

Expert: Immigration reform won't fix labor shortage

Broader economic forces are reducing worker supply

By MATEUSZ PERKOWSKI
Capital Press

Shortages of farm labor will likely persist in the long term regardless of possible changes to immigration law, according to an agricultural economist.

U.S. immigration policy is often cited as a key factor in the availability of farm workers, but larger economic forces are reducing the agricultural labor pool, said Ed Taylor, a professor at the University of California-Davis who is studying the phenomenon.

"Hoping the workers come back is a non-starter," he said at the recent Oregon Wine Symposium in Portland, Ore.

The number of potential



Dan Fazio, executive director of the Washington Farm Labor Association.

farm workers is falling due to changes in Mexico that are beyond the control of U.S. lawmakers or immigration regulators, Taylor said.

Immigration policy can't solve the farm labor problem

unless there are enough people to do the work, he said.

The birthrate in Mexico is falling fast and has now roughly "converged" with the U.S. average of about two children per woman, Taylor

said.

Mexico has also invested in schools in recent decades, significantly boosting the years of education received by young people and steering them toward other occupa-

tions, he said.

"Nothing pulls kids out of farm work like a little bit of schooling," Taylor said.

Rising incomes are strongly correlated with a declining share of the workforce involved in agriculture, boding for continued labor shortages in agriculture, he said.

The problem isn't limited to U.S. farms: Mexico is already importing workers from Guatemala, Taylor said.

While immigration policy changes could help U.S. farmers compete, they wouldn't be enough to overcome the other factors that lead to labor shortages, he said. "Not much here can really change."

Agriculture will have to adapt by increasing mechanization and managing labor more efficiently, he said.

In the mean time, Northwest farmers can still recruit workers by offering a better "package" of working con-

ditions than those in other regions, said Dan Fazio, executive director of the Washington Farm Labor Association.

Fazio likened farmers facing the labor shortage to hikers encountering a bear.

"The good news is you don't have to run faster than the bear," he said. "You just have to run faster than the other hikers."

With the consistent dearth of farm labor, more farmers will likely consider the federal H-2A guest worker program as a viable option, Fazio said.

More than 100 farms use the H-2A program in Washington, compared to fewer than 20 in Oregon, he said.

The discrepancy is due to the longer history of insufficient labor in Washington, which requires further travel for migrant workers who spend much of their time in California, Fazio said.

U.S. firm buys Canadian GM apple company

By DAN WHEAT
Capital Press

SUMMERLAND, B.C. — A Canadian company that recently won permission from the USDA to propagate and sell the first genetically-modified apple in the United States is being acquired by a U.S. company.

Intrexon Corporation of Germantown, Md., a synthetic biology leader, is buying Okanagan Specialty Fruits of Summerland for \$10 million in cash, plus \$31 million in Intrexon common stock, according to a news release from both companies. Completion of the deal is expected in the first half of this year.

Okanagan Specialty Fruits received USDA approval of its Arctic-brand Golden Delicious and Granny Smith apples in early February. The apples have been engineered to silence a gene causing browning when sliced. Neal Carter, president of OSF, will remain with the company, according to the



Dan Wheat/Capital Press

Neal Carter, president of Okanagan Specialty Fruits in Summerland, B.C., displays genetically modified Arctic Golden Delicious and Granny Smith apples Dec. 2, 2013, at the Washington State Horticultural Association meeting in Wenatchee, Wash. A U.S. company based in Maryland has announced a deal to purchase the Canadian firm.

news release.

Carter founded OSF in 1996 and has been developing the apples for years. He believes non-browning and GM apples with other attributes could increase apple consumption and returns to growers. He says biotechnology is needed to help agriculture meet an ever-expanding global food demand.

While supportive of the science, the Washington apple industry opposed deregulation of the GM apples because it believes negative public perception could damage apple sales.

Carter has said about 20,000 Arctic apple trees will be planted this spring. That's only enough for about 15 acres at current, high-density planting standards. More trees will be budded this year for release in 2016 and 2017. Limited commercial fruit is not likely until a couple more years after that.

An Intrexon spokeswoman had no comment beyond what was in a news release.

In response to emailed questions, Carter said the acquisition does not alter the timeline of Arctic apple development.

Combining technical knowledge with Intrexon is important in delivering novel traits to tree fruit, Carter said, noting he has more in the works.

"Intrexon brings significant resources and a shared commitment to enabling the development and commercialization of foods with enhanced traits to benefit consumers and producers," he said.

Intrexon uses genetic engineering to improve yield, quality, nutrition and disease and pest resistance, according to its website. It works in health, food, energy, environment and consumer sectors. Intrexon is designing a strategy to combat the soy cyst nematode, a pest which impacts soybean crops leading to significant harvest losses in soybean crops.

The Arctic apple is a cost-savings means for the fresh sliced apple business to provide product without flavor-altering, anti-browning additives, the news release states. The apple solves both cost-per-serving and quality concerns associated with pre-cut apples, the news release states.

Apple company builds new facilities for future

By DAN WHEAT
Capital Press

YAKIMA, Wash. — When Washington Fruit & Produce Co. turns 100 years old next year it likely will stand alone as the tree fruit company with the newest packing and corporate office facilities of any in the Northwest.

In September, the company began building a huge, new apple packing plant on the north edge of Yakima, off River Road between the apple packing plant it built in 2010 and the cherry packing plant it built in 2014. A new corporate office building is going up on the same 40-acre site.

The company won't disclose its total investment, but in 2010 President Rick Plath said the new apple plant built that year cost \$30 million. He said this week the newest plant will cost more than that.

When all is done, the three plants, adjoining fruit storage and corporate office will total 840,000 square feet, said Tommy Hanses, operations manager.

The company needs the new apple plant to keep up with its growth in orchards, Plath said. A year ago, his nephew, Dan Plath, orchard manager, said the company had been adding 500 acres

of orchard per year for eight to nine years with no plans to stop. He would not disclose total acreage.

The company still has no plans to slow down orchard expansion but maybe should with lower apple prices this year, Rick Plath said.

The company will pack 9 million boxes of apples this year compared to 7 million in 2010, he said.

Mountain States Construction Co., Sunnyside, is the general contractor for the new apple plant. The building should be done by July and then Van Doren Sales of Wenatchee will install a new packing line with the latest high-tech Compac sizer and sorter from New Zealand. The goal is to have the plant operational in December, Hanses said.

The new apple line will be able to run at 100 bins of apples per hour and pack 35,000 boxes per day, the same as the 2010 plant.

"That should do us a long time, but that's what we thought in 2010," Rick Plath said.

The greatest benefit, he said, is in improved quality of packed fruit due to the high-tech sorter.

Improved quality is the big benefit, but there's no way to quantify it, Hanses said.

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Some fruit crop damaged by November cold snap

By SEAN ELLIS
Capital Press

PARMA, Idaho — Researchers are seeing signs that a four-day stretch of record low temperatures in November caused damage to the state's fruit crop.

Researchers at the University of Idaho's Parma experiment station have seen extensive damage in some buds forced to break early in the laboratory.

"There is a definite injury to the bud structure itself," said Mike Kiester, a research assistant with the station's pomology program. "You're going to see

some damage this year."

"Normally, you're going to have a nice, beautiful green bud structure all the way through when you dice it," Kiester said. "This year, there's just a brown tint in there that's off."

Some fruit likely sustained severe damage, though the damage varies by location and fruit type, said Parma researcher Essie Fallahi, who heads the university's pomology program.

"What the percentage of the damage is is really hard to say at this point," Fallahi said. "We are definitely going to have a crop but how much of a crop, we don't know yet."

He said the extent of the damage won't be known until May or June.

Apples look OK, but peaches and cherries are a different story, Kiester said.

"We're not worried as much about them," he said of apples, "but peaches and cherries definitely have some problems."

Some table and wine grapes in the Parma station's fruit orchard also sustained significant damage, said research assistant Tom Elias, president of the Snake River Table Grape Association.

Chad Henggeler, field manager for Henggeler Packing Co. in Fruitland, said the company is highly concerned about its cherries but its apples, peaches and plums look OK.

Henggeler is also concerned

about the impact the November cold had on the company's 30,000 1-year-old apple rootstock.

"Some varieties look better than others but we may have to prune them back significantly and regrow last year's growth," he said.

Several daily low temperature records were set in mid-November across the Treasure Valley in Southwestern Idaho, where the majority of the state's fruit crop is grown.

The mercury dropped to minus 5 at Parma and the low hovered near zero for four days.

The problem for fruit in the region was caused by the suddenness of the temperature drop, before fruit trees had a chance to build cold hardiness and go into dormancy, Fallahi said.

The temperatures were "way too cold because the trees were not acclimated; they were not in dormancy," he said.

Most fruit trees require a certain number of hours between 32 and 45 degrees to go into proper dormancy, Fallahi said, but the region didn't come close to meeting those needs last November.

"We were working out in shirt sleeves and then ... whoosh, the temperature just went down," Elias said.

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