



## Draft bill on Klamath water doesn't include dam removal

By **TIM HEARDEN**  
Capital Press

With deep divisions remaining in Congress over a proposal to remove four dams from the Klamath River, U.S. Rep. Greg Walden unveiled a bill Dec. 3 to address other aspects of the Klamath Basin's water agreements.

The Oregon Republican's draft proposal would implement water-sharing agreements in the upper basin and the U.S. Bureau of Reclamation's Klamath Project worked out in 2010 while transferring federal lands and economic development funds to the Klamath Tribes in exchange for waiving senior water rights.

The bill punts on the issue of dam removal, which has been a sticking point in Congress since 2011, by putting its approval in the lap of the Federal Energy Regulatory Commission. Tribal leaders have made dam removal a condition for their participating in the Klamath pact.

The bill's unveiling came after what Walden spokesman Andrew Malcolm described as a "frank" meeting Dec. 3 involving West Coast lawmakers on both sides of the issue. The meeting included Oregon's Democratic Sens. Jeff Merkley and Ron Wyden as well as California Republican Reps. Tom McClintock and Doug LaMalfa, two staunch opponents of removing the dams.

"I think it was a good discussion," Malcolm said. "It was helpful to have everyone from both chambers and both parties in the same room. They had a frank exchange of views about what is possible in both chambers, and discussions are ongoing."

Walden's bill got a cool reception from proponents of the Klamath agreements, who have warned that water-sharing components of the pacts could crumble if Congress doesn't authorize the package before the end of the year.

In a joint statement after the meeting, Wyden and Merkley called Walden's bill "a step forward" but lamented that it omits a dam removal provision "that is central to the bargain worked out over years with blood, sweat and tears."

They also said Walden's proposal to give 100,000 acres of U.S. Forest Service land each to Klamath and Siskiyou counties for economic development is "a known non-starter" in the Senate, where Wyden's bill to authorize the Klamath agreements has languished since early this year.

"Congressman Walden told us all that he understood that dam removal had to be part of the bill or else irrigators would face water uncertainty," Karuk Tribe councilman Josh Saxon said in a statement. "The draft bill he released ... leaves out dam removal and instead replaces it with a giveaway of public lands. Communities in the basin left partisanship at the door to hammer out a solution. Mr. Walden must do the same."

Don Gentry, the Klamath Tribes' chairman, said Walden's draft proposal is "encouraging" but that the tribes can't support it without dam removal, which he has said is necessary to ensure that fisheries key to their economy and culture will be preserved into the future.

Gentry said he is aware of instances when willing owners took out dams without needing congressional approval, but it's not clear how a process before FERC would work.

"We don't really understand fully how that would occur or how long that would take," he told the Capital Press. "We do know our members voted for the whole package, including dam removal, so this puts us in a situation that if legislation were to move forward without dam removal, our members would be getting together at the start of next year to determine what that means."

# Rough year for hay growers, exporters

By **DAN WHEAT**  
Capital Press

ELLENSBURG, Wash. — Hay exporters in Ellensburg and throughout the West Coast are struggling through their worst season in at least seven years.

A buildup of supply and the loss of shipments from last winter's work slowdown at West Coast ports and the resulting loss of market share in Japan and South Korea to Australian oaten hay producers has impacted sales and profits.

It's all led to the longest flat market in years, says Mark T. Anderson, president and CEO of Anderson Hay & Grain Co. Inc. in Ellensburg. Anderson is one of the largest hay exporters in the United States with offices in Ellensburg, Oregon, California and China.

"We hope we've hit bottom and buyer confidence will pick up some. Our hope is that after the first of the year they will have a new quota in Korea and we'll see the pipeline clean up some with a lot of very reasonably priced quality hay that will find its way out," Anderson said.

The market has been flat most of the year and for at least a month exporters in Ellensburg have cut hours at their hay presses, and their yards are full because demand is so light.

"I would say every hay plant is looking for more orders every week to keep things busy," Anderson said.

The situation is the same for exporters up and down the coast, he said.

The flat market is longer and more severe than the collapse in 2008, Anderson said. Back then high prices of other commodities, like corn and wheat, led to an increase in hay prices until they reached a point that overseas buyers quit buying and found less expensive alternatives. Sales were good and then crashed. This time the decline has been more gradual.

"This is worse than 2008 and 2009 because it's not just alfalfa but all hay and straw products caused by mass disruption of the supply chain by the port slowdown," Anderson said.

Spain and South America have taken U.S. market share overseas in alfalfa and Australian oaten hay replaced Washington Timothy in Japan and Korea, he said.

Most of the carryover of 2014 hay from the port slowdown has worked its way through the system but it left a "flat, sluggish" market with 2015 crop sitting or moving slowly, he said.

There isn't a lot of profit margin for growers or exporters with some product mov-



Freshly-loaded hay hits the highway near George, Wash., June 8 in this file photo. A buildup of supply and the loss of shipments from last winter's work slowdown at West Coast ports and the resulting loss of market share in Japan and South Korea to Australian oaten hay producers has impacted export sales and profits.

ing at or below break-even and some barely above, he said.

Mike Cobb, owner of C&C Farm Trucks Inc., Ephrata, said a lot of growers have 30 to 50 percent more hay than normal still in their yards this time of year.

He said he sells 10,000 tons a year to Anderson Hay & Grain and has 1,500 tons left from 2014 and 5,000 tons of 2015. Normally, he would have 3,000 to 4,000 tons of the current year left and none of the year before, he said.

"Every bale is contracted for. They'll move it, but we'll probably feel this port thing for another three to four years," Cobb said.

It takes time, he said, for exporters to win overseas buyers back.

Some exporters reneged on contracts or renegotiated them downward in price seven years ago, Cobb said, adding that he hasn't heard of

any of that this year. Some of his stacks have been renumbered but that's because wrong numbers were put on them, he said.

"Anderson did not change the price. The contract is the same. I've dealt with Anderson for years and they've always been real good," Cobb said.

Four other northern Columbia Basin and Ellensburg growers said they have more than normal supplies but have not heard of anyone renegotiating on contracts.

"The hay market had a good run the last few years. 2015 was a tough year. It started OK but the market softened through the whole season so at the end of the year we're well below cost of production," said Shawn Clausen, a Warden, Wash., hay grower.

Good hay is selling for \$180 per ton and clean export, no-test hay for \$150 and

feeder hay less than that, he said.

Supreme and premium alfalfa sold for \$300 to \$370 per ton in California in 2014, driven by a shortage before the port slowdown. Feeder grade was \$220 to \$240 and now has fallen under \$100 in places.

Anderson also said some exporters renegotiated and reneged on contracts in 2008 but that he never has and that he hasn't heard of any of that this year. Contracts normally don't have renegotiation clauses and to do so is a breach of contract, he said.

While times are tough, Anderson said he hasn't heard of any exporters going out of business or of any mergers.

"Everyone's situation is different," he said. "Tough markets create different dynamics. I think everyone is pretty use to battling through the storm."

## Bird flu tests inconclusive on Oregon duck

By **DON JENKINS**  
Capital Press

A wild duck harvested last month in Morrow County in Eastern Oregon had Eurasian bird flu, but tests were unable to determine whether the strain was a danger to poultry, according to the U.S. Department of Agriculture.

A sample from the hunter-shot mallard was collected Nov. 7 by the Oregon Department of Fish and Wildlife.

ODFW state veterinarian Colin Gillin said Dec. 4 that preliminary test results caused concern.

The duck would have been the first confirmed case of highly pathogenic bird flu in the U.S. since July. The USDA declared Nov. 18 to the World Organization for Animal Health that the U.S. was free of bird flu, which had prompted trade bans on U.S. poultry products.

The Morrow County duck had Eurasian H5 bird flu, but tests to further define the type and pinpoint the strength of the virus were inconclusive, according to USDA.

"The testing was unable to determine the exact strain of the viruses or whether they were high pathogenic or low pathogenic," the USDA's Animal and Plant Health Inspection Service announced Friday.

There are dozens of bird flu strains. The strains that killed millions of birds last winter and spring were H5N8, a highly pathogenic Eurasian virus, and H5N2, a highly pathogenic mix of Eurasian and North American strains. Migratory waterfowl carry the virus and spread the disease to poultry flocks. Highly pathogenic bird flu struck poultry farms in British Columbia, Canada, in early December 2014.

The virus was then detected in a wild duck across the border in Washington in mid-December, the first U.S. case of highly pathogenic bird flu in a decade.

The virus eventually spread to 15 states and claimed 48 million birds, the largest animal health emergency in U.S. history, according to USDA.

To be on-guard for bird flu's return, federal and state agencies have tested more than 24,000 wild birds in the U.S. since July 1.

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