

Washington potato growers OK deal with Lamb Weston

More meetings with other processors slated for early January

By MATTHEW WEAVER
Capital Press

Columbia Basin potato farmers have ratified a deal with processor Lamb Weston, and will meet in January with other potato processors in the region.

Potato Growers of Washington negotiates on behalf of its members, but processors use the contract for the entire industry, said Dale Lathim, executive director for the organization in Kennewick, Wash.

The deal with Lamb Weston has been ratified by the growers, Lathim said, and continues contract terms from the previous year.

"In light of the uncertainties and volatility going on in the industry in terms of exports, potential changes in cost of production, both sides felt it was best to be very conservative and not try to outguess it," he said. "We just decided to leave everything right where it is, and thought that was the most responsible thing to do for the industry."

Lathim expects similar deals with additional processing companies, including J.R. Simplot Company, McCain Foods and Heinz, when the organization meets with them in early January.

"There'll be very little, if any, change in the contract from 2014 to 2015," he said.

"We feel positive about the 2015 contract, which we believe positions the industry well for the coming year," said Shelby Stoolman, manager of communication and external relations at ConAgra Foods, which owns the Lamb Weston brand. "We're proud of our presence in the Columbia Basin and we feel good about the strong relationships we have

with our local growers."

The Columbia Basin is the largest producer of frozen processing potatoes in North America, Lathim said. About 90 percent of the potatoes in the Columbia Basin go to processing, with 80 percent of those going for frozen processing. Roughly 95 percent is contracted by processors each year, Lathim said, representing 130,000-135,000 acres in the Columbia Basin region and more than \$1 billion in processed frozen potato products. The farm gate value is in the hundreds of millions of dollars, Lathim said.

Negotiations in 2014 were contentious because processors asked for a 4 percent decrease in price and sought to recoup a percentage increase from a previous year's agreement, but this year was less dramatic, Lathim said.

"Last year was a real struggle. We had one thing in mind and the processors had something else in mind," he said. "Getting to a reasonable outcome was a battle. This year, because both sides were thinking very similarly from the get-go, it was a very smooth process."

Growers in particular sought stability, Lathim said.

"When it's costing you more than \$4,000 an acre to grow potatoes, you want to make sure things stay as stable as possible, you want to meet your minimum costs," Lathim said. "The current contract does that, especially when we go back to more of our normal quality."

Yield and quality were down in 2014 due to extreme heat, so growers didn't receive their usual bonuses for those characteristics in most cases, Lathim said. Grower returns were less than originally projected.

"By leaving it alone, if we go back to a normal crop next year, it will be significantly more revenue than this year's contract generated," Lathim said.

Flat oilseed prices expected

By JOHN O'CONNELL
Capital Press

AMERICAN FALLS, Idaho — Eastern Idaho safflower, mustard and flax growers should expect relatively flat contract prices in 2015, according to the region's largest buyer of the commodities.

In January, Mountain States Oilseeds owner Bill Meadows plans to contract for 35,000-40,000 combined acres of the oilseeds in Eastern Idaho.

He anticipates prices will be within a penny of 24 cents per pound for flax, a quarter per pound for safflower and 34-35 cents per pound for mustard.

"They're in a fairly neutral supply and demand situation, and prices are going to stay about where they are," Meadows said.

He said all three crops should remain competitive with spring wheat and barley, and mustard prices are especially attractive. A Canadian company has already contracted for mustard at 35 cents per pound, a penny above the 2014 rate.

"It's almost a no-brainer with mustard when it's 35 to 36 cents. I don't see how you can't grow it," Meadows said.

Though North Dakota and Canada increased their oilseed acres in 2014, Meadows said they had widespread quality problems, while Idaho quality was strong.

Meadows believes he's close to saturating the mustard and safflower markets for his region. He has more interest among his grower base in mustard acres than he has demand and has been seeking additional buyers to accommodate more growth.

With safflower, a crop that likes lower elevations and a longer season, he believes he's also close to saturating his market.

"There is the capacity to overproduce safflower," Meadows said. "I think we're right about where supply and demand intersects with acres."

In 2014, he said buyers began purchasing safflower hand-to-mouth, rather than through



John O'Connell/Capital Press

Workers at Mountain States Oilseeds in American Falls package safflower. Mountain States officials anticipate prices paid to growers for safflower, flax and mustard will hold relatively flat in 2015.

forward contracts. Meadows has fewer safflower sales on the books but said shipments are up to date.

Meadows has doubled his flax sales in 2014, supplementing his local production with seeds from Canada. He'd like to significantly step up his Eastern Idaho flax acres.

"No one thought we could

ever grow flax here economically, and we've shown we can, so that crop is starting to gain acceptance," said Meadows, in his fifth year of buying flax.

Ron Lovell, of Ririe, raised both mustard and flax for Meadows this season but doesn't plan to raise flax again. He's found herbicide label rates for flax are insufficient to control broad-leaf

weeds, and baling off the hardy straw is a challenge.

Several Eastern Idaho growers, however, are experimenting with flax as a means of controlling cereal cyst nematode. Tom Wood, of Newdale, planted 25 flax acres this season where his grain showed an orange tint, symptomatic of cereal cyst nematode damage.

Far West conference set for Twin Falls

By CAROL RYAN DUMAS
Capital Press

The Far West Agribusiness Association's winter conference will again bring three days of seminars for fertilizer and agrichemical professionals to Twin Falls, Idaho, Jan. 5 through 7 at the College of Southern Idaho.

The conference will focus on new technology, safety and regulatory issues, agronomic factors on dryland and irrigated acres, and management.

Highlights of the confer-

ence include a general session Jan. 6 on wearable technology presented by Bruce Rasa, CEO and founder of TekWear, LLC.

Rasa will offer a glimpse into the future of wearable technology, an emerging wave of smart glasses and smart watches that amplify the capabilities of smartphones and tablets. The presentation will also include a discussion on potential hands-free applications for mobile agriculture.

A general session Jan. 7 will focus on fusing generational knowledge with new

technology to enhance soil health with a presentation by Bill Buckner, CEO of Samuel Roberts Noble Foundation.

The conference opens on Jan. 5 with registration from 10 a.m. to 12:30 p.m., followed by general sessions on label updates and fertilizer.

Concurrent breakout sessions on numerous industry topics will run all three days. Pesticide and crop adviser credits are available.

For more information or to register, go to www.fwaa.com or call (509) 465-5055.



Sam Tannahill, viticulture director and co-founder of A to Z Wineworks in Newberg, Ore., has been appointed to the governor's legislative coordination team for rural economic development.
Eric Mortenson/
Capital Press

Winery founder to help boost rural economic growth in Ore.

By ERIC MORTENSON
Capital Press

Sam Tannahill, viticulture director and a co-founder of one of the state's most successful vineyards, has been appointed to a team that will shepherd the governor's rural economic development budget initiatives through the Oregon Legislature.

Tannahill is among people appointed by Gov. John Kitzhaber to four "alignment and coordination" teams. The teams are intended to guide the governor's initiatives through the Legislature's 2015-17 budget adoption process. In addition to the

rural economic development group, other teams will focus on budget proposals regarding mental health, "age three to grade three" education and what is called the "pathways connecting education to career."

Tannahill is viticulture director and one of four co-founders of A to Z Wineworks in Newberg, Ore., which they started in 2002. The group — joined by investor Gregg Popovich, coach of the NBA's San Antonio Spurs — also owns Rex Hill Vineyards and Winery in Newberg.

Tannahill said much of rural Oregon has not shared in

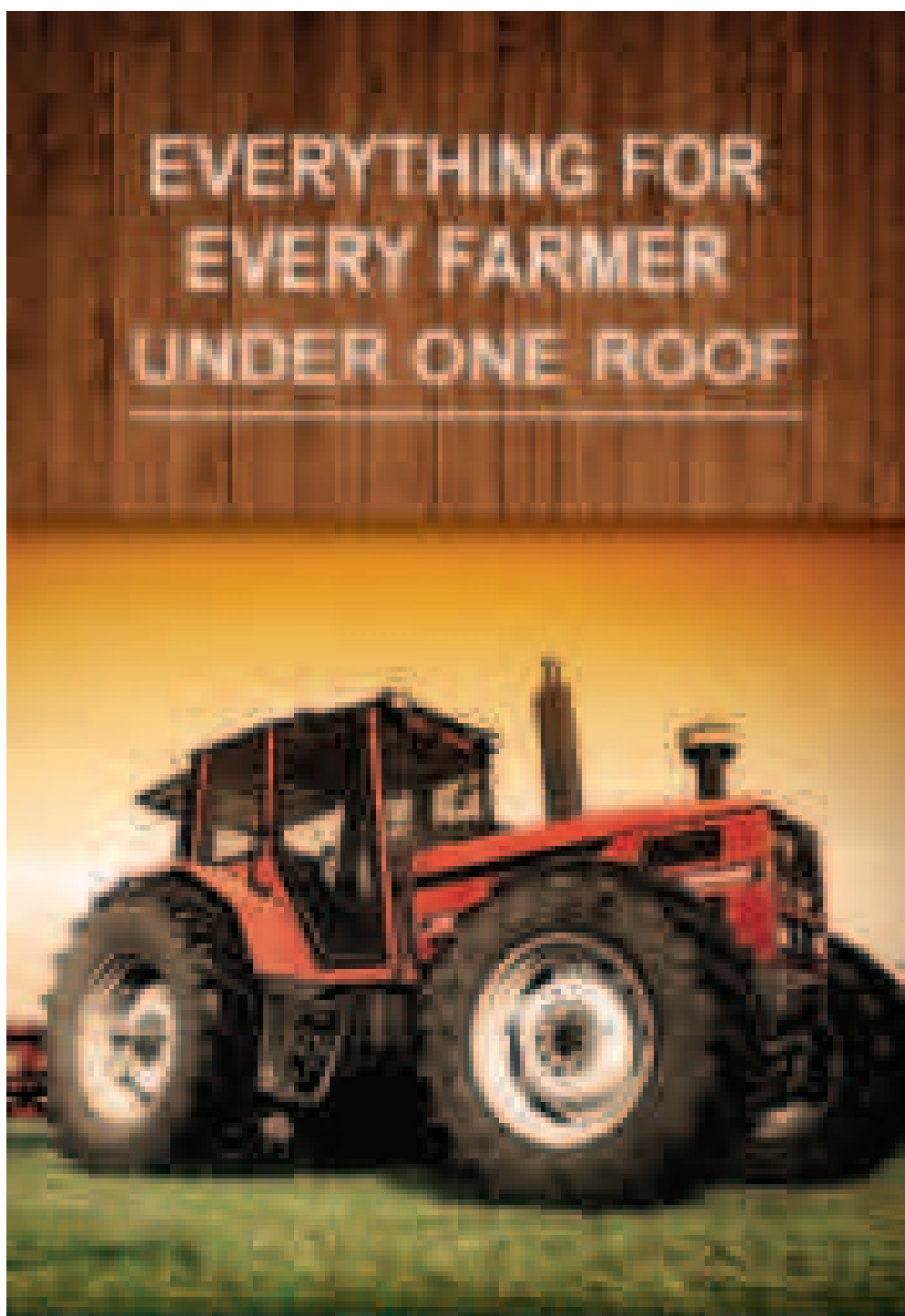
the state's economic recovery.

While Portland and other urban areas hum with activity, "You can't leave out a large section of Oregon," he said.

Urban Oregon's food and beverage industry has been a "real bright spot" in the economy, he said, with a strong link to the state's farms and ranches.

"It's a good bridge for the rural and urban areas, fueled by high-quality agriculture," he said.

Tannahill said the team has met only once but will be sharpening its focus as the legislative session approaches.



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