

# GM sugar beets save Idaho, Oregon growers millions

By SEAN ELLIS  
Capital Press

BOISE — The adoption of Roundup Ready sugar beets is saving Idaho and Eastern Oregon growers an estimated \$22 million a year.

"That's the reason, folks, that we have all adopted this technology. It's a powerful tool," Snake River Sugar Co. Chairman Duane Grant told members Jan. 15 during the group's annual meeting.

SRSC is a cooperative of farmers that supplies sugar beets to Amalgamated Sugar Co.

Roundup Ready sugar beets

are genetically modified by Monsanto Co. to resist glyphosate herbicide, which the company sells under the trade name Roundup. SRSC members in Idaho and Eastern Oregon planted 178,000 acres of Roundup Ready sugar beets in 2014.

According to SRSC estimates, sugar beet growers' cost for herbicides to control weeds has dropped from \$66 per acre to \$11 per acre since they started planting Roundup Ready sugar beets in 2008 and herbicide application costs have dropped from \$42 to \$21 per acre.

The cost of hand labor has fallen from \$60 per acre to \$0.

Even though the cost of seed has increased from \$44 per acre to \$143, the crop has had greater yields. Grant said a net margin increase of \$122 per acre can be directly attributed to Roundup Ready sugar beet growers.

That has meant a \$22 million benefit annually to the cooperative, Grant said.

Weed control had become a critical issue for sugar beet growers before the availability of Roundup Ready sugar beets, Grant said, and the technology has helped change the industry.

Growers "could not control weeds with conventional technology and they were tired of working all night long, spraying ineffective herbicides and then ultimately getting to harvest with a field full of weeds," said Grant, a Rupert farmer.

"With the advent of Roundup Ready technology, yes, growers are making more money but more importantly, they can predictably produce a crop every single year. That is as meaningful to a grower's bottom line as what he is making on that acre for that year."

Besides making it more profitable to farm, the adoption

of genetically modified crops has also greatly decreased the use of pesticides, Grant said.

Grant pointed to the results of a meta-study that combined the results of 147 other studies and showed the use of genetically modified crops has reduced pesticide use by 37 percent, increased crop yields by 22 percent and increased farmers' profits by 68 percent.

He encouraged other farmers to spread the news about those results.

"We have an important story to tell and we should tell it," he said. "You guys need to get out there and speak up about it."

Adrienne Massey, managing director of science and regulatory affairs for the Biotechnology Industry Organization, told SRSC growers that one of the main criticisms genetically modified crops face is that only multi-national corporations produce them.

That's because the regulatory costs involved with getting approval for a GM crop are between \$15 million and \$36 million, she said.

"That is why," she said. "Small companies and public sector plant breeders cannot afford the (money) that it costs to develop (them)."

## PNW cherry growers expect smaller crop

By DAN WHEAT  
Capital Press

YAKIMA, Wash. — Celebrating their largest crop and profitable prices from the 2014 season, Pacific Northwest cherry growers expect a slightly smaller 2015 crop because of freeze damage to cherry trees in Oregon.

The region produced a record 23.2-million, 20-pound boxes of cherries in 2014. It likely will be closer to 20 million this year, B.J. Thurlby, president of Northwest Cherry Growers, said at the trade association's 72nd annual Cherry Institute at the Yakima Convention Center, Jan. 16.

"Oregon was over 4 million boxes of cherries last year. It's hard to say where it will be this year. I would expect 2.5 million," Thurlby said.

Temperatures crashed as much as 60 degrees in just a couple of days in mid-November killing flower buds, spurs and even 1-, 2- and 3-year-old wood in cherry trees in The Dalles, Hood River and Milton-Freewater, said a panel of speakers led by Lynn Long, Oregon State University Extension tree fruit specialist at The Dalles.

Snow cover, not present farther north, contributed to the heat loss, Long said.

Severity of damage depends on winter, spring and early summer weather, said Gip Redman, a Wapato, Wash., grower and vice president of field services for Oregon Cherry Growers, the region's largest briner in Salem.

"We know the damage is more severe than in a long time. I don't think it will be quite as bad as 1955," he said.

Severity should be pretty well known two to four weeks after spring bloom, Redman said. Fruitlets could form and drop off and cherries that do make it could be too small, he said.

A late February freeze in 1956 compounded a November

1955 freeze to damage many orchards, he said.

Bacterial cankers and other disease can set into trees from such a freeze and take years to overcome, Long said.

Cherry trees in the lower Yakima Valley suffered lighter damage, Redman said, urging growers there to sample buds and spurs.

Mike Omeg, a grower in The Dalles, said thoroughly sampling buds and spurs was more depressing than paying bills and that he will reduce pruning to try to have more crop to hopefully make picking worth the cost.

The institute luncheon speaker, Chris Balzer, associate director of Nielsen Perishables Group, Chicago, said an extra 45 million pounds of cherries sold between late July and early August in 2014 shows consumers are ready for more.

Health-conscious, middle-income to affluent couples, age 55 to 75, make up most of the 25 percent of consumers who buy cherries, he said. As consumer demand for fresh produce grows there are more touch points for cherries, he said.

For example, research shows consumer purchasing of ice cream, yogurt and mustard rises and falls with cherries, he said. So ads that feature cherries with ice cream or yogurt should resonate with consumers, he said. Mustard fits with hot dogs and hamburger grilling on the Fourth of July when shoppers usually buy cherries, he said. So ads tying cherries to barbecues with mustard are appropriate, he said.

Another example is using cherries in juice, yogurt and cereal or breakfast bars becoming more common in stores, he said.

Another issue, Balzar said, is driving demand to the 75 percent of consumers who don't buy cherries. They are budget shoppers who view cherries as too expensive, he said. Smaller, more convenient packaging might reach them, he said.

James Michael, promotions director of Northwest Cherry Growers, said overall ad pricing was strong in 2014, averaging \$3.52 per pound for dark, sweet cherries in stores in June, \$2.95 in July and \$3.80 in August.

Social media, radio ads, print ads and in-hand demos of product, stressing cherries as low-level anti-inflammatory health protection help drive sales, he said.

## Cage law blamed for skyrocketing egg prices

By TIM HEARDEN  
Capital Press

Egg prices in California are skyrocketing, with cartons expected to cost as much as 90 cents more by next week, and the state's new chicken cage requirements are being blamed for the increases.

Prices are expected to rise from the \$2.40 to \$2.60 per carton that retailers in the Golden State already pay for jumbo and extra-large Grade AA eggs, according to a USDA shell-egg market report.

At the heart of the price hike is the requirement that each egg-laying hen have larger cages that allow it to spread its wings. The law, approved by voters in Proposition 2 in 2008, has caused many growers to simply reduce the number of birds they house in existing facilities.

Fewer chickens mean less production, and less supply means a higher price, said Randy Pesciotta, vice president of the egg division for the Bayville, N.J.-based commodity reporting service Umer Barry.

"That's the way it works no matter what you're selling," Pesciotta said. "That's kind of what they're up against right now. It's a proposition that was voted on within the California community, so they kind of brought it upon themselves."

Others say the law is one of many factors for the sharply escalating prices. Dave Heylen,



Tim Hearden/Capital Press

A dozen large Grade AA eggs fill a container. New cage requirements under California's Proposition 2 are a key reason that egg prices in the Golden State are projected to go up as much as 90 cents a dozen in the next week.

spokesman for the California Grocers Association, said others include an unseasonably high demand for eggs over the last couple of months, greater export demand and cold weather in the Midwest that slowed production.

Still, there's no question Proposition 2 has had an impact on the availability of eggs in California. The number of egg-laying chickens in California dropped from 17.46 million in 2013 to fewer than 15.6 mil-

lion in 2014, according to the National Agricultural Statistics Service.

The prices should correct themselves eventually, asserts the Humane Society of the United States, which sponsored Proposition 2. Egg prices always rise in winter, and their fluctuations are based on such factors as energy costs, feed prices and other variables, said Paul Shapiro, HSUS vice president of farm animal protection.

"Prices for all animal prod-

ucts have increased this year due to high grain prices," Shapiro told the Capital Press in an email. "Egg prices have increased less than prices for beef and pork, and remain one of the least expensive animal products in the marketplace."

Shapiro added that after Europe enacted similar animal welfare reforms in 2012, egg prices initially rose but fell again a year later.

"If egg prices rise in California, it will be because many egg producers failed to use the six-year phase-in period to prepare for the law, and prices will subsequently fall as they did in Europe as supply adjusts to demand and as egg prices fluctuate as they normally would."

Pesciotta sees no ceiling on the price increases — at least yet. He notes that prices for a dozen eggs in California are as much as \$2 more than in the Midwest — a disparity that may entice some producers to try to comply with the larger cage requirements to take advantage of the higher value.

"A producer is in business to make money," Pesciotta said. "If there's \$2 more a dozen being paid in California ... you would think at some point they'd figure out how to supply the higher-priced eggs. They are converting (their facilities) and conforming to the rules, and it appears every few weeks there will be more and more of the compliant eggs being produced."

## USDA spends \$23 million for conservation programs

By DON JENKINS  
Capital Press

Five Washington projects to preserve farmland, help fish runs and prevent soil erosion will receive \$23 million in federal funding, the U.S. Department of Agriculture's Natural Resources Conservation Service announced Jan. 16.

The money will be matched by conservation districts, tribes, nonprofit organizations and other groups involved in the projects.

"We're talking about \$46 million coming to the state of Washington," said NRCS State Conservationist Roylene Rides at the Door. "We as a federal agency can't do this alone."

The federal funding comes from a new program created in the 2014 Farm Bill. Project

organizers talked about their initiatives at a press conference in the governor's office in Olympia.

The projects are:

- The Palouse Conservation District will lead an effort to save cropland, repair riparian habitat, prevent soil erosion and reward farmers for taking conservation measures over 3,300 square miles in the Palouse River watershed in Eastern Washington and Idaho. The federal government will contribute \$5.5 million.

Work will include planting trees and shrubs along streams. Farmers will be compensated for giving up the right to convert farmland to other purposes. More than a dozen groups are involved in the Palouse River Watershed Implementation Partnership.

- Trout Unlimited will lead the Upper Columbia Irrigation Enhancement Project to make irrigation systems more efficient in north-central Washington. The work will put more water in streams for fish, according to project organizers. The federal government will contribute \$1.9 million.

- The Washington State Conservation Commission will lead an effort to improve water quality and habitat for endangered fish species in the Puget Sound. NRCS will contribute \$9 million. Work will be carried out in a large swath of the Puget Sound, northwest Washington and the Olympic Peninsula.

- The Confederated Tribes and Bands of the Yakima Nation will receive \$4.6 million from the NRCS for water quality and

fish habitat projects on the Yakima Indian Reservation.

The work will benefit many species of fish and plants, according to the tribe.

- The Confederated Tribes of the Colville Reservation will receive \$2 million to reduce soil erosion and stream sediment by repairing or removing stream crossings, decommissioning forest roads, installing road drainage and protecting wetlands.

The work will improve range conditions for wild horses and habitat for the sharp-tailed grouse and Columbia River redband trout, according to organizers.

The five projects were selected from 23 applicants in Washington. Nationwide, NRCS awarded \$370 million to 115 projects.

## West Coast hay exporters warn of 'stale' market

By DAN WHEAT  
Capital Press

KENNEWICK, Wash. — West Coast hay growers have enjoyed brisk markets and strong prices for several years but that's likely to end this summer as exporters buy less hay because they'll have too much left over from 2014 due to the longshoremen's work slowdown.

That was the warning three exporters left with hundreds of growers Jan. 15 at the end of the Northwest Hay Expo at Three Rivers Convention Center in Kennewick.

"We will have a lot of carryover unless things turn around at the ports right away," said Chris Carrow, of the Ellensburg division of AXC Global.

"Yes, we will be like the Maytag repairman. You won't see us around," quipped Mike



Dan Wheat/Capital Press

Lisa Gaskin, global product manager of ProAg, a hay equipment company, talks with Chep Gaunt, a Pasco hay producer, at the Northwest Hay Expo, Kennewick, Wash., Jan. 15.

Hajny, vice president, Wesco International, Ellensburg.

"Milk prices are sliding so that takes away from dairy demand. It's setting up to be a stale market at the start," he said.

Most West Coast hay exporters are losing about 50

percent of their business per month since the port slowdown started Nov. 1, said Blaine Calaway, of Calaway Trading, Ellensburg. It's tens of million of dollars and could reach hundreds of millions if it continues, said Shin Sasaki, vice president

of Japan sales at Calaway.

"Very few people out of agriculture want to admit it, but it (the slowdown) is historically bad," Sasaki said.

Truckloads are turned around at ports and sent home, drivers are getting one trip a day from Ellensburg to Seattle instead of two, but Wesco is paying drivers for part of the missing trip, Hajny said.

"We can absorb it for a small amount of time but we're going on three months now. Cash flow is extremely tight. We've been fortunate to not lay people off but we have cut back hours," he said.

Timothy shipments to Japan are down 24 percent and may never fully recover, Hajny said. Japan is turning to other sources, he said.

John Szczepanski, director of the U.S. Forage Export Council, reviewed how

the \$1 billion per year industry grew from much smaller beginnings in Japan in the 1960s and 1970s. As recently as 2007, Japan was 91 percent of U.S. hay exports, but now it's 51 percent as China and the United Arab Emirates have taken off as new markets, he said.

There was much discussion of sales to China being hurt by its zero tolerance for residue of genetically engineered alfalfa.

About 50 to 60 percent of new alfalfa plantings in California are Roundup Ready for domestic dairies, said Dan Putnam, University of California-Davis Extension forage specialist.

Growers need to make sure they use tested, non-detect seed and keep GE and non-GE hay inventories separate, he said. Hay dust in storage and residue on equipment can be problem-

atic, others said.

Matt Fanta, of Forage Genetics International, Shoreview, Minn., and Rob Newell, vice president of North American sales of S&W Seed Co., Five Points, Calif., talked about levels of testing their companies do to ensure non-detect seed.

Luncheon speaker, Michele Payn-Knoper, an agriculture advocate from Lebanon, Ind., challenged growers to get proactive in telling their personal stories of how they grow food.

If they don't, she said, they will lose their right to farm because environmentalists will be setting the agenda in regulations affecting how food is grown.

She urged growers to shoot video clips to show on social media and tell their stories, person-to-person, whenever they get the chance.