Varied outlook continues in 2019 for Northwest agricultural producers

Northwest Farm Credit Services

SPOKANE, Washington – Northwest Farm Credit Services, the Northwest's leading agricultural lending cooperative, has released its quarterly Market Snapshot reports that look at the state of major agricultural commodities in the region. Northwest FCS industry teams working throughout Idaho, Montana, Oregon and Washington monitor conditions and report outlooks for commodities financed by the co-op.

All Market Snapshots are posted online at Industry Insights.

Northwest FCS' 12-month outlook for the agricultural commodities most common in the Northwest are summarized below.

CATTLE

Northwest FCS' outlook suggests slightly profitable returns throughout the beef industry, bolstered by strong domestic and foreign demand. Stagnant growth in the national cow herd favors higher prices. Additional winter feed costs will hinder profitability.

DAIRY

Futures markets suggest unprofitable prices through the first half of the year. Higher prices in the latter half are expected to offset first-half losses. Northwest FCS anticipates break-even returns for dairy in 2019.

FISHERIES

Fisheries should realize profitable returns over the next 12 months, according to Northwest FCS. Healthy biomass for halibut and sablefish means higher harvest levels. Demand for pollock is strong, and so are prices. Bristol Bay sockeye salmon should see another highly profitable year.

FOREST PRODUCTS

Log and lumber prices are expected to increase slightly and remain stable throughout 2019. Northwest FCS anticipates profitable returns for timberland owners and slightly weaker margins for processors over the next 12 months, even with price declines from record log and lumber prices in 2018.

HAY

Northwest FCS' 12-month outlook suggests alfalfa and timothy hay producers will be profitable. Low supplies across the Northwest are setting the stage for strong profitability in 2019.

NURSERY/GREENHOUSE

Prices remain strong. Still, some indicators point to a softer housing market, which could negatively affect demand. Northwest FCS expects nursery and greenhouse operations will be profitable in 2019.

ONIONS

Northwest FCS foresees profitable returns to onion producers in the next 12 months. Wet weather in February and March provided ample water for the 2019 growing season, but delayed planting.

POTATOES

Northwest FCS anticipates lower production and inventory, leading to higher prices. Contracted potatoes will likely be profitable, and uncontracted potatoes are projected to be slightly profitable. Delayed planting foreshadows a smaller crop in 2019.

SUGAR BEETS

Northwest FCS predicts profitable returns to sugar beet growers for the 2018-19 crop. Northwest sugar beet producers should benefit from lower ending stocks.

WHEAT

USDA projects the 2018-19 all-wheat price will be between $5.10 and $5.20 per bushel. Northwest FCS predicts this price should allow slightly profitable returns for producers.

APPLES

Northwest FCS expects slightly profitable returns over the next 12 months for apple producers. Prices have increased, and producers anticipate modest returns for the remaining 2018-19 crop. With no trade resolutions in sight and more fruit expected, next season's margins could be thin.

CHERRIES

Cherry growers could see compressed returns if Chinese tariffs remain in place for the 2019 season. Northwest FCS predicts early and late season cherries will capture higher returns due to lower supply. However, supply gluts are anticipated mid-season, which will subdue producer returns.

PEARS

Lackluster consumer demand leads to Northwest FCS' 12-month outlook of slight profits. Subdued shipments result in soft pricing despite high quality. Labor and disease management continue to increase costs.

WINE/VINEYARD

Northwest FCS' 12-month outlook calls for profitable wineries and slightly profitable vineyards. As more consumers reduce their alcohol consumption and turn to substitute beverages, growth in wine consumption is slowing. Still, consumers continue to trade quantity for quality, which is increasing the value of wine sales. Increased labor costs and abundant grape supplies challenge the vineyard industry.

ABOUT NORTHWEST FCS

Northwest FCS is a $12 billion financial cooperative providing financing and related services to farmers, ranchers, agribusinesses, commercial fishermen, timber producers, rural homeowners and crop insurance customers in Montana, Idaho, Oregon, Washington and Alaska. Northwest FCS is a member of the nationwide Farm Credit System that supports agriculture and rural communities with reliable, consistent credit and financial services. For more information, go to northwestfcs.com.

Skilled workers in high demand for trade industries

Bonneville Power Administration

PORTLAND – Bonneville Power Administration employees will participate in the Oregon Tradeswomen's 2019 Career Fair on May 17 and 18 at the National Electrical Contractors Association and International Brotherhood of Electrical Workers training center. BPA representatives will share their experiences and demonstrate some of the skills they use to keep hydropower flowing in the Northwest.

The Oregon Tradeswomen's 27th annual career fair features workshops and exhibits staffed by volunteers who are passion about their work and are committed to encouraging women and young girls to explore opportunities in non-traditional fields.

"BPA transmission grid is the backbone for affordable, renewable power in the Pacific Northwest," said Robin Furrer, BPA's vice president for Transmission Field Services. "We employ almost 1,000 people in the electrical crafts and trades. The tradeswomen's career fair is an outstanding venue to create awareness and interest in crafts and trades where qualified workers are in high demand."

Grisel Mendez is an electronics engineer at BPA. She is one of the many volunteers and trades representatives sharing their stories at the event.

"Every day is unique and I'm always working on something new," said Mendez. "I could be teaching, testing equipment or out at a site. I work with a variety of people, in multiple organizations, and on various projects. It all keeps my work very interesting."

Oregon Tradeswomen is relying on stories from people like Mendez to bring a boost to industries searching for uniquely skilled workers.

"The construction industry in Oregon is experiencing a worker shortage," said Mary Ann Naylor, Communications and Marketing Director at Oregon Tradeswomen. "This event brings together fundamental resources for people who want to work in the trades, including information on how to access debt-free career training and opportunities for paid, on-the-job learning."

The event takes place at the NECA-IBEW Electrical Training Center at 16021 NE Airport Way in Portland.

OWFCU

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folks," said Ken Olson, CEO and president of Old West Federal Credit Union.

Hargrove moved into the role of branch manager after about a two-year stint working for the state of Oregon. She previously had about 11-1/2 years of banking experience, starting as a teller.

"What I always loved about banking was helping people, and the credit union has a philosophy to take care of its members and serve (the) community," Hargrove said.

The branch manager, who has a bachelor's in business administration with a minor in economics and is finishing her MBA — all from Eastern Oregon University — said that although there have been a few challenges getting the new institution up and running, "it's been going really well. We've had a really positive response to being in Union again."

Credit unions are not-for-profit organizations that exist to serve their members. Like banks, credit unions accept deposits, make loans and provide a wide array of other financial services. Olson said that because credit unions are not for profit, they can charge lower rates than traditional banks.

The services provided by the Union branch include a drive-through teller, safety deposit boxes, an after-hours deposit station and an automated teller machine.

Walt Brookshire, owner of Union Drug Co., is also encouraged by the opening of Old West Federal Credit Union.

"It is a step in the right direction," he said.

A Union City Councilor, Brookshire said the credit union will boost the city's economy by reducing the trips residents make to La Grande, where they not only bank but likely buy groceries and do other shopping. He believes that having Old West in Union will mean residents will do more of their shopping in town.

Olson said Old West is bucking a trend by opening a branch in Union. The CEO said banks and credit unions have been pulling out of small rural towns, but he hopes this is the start of a reversal of this movement.

Olson believes that even in today's technological age, it is critical that banking institutions have a brick-and-mortar presence in communities, asking: "How can you serve main street but not be on main street?"

Information from a previous article on the opening by WesCom reporter Dick Mason was used in this report.

EMPLOYEES

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balance and try to avoid employee burnout by making sure no team member is asked to do too much. Staff who are constantly overwhelmed by an unreasonable workload are not likely to be long-term employees. When assigning several projects, help employees identify what the priorities are and where they should focus their attention.

• Don't micro-manage. Assuming you have hired talented, competent individuals, provide clear direction including expectations for the project to be completed and then let them go to work.

A simple Google search regarding the cost of employee turnover varies by the wage and role of the employee. A CAP study found the average cost to replace an employee is 16 percent of the annual salary for high-turnover, low-paying jobs (earning under $30,000 per year). For example, the cost to replace a $10-an-hour employee would be $3,328. Logically, this would substantially increase for higher paid workers.

In closing, having a productive, satisfied team will be a deciding factor as to whether the business will remain profitable and should be a focus of all those in management roles.

Greg Smith is the director of the Eastern Oregon University Small Business Development Center. The office is located at 1607 Gekeler Lane in La Grande. Anyone interested in receiving free, confidential business advising may call 541-962-1532 or email eousbdc@gmail.com

AGENCY

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and value of products," Carpenter said. "Not only are you consuming the right thing, but you're helping the local economy. Therefore, marketing is about informing the right audience of the right products at the right time."

To teach this in a classroom setting, The Agency class invites real local businesses or organizations to volunteer to become the class' "client," and the class works for this business just like a real-life marketing agency would, creating marketing campaigns, flow charts, strategies, policies and marketing solutions. In turn, the business "client" receives the real benefits that come from the students' marketing services, and it stimulates the local economy in the process.

Within the curriculum of The Agency, the students create their own professional titles that match or describe their strongest skill sets. Then they divide into different teams, including social media, public relations, sales, marketing and client relations, and collectively they brainstorm workable ideas for the business owner. This practice helps the students gain leadership and management experience.

This EOU course was inspired by a need to help community businesses flourish as a result of well-designed marketing strategies created by student members. While students help businesses thrive, this course also enables the students to gain work experience similar to a marketing agency and an internship opportunity. It also builds the students' resumes with real-life marketing experiences before they even graduate.

"This provides students with an opportunity to participate in all facets of marketing," Carpenter said. "The work that students complete enriches our community through the creation of successful marketing campaigns."

The vision is that TheAgency@EOU will be an innovative means through which students will gain confidence and competencies toward being successful in the fields of marketing, and that this course will help to create future marketers by creating a passion for the field of marketing.

With this new class, Carpenter admitted she wasn't sure what kind of enrollment response she would see for the first term, but she didn't have to wait long to find out.

"This term, we have 20 students enrolled," said a pleased Carpenter. "We have students from all over the country that connect with us through video chatting services and email."

The class offers a unique opportunity for EOU students, prospective students and the surrounding community as the university has not before offered a class like TheAgency@EOU. After more than six weeks teaching this new class, the energy and knowledge Carpenter has shared with her students has been received with enthusiasm.

"TheAgency@EOU has done more for me in the past six weeks, in terms of leadership development, real world experience, and personal sense of achievement, than a majority of my classes this year," said student Michael Ebel. "It's because of The Agency that I have had the opportunity to make an impact on the same community that raised and shaped me into the person I am today."

Another student, John Brown, expressed his appreciation for this innovative class.

"It's the best class that a student can be involved with," Brown said. "If you want to get hands-on within the marketing world, this is the best opportunity for you."

Even remote students like Gaby Lasala have taken valuable lessons from The Agency.

"As a remote student, I have felt that The Agency has been a positive experience in what a real agency would be like," Lasala said. "It's been amazing to have the opportunity to develop the creative guidelines for The Agency and help build a business from the ground up."

Whether it's a new start-up business or an existing business or organization in need of marketing, The Agency is willing to take on the challenge of marketing in a rapidly changing world.

"We're currently working with the Union County Chamber of Commerce," Carpenter said. "We have started with just a few clients so the students can get their sea legs."

The Agency will be looking for retail businesses to work with the students in the future; consequently, if any business owner is interested in participating in the role of client for The Agency, contact Carpenter at 541-962-3616, email scarpent@eou.edu or visit them on Facebook at TheAgencyatEOU or www.eou.edu/college-of-business/theagencyeou/.

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