

Bank claims ownership of radish seeds in dispute

By MATEUSZ PERKOWSKI
Capital Press

An out-of-state bank claims that it owns radish seeds grown by more than 40 Oregon farms for a cover crop company that has not paid them.

Since March, numerous growers in Oregon's Willamette Valley have filed grain producers' liens against Cover Crop Solutions, claiming the Pennsylvania company owes about \$6.2 million for radish seeds.

Such liens provide farmers with collateral in the event of a company's bankruptcy filing.

Growers have said the company is apparently suffering financial difficulties due to an oversupply of radish seed in the market due to weather problems in the Midwest last year.

Northwest Bank of Warren, Pa., is now pursuing a lawsuit against farms that have filed liens, claiming that Cover Crop Solutions defaulted on a \$7.2 million loan and that the bank's security interest in the radish seeds supersedes that of the growers.

The bank is seeking to block the farms from moving or selling the crops off-site or taking back seeds that they have al-

ready delivered to cleaners.

At this point, a federal judge has denied two motions for temporary restraining orders filed by Northwest Bank, which is still pursuing a preliminary injunction. A hearing on that motion is set for Oct. 5.

Attorneys for the farms oppose a preliminary injunction against moving or selling the seed, arguing it's prone to losing value due to the "short window" in which the radish seeds can be sold as a cover crop.

"If the price of the seed is depressed as a result of missing this market window, plaintiff's

interests will be harmed. No party would ultimately benefit," the farms said in a court filing. "By contrast, if defendants are allowed to sell the seed now, then the value of the seed will be maximized."

Because other farmers in the Eastern U.S. must plant cover crops in the fall, there's only 30-45 days remaining to sell the radish seeds, the growers claim.

"Adverse market conditions could cause an immediate change in the market value of the seed reducing the value of the seed from over \$1.15 per pound to \$.25-\$.40 per pound,"

according to a court filing by the farms.

The farms argue that a preliminary injunction is unjustified because the bank won't suffer irreparable harm if the seeds are sold, since the fundamental dispute is about money and not the crop itself.

"The best solution would be a business solution where the seed gets sold," said Jill Foster, an attorney representing the growers.

The farms are assembling a team of litigators to prepare legal arguments countering the bank's position, she said.

Northwest Bank's case is

"based on a misunderstanding of Oregon's applicable agricultural lien statute," so they shouldn't be stopped from selling it, the growers said in a court filing.

If the preliminary injunction is granted, the bank should be required to post a \$4 million bond to compensate the growers for their losses if they prevail in court, their attorneys argue.

In Northwest Bank's complaint, the company claims it has filed the proper forms to "perfect" its collateral interest in the seeds while the farms have not.

Slow start for Oregon hemp farming

By JEFF BARNARD
Associated Press

GRANTS PASS, Ore. (AP) — One of Oregon's first hemp farmers says a lack of seed is making it tough to get going.

Josephine County Commissioner Cheryl Walker says that fertile seed is expensive and hard to come by, because the federal government prohibits imports. Harvesting machinery is expensive, and there is no plant in Oregon to process the plants into fiber, seed and oil.

"We are at the beginning stages of an industry," she said. "It will probably be years before you see significant production. It might take five to seven years from that before we have an operating industry."

This is the first year Oregon farmers can grow hemp, following the Legislature's approval in 2009. Growing hemp without a federal permit was banned in 1970 due to its classification as a controlled substance and relation to marijuana. Hemp that is grown must contain less than 3 percent THC, the compound found in marijuana that makes you high.

Oregon is among 26 states that have removed barriers to hemp production, according to Vote Hemp, a group that advocates for the plant's legal cultivation. The other states include Colorado, Washington, California, Kentucky, Maine, Montana, North Dakota, Oregon, Vermont and West Virginia, it says.

National legislation is in the works to exclude industrial hemp from the Controlled Substances Act.

Walker figures it will take three years to save up enough homegrown seed on her farm south of Grants Pass to produce a crop big enough for traditional products — fiber, oil and seed.

Until then, she will send the flowers from her 500 plants to a local facility used by medical marijuana growers to extract compounds known as CBDs, which are also found in marijuana, but don't get you high, and are believed to have medicinal qualities.

There are no hemp processing facilities in Oregon, and no one has applied for a permit, said Lindsay Eng, who oversees the hemp program for the Oregon Department of Agriculture.

Oregon's hemp law was written to regulate it as an agricultural crop, with large fields of densely planted hemp grown for fiber, seed and oil, said Eng. Instead, the nine operations inspected by the department this year seem more interested in producing CBDs. Only a few met the minimum acreage of 2.5 acres laid out in the law.

Eng says the current law does not work well to regulate growers, who are growing small plots, sometimes in greenhouses, with the emphasis on flowers that contain the CBDs. So the department will get together with growers and policymakers to make recommendations to the Legislature for changes.

So far, Walker says she has been growing hemp seedlings in a greenhouse, and transplanting them to a field. The 700 plants she started with were barely enough to cover the state-mandated minimum of 2.5 acres. About 200 of them died as she experimented with irrigation methods. She expects to harvest the flowers in October, and chop the plants and turn them into compost.

Research says nurseries overwhelm consumers with info

By MATEUSZ PERKOWSKI
Capital Press

Nurseries should avoid inundating consumers with details about ornamental plants, as this information often discourages would-be gardeners from buying, according to a major nursery company.

Monrovia Nursery, a California-based producer with multiple growing locations, decided to forgo its usual advertising efforts last year to instead focus on consumer research.

The company gave study participants \$300 in cash to spend on plants and then tracked their shopping activities, eventually compiling 6,000 hours of video.

One observation was made repeatedly: Overly complicated explanations by workers and on signs detracted from sales, said Jonathan Pedersen, the company's vice president of business development.

"Many times we're talking over the tops of their heads," he said. "It's turning them off. It's overwhelming."

It's much better to keep it simple, particularly for shoppers who are focused on the appearance of their yard rather than receiving a lesson in horti-



Mateusz Perkowski/Capital Press

Participants look at the plant exhibits at the recent Farwest Show in Portland, Ore. Experts spoke about marketing strategies and other issues facing the nursery industry.

culture, Pedersen said.

"Your dedicated gardener isn't looking at this stuff anyway. They already know it," he said.

Monrovia is taking its own advice by changing its labels, relying on icons that describe plant features — such as water and sun requirements — in-

stead of lengthy written descriptions, he said at the recent Farwest Show in Portland.

Nurseries can also improve sales by showing consumers how to combine trees, shrubs and perennials for quick, easy projects that take a couple hours rather than the entire weekend, Pedersen said.

In the course of its research, Monrovia broke plant consumers into four distinct groups:

- **Practical:** These consumers comprise the largest group, representing about 45.9 percent of the surveyed shoppers, and they're generally outcome-oriented and want plants that are easy to maintain.

- **Dedicated:** This group represents about 25.8 percent of shoppers and is basically the lifeblood of the nursery industry. However, dedicated gardeners are more likely to buy smaller, less expensive plants and then cultivate them. "They like getting their hands dirty," Pedersen said.

- **Zen:** Representing about 15.8 percent of shoppers, this group tends to be younger and less price-conscious. They are more impulsive buyers and see gardening as a way to reconnect with the earth. They're also more concerned about pollinators and neonicotinoid pesticides.

- **Apprehensive:** This segment represents the 12.5 percent of consumers who are afraid of failure and don't enjoy gardening but feel social pressure to have at least some ornamental plants.

Monrovia has traditionally been focused on dedicated

gardeners, but believes it can make in-roads by reaching out to practical and Zen shoppers as well, Pedersen said. "We need to tell them how much fun gardening can be."

Over the long term, the nursery industry faces headwinds because household formation is expected to slow, he said. "Kids are staying in the family nest because of college debt."

Big box retailers and other plant-selling outlets have reduced their growth and the nursery industry's "penetration" of households has declined, he said. Last year, only 42 percent of households bought plants.

"Our product is not in as many households as we think it is," Pedersen said. "People aren't putting in the plants like they used to."

For these reasons, the nursery industry must find new distribution channels — online, for example — and update its claims about the benefits of gardening to attract a younger audience, he said.

In one case study, improvements in the display of plants increased sales by 30 percent, said Carol Miller, group editor of Today's Garden Center and Greenhouse Grower magazines.

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