

Is pot Oregon's top crop?

Sales figures might prove if marijuana is most valuable commodity

By ERIC MORTENSON
Capital Press

Sales and tax figures collected by state agencies may finally solve one of Oregon's long-running farm crop questions: whether marijuana is indeed the state's most valuable crop, as cannabis advocates have always maintained.

Tight controls and reporting requirements by the Oregon Department of Revenue and Oregon Liquor Control Commission should result in accurate information about pot, said Bruce Pokarney, spokesman for the state Department of Agriculture. The department compiles an annual list of the state's most valuable crops.

Recreational use of marijuana became legal in Oregon last October, in addition to medical use, which was



E.J. Harris/EO Media Group

Oregon is now one of just four states that has legalized marijuana for recreational use. It may also have become one of the state's top cash crops.

already legal. The state revenue department collects a 17 percent tax on recreational pot purchases, while the OLCC licenses producers, processors, retailers, wholesalers and labs.

The information, however, poses another head-scratcher. Most agricultural statistics published by the ag department come from the USDA's National Agricultural Statistics Service, or NASS.

Although it's now legal in several states, the feds still classify marijuana as an illegal drug. Dave Losh, Oregon state statistician for NASS, said the agency won't include marijuana in its annual crop statistics due to federal policy.

For the same reason, people can't use water from federal projects to irrigate marijuana, he said, and such things as Natural Resources Conservation Service programs can't be applied to pot crops.

Pokarney, of ODA, joked the department might have to put an asterisk beside the pot crop value in its annual report. "We will have sales numbers, but I don't know how we would report it," he said.

Oregon crop statistics from 2014 list cattle and calves as the state's top agricultural product, at \$922 million value. Greenhouse and nursery plants was second at \$829 million, and hay was third, at \$703 million.

Seth Crawford, an Oregon State University sociology professor who teaches a pot policy class, estimated in

2015 that Oregon's marijuana crop had an annual value approaching \$1 billion.

Meanwhile, the OLCC continues to process license applications as entrepreneurs seek opportunities in the recreational cannabis market.

As of June 21, there were 723 applications to grow pot in Oregon. Of those, 122 were in Jackson County and 91 were in neighboring Josephine County. Southern Oregon has long been the state's cannabis production hotbed, legal or illegal. The Portland area, including Multnomah, Clackamas and Washington counties, accounted for 250 license applications.

Of processing facilities, 25 of the 82 license applications were from Multnomah County, as were 69 of 193 retail outlet applications.

The state also received applications from seven testing labs, 57 wholesalers and one research facility.

Some licenses have been approved, many others are in draft form or are being reviewed for land-use compliance by local governments.

UI enters agreement to manage 10,400-acre Rock Creek Ranch

By SEAN ELLIS
Capital Press

HAILEY, Idaho — A three-way partnership between University of Idaho, USDA and environmental groups will allow UI researchers to perform extensive range and grazing-related research on the 10,400-acre Rock Creek Ranch in southcentral Idaho.

The parties signed a memorandum of agreement June 28 that will allow UI to operate the working conservation ranch for five years.

The ranch is owned by The Nature Conservancy and the Wood River Land Trust. Their agreement with UI will allow the university to establish a rangeland research and educational facility that encompasses ranching, conservation and recreation.

UI has hired former Idaho Cattle Association Executive Vice President Wyatt Prescott to manage the 150-cow ranching operation there.

The research that will be conducted under the agreement and the fact that Prescott will manage the ranch came as welcome news to the state's cattle industry.

"We're really happy that Wyatt has been tasked to manage that. It will be really well run," said Britany Hurst, the ICA's feedlot coordinator and communications director. "It's hugely exciting for us."

UI researchers will use the ranch to study rangeland related issues, as well as how responsible grazing and sound conservation practices can work together, according to a UI news release.

"Leading research and outreach in Idaho is the fundamental land-grant mission of the University of Idaho," UI President Chuck Staben said in a news release. "Together with The Nature Conservancy and the Wood River Land Trust,

we will continue to do what UI has done for 125 years — provide sound data from which our state's industries can improve, expand and thrive."

The environmental groups purchased the land in 2014 for \$2.2 million from the Harry Rinker family, which previously obtained a \$3.8 million Natural Resource Conservation Service Grassland Reserve Program easement on the property.

In addition to protecting wildlife habitat and preventing future development, the easement requires that grazing continue on the property, along with other uses, including conservation efforts and recreational opportunities, said John Foltz, special assistant to the UI president for agricultural initiatives.

The ranch includes core sage grouse habitat, including 50 leks, and provides critical water and habitat for other wildlife, including pygmy rabbits, beavers and elk.

According to the UI news release, "Grazing and the issues around it are key components of the future of the property, as the UI Rangeland Center strives to provide science-based answers to Idaho's large ranching industry."

According to a UI fact sheet on the ranch, "Active and relevant data on best management practices obtained through research on this property can be directly applied across the state and the region."

The ranch is adjacent to 11,000 acres of federal and state land that is primarily used for livestock grazing and outdoor recreation.

The private and public land combined include almost the entire area's watershed, which will allow researchers to control most of the uses that will impact research results, according to the fact sheet.

Oregon juniper loan program off to slow start

By ERIC MORTENSON
Capital Press

An Oregon loan program intended to jump start the Western juniper market has had only one applicant so far, and people in the industry say it remains stalled in a situation where good intentions and strong demand for juniper lumber aren't matched by log supply and mill infrastructure.

Business Oregon, the state agency in charge of an \$800,000 juniper fund approved by the 2015 state Legislature, recently tweaked the details of its loan program in an effort to provide better terms and spur more interest.

Meanwhile, small rural juniper mills sputter along and hope for better times.

"I feel like a zombie, caught between the living and the dead," said Kendall Derby, owner and operator of In the Sticks sawmill in Fossil, Ore. Derby entered the spring with little supply — "Demand is through the roof and I'm out of logs," he complained. At the end of June he received three truckloads of logs, only to have some of his equipment break down.

The predicament is another in the series of starts and stops that has long marked the juniper market.

Western juniper is an invasive tree in much of Eastern Oregon and other dry parts of the West. It covers an estimated 9 million acres in Oregon alone and is a prodigious water "thief," as some landowners call it. Mature trees can use up to 30 gallons a day, and crowd out native sage and grasses.

An Oregon State University study showed that cutting juniper quickly restores watersheds and improves streamflows, which in turn improves grazing conditions for cattle and habitat for species such as Greater sage grouse. Politicians, agency experts and environmentalists believe a vibrant juniper logging and milling industry could revitalize the economy in parts of rural



Eric Mortenson/Capital Press

Kendall Derby of Fossil, Ore., takes a break beside a load of juniper posts destined for shipment to Portland in this photo from November 2014. Demand for juniper wood is strong, but the logging and milling infrastructure is hobbling

Oregon, as well.

For that purpose, the state Legislature approved the \$800,000 Western Juniper Industry Fund in 2015. Of that, \$500,000 was intended as loans to increase harvesting and manufacturing; \$200,000 was for technical assistance; and \$100,000 was for workforce training.

But six months into 2016, only one loan application has been completed and the other two parts of the program haven't started. Business Oregon spokesman Nathan Buehler said the department revised the loan program details. Now, producers can get loans for up to 90 percent of the project cost, instead of 75 percent. Also, companies the handle other types of wood are now eligible to apply.

Mill owner Derby said part of the supply problem is because loggers pursued pine and fir logs available through wildfire salvage sales. Pine and fir are easier to get to, cut and haul, Derby said.

"They don't want to mess with juniper," he said.

Derby and other mill operators sell their wood to Sustain-

able Northwest Wood in Portland, a for-profit offshoot of Sustainable Northwest. Ryan Temple, president of Sustainable Northwest Wood, agreed with Derby's assessment that loggers turned their attention to salvage logs rather than juniper.

He said loggers and mill operators need to communicate better with ranchers whose rangeland is covered with juniper trees. He said some ranchers simply cut it and shove it into a jumbled pile.

"If ranchers de-limb it and put it into something that looks like a log deck, somebody will buy it," Temple said.

He said demand for juniper products is strong and varied. Oregon vineyards moving to organic production want juniper trellis posts because they are naturally rot-resistant and don't have to be chemically treated, while a new brew pub adjacent to Oregon Health & Science University opted for a bar top made from a long, polished juniper slab.

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