



Courtesy of Melissa Hansen, Washington Dept. of Ecology

Irrigation equipment sits idle on fields in the Kittitas Reclamation District in Central Washington in early September. The Washington State Department of Agriculture has made a preliminary assessment of crop and livestock losses due to the 2015 drought.

## Washington drought losses estimated at \$336M – and counting

Most farmers report damage to their crops in lower quality, yields

By DON JENKINS  
Capital Press

OLYMPIA — Washington farmers lost at least \$336 million to the drought last summer, a preliminary estimate likely to climb as more figures on yields and prices became available, according to a report by the state Department of Agriculture.

The report estimated specific dollar losses for only a handful of crops — wheat, apples, blueberries and red raspberries.

Losses for other commodities, including Washington mainstays such as potatoes, milk and cattle, will be tallied later as information becomes available, according to WSDA.

The report suggests the drought affected most growers. Nearly two-thirds who answered a WSDA survey said the quality or marketability of their crops suffered in the state's first drought in a decade.

"I suspect in the final report the losses will be higher," WSDA spokesman Hector Castro said. "This early report confirms what a lot of people knew: The drought caused a lot of harm for farmers around the state."

The early look also surveyed field-by-field drought damage in the Kittitas Reclamation District, a major producer of Timothy hay in Central Washington.

The district suffered \$11.4 million in damage, according to the report.

The U.S. Bureau of Reclamation supplied growers with 47 percent of their normal water allotment, but that was only part of the problem, the irrigation district's manager, Urban Eberhart, said Thursday.

Record heat scorched fields, allowing more drought-tolerant grasses to take hold. The result will be lower-grade hay in 2016 and 2017, said Eberhart, himself a hay farmer.

The shortage of water in October also threw farmers off their field rotation schedules, he said.

"We had a water year unlike any other water year we've had before," Eberhart said. "The heat played a tremendous factor."

A field survey of damage has not yet been completed for the 72,000-acre Roza Irrigation District in the Yakima Valley, where farmers also received less than half of their normal water supplies.

WSDA will issue a final report one year from now on the drought's impact on Washington's farm economy, which the U.S. Department of Agriculture calculated was worth \$10.1 billion in 2014.

"This is an incomplete picture, and we know that it's an incomplete picture," Castro said. "We're not through counting yet. A lot of commodity groups are not counted because the information wasn't available."

The report's findings include:

- Wheat production was particularly hard-hit. The harvest was down 22 percent from the average yields over the previous five years. At recent prices, the lower yields could cost farmers \$212.4 million. In 2014, USDA reported Washington's wheat crop was worth \$715 million.

- The apple industry estimated the drought or extreme heat reduced production by 280 million pounds. Based on 2014 prices, the lower yields represented a potential loss of \$86.52 million. Apples were a \$1.9 billion business in 2014.

- Early harvest varieties were most affected by water shortages and heat in the Yakima Valley. Apple growing regions to the north in Chelan, Okanogan and Douglas counties were hurt less by the drought.

- Blueberries, grown primarily in northwest Washington, also lost production to the heat. Based on estimates from growers, the drought reduced yields by 8 million pounds, causing a loss in income of approximately \$12 million.

- Red raspberries, also grown in the northwest corner of the state, suffered a 26 percent decline in production. The lower yields cost farmers an estimated \$13.9 million.

- Cherries and pears, two of Washington's top 10 crops, were harvested early because of high temperatures in Central Washington and the Columbia Basin. The crops, however, sustained little damage.

- Some 460 growers were asked whether the drought and heat impacted the quality or marketability of their crops. About 65 percent said they had.

- One-third of growers said they spent money for drought-relief measures such as cloth shades, sprinklers or more efficient irrigation equipment.

The preliminary assessment did not try to put a figure on how much farmers spent to cope with drought.

# Hazelnut pricing dispute settled

## Lawsuit against farmers' cooperative dismissed

By MATEUSZ PERKOWSKI  
Capital Press

A lawsuit over a pricing dispute between an Oregon hazelnut farmers cooperative and the estate of a deceased entrepreneur in the aviation and agriculture industries has been settled.

In September 2015, the Hazelnut Growers of Oregon cooperative was accused of violating a contract with the estate of Delford Smith, the founder of now-bankrupt Evergreen Aviation and Evergreen Agricultural Enterprises in McMinnville, Ore.

The complaint claimed that HGO agreed to pay Smith, who died in 2014, 35 cents per pound above the field price established by the Hazelnut Growers Bargaining Association,



Fox

for delivering 1 million pounds of hazelnuts to the cooperative because the field price for hazelnuts ultimately increased from \$1.15 to \$1.30 per pound.

On Dec. 28, a judge in Multnomah County Circuit Court dismissed the lawsuit at the behest of the plaintiffs.

The dispute could have had implications beyond the contract between HGO and the Smith's estate because members of the Hazelnut Growers Bargaining Association aren't allowed to pay higher prices to individual farmers.

Jeff Fox, CEO of the cooperative, said HGO reached a settlement with Smith's estate but could not comment on the specifics.

The disagreement arose after creditors attempted to garnish the revenues of Smith's estate after his death, HGO became involved in the proceedings because it had rights to hazelnuts delivered by Smith, Fox said.

The estate's lawsuit against HGO was the result of confusion over the meaning of "field price," as the cooperative eventually paid its members more than the initial rate set after harvest, he said.

Smith's estate believed it was owed 35 cents above the final price, rather than the original rate, which led to the dispute, Fox said. "I probably

should have done a better job clarifying that within the contract."

Capital Press was unable to reach the attorney representing Smith's estate.

As to the question about preferential payments, Fox said the cooperative is not subject to the contract between farmers and the Hazelnut Growers Bargaining Association. However, a company owned by the cooperative, Westnut, is a signatory, he said.

Even so, HGO tries to "minimize any disruption" over prices, so the contract with Smith was intended to pay the same level above the initial field price as other growers received, Fox said.

Doug Olsen, president of the Hazelnut Growers Bargaining Association, refused to comment on the situation.

## Washington plots spring attack against gypsy moths

### Campaign to include spraying over Seattle

By DON JENKINS  
Capital Press

OLYMPIA — The Washington State Department of Agriculture proposes to aerial spray 10,450 acres in seven places, including 130 acres in a densely populated Seattle neighborhood, to eradicate gypsy moths, an invasive pest that defoliates trees.

The campaign will be the largest against gypsy moths in Washington since 1992 and the first since 2006 to include applying a pesticide over a portion of Washington's largest city, where previous applications have been met with protests and unsuccessful court challenges.

WSDA will send postcards, hold open houses and conduct environmental reviews before formally finalizing the plan to spray Bacillus thuringiensis var. kurstaki, commonly known as Btk, over mostly urban areas. The spraying will be done in the spring as caterpillars emerge. WSDA typically sprays an area three times.

"We understand there would be concern given the nature of the application we are proposing," WSDA spokesman Hector Castro said. "Once (gypsy moths) are established, there's no getting rid of them. We need to prevent them from getting established in the first place."

European gypsy moths are entrenched in 20 Atlantic and Great Lakes states and strip hundreds of thousands

of acres of forests, parks and residential landscapes each year, according to the U.S. Department of Agriculture.

Over the past three decades, Western states have succeeded in preventing gypsy moths from taking hold. Washington has sprayed for gypsy moths 93 times since 1979.

WSDA last summer trapped 42 gypsy moths, the most caught since 2007. The 22 European gypsy moths trapped on Seattle's Capitol Hill and 10 Asian gypsy moths trapped elsewhere in Western Washington were particularly concerning.

WSDA found in the fall gypsy moth egg masses on Capitol Hill, confirming the pests are reproducing, Castro said. At least one European gypsy moth has been trapped in the neighborhood for the past four summers.

Asian gypsy moths had not been detected in Washington since 1999. Asian gypsy moths are considered more dangerous to spread because the females can fly, while European gypsy moth females are flightless.

Besides on Capitol Hill, WSDA plans to spray:

- 7,000 acres around the Port of Tacoma, northeast Tacoma and the neighboring cities of Fife and Milton.

- 800 acres around the Port of Vancouver. The Oregon Department of Agriculture trapped two Asian gypsy moths last summer on the other side of the Columbia River and plans to spray



Courtesy of John H. Ghent, U.S. Forest Service

A gypsy moth caterpillar feeds on a tree. The Washington State Department of Agriculture proposes to spray 10,450 acres in seven places in Western Washington next spring to eradicate the leaf-eating pests.

more than 8,000 acres next spring in Portland.

- 640 acres in Kent.
- 640 acres in Lacey.
- 640 acres in Nisqually.
- 600 acres in Gig Harbor.

WSDA based its proposal on recommendations from a panel of gypsy moth experts that included government

and university scientists.

Btk was developed in the 1960s and 1970s as an alternative to other insecticides. Btk gained popularity because it broke down more quickly in the environment and was harmless to bees, birds, fish and mammals, according to the USDA.

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**10:15 - 10:45 Break** (provided by sponsors)

**10:45 - 11:45 Current and Future Economic Outlook for the US Beef Industry;** David Anderson; Texas A&M Livestock and Food Products Marketing Economist, College Station, Texas

**11:45 - 1:00 Lunch** (provided by sponsors)

**1:00 - 2:00 Sustainable Rangeland Grazing for Western Rangelands;** Chad Boyd; Rangeland Ecologist, USDA Agricultural Research Service, EOARC Burns Station, Burns, Oregon

**2:00 - 3:00 Opportunities for More Efficient Cow/Calf Production; Padlock Ranch Perspective;** Cody Peck; Operations Analyst, Padlock Ranch Company, Ranchar, Wyoming

**3:00 - 3:15 Break** (provided by sponsors)

**3:15 - 4:15 Ranche in the Presence of Wolves;** Casey Anderson; Ranch Manager, OX Ranch, Bear, Idaho

Note: For more information, please contact Kim McKague or Tim DelCurto at (541) 562-5129  
<http://oregonstate.edu/dept/eoarcunion>

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