

# Apple prices could be near bottom

By DAN WHEAT  
Capital Press

WENATCHEE, Wash. — Washington's second-largest apple crop shrank slightly in the past month as sales continue at a good pace and prices hover at or near a season bottom.

As of Jan. 1, the crop is 137.1 million, 40-pound boxes compared to 137.9 million on Dec. 1, an ordinary and negligible decline due to slightly fewer packouts than expected.

Season-to-date shipments as of Jan. 1 totaled 48.7 million boxes, according to the latest industry report, compared to 43.7 million the same time a year ago with a smaller crop



Dan Wheat/Capital Press

Lucelia Garcia grabs a bag of Fuji apples to place in a shipment box at Roche Fruit in Yakima, Wash., on Nov. 16. Sales of the state's second largest apple crop remain at a good pace while prices have softened.

and 51.9 million with the industry's record crop two years ago.

The big percentage swing in movement is with Honeycrisp at almost 4.5 million shipped so far versus 3.8 million a year ago, said Desmond

O'Rourke, a consultant and retired Washington State University agriculture economics professor.

The all other category of mostly new, proprietary varieties was up about one-third from 2.6 million to 3.5 million, still small but rapid in growth because of good dollar returns, O'Rourke said.

USDA's tracking of average asking prices of extra fancy grade medium size (80 to 88 per 40-pound box) in Wenatchee and Yakima remained unchanged on Jan. 9 from Dec. 13. That could indicate a leveling or bottoming of prices.

However, there are 32 percent more Gala in storage nationwide as of Jan. 1 compared to a year earlier, 29 percent more Red Delicious, 21 percent more Honeycrisp and

18 percent more Cripps Pink, according to a U.S. Apple Association report. Total national holdings are at 103.2 million boxes, up 14 percent from a year ago and 11 percent from the five-year average.

All of that tends to create downward price pressure.

"Prices could go either way in the next few weeks. Demand is fairly strong and supply not too big, so I think the market is pretty balanced right now," O'Rourke said.

Red Delicious has dropped to \$15 per box and Gala is at \$20.52 at which both are losing growers money, he said.

"Prices will be depressed a bit but still are generating very substantial returns, particularly compared to two years ago," O'Rourke said.

The eight main varieties are averaging a little over \$19 per box and proprietary varieties at about \$43, he said.

"That's a huge gap and the incentive to plant more of newer varieties must be very strong," he said.

The USDA Jan. 9 tracking of prices: Red Delicious, \$16 to \$18.90; Gala, \$19 to \$22.90; Golden Delicious, \$21 to \$24.90; Fuji, \$25 to \$28.90; Granny Smith, \$19 to \$23.90; and Honeycrisp, \$55 to \$62.90.

Efficient producers of Gala are probably breaking even, but about one-third of growers make money under these conditions, a third break even and a third lose money, O'Rourke said.

# First GMO apple slices to go on sale in Midwest

By DAN WHEAT  
Capital Press

SUMMERLAND, B.C. — The first genetically modified apples to be sold in the U.S. will debut in select Midwestern stores next month.

A small amount of Arctic brand sliced and packaged Golden Delicious, produced by Okanagan Specialty Fruits of Summerland, B.C., will be in 10 stores this February and March, said Neal Carter, the company's founder and president. He would not identify the retailers, saying that's up to them.

"We're very optimistic with respect to this product because people love it at trade shows," Carter said. "It's a great product and the eating quality is excellent."

The company modified the apples to reduce the enzyme polyphenol oxidase to prevent browning when apples are sliced or bitten. The apples match the industry norm of not browning for three weeks after slicing but without using flavor-altering, chemical additives that the rest of the fresh-sliced apple industry uses.

Golden Delicious, Granny Smith and Fuji varieties have been approved by the USDA and Canada. An Arctic Gala could be approved in 2018. Only Golden and Granny Smiths have been planted long enough to produce fruit in commercial quantities by next fall.

Midwestern retailers were chosen for the first sales this winter because they seemed like a good fit demographically and in presence and size, Carter said.

Asked if Midwest consumers may be more accepting of

genetically modified apples than those on the East or West coasts, Carter said consumer research didn't indicate that and that it wasn't a consideration.

"We don't want to skew our test marketing results by choosing stores that may be more friendly to genetic engineering," he said.

About 500, 40-pound boxes of sliced apples will be sold in grab-and-go pouch bags, he said. The company expects to offer 6,000 boxes of apple slices from the 2017 fall crop.

A QR computer scan code on the packaging enables consumers to get information, including that the apple slices are genetically modified, but nothing directly on the packing identifies it. Okanagan Specialty Fruits will adhere to the new genetically engineered foods labeling act but it's not clear what that requires, Carter said.

"We are selling it under the Arctic brand and we've had a lot of press and attention, so I assume most people will know what it is," he said.

The company has reworked its logo, making a snowflake inside an apple outline more visible.

The first commercial test marketing will provide the company with consumer preferences on packaging and price and other information including purchase motivations. Survey data will be used to help the company decide its fall 2017 commercial launch strategy.

The company has orchards in British Columbia and 85,000 trees at an undisclosed location in Washington state. More than 300,000 trees will be planted this spring and 500,000 are being budded for planting in 2018.

## LEGAL

### PUBLIC NOTICE

The Soil and Water Conservation Commission (SWCC) will hold its regular quarterly meeting on Wednesday, February 8, 2017, from noon to 4:30 p.m. The meeting will be held at the NRCS State Office, 1201 NE Lloyd Blvd, Portland, OR 97232. The meeting agenda covers SWCC reports, advisor reports, Soil and Water Conservation District programs and funding, Agriculture Water Quality Management Program updates, and other agenda items.

The Oregon Department of Agriculture complies with the Americans with Disabilities Act (ADA). If you need special accommodations to participate in this meeting, please contact Sandi Hiatt at (503) 986-4704, at least 72 hours prior to the meeting.

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### Request for Proposal (RFP) AGRICULTURAL DEVELOPMENT FEASIBILITY STUDY

Si View Metropolitan Park District seeks proposals for consulting services to conduct a feasibility study to evaluate agricultural and natural resource assets at Tollgate Farm, located in North Bend Washington, and to assess how those assets could support alternative scenarios for the redevelopment of the property in a manner that benefits community recreation, local farmers, strengthens the local food system, and increases the local community's awareness of and engagement with local agriculture. Additionally include the potential opportunities for an agricultural or livestock incubator located on the property, and/or other roles for the property to play in local economic development with particular focus on and around agriculture.

For a complete proposal description go to [www.siviewpark.org/contracting-process.html](http://www.siviewpark.org/contracting-process.html). Proposals are due no later than 12:00 Noon on Friday, January 27th, 2017. Questions regarding the proposal should be directed to Executive Director, Travis Stombaugh, 425-831-1900 [tsombaugh@siviewpark.org](mailto:tsombaugh@siviewpark.org).

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