# USDA forecasts record sugar production

By CAROL RYAN DUMAS
Capital Press

While U.S. sugar beet and sugarcane crops are not yet harvested — Louisiana's flooding illustrates that anything can happen in an otherwise excellent growing year — USDA's Economic Research Service is projecting record sugar production.

ERS forecasts domestic raw sugar production at 9.208 million tons for 2016/17, eclipsing the high mark of 9.05 million tons established in 1999 and 2000. The forecast includes 5.32 million tons of beet sugar and 3.89 million tons of cane sugar.

The projections are preliminary and don't include the potential effects of flooding in Louisiana, said Jack Roney, director of economics and policy analysis for the American Sugar Alliance.

But excellent growing conditions could result in a record year, with record production driven by yields, he said.

"Producers have always been aggressive in investing in improved seed varieties, capitalizing on practices in the field … and maximizing the efficiency of beet factories and cane mills," he said.

Record production wouldn't necessarily be burdensome to markets because domestic sugar surpluses can be avoided through U.S. sugar policy, which maintains a marketing allotment system. While production might be high, the forecast is within marketing allotment amounts and doesn't imply sugar suppliers will have to hold back, he said.

The issue in domestic markets is Mexican sugar, not so much the amount but the nature of those imports. Mexico is shipping more refined sugar than the U.S. needs, he said.

In 2013, the U.S. sugar industry filed anti-dumping and countervailing duty cases with the U.S. government. The U.S. Department of Commerce and the U.S. International Trade Commission found Mexico was guilty of dumping subsidized sugar on U.S. markets. The result was going to be prohibitive duties on Mexican sugar. In the fall of 2014, the U.S. and Mexico negotiated agreements to suspend those duties, but Mexico isn't honoring the intentions of those agreements, he said.

Under the suspension agreements, Mexico is not permitted to send more sugar than the U.S. needs overall. But Mexico is shipping refined sugar, contrary to the intention of the agreement for Mexico to export raw cane sugar to the U.S., he said.

The duties were suspended as long as Mexico limits the total amount of sugar sent to the U.S. and assures a good amount of that sugar is raw sugar going to refineries, he said.

Mexico's actions are detrimental to U.S. sugar refineries and processors, depressing refined sugar prices, he said.

On the beet side, refined sugar prices are off 21 percent since the suspension agreements were negotiated. On the cane side, they've led to limited supply and high prices for raw cane sugar, he said.

An update on the issue by the Congressional Research Service in mid-August said in addition to quantitative export limits and minimum prices, Mexico agreed to limit shipments of refined sugar to no more than 53 percent of total volume exported to the U.S.

As raw sugar is defined in the suspension agreements, a significant portion of Mexico's sugar exports qualify as raw sugar while being sufficiently refined for human consumption. Meaningful quantities of these raw sugars have likely been delivered to producers of U.S. liquid sugar for end use in products such as beverages, ice cream and baked goods, according to the research service update.

"While not a violation of the agreements, these raw sugars are bypassing traditional U.S. sugar cane refiners, which depend on the imports of raw Mexican sugar to maintain an adequate level of capacity utilization," the update states.

The domestic market outlook depends on how the issue is sorted out, Roney said.

Negotiations have been ongoing in earnest for some time, and Roney said he is optimistic the problem will be worked out in the near future and allow domestic refined sugar prices to recover.

## U.S. sugar production

(Thousands of U.S. tons, raw value) Source: USDA ERS

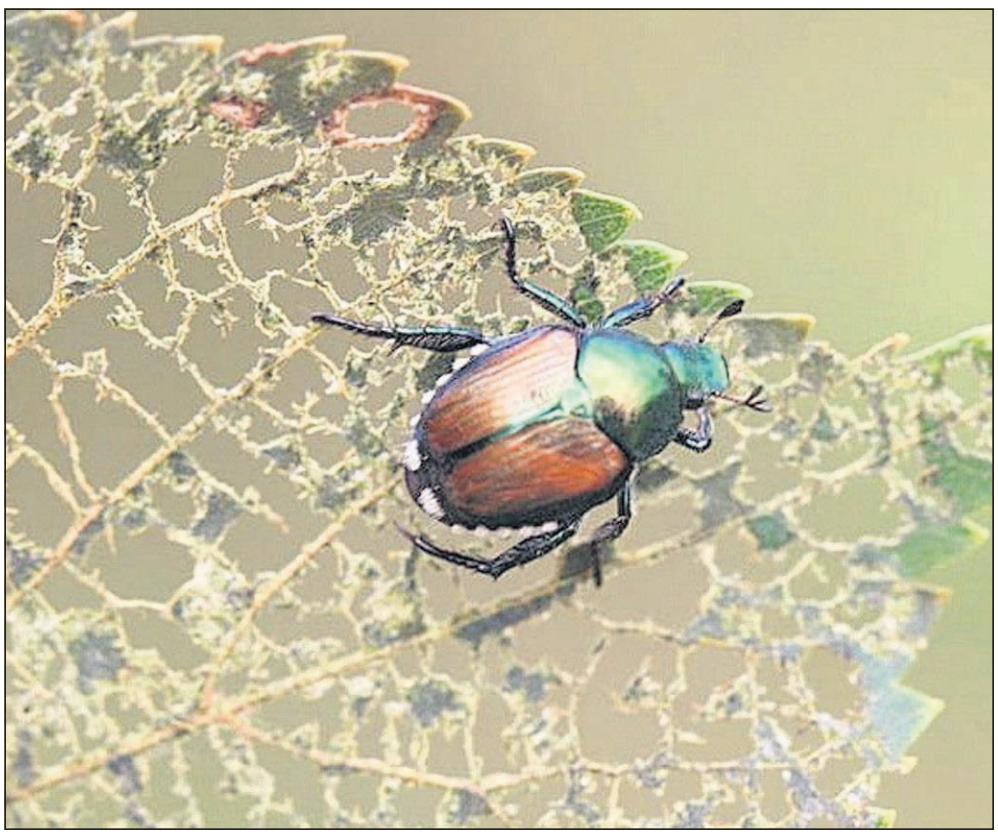
| Item | 2014 | 2015 | 2016 |
|---|---|---|---|
| Beet sugar | 4,893 | 5,049 | 5,320 |
| Cane sugar | 3,763 | 3,877 | 3,889 |
| Total | 8,656 | 8,925 | 9,208 |

## U.S. harvested acres, yield and production

Source: USDA NASS

| Item | Area harvested (1,000 acres) 2015 | Area harvested (1,000 acres) 2016 | Yield per acre (U.S. tons) 2015 | Yield per acre (U.S. tons) 2016 | Production (1,000 tons) 2015 | Production (1,000 tons) 2016 |
|---|---|---|---|---|---|---|
| Sugar beets | 1,145.4 | 1,147 | 30.9 | 31.4 | 35,359 | 36,001 |
| Sugarcane | 887.3 | 921.5 | 36.4 | 36 | 32,275 | 33,185 |

Capital Press graphic



Courtesy of USDA Forest Service

An infestation of non-native Japanese beetles was found this summer in a section of Northwest Portland. Agriculture officials say the beetles can cause heavy damage to cannabis, hops, nursery plants, and wine grapes.

# Japanese beetle infestation found in Portland

By ERIC MORTENSON
Capital Press

PORTLAND — Discovery of a Japanese beetle outbreak in Northwest Portland has state ag officials scrambling to determine the size of the infestation.

The Oregon Department of Agriculture said 265 beetles were caught in traps this summer in the vicinity of Northwest Saltzman Road and Northwest Thompson Road. Others were found feeding on homeowners' roses, and the agency believes a localized breeding population has established itself in the area. They've probably been present for a year, the department said.

Japanese beetles are not native to the Pacific Northwest. In the past, they've been found near Portland International Airport, suggesting they hitched a ride on air cargo containers. The beetles feed on a variety of plants and pose a particular threat to crops such as cannabis, hops, nursery plants and wine grapes, according to the department.

The department does not plan an eradication campaign this year because it's too late in the season, spokesman Bruce Pokarney said. The department will monitor the situation with the likely intent to do localized spraying next year, he said.

The department probably would spray in two phases: Once to spray turf to get the beetles in their grub stage, and a second time to spray bushes once the beetles have emerged as adults.

In the meantime, the manager of ODA's Insect Pest Prevention and Management program said homeowners can best help by cooperating with field technicians who are maintaining traps. Homeowners also should avoid moving plants, roots or soil from the infestation area because that could spread the beetles elsewhere, program manager Clint Burfitt said in a news release.

# Washington fire sparks suit over federal firefighting powers

## Environmental group seeks curb on emergency actions

By DON JENKINS
Capital Press

A federal lawsuit stemming from a 65,000-acre fire in Central Washington last summer challenges the U.S. Forest Service's authority to suspend environmental laws and take emergency actions during a wildfire.

A Eugene-based environmental group, Forest Service Employees for Environmental Ethics, alleges that the agency broke the law by not analyzing the environmental effects of building a 50-mile long, 30-foot wide "community protection line."

At the time, fire officials said the line was to safeguard rural hamlets in Chelan County from the Wolverine Fire burning in the Okanogan-Wenatchee National Forest.

The fire remained miles away, and the line was unnecessary, destructive and violated the National Environmental Policy Act's requirement to assess beforehand the impact of federal actions, according to the lawsuit, which was filed Aug. 16 in the U.S. District Court in Spokane.

Andy Stahl, the environmental group's executive director, said his organization wants the Forest Service to review how it fights fires, before continuing to give incident commanders free reign to declare an emergency.

"The Forest Service needs to make informed, thoughtful decisions," he said. "Obviously, if you're in the middle of a war, right in the middle of conflict, you don't have time to make the analysis of what makes sense and what doesn't."

The Forest Service declined to comment on the lawsuit.

A spokeswoman for the Washington Forest Protection Association, which represents private timberland owners, said the organization was concerned about inhibiting the ability of fire commanders to contain blazes burning on adjacent federal lands

"The goal is to actively manage for healthy forests so we're not put in a position to take extreme actions, but when we have to take extreme actions, we need to have that ability to act," the spokeswoman, Cindy Mitchell, said. "When the woods are on fire, the woods are on fire."

For authority to take emergency measures, the Forest Service relies on an administrative rule. The lawsuit alleges the rule should be declared invalid because the Forest Service adopted it without assessing its environmental impact.

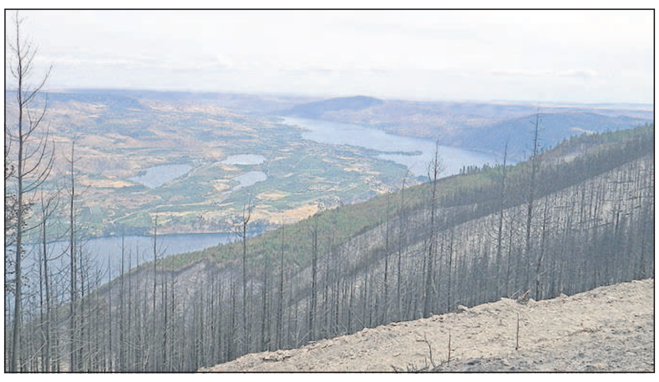
Logging, building fire lines and setting back burns are federal actions that could significantly affect the environment and require an assessment, according to the lawsuit.

The lightning-sparked Wolverine Fire contributed to Washington's worst fire season ever. The fire started July 29 near the northwestern shore of Lake Chelan and burned until mid-September.

Building the line required logging more than 100 acres of spotted owl habitat and degraded scenery along forest roads enjoyed by visitors, according to the lawsuit.

The fire was environmentally damaging too, according to a post-fire report by the Forest Service.

The fire harmed 19 miles of fish-bearing streams and greatly increased the risk of sediment eroding into critical habitat for threatened and endangered fish species, according to the report.



Courtesy of U.S. Forest Service

The Wolverine Fire in 2015 burned 65,000 acres near Lake Chelan in Central Washington. An environmental group has sued the Forest Service for building a fire line to protect rural communities.