

Reports show slight spud acreage reduction

By JOHN O'CONNELL
Capital Press

BOISE — Recently published 2016 fall planting reports estimate potato acres are down slightly nationwide, and Idaho's acreage is either flat or slightly reduced.

Prices of the 2015-2016 potato crop have remained sluggish, though industry sources say the recent estimates offer welcome news in a year when commodity prices are down in general.

Nonetheless, industry officials caution yields and quality were both below average last season, and a normal crop this season would still mean a greater supply of marketable spuds.

USDA's National Agricultural Statistics Service estimates Idaho's fall crop is unchanged at 325,000 acres. Oregon's crop is also unchanged at 39,000 acres, and Washington's crop is down 3 percent, at 165,000 acres.



John O'Connell/Capital Press

A field of potatoes flowers July 5 in southeast Idaho near Pocatello. A USDA report estimates the national fall potato acreage is down slightly, and Idaho's acres are flat, which could lead to increased production if yields are up this season, after dropping last season.

Nationally, the potato crop is estimated at 911,100 acres, down 3 percent.

United Potato Growers of America, which sends workers to major potato production areas annually for a physical acreage count, estimates Idaho's potato crop

is down slightly at 322,629 acres.

"I was a little surprised there wasn't an increase in acres," said University of Idaho Extension economist Ben Ebom. "What else are you going to grow in a year like this where you can't

make any money?"

According to the NASS report, Idaho growers have stepped up their corn acreage, planting far more corn than spuds to support a large dairy industry. Idaho growers planted 360,000 corn acres, up 80,000 acres from 2015, including 130,000 acres of corn for grain, representing an 86 percent increase in that category. As a rule, Ebom explained, a 1 percent increase in production causes a 2 percent price decline. He said a return to Idaho's five-year average yield — 412 hundredweight — would result in a 3 percent increase in production over last year. A trend-line yield increase, accounting for the general tendency of farmers to produce more each year, would result in a 7 percent larger crop.

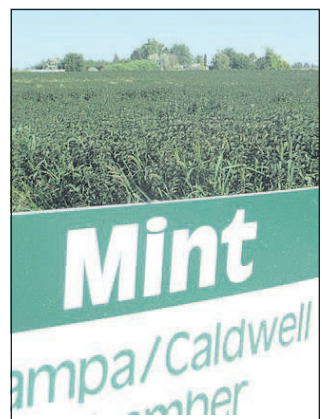
Kevin Stanger, with Wada Farms in Eastern Idaho, believes prices haven't risen, as hoped, this summer because buyers have been holding out

for the promise of better quality with the next crop.

Aberdeen, Idaho, farmer Ritchey Toevs said extreme heat in May of 2015 caused tubers to drop from plants at a critical growth stage, leading to a smaller number of larger and rougher spuds. This year's crop appears on pace to be smoother and has emerged from the critical growth stage with a large tuber set, he explained.

Oakley, Idaho, grower Randy Hardy, chairman of Sun Valley Potatoes, Inc., said potato plants "grew like crazy" during a warm June, Hardy takes it as a good sign that major processors have been buying more fresh potatoes lately on the open market.

Idaho Potato Commission President and CEO Frank Muir is also optimistic because of a slight increase in processed acres, which are raised under contract, and a slight decrease in fresh acres.



Sean Ellis/Capital Press

A mint field is pictured June 28 near Greenleaf, Idaho. A softening mint oil market has resulted in fewer spearmint acres being planted in the Far West this year.

Spearmint acres down in West as mint oil market softens

By SEAN ELLIS
Capital Press

GREENLEAF, Idaho — The market for mint oil has softened over the past six to eight months and fewer acres of spearmint will be grown in the Far West this year as a result.

Spearmint producers in Washington, Oregon and Idaho and parts of Nevada and Utah are under a federal marketing order that regulates the production of spearmint oil.

"Like it is with all commodities, mint is down a little bit but it's still going to be a good crop to grow this year," said Shane Johnson, who manages the Far West spearmint oil federal marketing order.

Ninety farmers produce Native spearmint oil in the Far West and 39 produce Scotch spearmint oil.

Scotch acres in the Far West are estimated at 8,941 in 2016, down 9.3 percent from 2015. Native acres are estimated at 10,162, a 2 percent decrease compared with last year.

The amount of mint oil spearmint growers will be allowed to sell this year is also down.

Each spearmint farmer in the Far West has a base allotment and an eight-person committee made up of seven growers and one member of the public that oversees the federal marketing order determines what percentage of that allotment each grower can sell in a given year.

Due to the softening spearmint oil market, the salable percentage for Scotch farmers was set at 45 percent this year, down from 60 percent last year.

That means if a farmer's base allotment is 1,000 pounds, they would be allowed to sell 450 pounds this year.

The salable percentage for Native farmers was set at 50 percent this year, down from 56 percent in 2015.

Any excess oil produced goes into a grower-owned reserve pool and if the market recovers, the committee can increase the salable percentage, as it did in 2012-14.

The reduced acreages and salable percentages are a "reaction to where the market is at right now," Johnson said. "The market is a little quiet right now."

End users who sell gum, toothpaste and other oral care products, have seen their growth slow, he said.

"That has trickled down to our growers here in the U.S.," Johnson said.

Del Christiansen, an Idaho buyer for Labbeemint Inc., a Washington company that purchases mint oil from Idaho growers, said the market has softened over the past 6-8 months.

Because it stores well on the shelf and doesn't shrink, mint is a simple crop when it comes to supply and demand and an increase or decrease in supply can affect prices quickly, he said. "It doesn't take much to tip the scale one way or the other."

Despite the softening market, growers and industry representatives said spearmint will still be a good crop to grow this year when compared with many other crops.

"It's a little soft right now," Caldwell, Idaho, grower Tony Weitz, chairman of the Idaho Mint Commission, said about the spearmint market. Still, he said, "I would like to grow more but I don't have the base to (do that)."

Calif. forecasts smaller apple crop

By DAN WHEAT
Capital Press

California will probably produce fewer apples this fall than forecast in the first national estimate, but its several-year-long decline may have bottomed out.

That's what Alex Ott, executive director of the California Apple Commission in Fresno, says in looking at the June 28 forecast by the Premier Apple Cooperative in Syracuse, N.Y.

It pegs the Golden State's crop at 5 million, 42-pound boxes of fresh and processing apples, down 4.8 percent from 2015 and down 18 percent from a five-year average of 6.4 million boxes.

"I think they are being generous. I think it could be lower," Ott said.

It may be closer to 4.7 million with about 1.7 million of that being fresh packed and the rest being fresh roadside sales and processing, he said.

In 1995, 10 million boxes were packed fresh, but drought, labor shortages, more regulations, increased costs and varieties grown in wrong locales all contributed to the decline, Ott said.

Fuji was grown in places where fall nighttime temperatures were not low enough for it to develop red color, he said.

The five-year phase-in of a \$15 minimum wage starts in January, and until greater mechanization is available it will be difficult for hand-labor fruit, berry and produce crops in California, he said.

The California apple industry has been reduced to innovative growers committed to making it so fresh-pack production probably will stabilize at about 1.8 million to 3 million boxes, Ott said.

Growers are using new technologies to reduce field heat and increase color and are producing high quality apples, he said. Quality and volume will hold unless costs continue to out-pace returns, he said.

Harvest will start with Gala in the Cuyama region of Kern County the week of July 18 and spread to Kings and San Joaquin counties, Ott said. It will reach Sacramento County and finish there and near Watsonville.

"If all goes well, we will get in and out of the market before Washington," he said. "We pick, pack and ship. We don't store."

Walnut price slide prompts management changes

By TIM HEARDEN
Capital Press

RED BLUFF, Calif. — A slide in walnut prices over the past several years has prompted growers to begin making changes in their orchard management, university and financial experts say.

As the average price per pound to the grower has dropped from \$2.05 in 2013 to about 85 cents, farms are switching to varieties such as Chandler, Howard and Tulare, which will provide the best yields and nut quality in light crop years, said Rick Buchner, a University of California Cooperative Extension adviser with a specialty in pomology.

"Handlers do not want poor quality," he said, adding that orchards with marginal varieties that cost more to maintain than they bring in are being replaced.

Over time, softening prices will likely cause a leveling off of acreage, which has grown considerably in recent years. California's 300,000 bearing acres of walnuts during the most recent harvest was up from 290,000 acres in 2014 and 218,000 acres in 2008, according to the National Agricultural Statistics Service.

"It'll begin to stabilize," said Buchner, who is based in Red Bluff. "The frenzy to plant will be down."



Tim Hearden/Capital Press

A former walnut orchard near Los Molinos, Calif., is deep-ripped in preparation for a new planting. Falling walnut prices are already having an impact on orchard management decisions.

The price slide has come amid what a Rabobank report calls a significant surge in production over the last couple of years. California walnut growers have harvested more than 450,000 in-shell equivalent tons since the 2010-11 season and are expected to harvest 620,000 in-shell tons in 2016-17, according to Rabobank, a provider of agricultural financing.

The production boom and

lower prices have heavily influenced the export market for walnuts, noted the report's authors, Rabobank fresh produce analysts Vernon Crowder and James Williamson. The lower prices have encouraged more shipments overseas, reducing U.S. inventories.

"Orchards with lower yields or other high costs will find it difficult to be competitive in the medium term, as production levels continue

to increase in the U.S. and abroad," the authors wrote. "The industry is investing more in marketing walnuts domestically, but prices will not be as high in the medium term as they were in the last 10 years."

When it comes to prices, much will hinge on the industry's efforts to market walnuts domestically, the experts say. Buchner notes that walnuts don't have as much appeal among consumers as almonds, which are more popular as snacks or atop favorite foods such as ice cream.

"Almonds enjoy a lot of places where they can be sold in the marketplace, and walnuts are more restricted," he said. "Almonds are just more versatile."

However, the California Walnut Commission has invested more than \$17 million in the last two marketing years to boost domestic consumption, the Rabobank report notes. While walnuts are primarily used as an ingredient, marketing efforts have also touted them as a snack.

While most growers will remain profitable even with the lower prices, those who invested in higher-priced land and orchards and took on significant debt may not be profitable over the next decade, Crowder and Williamson wrote.

Rising blueberry demand to spur production boom, group predicts

By TIM HEARDEN
Capital Press

FOLSOM, Calif. — Growing consumer demand for blueberries could spur a 25 percent increase in production in North America in the next three years, an industry group predicts.

The industry is projecting production on the continent to rise from 750.2 million pounds last year to 940 million pounds in 2019, according to the U.S. Highbush Blueberry Council.

Despite the drought, fresh blueberry production in California is set to jump 13 percent this year alone, to about 70 million pounds from 62 million pounds in 2015, the Folsom-based organization reports.

What the blueberry council describes as "soaring" consumer demand has led to new plantings in recent years, which has made blueberries more available on the market, executive director Mark Villata said.

"We seem to be holding our own," said Villata, adding that blueberries are less dependent on water than some other crops. "I guess the rains we had this year were beneficial. We seem to be plugging along even with drought concerns."

Washington is expected to lead the nation in blueberries again this year with 118 million pounds, with Oregon contributing 100 million pounds, according to the Michigan Frozen Fruit Packers Association's 61st annual



Tim Hearden/Capital Press

Fresh organic blueberries from the Rainier Fruit Co. in Selah, Wash., are ready to be enjoyed. Blueberry production across the country is expected to increase in the next few years, including in California, where it could see a 13 percent jump this year from 2015 levels.

Fruit Crop Guesstimate.

About 60 percent of the blueberry crop goes to the fresh market and the other 40 percent goes to frozen or juice, Villata said. Highbush blueberries are grown in about 38 U.S. states and largely feed the fresh market, while lowbush blueberries are grown in Maine and Canada and are primarily sold in frozen form, he said.

North America's production makes up a little more than half the global supply, which is anticipated to surpass 1.4 billion pounds, according to a highbush blueberry council news release.

The council, which promotes blueberries as healthy lifestyle staples, has seen sev-

eral trends which have given it a bullish outlook on the near future.

North American per capita blueberry consumption grew nearly 50 percent between 2010 and 2015, according to North American Blueberry Council statistics.

Fresh blueberry sales at U.S. retail outlets amounted to \$1.5 billion in 2015, up 7 percent from the previous year, helping the fruit rank second in fresh berry dollar sales, industry market research found.

Frozen blueberries ranked second last year in total frozen fruit dollar sales at \$189.6 million, up 4 percent from 2014, according to industry statistics.

American survey respondents in 2013 were nearly

twice as likely as they were in 2004 to buy blueberries in the coming year and 84 percent cited awareness of blueberry health benefits, up 115 percent from 2004, the NABC reported.

"The interest in blueberries from the consumer side is continuing to grow," Villata said, noting an increased awareness of blueberries as a source of antioxidants.

To keep demand on the upswing, the highbush council will work to open markets where U.S. fresh blueberries aren't currently available, including Australia, Chile, China, the Philippines, South Africa, South Korea and Vietnam, according to the organization's release.