

People & Places

Diversification brings fish farmer success

By CAROL RYAN DUMAS
Capital Press

Fate seems to have played a major role in the life of aquaculture entrepreneur Leo Ray, but tenacity, business acumen and hard work brought him success.

Ray's college life at University of Oklahoma began with a focus on wildlife conservation, switched direction to geology and finally settled on invertebrate zoology. But it was a job in college that would inevitably influence his career path.

A professor at the university had received a grant to research the reproductive cycle of catfish and the hormones that control their reproduction and offered Ray a job working on the project. The research would lead to the development of the catfish industry, Ray said.

After graduating in 1963, Ray taught high school for six years. But he kept in contact with the professor and when the catfish industry began developing, he quit teaching, bought land in California's Imperial Valley and opened a catfish farm.

Fate stepped in again when in 1971 Ray delivered a load of catfish fingerlings to a fish farm with a geothermal well near Twin Falls, Idaho.

"I saw the value of that hot water" and set his sights on Idaho, he said.

He worked on a fish farm in south-central Idaho for about a year, bought land and he and his wife opened their own operation — Fish Breeders of Idaho — in the Hagerman Valley in 1973.

The operation started with 106 acres of Snake River frontage, which Ray got for a bargain at \$300 an acre. People wondered why in the world he wanted to purchase a rock field with water too hot to drink, he said.

"It was perfect for a fish farm," he said.

Ray recognized the potential of the geothermal water and concrete raceways and switched his management from



Leo Ray stands alongside a ditch near his fish processing facility in Hagerman, Idaho. Sturgeon keep the water clear of vegetation.

Carol Ryan Dumas/Capital Press

Western Innovator Leo Ray

Age: 77

Business: Fish Breeders of Idaho Inc., Fish Processors Inc., Big Bend Trout Inc.

Products: Catfish, trout, tilapia, sturgeon, white sturgeon caviar and tropical fish

Operation: 350 acres, five sites, Hagerman and Buhl, Idaho

Employees: 25 to 30

Background: Grew up on a small farm in Marshall, Okla.

Education: Bachelor's degree in zoology, University of Oklahoma, 1963

Military: U.S. Army, 1957-1959

Family: Wife and co-owner, Judy; son and company vice president, Tod; daughter, Tanya; three grandchildren

Board member: U.S. Trout Association, Hagerman Fish Culture Experiment Station

Awards: National Aquaculture Association's Joe McCaren Award, Governor's Award for Innovative Geothermal Energy Development



so much market we shipped straight to distributors," Ray said.

Three years after his first land purchase in Idaho and sharing what could be done with hot water, Ray bought 70 adjacent acres — paying \$2,000 an acre.

He expanded the operation in 1975, launching the first successful tilapia farm in the U.S., to provide the fish to the Imperial Valley Irrigation District for moss control in its canals.

Five years later, the irrigation district switched to carp, which could survive the winter, and Ray turned to food markets for his tilapia.

In addition to geothermal water, Ray also recognized the potential of the area's cold springs and added rainbow trout to the mix in 1978 and sturgeon in 1988.

He also raised alligators, imported from Florida, marketing their meat and hides from 1992 until 2002. It was a profitable

business, but he ended it after a shipment of baby alligators succumbed to West Nile virus.

"This is still a new industry with a lot of room for innovation. You have to stay on top of it and change with it or you'll be obsolete," he said.

Today the operation raises trout, catfish, tilapia and sturgeon on warm- and cool-water farms in Buhl and Hagerman and is just getting started in the tropical fish business. Ray also processes the meat fish and sturgeon caviar and does all his marketing.

All told, the operation produces about 1.5 million pounds of fish meat and 3,000 pounds of caviar a year. Ray supplies the largest part of 'Whole Foods' trout sales nationwide and sells to 50 to 60 distributors, shipping to 30 to 33 weekly.

"The strength of this company is the diversity; the weakness is trying to manage that diversity," Ray said.

pond production to high-density production with temperature control.

The catfish business took

off, leading to a distributor outlet in Long Beach, Calif., to establish a presence.

"In six months, we had

proach transformation.

One way chains are looking to redefine themselves is by purging recipes of chemicals people might find unappetizing. Already, packaged food and beverage companies have reformulated products to remove such ingredients, even while standing by their safety. PepsiCo, for instance, said it would remove brominated vegetable oil from Gatorade after a petition by a teenager noted it isn't approved for use in some markets overseas.

And fast-food chains are indicating they want to jump on the "clean label" trend too:

— Last month, McDonald's USA President Mike Andres outlined improvements the company is working on, including the simplification of ingredient labels. Without providing details, he said to expect some changes in early 2015. The remarks came after the company reported a 4.6 percent decline in U.S. sales for November, capping two years of struggling performance.

"Why do we need to have preservatives in our food?" Andres asked, noting McDonald's restaurants go through supplies quickly. "We probably don't."

• Subway, a privately held

company that does not disclose sales, started airing TV ads Thursday for its new chicken strips free of artificial preservatives and flavors. After suffering bad publicity, the company said earlier last year it would remove an ingredient from its bread that an online petition noted was also used in yoga mats. The ingredient, azodicarbonamide, is approved by the Food and Drug Administration and widely used as a dough conditioner and whitening agent.

• Chick-fil-A said in 2013 it would remove high-fructose corn syrup from buns and artificial dyes from its dressings. A couple months later, it said it plans to serve only chicken raised without antibiotics within five years.

• Carl's Jr. last month introduced an "all-natural" burger with no added hormones, antibiotics or steroids. "We are obviously looking at other products on our menu to see which ones can be made all natural as well," said Brad Haley, the chain's chief marketing officer.

It's not clear how far fast-food companies will go in reformulating recipes. But the nation's biggest chains are facing growing competition. In the

latest quarter, customer visits to traditional fast-food hamburger chains declined 3 percent from a year ago, according to market researcher NPD Group. Fast-casual chains — which are seen as a step up from traditional fast-food — saw visits rise 8 percent.

Part of the appeal of fast-casual chains is that they position themselves as being higher in quality. Chipotle, which touts its use of organic ingredients and meat from animals that were raised without antibiotics, said sales at established locations surged 19.8 percent in the most recent quarter. And Panera vowed this summer to remove artificial colors, flavors and preservatives from its food by 2016.

The ethos of wholesome ingredients is increasingly being embraced across the industry. But not without some challenges.

Dan Coudreaux, executive chef at McDonald's, has noted the difficulties in changing recipes. In an interview last year, he said McDonald's is looking at ways to use culinary techniques to replace the functions of certain ingredients.

"If you take (an ingredient) out, what are you giving up?"

he said.

Michael Jacobson, executive director of the Center for Science in the Public Interest, said there are likely many cases where artificial preservatives or colors could be replaced with natural alternatives without significant costs. Since their functions vary, he said companies would have to evaluate recipes product by product.

"Sometimes, food additives can be crutches or insurance policies. If a food is frozen, germs aren't going to grow. But preservatives might be added just in case, or they may be used just because their supplier has been using it for so long," he said, adding that such changes are "not a big deal" in terms of the overall health.

Michele Simon, a public health lawyer and author of "Appetite for Profit: How the Food Industry Undermines our Health and How to Fight Back," also said getting rid of additives here and there won't be enough to change the way people think about fast-food.

"That's just rearranging the deck chairs on the Titanic," Simon said. "These companies have a fundamental problem in who they are."

Fast-food resolution: Transform junk food image

By CANDICE CHOI
AP Food Industry Writer

NEW YORK — Fast-food chains have a New Year's resolution: Drop the junk.

As people express distaste for food they think is overly processed, McDonald's, Taco Bell and other chains are trying to shed their reputation for serving reheated meals that are loaded with chemicals. That includes rethinking the use of artificial preservatives and other ingredients customers find objectionable.

"This demand for fresh and real is on the rise," said Greg Creed, CEO of Yum Brands, which owns Taco Bell, KFC and Pizza Hut.

During the presentation for analysts and investors last month, Creed said the company needs to be more transparent about ingredients and use fewer preservatives.

Recasting fast-food as "fresh" and "real" will be tricky, in large part because it's so universally regarded as cheap and greasy. Another problem is that terms like "fresh," "real" and "healthy" have nebulous meanings, making it hard for companies to pin down how to ap-

Calendar

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JANUARY NATIONAL

Jan. 7-9 — Potato Expo, Rosen Shingle Creek, Orlando, Fla., <http://www.potato-expo.com/>

Jan. 11-14 — American Farm Bureau Annual Convention, San Diego, Calif., <http://annualconvention.fb.org/>

Jan. 28-31 — American Sheep Industry Association annual meeting, Nugget Resort and Casino, Sparks, Nev., www.sheepusa.org/About_Events_Convention

REGIONAL

Jan. 14-15 — Northwest Hay

Expo, Washington State Hay Growers Association, Three Rivers Convention Center, Kennewick, (509) 585-5460, snolan@agmgt.com, www.wa-hay.org

Jan. 26-29 — Washington-Oregon Potato Conference, Three Rivers Convention Center and Toyota Center, Kennewick, Wash., www.potatoconference.com

OREGON

Jan. 8-9 — Oregon Mint Growers annual meeting, Salishan Resort, oregonmint.org

Jan. 12-14 — Northwest Food Processors Expo and Conference, Oregon Convention Center, Portland, www.nwfpa.org

Jan. 13 — Nut Growers Society of Oregon, Washington and

British Columbia 100th annual meeting, 8 a.m.-2:30 p.m., LaSells Stewart Center, Oregon State University Campus, Corvallis, <http://www.oregonhazelnuts.org>

Jan. 17 — 2015 Lambing School, co-sponsored by the Oregon Sheep Growers Association and Oregon State University Extension, registration deadline Jan. 9, 541-673-0369 or email johnandpeggyfine@charter.net

Jan. 21 — Oregon Ryegrass Growers Association annual meeting, 8:30 a.m.-3 p.m., Linn County Fair and Expo Center, Albany, 503-364-2944.

Jan. 26 — Agricultural Safety and Pesticide Accreditation Workshop, sponsored by the Central Oregon Safety and Health Asso-

ciation, Deschutes Farm Bureau and Helena Chemical Co., 1-5 p.m. Bend, \$45 (\$20 for Farm Bureau members), www.cosha.org

Jan. 26-27 — Mid-Oregon Construction Safety Summit, The Riverhouse, Bend, www.cosha.org

Jan. 27 — Oregon Blueberry Conference, 8:30 a.m.-8 p.m., Jantzen Beach Red Lion Hotel, Portland, oregonblueberry.com/conference

Jan. 27-29 — Northwest Agricultural Show, Portland Expo Center, <http://www.nwagshow.com/>

WASHINGTON

Jan. 8-9 — Yakima Ag Expo, Sun Dome, Yakima,

<http://yakimaagexpo.com/>

CALIFORNIA

Jan. 13-15 — Associated California Loggers, Reno, www.calog.com/

Jan. 16 — Young Almond and Walnut Orchards workshop, 8:30 a.m.-noon, Community and Senior Center, Woodland, 530-822-7515, <http://cesutter.ucanr.edu/>

IDAHO

Jan. 16 — Family Foresters Workshop, Coeur d'Alene Inn, 208-446-1680, <http://www.uidaho.edu/extension/forestry/content/calendarofevents>

Jan. 21-23 — Idaho Horticulture Expo, Boise Centre on the Grove, inlagrow.org

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To Reach Us

Toll free 800-882-6789

Main line 503-364-4431

Fax 503-370-4383

Advertising Fax 503-364-2692

News Staff

N. California

Tim Hearnden 530-605-3072

E Idaho

John O'Connell 208-421-4347

Idaho

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