

## More Oregon watersheds receive added oversight

Strategic implementation area program rolled out in seven counties

By MATEUSZ PERKOWSKI  
Capital Press

Oregon's farm regulators will be paying closer attention to water quality problems in seven new watersheds under an expansion of their "strategic implementation area" program.

Traditionally, the Oregon Department of Agriculture's water quality investigations were driven by complaints, but the agency worried that this approach didn't consistently uncover problems.

The agency has more recently been self-initiating its water quality compliance efforts in "strategic implementation areas," with waterways in Wasco and Clackamas counties serving as early test cases.

Relying on aerial photographs and other information, regulators identify problems — such as streams denuded of vegetation or impacted by manure runoff — and notify the landowners, who are encouraged to seek help from their local soil and water conservation district.

"There is a regulatory backstop, but in our experience, we don't typically need to go to that," said John Byers,

manager of ODA's agricultural water quality program.

The program is now being rolled out in additional watersheds:

- Three Mile Creek in Wasco County.
- Upper Johnson Creek in Multnomah County.
- Indian Ford Creek in Deschutes County.
- Wagner Creek in Jackson County.
- Lundren Creek, Calvin Creek and Fishhawk Creek in Columbia County.
- Lower Salt Creek in Polk County
- Portions of the North Lower Yamhill River in Yamhill County.

Regulators don't have the resources to increase scrutiny of all Oregon watersheds, so the program is focusing on particular streams and rivers for several reasons.

In some cases, the waterways were chosen because of the need to improve fish habitat, while others were included at the request of the local soil and water conservation district.

Another six or seven watersheds are expected to be included in the program next year, Byers said.

State lawmakers bolstered the capacity of local districts to assist landowners with \$1 million allocated for watershed enhancement, he said.

"They are the technical assistance on the ground, if needed," said Byers.

# Cherry season started early — and ends early

By DAN WHEAT  
Capital Press

YAKIMA, Wash. — The 2015 Pacific Northwest sweet cherry harvest is now in the record books at 20.5 million, 20-pound boxes, making it the third largest crop in history.

Final shipments were Aug. 7 from Stemilt Growers LLC, Wenatchee, out of Kyle Mathison's Amigos Orchard at the 3,000-foot-level of Stemilt Hill south of town and from a similar elevation on Mt. Hood by the Hood River Cherry Company, Hood River, Ore.

It was the earliest end of the season in history just as it was the earliest start on May 24, said B.J. Thurlby, president of Northwest Cherry Growers, the industry's promotional arm in Yakima.

The season will be not so fondly remembered as the year extreme heat disrupted what started as a very promising crop.

Even with the heat, "this will go down as probably the best June we've ever had in volume, movement and pricing," Thurlby said.

A record 12.6 million boxes were shipped in June, but growers and packers contended with two heat waves. The first started about June 10 and lasted 10 days, accelerating harvest and shipments and leading to a re-



Dan Wheat/Capital Press

Alicia Garcia Espinoza, left, works in pre-sort on Chelan Fruit Cooperative's new red cherry packing line at its Beebe plant on June 18. The 2015 PNW crop wrapped up Aug. 7 as the third largest in history.

cord 14 million boxes shipped before the Fourth of July. Prices and demand stayed strong through the Fourth, Thurlby said.

There were a few days of relative cooling but a second wave of 100-plus degree days began June 26, compressing harvest and glutting the market right after the Fourth when there's usually a lull.

"Overall it was a pretty good year except for that 10-day period right after the Fourth when we had a lot of fruit. An avalanche of cherries. Compression not expected to be there," Thurlby said.

For the first time, Bing, Rainier, Lapin, Skeena, Regina and Sweetheart all at the same elevations were harvested all at

the same time, he said.

About 1.2 million boxes of cherries above estimate were shipped in that window and not everything got shipped, he said.

Loss of cherry packing lines at Blue Bird Inc. and Stemilt Growers in Wenatchee from the June 28 Sleepy Hollow Fire didn't help.

Promotions didn't match the crop and buyers were not prepared for early fruit, Bud Riker, a Wenatchee Heights grower has said. The late June, early July heat damaged quality and resulted in so many cherries that prices fell by two-thirds and no one could make money, Riker said.

Marketers couldn't sell fruit and the only option was processors for juicing, he said.

Exports of 2.5 million boxes to China and South Korea helped and the market and prices rebounded the last part of July, Thurlby said.

The Washington State Tree Fruit Association doesn't disclose prices but the season average wholesale price was \$22.50 per box in the record volume year of 2014, according to the National Agricultural Statistics Service. That was well below the prior five years. The average was \$43.50 in 2011.

The industry shipped a record 400,000 boxes in May, a record 12.6 million in June, 7.4 million in July and 70,000 in August, he said. July accounted for 37 percent of the crop instead of its normal 60 percent. August was 700,000 last year and peaked at 5.1 million in 2011.

There were 77 shipping days in 2015 compared with 84 in 2014, 81 in 2013 and 92 in 2012. Around 90 is what the industry likes. Daily shipments peaked at 594,744 boxes on June 25. Shipments exceeded 500,000 per day for 11 days, June 15 to 26, compared to 30 days in 2014.

Heat, rain, hail and drought reduced the crop about 20 percent which is normal, Thurlby said. The final tally of 20.52 million boxes shipped was virtually dead on his May 28 estimate of 20.53 million.

## Investment firm plans to spend \$300 million on farmland

New REIT seeks properties in the Northwest, South

By MATEUSZ PERKOWSKI  
Capital Press

A new real estate investment trust is looking to spend \$300 million on farm properties in the Northwest and the South.

After recently securing \$300 million from two pension funds, the U.S. Farm Trust plans to focus on buying properties in Eastern Oregon, Eastern Washington and Southern Idaho, as well as the Mississippi Delta region.

The firm plans to lease back the land to farmers who grow a variety of crops, which provides them with more financial stability, said Tommy Funk,

the REIT's president.

"There's just a whole variety," Funk said of the crop options in the Northwest and the South. "It gives the farmer the opportunity to plant to a higher-priced commodity."

The recent downturn in many crop prices isn't discouraging news for U.S. Farm Trust, as the real estate market won't be as competitive as it was a few years ago, he said.

Land that may have been overpriced during the surge in commodity prices is now more likely to sell for a reasonable sum, Funk said.

"It's a wonderful opportunity to be launching this REIT now," he said.

U.S. Farm Trust is one of several REITs to begin operating in agriculture recently, with the corporate structure allowing them to avoid federal corporate taxes as long as they

pass most of the profits on to shareholders.

Farm properties are considered "non-traditional" investments for REITs, which usually focus on office buildings, apartment buildings and malls.

However, REITs have taken an interest in agriculture as a way to increase investment portfolio diversity, said Funk. "It's a great value for the institutional investor to partake in this class of assets."

Funk said his company also sees itself as "farmer-centric," since the possibility of selling and leasing back land can provide older growers with financial alternatives if their children don't expect to work in agriculture.

REITs can also help younger farmers by giving them the option of leasing land rather than taking on major debt to buy it, he said.

U.S. Farm Trust is expecting to purchase land aggressively, with plans to spend the entire \$300 million within 36 months, Funk said.

Increasing ownership of farmland by REITs and institutional investors is a "natural progression" as agriculture grows more sophisticated financially, said Bruce Sherrick, an economist who studies farmland at the University of Illinois.

However, it's unlikely that massive tracts of U.S. farmland will soon be converted to REIT ownership because the properties belong to a multitude of families, he said. In contrast, the nation's forest lands — which are often owned by REITs — had fewer and larger owners.

## Feared Asian gypsy moths reappear in Washington

Worse than their European cousins, these moths cover more ground

By DON JENKINS  
Capital Press

OLYMPIA — Eight Asian gypsy moths, seen as potentially more destructive to forests and orchards than their European cousins, have been trapped in Western Washington this summer.

It's the first time the insect has been detected in the state since 1999, according to the state Department of Agriculture.

Asian moths have been caught in WSDA traps in Pierce, King, Thurston and Clark counties. In addition, with more than a month left in the trapping season, WSDA has trapped 30 European gypsy moths, including 24 in Seattle.

Asian gypsy moths have been found at the Port of Tacoma, Gig Harbor and near Fife in Pierce County. Two were trapped in Kent in King County, while single moths in Nisqually in Thurston County and Vancouver in Clark County were found, according to WSDA.

In addition to the moths in Seattle, four European moths were trapped on Steamboat Island in Thurston County, one at Fort Warden in Jefferson County and one in Port Orchard in Kitsap County.

During all of last year, WSDA reported snaring 27 gypsy moths, all European



Don Jenkins/Capital Press

A gypsy moth trap hanging from a tree at the Port of Kalama along the Lower Columbia River in southwest Washington sways in the wind Aug. 18. For the first time since 1977, the Washington State Department of Agriculture has trapped Asian gypsy moths, seen as potentially more destructive than European gypsy moths.

and the most since 2006.

WSDA officials declined to comment on how the Asian gypsy moths may have entered the state. A WSDA spokesman said any discussion about how the agency will respond will wait until the trapping season ends in late September.

WSDA has sprayed for gypsy moths 93 times since 1979, including this year in rural southwest Washington. WSDA decided not to spray in Seattle, where eight moths were captured last summer.

Asian gypsy moths were first detected in the United States in 1991. In Washington that summer, nine Asian moths were trapped, and WSDA responded by aerial spraying 116,500 acres in Pierce and south King counties. The following summer, WSDA set out about five times as many traps as usual, but didn't find any Asian gypsy moths.

WSDA trapped Asian moths most years during the 1990s. Asian gypsy moths have been detected about 20

times throughout the U.S., including single moths last year in Oklahoma and South Carolina, according to the U.S. Department of Agriculture.

Over the past 140 years, European gypsy moths have entrenched themselves in the Northeast and Great Lakes regions. The USDA estimates they defoliate 700,000 acres in the U.S. each year.

Asian gypsy moths have the potential to spread more rapidly and cause more destruction, according to a recent USDA fact sheet.

Female Asian gypsy moths can fly, while female European gypsy moths are flightless. Also, Asian gypsy moths eat the leaves of about 500 tree and shrub species, twice as many as European moths.

Ships coming from countries such as Russia, Japan and China are seen as likely ways Asian gypsy moth egg masses reach the U.S.

A U.S. Customs and Border Protection spokeswoman said Tuesday that the agency has found Asian gypsy moth egg masses this year in Oregon on vessels that came from Japan and Russia, but none in Washington.

WSDA has limited its search for gypsy moths this summer to Western Washington, setting out 16,000 traps. The agency said it wanted to concentrate traps near ports and where new residents are more likely to unwittingly transport egg masses on their belongings, such as outdoor furniture.

### LEGAL

#### Applications sought for the Oregon Forest Resources Institute (OFRI) Board of Directors.

Pursuant to OAR 629-065-0400, the purpose of this notice is to solicit applications for the Oregon Forest Resources Institute (OFRI) Board of Directors. The State Forester is responsible to annually solicit applications by publication in a newspaper of general statewide circulation. Applicants meeting all the qualifications will be maintained on a list to be used by the State Forester for filling existing vacancies and to fill vacancies caused by expiration of an existing member's term. Each applicant must certify in the application that he/she meets the qualifications for the position. Each "producer" applicant for the board of directors shall have the following qualifications: 1) be a citizen of the United States; 2) be a bona fide resident of this state; 3) be a "producer" in this state, an employee of such a producer or own between 100 and 2,000 acres of forestland in this state on which harvest taxes are paid, but have no direct financial interest in any forest products processing activity; 4) have been actively engaged in producing forest products for a period of at least five years; 5) derive a substantial portion of income from the production of forest products ("substantial portion of income" means that 50 percent or more of the gross income of a member of the board of directors is derived from timber or timber products ownership or affiliation); 6) have demonstrated, through membership in producers' organizations or organizations representing landowners who meet the requirements of ORS 526.610(4), a profound interest in the development of Oregon's forest products industry; 7) is available to fulfill the duties and responsibilities of the OFRI Board of Directors; and 8) meets the producer class eligibility requirements for the position to which nominated. Each "employee" applicant shall be: 1) a citizen of the United States; 2) a bona fide resident of this state; and 3) an hourly wage employee of a producer or a person who represents such employees.

The "producer" class eligibility requirements are:

Class 1 Producers having paid forest products harvest tax on 20 million board feet or less per year in the most recent year preceding the appointment.

Class 2 Producers having paid forest products harvest tax on more than 20 million board feet but less than 100 million board feet per year in the most recent year preceding the appointment.

Class 3 Producers having paid forest products harvest tax on 100 million board feet or more per year in the most recent year preceding the appointment.

Small Woodland Owner An owner of between 100 and 2,000 acres of forestland in this state on which harvest taxes were paid in at least one of the five years preceding the appointment, and who has no direct financial interest in any forest products processing activity.

Persons wanting to apply for the OFRI Board of Directors must request application materials from Kathy Storm at OFRI, storm@ofri.org or 971-673-2953. Send completed application packets to the State Forester: Attention Tony Andersen, 2600 State Street, Salem, Oregon 97310, or via email at tony.andersen@oregon.gov. Return the completed materials to the State Forester postmarked by September 18, 2015.

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#### NOTICE OF PUBLIC MEETING

The USDA Natural Resources Conservation Service (NRCS) announces a meeting of the Washington State Technical Advisory Committee on September 22, 2015 from 9:30 am to 3:00 pm, 316 W. Boone Ave., Suite 450, Spokane, WA. Remote access is also available.

For more information contact Sherre Copeland, (360) 704-7758. 34-2/14