

# Mexican trucks granted permanent entry

By DAN WHEAT  
Capital Press

Commodity groups are lauding a U.S. Department of Transportation decision allowing Mexican trucks that meet U.S. standards to permanently deliver goods from Mexico into the United States and haul goods back to Mexico.

The decision ends the prospect of a resumption of \$2 billion worth of annual retaliatory Mexican tariffs on U.S. agricultural and personal care products and manufacturing goods.

The Agricultural Transportation Coalition, in Washington, D.C., sent U.S. Transportation Secretary Anthony Foxx a letter, Jan. 19, thanking him for decision. It ends the threat of resumed tariffs, relieves pressure of a U.S. truck driver shortage and maintains U.S. trucker safety standards, Peter Friedmann, the coalition's executive director, wrote.

It implements a 22-year-

old commitment to allow efficient, safe and reliable trucking between the two countries, he wrote.

Mark Powers, executive vice president of the Northwest Horticultural Council in Yakima, Wash., said the decision is good news for Pacific Northwest apple, pear and cherry growers who lost an estimated \$80 million or more due to 20 percent duties in 2009, 2010 and 2011. Mexico is the No. 1 export market for Washington apples and pears.

Matt Harris, assistant executive director of the Washington State Potato Commission in Moses Lake, said the decision is a relief particularly as frozen potato products, apples, pears and hay struggle with the longshoremen's work slow down at ports.

"We lost tens of millions of dollars. It took us several years to crawl our way out of that barrier," Harris said of the tariffs.

Canada gained about half

of the U.S. business of \$80 million per year in frozen potato business to Mexico during the tariffs, he said. Now U.S. frozen potato exports to Mexico are \$100 million annually and growing, he said.

The U.S. and Mexico agreed to allow each other's trucks into the interior of their countries to deliver and pick up goods as part of the 1994 North American Free Trade Agreement. Trucks were not to compete with domestic trucking within the country.

The World Trade Organization found the U.S. in violation of the agreement in 2001 for not allowing Mexican trucks and authorized Mexico to retaliate.

Retaliation was averted with a 2007 Bush administration pilot program allowing some Mexican trucks to make deliveries to Chicago.

The Teamsters Union, citing safety and job loss concerns, opposed the pilot program and on March 11, 2009,

Congress cut funding, ending it.

Mexico retaliated with 5 to 45-percent tariffs on U.S. goods and expanded it in 2010. Some 99 products were valued at \$2.4 billion by the U.S. Chamber of Commerce when they were targeted in 2009, 2010 and 2011.

Washington apples were second only to pork in U.S. agricultural commodities affected. Dairy, grain, potatoes also were hurt. An agreement was reached renewing the pilot program and ending the tariffs in 2011. The pilot program ended in October but the trucks were given provisional authority to continue hauling.

Data collected on 15 Mexican trucking companies in the pilot program and 952 other Mexican trucking companies allowed to haul under pre-existing authority, showed Mexican trucks and drivers met U.S. and Canadian standards, the Federal Motor Carrier Safety Administration said.



Mateusz Perkowski/Capital Press

Jeff Fox, CEO of the Hazelnut Growers of Oregon cooperative, explains the function of new pasteurization equipment recently installed at the company's processing facility in Cornelius, Ore. The process is expected to improve food safety, attract farmers to the cooperative, win new customers and reduce costs.

## Pasteurization expected to shield hazelnut farmers

Cooperative aims to improve safety, cut costs, win business

By MATEUSZ PERKOWSKI  
Capital Press

The Hazelnut Growers of Oregon cooperative is hoping to provide its farmers with a new benefit: peace of mind.

Pasteurization equipment recently installed at its processing facility in Cornelius, Ore., will provide a "kill step" for diseases like salmonella and E. coli, which have prompted hazelnut recalls and attracted scrutiny from the U.S. Food and Drug Administration.

"It's somewhat of a fire-wall between them and the FDA," said Jeff Fox, CEO of the cooperative.

By heating nuts to nearly 200 degrees Fahrenheit and treating them with pressurized steam, the pasteurization equipment results in a 100,000-fold reduction in pathogenic microbes.

The process is expected to shield hazelnut farmers from the FDA's regulatory muscle, thereby growing the cooperative's community of suppliers.

The FDA will require processors to identify disease risks and tailor specific remedies under proposed food safety rules that will be finalized this year, said Charles Breen, a food industry consultant and former agency official.

Growers who produce crops meant for raw consumption will also be subject to a "produce safety" rule that governs on-farm practices.

It's likely that hazelnut growers who document their crops are treated with this "kill step" will not fall under the FDA's on-farm purview, Breen said.

"The agency will probably accept it as an appropriate measure to control a hazard," he said. "I think this approach is one that will reduce FDA's interest in farms that are growing nuts subject to this process."

On-farm measures to prevent microbes are difficult for hazelnuts, which are harvested from the ground in orchards that are tough to protect from animal incursions.

Some bacteria can persist in the soil for years and live independently from animal digestive tracts, said Philippe Cornet, food safety and quality supervisor for HGO.

Even expensive fencing would not ensure the exclusion of pathogens, since birds fly over orchards, he said. "You would have to put it in a bubble and sterilize the soil."

The cooperative expects to reap other rewards from the new pasteurization line — improved food safety is expected to win new customers and reduce costs over time, said Fox.

The cooperative has spent approximately \$3 million on

the pasteurization project and expects a payback time of about five years on the investment, he said.

Reduced transportation will provide measurable savings, as HGO will no longer have to ship hazelnuts to California for treatment with propylene oxide, a chemical used for sterilization.

"Freight costs are rather expensive and the treatment itself was rather expensive," Fox said.

Apart from direct costs, the propylene oxide treatment slowed hazelnut deliveries to HGO's customers. With on-site pasteurization, the turnaround for clients will be much faster, he said.

The cooperative's insurance premiums are expected to fall due to the pasteurization line and it will be able to reduce sampling and testing costs.

Avoiding a potential disease outbreak offers another major advantage, Fox said. "Recalls are very expensive."

Before installing the pasteurization machinery, HGO had to resolve some serious questions about the technology.

The main concern was the potential impact to sensory qualities, Fox said. "That was probably one of the biggest things."

If pasteurization dried the crop excessively, the nuts would taste different and their weight would be reduced, denting revenues for the cooperative. Altered color was another worry.

After treating hazelnuts at a pilot plant of the equipment's manufacturer, Napasol, HGO found that any changes were negligible and decided to move forward with the project, Fox said.

While pasteurization is new to the hazelnut industry — which is centered in the Northwest — other tree nut growers in California have successfully adopted the technology, said Cameon Ivarsson, scientific director for Napasol.

"Everybody is going in that direction in the U.S.," she said.

The move to pasteurization was initiated by the almond industry, which mandated the process under a federal marketing board order in 2007, Ivarsson said.

Since then, walnut, macadamia and pistachio processors in the state have begun treating their crops voluntarily, she said.

Pasteurization with heat and pressurized steam is growing in popularity because the European Union prohibits propylene oxide treatments due to fears of carcinogenic byproducts, Ivarsson said.

Processors who sell in the U.S. market are taking notice, since some domestic consumers have also raised concerns about the chemical, she said. "There's a potential for backlash."

## Christmas tree checkoff board named

By MITCH LIES  
For the Capital Press

After more than three years in a holding pattern punctuated with turbulence, the national Christmas tree checkoff program has launched.

"Houston, we have liftoff," said Betty Malone, a Christmas tree grower from Philomath, Ore., who spearheaded efforts to initiate the program.

"It's been a long time coming," Malone said, "but, yes, we have our checkoff."

Malone of Sunrise Tree Farm is one of 12 board members the USDA selected Jan. 15.

Others include Mark Arkills, production manager for Holiday Tree Farms in Corvallis, Ore.; Jim Heater, manager of Silver Mountain Christmas Trees in Sublimity, Ore.; and Mark Steelhammer of KLM Tree Farm in Rochester, Wash.

Paul Battaglia of Battaglia Ranch Christmas Tree Farm in San Martin, Calif., rounds out the Western Region representatives on the board.

Rex Korson of Michigan and Beth Walterscheidt of Texas are the Central Region representatives. Conrad Steinhart of Florida, Bentley Curry of Loui-



Mateusz Perkowski/Capital Press

Workers bale Christmas trees in preparation for shipment at Noble Mountain Tree Farm near Salem, Ore., in this Capital Press file photo. The USDA has named the board members of the new Christmas tree checkoff.

siana, Della Jean Deal of North Carolina and James Rockis of West Virginia are the Eastern Region representatives.

Christopher Maciborski of Michigan represents importers on the board.

Board members each represent a similar number of trees, including the importer, Malone said. Producers of more than 500 trees and importers are required to pay the program's 15-cent a tree assessment.

Assessment collection will begin with the 2015 harvest, Malone said.

By law, checkoff revenue, which is anticipated to be about \$3 million a year, can be used only for research or promotion.

Efforts to initiate the national Christmas tree checkoff hit several snags, including a major one in 2011, when it was first scheduled to go into effect.

That year, right-wing bloggers inaccurately characterized the newly instituted checkoff as a Christmas tree tax that was being pushed by President Barack Obama's White House.

As a result, the White House slapped a stay on the program that stayed in place until April 7 of last year.

"Having the stay put on really put us in limbo," Malone said. "That has never happened to any other checkoff."

In April, when the stay was lifted, Malone said that she and others were told the USDA was planning to name a board by the summer and initiate the assessment beginning with the 2014 harvest.

Neither happened, much to the frustration of Malone and other backers of the checkoff.

"The White House got cold feet and once again tried to put a stop to it," she said. "In the process, however, Congressman (Kurt) Schrader (D-Ore.) was able to get a promise from (Agriculture) Secretary (Tom) Vilsack that by Jan. 15 the board would be named, and they named the board Jan. 15."

Malone said board members will be starting the program from scratch, instituting bylaws, creating committees, electing officers, even selecting an office site and hiring staff.

"We have a lot of work to do," she said, "but I'm excited for the opportunity this provides our industry."

## Ag-gag bill had few friends as farm groups stay silent

By DON JENKINS  
Capital Press

OLYMPIA, Wash. — A bill modeled after Idaho's so-called "ag-gag" law got little support and suffered much criticism Tuesday at a House committee hearing.

Farm lobbyists kept their

distance from House Bill 1104, while farmworker advocates, animal and civil rights activists, and concern citizens charged it was an attempt to silence whistleblowers.

"This bill is almost certainly unconstitutional," American Civil Liberties Union representative Chris Kaasa

told the House Public Safety Committee.

The legislation, introduced by Colfax Rep. Joe Schmick, would bar undercover taping at agricultural operations and criminalize harming an operation's image. Idaho passed a similar measure after an animal-rights group recorded dairy workers beating cows. The law is being challenged in federal court.

Schmick, a Republican, said he didn't want to shield wrongdoing, but he wanted to protect producers from being victimized by film editing that makes good agricultural practices look bad.

"Every farmer, I speak as a farmer, is scared of death of misrepresentation," he said. "Currently, there's not a lot of protection for farmers, ranchers and growers."

Rep. David Taylor, R-Moxee, testified in support of the bill, saying producers routinely are harassed.

Asked for an example, Schmick mentioned animal-rights activists targeting Washington mink farmers several years ago.

Schmick said agricultural lobbyists stayed away from the hearing out of fear.

"I think you will notice the lack of grower organizations and farmers here. And know why? Because they're scared. They're scared of repercussions of just expressing an opinion, and I think that's sad," Schmick told the committee.

Schmick introduced the bill just before the session and as Idaho's law is being challenged in federal court.

Farm lobbyists said their groups haven't had time to form positions on a heavily criticized law, which has a long-shot of passing the Democratic-controlled House, may not hold up in court and may give the impression producers are hiding something.

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