

Calif. ag exports imperiled by ports slowdown

By **TIM HEARDEN**
Capital Press

SACRAMENTO — Almond, citrus and other California commodity groups say the West Coast ports slowdown is forcing fruit to rot on the dock and causing shipping losses that imperil their industries.

California Citrus Mutual reports a 25 percent drop in exports in what would normally be the industry's peak shipping season to places like China, Japan, South Korea and Australia.

Sales are being canceled by customers and growers have slowed harvests so as not to place matured fruit into the marketplace, the organization explains.

"There have been some reports that fruit has been bad and hasn't been able to be marketed" once it reaches its destination, said Dusty Ference, Citrus Mutual's director of grower services.

"As a whole, fruit is sitting on the dock for 10 days or more, when typi-

cally it will sit for three to five days," Ference said. "Sometimes the fruit's going from Long Beach or LA ... to Oakland where it'll sit there another 10 days before it starts its journey, where it takes 15 or 20 more days to (reach its) export country."

In addition, a delay in the unloading of ships means it's taking longer to get containers back to packing houses, he said. And other needed supplies, such as nets that protect mandarins from cross pollination, have been left to sit on docks, CCM complains.

Citrus growers are among many California agricultural industries that have been affected by the labor dispute between the Pacific Maritime Association and the International Longshore and Warehouse Union and its resulting slowdown in loading and unloading cargo at West Coast ports.

Among the others:
• Almond handlers and shippers report the slowdown has caused

delays for hundreds of containers, dozens of canceled orders, several re-routed orders at greater expense and hundreds of thousands of dollars in congestion and other charges, according to Kelly Covello, president of the Almond Hullers and Processors Association.

About 70 percent of California almonds are exported and nearly 80 percent of those exports go through the Port of Oakland, the AHPA notes. Almond production provides nearly \$22 billion in annual economic output and supports more than 100,000 jobs, according to a University of California-Davis economic study released in December.

• Truck drivers trying to deliver products to the ports face long waits and sometimes must turn back, which has prompted them to charge higher fees to shippers of walnuts and other commodities, the California Farm Bureau Federation reports.

One walnut packer encountered a

\$300-per-container surcharge on top of the regular cost of \$1,000 to deliver each container to the Port of Oakland, and another had to adjust his schedule and stop packing because he's run out of room at his facility, according to the Farm Bureau.

• The port slowdown is also causing problems for pistachio shippers, said Richard Matoian, executive director of the Fresno-based American Pistachio Growers.

"We aren't able to get stuff through the port system like we want or need to," he said.

The AHPA and other commodities groups recently sent a letter urging the two sides to consider how the slowdown is affecting the economic future of a vast array of industries, and asked the federal government to step in to end the dispute, according to a news release.

Assemblyman James Gallagher, R-Nicolaus, and Sen. Jim Nielsen, R-Gerber, were among 39 California legislators who also sent a letter

to the maritime association and the union urging a swift resolution to the dispute.

And the Almond Board of California is drafting letters to U.S. Agriculture Secretary Tom Vilsack, U.S. Sen. Dianne Feinstein and other federal officials noting that almonds are the U.S.' largest specialty crop export, reaching over \$4 billion in 2013, according to the hullers' and packers' release.

As for the citrus industry, Ference said he's unaware of any packers sending fruit from ports in Canada, although some have shipped out of Houston. That's raised their transportation costs, and a bottleneck at the Panama Canal has caused its own delays, he said.

Some commodity groups are concerned that a prolonged slowdown or a work stoppage at the ports could do long-term damage to their overseas markets.

"There is that potential," Ference said.

E. Idaho growers report slow hay sales

By **JOHN O'CONNELL**
Capital Press

IDAHO FALLS, Idaho — The first 80 bales of Matt Gellings' 2014 hay crop finally moved from the farm in early February.

He said his neighbors in the Idaho Falls area have also found little interest in their alfalfa.

Following a 2014 season in which monsoonal rains caused widespread damage to Idaho hay and grains, Idaho growers worry unsold, marginal feed is carrying over into this season and will depress the local market.

At least in the Idaho Falls area, Gellings said, buyers have snubbed even high-quality hay.

"All of the dairies are getting cheap barley and cheap corn and have started cutting back on hay," Gellings surmised.

In October, Gellings reached a verbal agreement to sell his hay to a broker. The broker never returned to write a check or collect the hay, claiming his dairy buyers



John O'Connell/Capital Press

An Idaho Falls, Idaho, grower harvests hay in June. Farmers in that area say their 2014 crop, especially feeder hay, has been slow to move.

no longer wanted the supply. Gellings recently agreed to discount his high-quality hay for a different buyer, provided that he would also take some rain-damaged hay.

According to Idaho's Feb. 6 weekly hay report, fair to good alfalfa was trading at \$150 per ton, compared with \$80 for utility hay, and "trade was very slow" for the week with "light demand for export and feeder hay." In the Columbia Basin, demand for supreme and feeder quality alfalfa was weak to \$14 per ton

lower and "trade is very slow for both domestic and export markets."

Dubois, Idaho, farmer Chad Larsen acknowledges there's still a lot of moldy hay around, and though most of his premium hay has been sold to China, it's sitting on the farm due to a labor dispute slowing down West Coast ports.

"That is our biggest issue. We cannot get any hay moved," Larsen said.



Dan Wheat/Capital Press

Red Delicious apples are packed Dec. 11 at Olympic Fruit in Moxee, Wash. They have been the main U.S. variety going into China for the past two decades. All U.S. varieties soon will be allowed in and Washington apple shippers are anxious for China to become a large market.

China pushed as new apple market

By **DAN WHEAT**
Capital Press

WENATCHEE, Wash. — Leaders of the Washington Apple Commission say a trip they just completed to China helped get Washington apples into the minds of Chinese importers, retailers and consumers.

Todd Fryhover, commission president, and Barbara Walkenhauer, commission chairwoman and owner of Larson Fruit Co. in Selah, were in China the day after the commission's Jan. 26 announcement that the U.S. and Chinese governments had approved trade of all apple varieties between the two countries.

Fryhover, Walkenhauer and the commission's Hong Kong representative, Philander Fan, promoted Washington apples to importers, retailers and media in Beijing, Shanghai and Guangzhou over three days.

"It went very, very well. There was a lot of interest. A lot of media was there," Walkenhauer said.

Samples of Honeycrisp, Cripps Pink and several club varieties were provided for people to taste, she said.

Press conferences in each of the three cities were followed by lunch or dinner with importers, she said.

Fryhover and other industry officials are hopeful China and Hong Kong will become a major market in a few years of up to 10 million boxes of apples annually, roughly worth \$200 million. The combined market peaked at 3 million boxes in the 2010-2011 marketing season.

Red and Golden Delicious

Mexico extends deadline in apple dumping inquiry

By **DAN WHEAT**
Capital Press

YAKIMA, Wash. — U.S. exporters have been given more time to complete questionnaires related to allegations that they dumped apples in Mexico during the 2013-2014 sales season.

Meanwhile, they continue to ship apples to Mexico as part of the current 2014-2015 sales season.

The Chihuahua apple growers association, UNIFRUT, filed a complaint in the Mexican federal register Dec. 4 alleging U.S. shippers, mostly from Washington, sold apples in Mexico during 2013 at less than fair value, damaging Mexican growers.

U.S. shippers were initially given until Jan. 29 to respond to a questionnaire from the Mexican Ministry

of Economia seeking details on production costs and sales prices. The ministry could impose anti-dumping duties or even close the market if it decides apples were dumped, but the process to do that or dismiss the allegations will likely take months.

Northwest Fruit Exporters, a nonprofit corporation in Yakima managing export procedures for apples and cherries, petitioned the Ministry of Economia for a 20-day extension of the questionnaire deadline and was granted 10 days, said Fred Scarlett, NFE manager. The new deadline is Feb. 13.

"My understanding is many shippers are working on them. One shipper told me he thought they were done two weeks ago and then had more to do," Scarlett said.

apples from Washington, Oregon and Idaho were allowed into China in 1993. They were banned from August 2012 to Oct. 31, 2014, after disease was found in some shipments.

With full varietal trade now approved, shipments of other varieties may begin in 30 to 60 days. But the heavy shipping season in advance of the Feb. 19 Chinese New Year has been

missed. Washington shipped 364,646 boxes of Red Delicious apples into China between Oct. 31 and Jan. 31, despite the West Coast port slowdown that has hampered exports, said Rebecca Lyons, the commission's export marketing director.

A total of 767,000 boxes were shipped into Hong Kong during the same period, she said. That market was never closed. That's a decrease of 10 percent from the same period last year which is probably due to the direct opening to China, she said. Traditionally, other varieties of Washington apples have flowed from Hong Kong into China through gray market channels.

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