

# Mayor

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“Because of his experience, he has that statewide perspective,” she said. “He’s very sensitive to the fact that Portland does have a big influence on the rest of the state.”

Coba knows Wheeler; among other encounters, he stood in for then-Gov. Ted Kulongoski to accompany Coba on an Oregon ag trade mission to Asia several years ago.

“He hasn’t consulted me (on ag issues),” Coba said, “but if he had a question I think he would be very comfortable calling on me.”

For his part, Wheeler said he’s fully aware of both the urban-rural divide and urban-rural interdependence.

“You can’t talk about success in the agricultural industry without talking about the role urban areas play,” he said. “Urban communities in America are increasingly clueless about the challenges facing rural communities.”

But he said urban and rural areas also have issues in common. During a visit to Roseburg, he heard people express concern about the homeless, just as they do in Portland. In Klamath Falls, there was worry about escalating housing costs, another Portland concern.

“If we just assume urban and rural communities are so different that we have nothing in common, then we’re losing an opportunity to collaborate, share ideas and find common solutions,” he said.

Wheeler said he has interacted with the Oregon Farm Bureau, Oregon Cattlemen’s Association and nursery groups in the past.

“The urban-rural divide has been around a long time,” Wheeler said. “It’s not new, and it’s not unique to Oregon. There’s always been people who exploit it for political gain. You won’t see me do that.”

He’ll take office in a city that decides every election and can swamp statewide discussions of pesticides, labor, GMOs, wages or regulatory issues. Its land-use, water use and traffic patterns can affect what farmers grow, how they grow it, how they get it to market and how they use and move equipment.

“Land and transportation are the two things he can make a difference in,” said Jeff Fairchild, produce director for 18 New Seasons grocery stores in the Portland area. He deals with about 50 growers who sell to New Seasons, and must find ways to deliver their products to the city.

Dan Arp, dean of Oregon State University’s College of



Photos by Eric Mortenson/Capital Press

Rural producers sometimes see Portland as a distant place that doesn’t understand agriculture, but mayor-elect Ted Wheeler has rural roots.



State Treasurer Ted Wheeler will take office in January as Portland mayor. Wheeler said he brings an appreciation of Oregon agriculture and rural communities to the position.

Agricultural Sciences, said he would remind Wheeler that agriculture is the state’s second largest economic driver. Oregon ag produces \$5 billion in annual farm-gate value and is a major source of jobs, Arp said.

The state produces more

than 200 commodities and is equally diverse in terms of acreage and farming methods, he said. Portland’s celebrated “foodie” culture is supported by an agricultural sector that provides high-quality foods and beverages, with an emphasis on



Riders line up to board one of the twin Portland Aerial Tram cars that will carry them up to “Pill Hill,” Oregon Health & Science University. Portland’s growth patterns are a concern to the state’s farmers.

sustainability, Arp said.

Coba, the state ag director, said development of the proposed James Beard Public Market, named for a renowned chef from the city, could showcase Oregon agriculture in downtown Portland.

“Clearly there’s a passion around food in Portland, we all know that,” she said.

Others in agriculture note Portland’s influence on issues ranging from gas taxes to the minimum wage. Another said Portland ought to take greater advantage of nearby agricultural produc-

tion to eliminate the city’s food “deserts,” the areas where poor people don’t have ready access to fresh, healthy food.

Many in ag hope the new mayor realizes the Port of Portland and Portland International Airport are agriculture’s pipeline to world markets, whether it’s hazelnuts to China, wheat to Japan or blueberries to South Korea. Port delays, labor strife and an inadequate transportation infrastructure cost producers time and money, and they believe fixing those problems should

be a priority.

Wheeler agrees, and said it is a statewide issue.

“A lot of the future success of the agricultural industry hinges on partnering with the urban area and the Port of Portland,” he said.

“I think there’s a general lack of understanding about what it takes to make agricultural enterprises successful from an economic standpoint,” he said. “That’s an area where I have a lot to learn and to share with my constituents, and I look forward to those opportunities.”

# Sales

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Dealers already have large inventories of used, high-quality tractors and combines, so many are reluctant to accept more trade-ins of used machinery, O’Brien said.

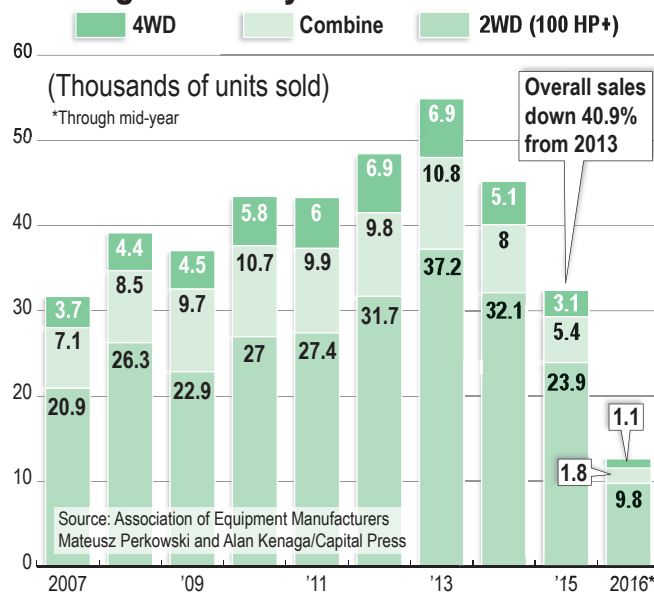
Fleets purchased new several years are coming up for auction at a time when demand has dried up for late-model, high-tech tractors and combines, said Steve Sparks, sales manager of Nyssa Tractor and Implement in Nyssa, Ore.

“Some people are selling that stuff at a serious loss,” he said.

Meanwhile, farmers who need additional machinery are still looking for older, reliable machinery that’s less sophisticated, Sparks said. “It may not be as fast and it may not be as fancy, but at the end of the day, it still does the same job.”

Through the first half of 2016, unit sales have de-

## U.S. ag machinery sales down since 2013



creased 23 percent for new self-propelled combines, 31 percent for four-wheel drive tractors, and 24 percent for two-wheel drive tractors over 100 horsepower, according to AEM.

Equipment manufacturers have experienced double-digit annual declines in

these categories since 2013, prompting lay-offs, shift reductions and factory closures, said O’Brien.

The upside is that manufacturers are now better prepared financially than they were a couple years ago, when sales were expected to stay strong, he said.

“A lot of these very difficult adjustments have now been made,” O’Brien said.

Farmers were spending an average of 22 to 23 percent of their crop revenue on farm machinery during the boom years leading up to 2013, after which sales began to drop, said Michael Swanson, chief agricultural economist for Wells Fargo Bank.

They’re now spending about 13 to 14 percent of crop revenues at a time when total U.S. crop revenues have fallen to roughly \$180 billion from \$220 billion in 2013, he said.

Machinery sales still aren’t as depressed as during the farm downturn of the 1980s, when growers devoted as little as 8 percent of crop revenues to equipment purchases, Swanson said.

The decline should have been predictable after several years of surging sales, Swanson said.

“It’s amazing how peo-

ple hit all-time records and don’t expect retrenchment,” he said.

Among row crop farmers, there’s a “huge gap” between strong financial performers and weak ones, so some farmers are still in a position to take advantage of good deals for machinery, Swanson said.

Meanwhile, financially troubled growers may be compelled to sell off machinery purchased during the boom years to meet cash flow needs, said Michael Langemeier, an agricultural economist at Purdue University who has studied machinery.

However, commodity prices are expected to remain low for several years, likely suppressing large investments, he said. “Many farmers are very leery of using that working capital to buy machinery.”

Farmers in the Northwest who grow small grains, hay and potatoes haven’t escaped the financial downturn experienced

by those in the Midwest, where incomes are often tied to corn prices, said Bob Boyle, regional vice president for Northwest Farm Credit Services.

Cattle and dairy producers are also under stress, he said. “We’re seeing compressed profits in ag across the board.”

Some sectors, like nursery and grass seed, are nonetheless performing adequately, Boyle said.

Machinery manufacturers also have a bright spot in their business: Sales of small tractors under 40 horsepower are up nearly 13 percent in 2016 and demand has grown steadily after plummeting during the recession, according to AEM.

These smaller machines are often bought by specialty crop producers, and while they don’t generate as much revenue per unit, their impact shouldn’t be discounted, said O’Brien. “It’s still an important sector overall.”

# Broken

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process, including state law requirements and an “internal component” that is not working.

“I have pulled my hair out try-

ing to get this to move forward for two years,” she said of Dashiell’s case. “All it’s done is destroy relationships. ... It’s paperwork after paperwork. The process is broken, at least for the direct-loss side of it. It needs a lot of work in all of those aspects.”

WDFW wolf policy manager Donny Martorello said the compensation process ignores other costs to the rancher beyond market value, including gas, trucks and extra hay to move the sheep out of a wolf-affected area.

“I don’t know that we’ve met

the timeframe we’ve hoped for on any claims we’ve paid,” he said.

Martorello made plans to meet with Field and Tom Davis, director of governmental affairs for the Washington State Farm Bureau, to go over existing language to begin

speeding things up. The meeting is slated to happen within a week to 10 days.

“This cannot take three months,” Field said. “We just need to go in with a red marker, line out a few things and make it quicker.”