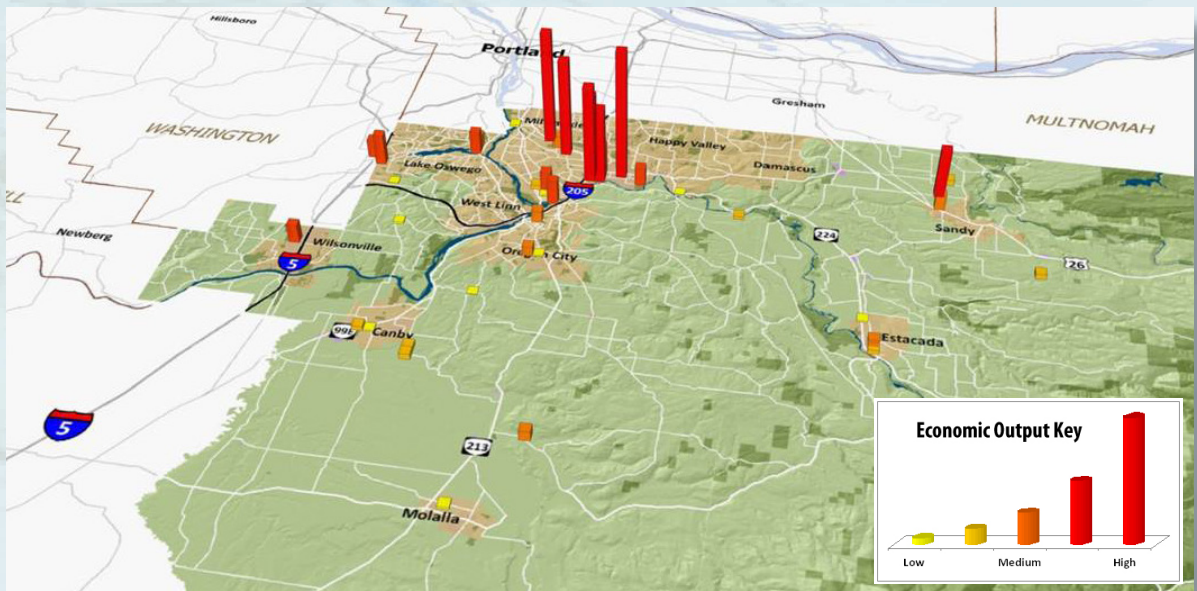
Ag Specialty Foods Inc.
Bobs Red Mill Natural Foods Inc. *
Cargill Inc.
Dave's Killer Bread
Ever Fresh Fruit Company
Fred Meyer Inc. *
Interstate Meat Distributors Inc.
Nature Bake *
Puddin' River Chocolates
S.A. Piazza & Associates LLC
Safeway Stores Inc. *
Coca Cola Bottling

Source: Oregon Employment Department; FCS GROUP

* Indicates top 100 County Business Listing



Existing Food and Beverage Processing Companies in Clackamas County: Annual Regional Economic Output by Location*



* Reflects total economic output attributed to business activities measured in 2013 using the IMPLAN model for Clackamas County.

Career Opportunities

Employment in food and beverage processing is forecast to increase by the Oregon Employment Department. The leading occupations in this cluster include:

- Production Worker
- Quality Assurance Technician
- Food Research and Development
- Sales Representative
- Packaging
- Bakers
- Food Mixing and Blending
- Meat, Poultry and Fish Cutters
- Laborers and Stock Workers
- Maintenance and Repair
- Supervisors and Managers



Resources

Clackamas County Business & Economic Development
www.clackamas.us/business

Business Oregon
www.oregon4biz.com

Clackamas Workforce Partnership
www.clackamasworkforce.org
 Food Innovation Center
www.fic.oregonstate.edu

Oregon Department of Agriculture
www.oregon.gov/oda

NW Food Processors Association
www.nwfpa.org

Western United States Agriculture Trade Association
www.wusata.org

USDA Natural Resources Conservation Service
www.nrcs.usda.gov

Worksource Clackamas
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