

'I'm grateful I've spent my career in a dynamic industry'

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Part of the appeal for Schlect was the opportunity to travel.

Schlect would follow in Falk's footsteps to become president of the Horticultural Council — known by its initials, NHC. For more than 36 years he has advocated on behalf of the tree fruit industry in the halls of Congress and before federal agencies and helped negotiate the creation of the World Trade Organization, laying out the ground rules for international trade.

Schlect, now 65, is retiring at the end of March.

The transition

Falk had been NHC president for 33 years. A big part of his job had involved freight rates charged for Washington apples that were shipped overseas and domestically by rail. The domestic part was lessened by deregulation during the late 1970s.

When Schlect became president in October, 1980, he was initially worried there might not be enough to do. It was a one-person office, and Falk stayed on for a year of transition.

"Compared to being a deputy prosecutor, it was very quiet," Schlect said.

But he could see lots of potential and with the election of Ronald Reagan as president in 1980, it wasn't long before the pace picked up.

Overarching issue

International trade issues were developing and the relatively new Environmental Protection Agency would become more active, but immigration was the overarching issue. Schlect spent several years working on what would become the Immigration Reform and Control Act of 1986.

"It was many of the same issues we have now, taking care of the people already here and seeing if it was at all possible to have a guestworker program," he said.

Schlect became involved in the Farm Labor Alliance, mainly driven by California agriculture, that put forth a guestworker program known as the Panetta-Morrison amendment, named for Rep. Leon Panetta, D-Calif., and Rep. Sid Morrison, R-Wash., who represented Schlect's home district.

A variation of the amendment was adopted, also allowing preferential legalization for farmworkers without criminal records.

"Many people now foremen and retired were legalized in that. Yes, it was amnesty and people don't like that word but to move millions of people out of the country is a tremendous undertaking and disruptive socially," Schlect said.

"There was high expectation we would gain control of the border and we did not, so people view it as a failure but a number of laws were improved," he said.

One improvement requires immigration enforcement officers to have probable cause to apprehend suspected illegal immigrants.

With Donald Trump now president, Schlect predicts immigration enforcement will increase. But he also said federal agencies must cease their hostility to the H-2A visa guestworker program, which in turn needs a more realistic way to set the minimum wages.

Legal work status is needed for illegal immigrants who



Chris Schlect, center, president of Northwest Horticultural Council, Yakima, Wash., will retire in March. Mark Powers, left, the executive vice president, will become president and Kate Woods, right, will continue as vice president.



James R. Cranney Jr., president of California Citrus Quality Council.

have not committed other crimes, he added.

He's optimistic it can happen.

"If the U.S. government can control the southern border and there's not a lot of people flooding over, I think public emotion on the issue will die down," he said.

Respectful approach

In industry meetings over several decades, Schlect has built a reputation for his calm and reasoned approach.

"Anyone in my job has to be diplomatic and forceful. Shippers have strong views that have to be communicated but in a way that's thoughtful and respectful, not creating more problems," he said.

Thomas E. Stenzel, president and CEO of United Fresh Produce Association, has worked with Schlect for 24 years and said he can be diplomatic or aggressive when he needs to be.

"He's one of the smartest guys in the room, but doesn't wear it on his sleeve," Stenzel said.

In 1995, Stenzel and Schlect sought a California congressman's support to amend the Perishable Agricultural Commodities Act to require produce buyers to pay for produce bought on verbal agreements.

"The congressman wasn't sure his constituents wanted him to vote for it. Chris got very firm. I'm not sure if he pounded the table, but he said it was national legislation and that the congressman needed to put the interest of the nation first. It had the desired effect," Stenzel said.

James R. Cranney Jr., president of the California Citrus Quality Council and former vice president of the U.S. Apple Association, has known Schlect for 20 years and calls him a "seasoned diplomat"

Retirement reception

Northwest Horticultural Council will hold a public reception for Chris Schlect from 2 to 5 p.m. March 31 at the Yakima Country Club.

Schlect and his wife, Janet, will be honored. They have three children and four grandchildren.

and very knowledgeable of the Washington, D.C., political process.

"Chris has always been consistent in pointing the way to practical and workable solutions," Cranney said, "and has an ability to get to the heart of an issue."

Alar scare

In 1989, the CBS television program "60 Minutes" broadcast a story on Alar, a chemical plant growth regulator used to keep apples from falling from trees before they were ripe.

Alar had been approved by the government for use in 1963, but there was debate over whether it caused cancer. The CBS show resulted in congressional hearings in which actress Meryl Streep spoke against Alar.

"It was probably the largest food safety issue in the last 50 years. The industry thought Alar was safe, but people disputed that. Some within the EPA felt it could be pulled if there were stronger laws," Schlect said.

A philosophical debate over the nature of regulations and chemicals followed. It was a major national story for several months and the biggest crisis NHC and the Washington Apple Commission had faced.

Apple prices and sales tanked. USDA estimated Washington apple growers lost at least \$125 million in the six months after the initial uproar. Apples were dumped on the ground.

Sales suffered even after the manufacturer voluntarily removed Alar from the market.

Growers then lost a \$250 million class-action lawsuit against "60 Minutes."

"It was a perception problem. People like me found it hard to explain. It was an intense time. Plenty of us were lying in bed at night with our eyes on the ceiling," Schlect said.

It led, in part, to NHC hiring its first vice president of scientific affairs, respected

chemist Wally Ewart.

NAFTA and TPP

In 1994 Schlect worked for passage of the North American Free Trade Agreement.

It was controversial because manufacturing jobs would go to Mexico, but it increased U.S. agricultural exports there by eliminating tariffs that ranged as high as 20 percent.

Few Washington apples were sold to Mexico before NAFTA. Now Mexico is the No. 1 export market for U.S. apples, buying roughly 10 million, 40-pound boxes, worth about \$200 million annually. Mexico has reimposed tariffs during anti-dumping cases, but NAFTA outlines the procedures for resolution.

President Trump plans to renegotiate NAFTA.

"I don't think the administration wants to shut down trade with Canada and Mexico but will negotiate a new, better deal. It's our opportunity to improve our technical access and we want to be part of that," Schlect said.

He believes Trump's cancellation of the Trans-Pacific Partnership is not a big loss for Northwest tree fruit.

It had some benefits but included no big new markets or tariff reductions for apples, he said. The gain was more strategic to offset China's influence in the region than for trade.

The new administration wants bilateral agreements with the 11 other TPP countries, and NHC plans to work toward that, he said.

WTO and trade

The World Trade Organization, an intergovernmental organization regulating international trade, was created by 123 countries in 1994. It replaced the General Agreement on Tariffs and Trade, which had been in force since 1948. WTO provides a framework for negotiating trade agreements and resolving disputes.

At the time, Schlect was a member of the Agricultural



Thomas E. Stenzel, president and CEO of United Fresh Produce Association.

Policy Advisory Committee of the U.S. Trade Representative and USDA. In that position, he was involved in negotiations in Europe that set up WTO. Schlect has now been on the committee for about 30 years.

"Most of the other ag sector advisers, like dairy and soybeans, were there to protect their commodities and were dealing with tariffs," he said. "I had a different perspective along with few others. Phytosanitary issues were potentially more important to our industries."

They worked on the Sanitary and Phytosanitary Measures segment of the agreement, which allowed countries to set their own sanitation standards for pests and pathogens but required they be based on internationally accepted science.

It's proven to be a useful section of international law and an achievement he's most proud of. Being on the advisory committee has enabled him to raise issues important to tree fruit.

However, not all trade issues were solved. For example, Israel, Europe and Russia all still pose access problems.

Other issues

The 1990s were busy not only with trade agreements and the WTO, but unanimous congressional passage of the Food Quality Protection Act of 1996. It tightened controls on the registration of agricultural chemicals.

Schlect helped form and served as chairman of the Minor Crop Farmer Alliance, which worked to have the act include registration of chemicals for minor crops. The alliance still works with the EPA to resolve issues facing chemical use on minor crops.

For the past five years, NHC has also been trying to ameliorate burdensome el-

ements of the Food Safety Modernization Act of 2011. Complicated and costly testing of orchard water strikes many as overkill, and there's hope the Trump administration will roll back such regulations, Schlect said.

There have been many other issues NHC has worked on during Schlect's tenure, including saving the fumigant methyl bromide for cherry exports, access for U.S. apples to China, keeping other markets open and industry opposition to genetically modified apples developed in Canada.

Sometimes, NHC gets involved in getting specific truckloads of apples moving again when they are stuck at a border because of paperwork problems.

NHC has an export manual open to the public on its website that lists minimum pesticide residue level requirements and tariffs for imported tree fruit by country.

Future of NHC

For 70 years, NHC has represented the Northwest tree fruit industry on transportation, trade, legislation and regulations.

During that time, the organization has only had two presidents.

"I don't know of any other trade association that can say just two people have been at the helm over 70 years. Hopefully that's a sign of stability and not senility," Schlect quipped.

He's enjoyed his career and believes it was tailor-made for him. His appreciation of the hard work of raising tree fruit came from growing up on the family orchard that's still run by two of his brothers, Neal and Kurt. He says his law degree, public policy interest and love of travel also made a good fit.

He says he has every confidence in his successor, Mark Powers, 54, NHC vice president for the past 18 years, who has a background in trade and international policy.

He also has high regard for Kate Woods, 32, hired two years ago as another vice president, for her experience as an aide to Rep. Doc Hastings, R-Wash., before he retired.

NHC has grown to a staff of seven and operates on an annual budget of \$1.46 million, funded 40 percent by the Washington Apple Commission, 25 percent by the Washington State Tree Fruit Association, 13 percent by the Washington Tree Fruit Research Commission, 12 percent by the Fresh Pear Marketing Committee, 5 percent by the Washington State Fruit Commission and smaller amounts from Columbia Gorge Fruit Growers, Oregon Sweet Cherry Commission and Idaho Apple Commission.

It was ingenious of the industry to fund NHC so staff could concentrate on issues and not have to fund raise, Schlect says. The Apple Commission occasionally talks about reducing its NHC funding, but Schlect hopes it continues.

Schlect continues to believe face-to-face interaction with federal officials is always better than letter-writing.

Overall the Northwest tree fruit industry has improved in growing, storing, packing and marketing fruit and has become more sophisticated in meeting the challenges facing it, he says.

"I'm grateful I've spent my career in a dynamic industry ...," he said.

Organic sales increased to \$6.2 billion in 2015

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demand for organic meat and eggs. Foreign producers of organic feed jumped in with cheap soy and corn.

Meanwhile, organic sales increased to \$6.2 billion in 2015, a 12 percent gain over the previous year, but the number of organic farmers dropped and organic acreage was essentially flat except for the addition of a gigantic organic livestock ranch in Alaska, according to the National Sustainable Agriculture Coalition.

One more: Millennials, those 18- to 34-year-olds, account for 52 percent of organic purchases.

"It would be shortsighted if we strive only to fill the shopping baskets of millennials and

be happy at that," said Katz, of Oregon Tilth.

He and other speakers said organic producers need to tackle the problems in a variety of ways. The industry needs more processors, distributors and storage capacity in addition to more farmers, they said, and should be telling the public about organic's broader impact.

Katz said organic production can be an economic driver in rural areas, and while not a "silver bullet" for climate change problems, it can be a factor in reducing the effect.

Most speakers and attendees appeared to favor the "transitioning to organic" certification label hammered out by the Organic Trade Association and USDA. Such a label might allow farmers who are in the second-year of the required three-year transition, for example, to label their products that way and

perhaps gain the higher price people pay for organics. Backers see the transition label as an "on-ramp" into the organic market.

Michael McMillan, sourcing manager with Organically Grown Company, said the industry needs to do "end to end supply chain engineering," and market the value of the "social justice work" connected with growing food organically.

Other efforts are more localized. Erin Silva, with the University of Wisconsin-Madison's Extension program, said the university now offers a short course on organic grain production. It's aimed at "traditional farm kids" who come from conventional farming backgrounds, she said. The course attracted 10 students the first year and double that this year, she said.

Douglas' 29th year at the Northwest Ag show

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Douglas also forecast good growing weather in Russia, whose wheat competes with Washington wheat on the world market.

"I was more depressed about how good it is in other countries," Ritzville, Wash., farmer Jerry Snyder said of the presentation. That affects wheat prices, which are currently below the cost of production, he said.

But Snyder was pleased that Douglas' forecast showed more normal temperatures after a wet winter.

It affects what happens with diseases, Snyder said. "Every time you have a really wet year, things that haven't been out there show up again."

This marked Douglas' 29th year at the show.