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Idaho

2016 could be tough year, but there are silver linings

By SEAN ELLIS
Capital Press

NAMPA, Idaho — Farm commodity prices are likely to face continued downward pressure in 2016.

But gross farm and ranch income in the United States is expected to be near \$400 billion next year and that will provide plenty of opportunity for good operators to make money.

That was the message Michael Swanson, an ag economist and senior vice president for Wells Fargo, delivered to a couple hundred people Dec. 2 during the Idaho-Eastern Oregon Seed Association's Winter Convention.

USDA forecasts that total net farm income in the U.S. will be about \$58 billion in



Sean Ellis/Capital Press

Corn is harvested in a field near Homedale, Idaho, in October. Ag economists say 2016 could be a tough year for U.S. agriculture but there are silver linings and farmers and ranchers are in a better position now than they were during the 1980s farm crisis.

2016. That's down significantly from the past few years and a little above the \$56 billion

total in 2006, he said.

The good news, Swanson said, is that gross U.S. farming

and ranching revenue in 2006 totaled \$275 billion while it is expected to be close to \$400 billion next year.

"That gives you a lot of opportunity if you are a good operator," he said. "It's about executing in the environment you find yourself in."

There is a wide gap in cost structure among farmers and ranchers, he said, and producers should focus on improving their performance.

"If you adopt and adapt technology faster than your competitor, you will out-cost them," Swanson said.

If the Federal Reserve raises interest rates, as many people expect it to during its December meeting, that will affect foreign exchange rates, which will in turn have an impact on U.S. agricultural exports, he said.

A stronger U.S. dollar would make it "more difficult for us to export and easier for us to import," Swanson said. "That will have an impact on everyone in this room."

China's economic growth, U.S. policy on ethanol, and a tightening labor force that is putting inflationary pressure on wages, are other major factors to keep an eye on in 2016, he added.

Next year will be another tough year for agriculture overall but U.S. farmers are in a much better position than they were during the 1980s farm crisis because their balance sheets are stronger, said University of Idaho Agricultural Economist Garth Taylor.

"Nationally, farmers have

extremely good balance sheets," he said. "They are tremendously better than they were in the '80s."

Taylor said that according to USDA's Economic Research Service, U.S. farmers' average debt-to-equity ratio was at about 28 percent in 1985. That ratio is currently at 15 percent.

Doug Robinson, Northwest Farm Credit's senior vice president for Western Idaho, agreed with Taylor's assessment.

Continued weakness in commodity prices is going to put more pressure on farm income in 2016, Robinson said.

But, he added, "Farmers are in a much better position coming into this downturn" than they were in the 1980s.

Idaho Farm Bureau elects new president

Priestley loses bid for 10th term

By JOHN O'CONNELL
Capital Press

FORT HALL, Idaho — Shelley potato farmer Bryan Searle has defeated incumbent Frank Priestley to become the first new Idaho Farm Bureau Federation president in 18 years.

Farm Bureau delegates elected Searle, a member of their board for the past 24 years, as their 14th president during the 76th annual meeting on Dec. 3. Searle, 54, described Priestley, a Franklin farmer, as his mentor.

"We've spent our life in Farm Bureau together with Frank and his wife," Searle said. "Eighteen years is phenomenal. The hours he has committed to the organization, it's even hard to comprehend all that he's done."

In turn, Priestley, who was running for his 10th term as president, said Searle and Mark Trupp, of Teton County, who was re-elected as the organization's vice president, were the top two men in his "inner circle," and he'd hoped they'd take over Farm Bureau's leadership following his own tenure.

"Bryan, I hope you love it as much as I have, and I think



John O'Connell/Capital Press

Bryan Searle, a Shelley, Idaho, potato farmer, speaks on the morning of Dec. 3 after being elected as the Idaho Farm Bureau Federation's new president. Searle defeated Frank Priestley, who has served as the organization's president for the past 18 years.

you will," said Priestley, who won his first election by a single vote. "Where would we be without Farm Bureau in our fight for every issue?"

Farm Bureau delegates also re-elected board members Tom Daniel, of Boundary County, Chris Dalley, of Bingham County, Rick Pearson, of Twin Falls County, and Tracy Walton, of Gem County. Stephanie Mickelsen, of Bonneville County, was elected as a new state board member.

During an endorsement speech prior to voting, Twin Falls County Farm Bureau President Elizabeth Kohtz described Searle as forward-thinking, skilled at building grassroots support for agricultural issues and a leader willing to

challenge the status quo.

By contrast, Tim Lowry, an Owyhee County rancher, likened Priestley to a veteran workhorse, paired with a younger horse to train it while contributing to a smooth journey. When wildfires ravaged grazing land in his county last summer, Lowry said Priestley was on the ground assessing how Farm Bureau could help. But Lowry was most impressed by Priestley's constant attention to more mundane issues, addressed behind the scenes.

Searle, a third-generation farmer, and his wife, Mary, have five children. Searle now farms about 5,500 acres with his brothers but plans to soon break off from them and farm 2,200 acres with his son. He

raises mostly spuds, grain, alfalfa and hybrid canola seed on his farm but said he strives to try new things. For example, his farm raised 7 acres of carrots for a Chicago food bank this season. Yields and quality both exceeded expectations, but harvesting was a challenge. He envisions Idaho growers could raise two carrot crops in the same season.

Searle said seeking to build trade markets will be a top priority as he heads forward with Farm Bureau.

"A lot of times, the excess is 2 percent, 4 percent or 6 percent. As a potato grower it takes the price maybe from break-even to way below production costs," Searle said. "We have to look constantly at markets."

Idaho Farm Bureau adds PCN policies

By JOHN O'CONNELL
Capital Press

FORT HALL, Idaho — The new president of the Idaho Farm Bureau Federation and the organization's lone new board member are both potato farmers who have dealt with a pale cyst nematode quarantine and say helping farmers who have struggled due to the pest will be part of their agenda.

Idaho Farm Bureau elected Bryan Searle as president and Stephanie Mickelsen to its state board on Dec. 3.

The tiny worm, which feeds off potato roots and hatches from cysts that can remain viable in soil for up to 30 years, was found in the Shelley area in 2006. It remains the only known PCN infestation in the U.S. and now includes 2,897 infested acres under quarantine in an area of Bonneville and Bingham counties. Another 7,734 acres are regulated, with special phytosanitary requirements and other restrictions, due to associations with infested fields.

Searle stressed that PCN is just one of many important issues on Farm Bureau's radar and certainly won't be the organization's top priority.

"I see the PCN issue as no different from the fires this summer or anything else," Searle said. "Every person in this state has a challenge, and I didn't run to be president to say I have a personal agenda or I need some attention to it."

On Dec. 2, Idaho Farm Bureau's House of Delegates approved three new policies pertaining to PCN. The organization now officially supports removing PCN from the world quarantine list, where it's been since 1918. Another new resolution reads: "We support a federal and state pale cyst nematode program that is based

on good science, stakeholder participation and minimal impact to grower operations." The third new resolution applicable to PCN supports amending the state's Plant Pest Act to prohibit the Idaho State Department of Agriculture from inspecting farms "without probable cause."

The Mickelsens were among the growers involved in the PCN program who filed a lawsuit seeking changes. Among their concerns, they allege the choice by USDA's Animal and Plant Health Inspection Service to fumigate cysts with methyl bromide has caused toxicity in subsequent forage crops.

Mickelsen believes the "best science" hasn't been followed in the PCN program thus far, and affected growers haven't had an adequate voice in the program.

In response to growers concerns, Idaho State Department of Agriculture formed an advisory committee, which includes Searle and was scheduled for a Dec. 8 meeting in Idaho Falls, to

consider other alternatives, though APHIS officials acknowledged they're comfortable with how the current program is progressing.

Mickelsen said Farm Bureau's clout has already helped facilitate PCN discussions with regulatory agencies and should continue to affect outcomes, though she agrees PCN is just one of many important issues for the organization.

"When you have an issue where people end up being harmed and damaged, I think that's part of the (board's) role, to be an advocate for those people," Mickelsen said. "The only organization that has helped PCN growers since this problem broke out, the only voice that would advocate for us was Idaho Farm Bureau."

Stephanie Mickelsen,
Idaho Farm
Bureau board

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Idaho Farm Bureau Federation backs Boise irrigators

By JOHN O'CONNELL
Capital Press

FORT HALL, Idaho — The Idaho Farm Bureau Federation has formally committed its support to a group of Boise area water users involved in a dispute over storage water rights.

During the organization's 76th annual meeting on Dec. 2, members of Farm Bureau's House of Delegates unanimously approved the policy.

It was among a host of new or revised Farm Bureau policies touching on topics such

as national parks, Planned Parenthood, executive orders, federal nutrition guidelines, alternative energy and federal trade agreements. Seventy county Farm Bureau leaders voted.

Farm Bureau leaders contend the Idaho Department of Water Resources has sought to change the interpretation of state policy, seeking to count flood-control releases from Lucky Peak Reservoir against senior water right holders by allowing junior users to access their water before the reservoir refills from releases.

"We feel like it's important to get Farm Bureau Federation behind the effort to prevent the takings of water rights," said Sid Freeman, of Canyon County. "We have collective support from all of the municipalities up and down the Boise River. This isn't just an agricultural issue."

IDWR Deputy Director Mat Weaver said IDWR's policy has been the same since 1986, and only once — in 1989 — has any injury resulted to senior users by more water than necessary being evacuated for flood control.

In 2013, the Idaho Supreme Court ruled storage rights in federal on-stream

reservoirs entitle users to a single fill, leaving the definition of a fill to the IDWR director. IDWR Director Gary Spackman ruled this fall, in interpreting what constitutes a fill, that senior users are not entitled to refill shortages stemming from flood control.

Just prior to Spackman's decision, a special master determined in a recommendation to Idaho District Judge Eric Wildman that no water rights should be permitted on the second fill, disagreeing that flood-control releases should count as part of a first-fill water right given that irrigators can't put the water to use.

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