

Backlog of containers at Seattle port 'very small'

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Previously, Friedmann has said agricultural exporters lost an estimated \$1.75 billion worth of sales per month for two to three months because of the slowdown.

A port of Seattle spokesman said the backlog of containers there is "very small" and that no ships were waiting to dock. He said the number of containers shipped is proprietary information for terminal operators.

Mike Hajny, vice president of Wesco International, a hay exporter in Ellensburg, Wash., said he's shipping 20 to 21 containers of hay a day now compared to six a month ago and 30 before the slowdown last fall.

"The challenge now seems to be the amount they can get on vessels because of terminal congestion," Hajny said. "Ships don't want to wait forever and I believe they are sailing without being full."

Another problem, he said, is that most shipping lines are increasing rates \$300 per container on April 1. The rates at Seattle are already \$900 to \$950 per container and \$300 to \$350 at Los Angeles, he said.

"We haven't seen an increase of this magnitude in recent years. They are trying to recoup costs they've lost," Hajny said. "We will have to pass it on to our customers and that's a concern. It's like kicking a guy when he's down."

Bosco Trading will have to swallow some of the container cost increase because it will lose customers if it tries to pass on all of it, said Shelly Boshart Davis, vice president of international sales of the Tangent, Ore., rye grass straw exporter. Bosco is shipping about 45 containers a week now, up from 35 a month ago but down from 60 a year ago, she said.

Washington apple exports,



Dan Wheat/Capital Press

A lone truck instead of three is loaded with hay for Japan at Wesco International, Ellensburg, Wash., on Jan. 29. Wesco is now shipping 20 to 21 containers a day versus six a month ago and 30 before the port slow down.

including those bound for Mexico and Canada, were about 800,000 40-pound boxes per week in mid-February but are now back up to about 1 million, said Jon DeVaney, president of the Washington State Tree Fruit Association in Yakima. The goal was to be above that through the winter

because of this year's large crop, he said. The estimated \$70 million in lost sales during the 12 to 15 weeks of the slowdown is conservative, he said, because it doesn't include the effect on apple prices and the cost of shipping delays.

Shipments of frozen french

fries and potato products from Washington "is better but it's hard to gauge how much better," said Matt Harris, assistant executive director of the Washington Potato Commission in Moses Lake. Lost sales totaled about \$48 million for November, December and January, he said.

It would be difficult, he said, for frozen french fry exporters to rebound if the agreement falls apart. The global french fry market is highly competitive, with Europe, Canada and China as ready sources for customers to turn to, he said.

The industry is concerned and can't afford to have the same thing happen again five years from now when a new contract expires, Harris said.

"It's not something we can absorb and it's not within our country's best interest to accept this kind of behavior from both parties (longshoremen and terminal

operators)," he said.

The industry is concerned about over supply encroaching on the 2015 potato crop, he said.

Hay exporters will have carryover and that means they won't buy as much new crop this year, Hajny said. The old crop will be sellable for years but customers prefer new crop, he said. Oversupply should push prices down, but weather is a big factor, he said. If premium hay is short because of weather-related losses, prices will remain high on the best product, he said.

"Port conditions are improving but I wouldn't say anywhere close back to normal," said Joe Schuele, U.S. Meat Export Federation spokesman in Denver. He said he had no data to tell him if beef and pork exports have improved or by how much. January exports were down sharply from the year before because of West Coast ports and other factors, he said.

Red Delicious are still sought after for export

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From Iowa to Washington

Red Delicious was discovered in a Peru, Iowa, orchard in 1880. The grower noticed he had a different apple and called it "Hawkeye," after Iowa's nickname, the Hawkeye State. Stark Nurseries bought the rights and propagated it as the "Stark Delicious." In 1914, it was renamed "Red Delicious."

In 1921, Winesap, at 4.5 million 40-pound boxes, was the Washington apple industry's main variety in the Wenatchee District, which produced more apples than the Yakima District. The total crop of both districts was 27.5 million boxes, according to the Washington Growers Clearing House Association.

That year, 1.7 million boxes of the Standard Delicious, also known as Common Delicious, were packed in the Wenatchee District.

By 1935, Standard and Red Delicious production had surpassed the Winesap in the Wenatchee District. Some 6.2 million boxes were packed compared with 5.5 million boxes of Winesap. No variety breakdown was available for the Yakima District's 10.5 million boxes.

"We had lots of Winesaps and people were looking for something different. Our climate was very suited to Delicious and people began replacing Winesaps with this hot new variety," says Tim Smith, Washington State University tree fruit specialist emeritus.

Delicious probably took over on flavor, said Pete Van Well, president of Van Well Nursery in East Wenatchee. "Winesap is more tart, reds more sweet," he said.

Van Well said some people regarded Standard and Red Delicious as distinct varieties. Smith said Reds are just a redder strain of Standard.

"It's the same cultivar, just a different variation," he said. "We do the same thing now with Fuji and Gala."

Standard Delicious was

striped red and yellow when ripe and was thought to be more flavorful and sweeter than Reds, but Red Delicious took off because of its bold red color, Van Well said, noting growers get paid on color.

"It's our cool nights and bright days," said Fred Valentine, a retired horticulturist. "It's a much better apple in Washington than any other state."

By 1949, Red Delicious overtook Winesaps and Standards in the Wenatchee District, continuing an upward trajectory that didn't peak until the 1990s.

Why it did so well

In the late 1920s and 1930s, the apple industry was threatened by pest issues, rising production costs, high freight costs to the East Coast and the Great Depression. The Washington Apple Commission formed in 1937 to promote the state's apples. It focused on Red Delicious.

"It wasn't until the mid-1990s that the commission began promoting other varieties," O'Rourke said. As Red Delicious developed throughout Central Washington in the 1930s, '40s and '50s, everyone was looking for redder strains, and Reds naturally provided new strains.

"Probably 100 strains came out. Everyone who found a bud mutation on a tree that produced wood a little different genetically hoped for a redder strain," Smith said.

The public likes a red apple, he said, noting newer strains of Fuji and Gala today are getting redder.

Forty-two strains of Red Delicious were patented.

One was the Richarded,

discovered in 1954 on the Richardson Orchard, just northwest of Wenatchee. Locals swear it's the best Red Delicious, helped by the area's superior micro-climate. The apple is commemorated by Richarded Road, which was named after it.

Strains developed in the trees, too, yielding more compact trees with more fruiting spurs per foot, Valentine said.

Besides the deep red color, orchardists liked Red Delicious because it's easy to grow.

"It's a very simple apple to grow, cheap to grow and store and pack and ship. That's why it became so popular," Smith said. "It's also the most fire blight-resistant apple on earth."

Fire blight is a major bacterial disease that kills trees.

Low production cost is one reason Reds have hung on so long, O'Rourke said. Smaller growers with Reds and not a lot of money to diversify have stuck with them, he said.

Reds peaked at 72.3 percent of the Washington crop in 1981, O'Rourke said. The largest volume of Reds was 61.4 million boxes in 1994 — still 60.9 percent of the state's apple crop.

Fall from favor

In the 1990s, consumers were tiring of Red and Golden Delicious and wanted new varieties. The industry responded with Gala and Fuji and in the 2000s with Honeycrisp and an array of others.

Apples are sweetest if left on the tree to ripen. Often fruit is harvested slightly immature for longer shelf life, but sweetness suffers.

"A lot of people look down

on quality of Reds, but if you get a good one it's a very enjoyable apple," Smith said. "But a mealy one is an unforgivable sin to most people."

Complaints about quality contributed to the fall of Red Delicious prices in the late 1990s, O'Rourke said. Another factor was a financial crisis in Asia. Some growers went out of business, and whole orchards were yanked.

Varietal diversification became the industry mantra. The volume of Reds fell to 30 million to 35 million boxes annually and stayed there. Even then, Red Delicious remained Washington state's No. 1 variety.

Exports have kept them alive.

Mexico, India, Indonesia and China are all big markets for Reds. They go to many other countries as well because they store so well, said Danelle Huber, international marketing specialist at the Apple Commission.

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Mathews, CEO and general manager of First Fruits Marketing of Washington, in Yakima.

"I think we will see a lot of Red Delicious orchards pulled in the next few years because I doubt if there will be returns back to the orchard to sustain them," Mathews said.

Van Well said 30 million boxes seems to be the magic number for Reds.

"I think there's a future in the Red, but it won't be like it was at any time in the past," Valentine said.

Smith said Reds usually returned good money but this year may not cover the costs of picking and packing. He said the industry doesn't thrive on low-cost, low-price apples.

In 2012, O'Rourke predicted Gala would surpass Reds in 2018 in acreage. Now he says it may be 2020 before that happens because of a surge in high-density plantings that allow more trees to be planted on fewer acres. Low prices will also cause growers to rethink Red acreage, he said.

At the WSU Apple Day in Wenatchee in January, Tom Auvil, research horticulturist at the Washington Tree Fruit Research Commission, warned growers to look hard at the economics of their operations in determining what to plant.

"Some companies have done a great job of changing varieties to enhance revenue, and some have not," he said.

The previous month, at the industry's annual meeting, two top marketers talked about Washington soon producing 200 million boxes of apples annually.

Growth continues as big companies plant high-density orchards because they outperform expectations on yield and revenue, Auvil said.

"The more they make, the more they invest," he said. "Intensively managed new plantings are having amazing results."

As the apple crop grows, he said, domestic consumption has to grow with it.

"We better increase consumption in North America," Auvil said, "and what's for sure is we won't do it with Red Delicious."

Reservoir storage is a little better this year

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Chamberlin presented a picture of the basin he took several weeks ago from an airplane that showed no snowpack.

"There's no snow. It's just bare," he said.

Reservoir storage is a little better this year, "but we had a lot better snowpack and stream flows last year," he said.

Because there's no snow left to bank on, this year's water supply will likely be less

than last year's, he said. "The only thing that can turn that around is some unusual storm events."

Based on the 30-year average, there should be about 400,00 acre-feet of storage water in the reservoir right now.

Most of the snow the basin did receive washed out about 1.5 months early this year because of rain and warmer temperatures, he said. As a result, river in-flows into the reservoir peaked after Christmas.

"That's historically unprecedented," Chamberlin said. "We should be building snowpack at Christmas time."

Chamberlin said 2014 and 1992 were the worst water supply years ever for the district.

While past bad water years were immediately followed by good water years, he said, the basin has now suffered through four straight dry years and 2015 could actually turn out to be worse than 2014.

"We have not been through

these conditions, ever, in the life of the project," he said. "That cumulative effect is what's getting us."

Brian Sauer, a Bureau of Reclamation water operations manager, said the April-June weather forecast, which calls for warmer temperatures and an equal chance of wetter or drier conditions, doesn't look like it will help the situation.

"This year is going to look, unfortunately, like last year, at least from a water supply standpoint," he said.



Sean Ellis/Capital Press

Owyhee Irrigation District board members (front row) and other farmers listen during the OI's annual water supply report March 17. OI officials said the 2015 water supply could actually turn out to be tighter than 2014, which was one of the two worst water years in the project's 80-year history.