Opinion

Our View

The most important industry in the world

Nothing is more thrilling to a farmer than planting a seed and standing back to see what happens. Every year about 2.1 million U.S. farmers do just that.

Some plant thousands of acres; others plant a patch of land the size of a small backyard. Still others take former industrial sites in places such as Detroit and Philadelphia and convert them into urban farms.

They are all participating in a 12,000-year-old ritual that has allowed humans to escape the role of hunter-gatherer and create a society where big ideas can be pursued. Once crops could be grown efficiently and animals could be domesticated for milk and meat, humans were free to think beyond their next meal.

Today, farming is done across the globe. In China, farmers have cultivated rice for more than 7,500 years. In Bolivia, another ancient crop, quinoa, attracts extraordinarily high prices among so-called foodies in the U.S. In Brazil, ranchers raise beef cattle similar to those first brought to South America from India.

Agriculture is important everywhere, but nowhere is it more important than in the United States. It was agriculture that helped a handful of colonies blossom into a booming economic powerhouse and world leader. Last year, U.S. farmers raised more than $400 billion in crops and livestock on slightly more than 900 million acres.

U.S. farmers feed their fellow Americans — and much of the world. U.S. wheat, for example, can be found in noodles sold by a Tokyo street vender, in flat bread baked in a stone oven in Algiers or in a steamed bun sold in a Jakarta restaurant.

Other crops and products fill the shelves of shops and stores around the world, helping to feed 7 billion people.

Who is the American farmer? Though statistics tell us that the average age is about 58 and the average farm is a little more than 400 acres, no farmer is typical. Just as every family is different, so too is every farmer. Some families have farming in their blood; they have tilled the land for generations. Others are new to it. Starting small, they add equal parts of inspiration and perspiration in an effort to grow new life and a livelihood from the land.

Ours is a society that reveres high technology. Smart phones, electric cars and all manner of computer-enhanced gizmos are seen as the wave of the future.

Yet, without agriculture, without food and fiber, none of that would exist. Before there could be iPhones, there had to be plows and tractors and combines.

National Ag Day is March 18. It is a day to talk about how food is produced, and about the integral role farming and ranching play in society.

And it is a celebration of the most important industry in the world.

Our View

A toast to Oregon's growing wine industry

Benjamin Franklin observed that wine is proof that God loves us and wants us to be happy.

Though we hesitate to attribute it to divine affection, there's ample evidence that Oregon grape growers, vintners and other businesses spawned by the industry are pretty happy these days.

A recent Full Glass Research report on Oregon's wine industry estimates the economic impact at $3.35 billion, counting crop value and direct and indirect jobs, wages, sales and services.

The report details an industry that has come of age. Although tiny compared to California and smaller than neighboring Washington, Oregon's vineyards and wineries have carved out a niche that is economically, aesthetically and socially successful.

Christian Miller, an analyst who studies the industry, wrote the report. He says the value of Oregon's wine grape crop has quadrupled since 2004. The average price per ton paid for Oregon grapes in 2013 was $2,249, far more than the $713 per ton average paid to California growers and $1,110 paid to Washington growers.

The value of the crop — $128 million in 2013 — eclipses other traditional Oregon fruit and nut crops such as hazelnuts, cherries and blueberries. And the industry has created 17,000 wine-related jobs in Oregon with a payroll of $527 million.

While no one knows how far it can go, experts are unanimous that Oregon's industry has room to grow in the foreseeable future. More varieties, more vineyards, more support businesses means more jobs and money in small towns across the state.

Thirty years ago, the Oregon wine industry was all but nonexistent. As such, many of the players came from outside the more established sectors of the state's substantial agriculture community.

That degree of separation has at times created both a philosophical and physical divide between the wine crowd and other commodity producers. Traditionally, agriculture has spoken with one voice, but the interests of the wine industry are distinct.

Take land use laws. Provisions intended to keep prime land employed exclusively for agriculture production preclude the ancillary activities that can make up a large chunk of a winery's revenue.

There have been calls from the industry for increased pesticide regulation on their neighbors who grow more traditional crops using accepted practices.

The success of the wine industry is nothing but good news for Oregon agriculture. And make no mistake, grape production and wine making are agriculture. Grapes have been cultivated and used to make wine for more than 6,000 years.

New things often get a skeptical reception from the establishment, while the upstarts don't always appreciate established traditions. We trust such squabbles can be worked out among friends, as they always have in the ag community — perhaps over a nice vintage and a plate of Oregon cheese and fruit.

Rik Dalvit/For the Capital Press

Pipeline would help farmers, Warren Buffett

Warren Buffett had bad news in his recent letter to Berkshire Hathaway shareholders. BNSF, the railroad that the conglomerate bought six years ago, has not been able to keep up with the growing demand for its services.

"During the year, BNSF disappointed many of its customers," the Berkshire CEO, who is also one of the richest men in the world, wrote in his annual letter to shareholders. "These shippers depend on us, and service failures can badly hurt their businesses."

Those customers include tens of thousands of Northwest and Midwest farmers, who depend on the BNSF to move their crops to market. To many of them, BNSF has become a four-letter word, as massive delays cost them money and lost opportunities. At least one company, Cold Train, which shipped fruit and other produce from the Northwest to Chicago and points east in refrigerated cars, went out of business because BNSF became unreliable.

Berkshire Hathaway bought BNSF in 2009. At the time, Buffett couldn't have guessed that factors beyond his control would flood the railroad with business. The federal government has done its best to regulate some U.S. coal-fired power plants out of business, forcing mines to sell their coal overseas. The only way to move the coal from the northern plains to West Coast ports is BNSF.

In addition, the development of tar sands in Alberta, Canada, and the Bakken oil fields in North Dakota meant crude oil needed to be transported to Gulf Cost refineries and equipment needed to be transported north from Texas and Oklahoma. Though the Keystone XL pipeline would add capacity to carry that oil, the administration has put off its construction. Just last week, President Barack Obama vetoed legislation that would have authorized construction of the pipeline.

In the meantime, BNSF and other railroads have reaped a huge windfall of business, but agriculture has been forced to the back of the line. Wheat, corn, soybeans, fruit and vegetables all have had to wait.

BNSF's profits have increased each year — totaling $14.1 billion in the last four years. But as BNSF raked in bigger profits, agricultural customers continued to suffer. Berkshire, and Buffett, had to do something.

"BNSF is, by far, Berkshire's most important non-insurance subsidiary," Buffett wrote to shareholders, "and, to improve its performance, we will spend $6 billion on plant and equipment in 2015."

That's on top of $5 billion the railroad spent last year.

This year, about $1.5 billion will go toward rail expansion and other improvements in Washington state, Oregon, Montana, the Dakotas, Illinois and Minnesota and Wisconsin.

All of which is good news for shippers, especially agricultural shippers who have been hurt the most by the BNSF-caused delays.

While BNSF revamps and expands its rail network by adding capacity, we have one other suggestion. The Keystone XL pipeline would take a huge load off the railroads, including BNSF. It would allow crude oil to be more efficiently transported to refineries and free up rail capacity, including locomotives, to transport more agricultural commodities and goods.

Our plea: For the sake of agricultural shippers — and for Warren Buffett — the president must approve that pipeline.

Will Kitzhaber's forestry legacy continue?

By TOM PARTIN
For the Capital Press

Guest comment
Tom Partin

Since Gov. Kate Brown was sworn in as Oregon's 38th governor last month, many in the forest products industry have wondered whether the new chief executive would continue her predecessor's proactive efforts on forestry issues. Aside from the circumstances surrounding his departure, we appreciated the time John Kitzhaber took to understand the connection of sustainable forest management to maintaining healthy forests and healthy communities.

This attention was evident in Kitzhaber's speech at January's Oregon Leadership Summit in Portland, where he correctly described how Oregon's urban areas have recovered from the great recession of 2008-10 but our rural communities are still suffering. He highlighted one of the three goals of the 2015 Business Plan which was to "put our natural resources to work" to help combat high unemployment and poverty rates in rural Oregon.

In his three terms as governor, Kitzhaber helped put a focus on the management needs of the federal forests including Forest Service lands in eastern and southwest Oregon and the BLM lands in western Oregon. During his second term as governor in the 1990s he worked with the Forest Service to establish the Blue Mountain Demonstration area on parts of the Malheur, Umatilla and Wallowa-Whitman National Forests. This 1.5 million-acre area was to highlight new management strategies for treating forests under new federal "eastside screens" restrictions. He was determined to address a situation where harvest levels had plummeted, many sawmills had shut down, and many Oregonians lost their jobs. In many ways, Kitzhaber helped lay the groundwork for the collaborative forestry efforts we see today.

Our industry also bought into the ideas found in the governor's salmon plan which was a delicate balance of managing our forested lands while at the same time enhancing salmon and steelhead habitat. Many private forest landowners voluntarily put millions of dollars into enhancing riparian habitat and the end result was to create ecosystems which have allowed Coho salmon run numbers to increase to over 400,000 wild fish returning to Oregon streams in 2014.

Last year Kitzhaber created a task force to review potential management strategies for Western Oregon's O&C timberlands and to better understand the implications of competing proposals that members of our Oregon congressional delegation had crafted. While an agreement was not reached by the task force, the report included an extensive outline of the challenges and extensive modeling to better understand the implications of different management approaches.

Finally, Kitzhaber was to become chair of the Western Governors Association in June, and he had a desire to bring a bipartisan group of governors together to focus on improved management of our federal forests. The governor's draft concepts "A Case for Forest Service Renewal" were presented to the Board of Forestry in January and the subcommittee on federal forests reviewed them on Feb. 24. Predictably, far-left organizations that oppose federal timber management criticized this effort, but we hope the new administration continues this effort to work with Western governors in promoting federal forest reform in Congress.

Our membership hopes that Governor Brown will carry forward many of the important forestry efforts that were started under the Kitzhaber administration and build on those concepts in the coming months and years. We have some very important issues facing Oregon on our private, state and federal forested lands. We need a governor willing to look closely and weigh in wisely on critical issues such as potential changes to the Oregon Forest Practices Act, management plans for the Tillamook and Clatsop state forests, the use of herbicides and pesticides on our forests and restoring balance to the management of our federal forests. AFRC, our members and partners in the industry stand ready to work with Governor Brown as she forms her new team and works on these critical issues to rural Oregon. Promoting active management is key to fulfilling Governor Brown's pledge, as stated in her inauguration, to "create more living-wage jobs in every single corner of the state."

Tom Partin is president of American Forest Resource Council, an organization of manufacturers and companies that work directly in or represent the forest products industry.