

Damaged onions will be buried in area landfill

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either collapsed or sustained major damage, according to Stuart Reitz, an Oregon State University Extension cropping systems agent in Malheur County.

Owyhee Produce in Nyssa, Ore., lost four storage sheds, which had a combined capacity of about 33 million pounds of onions. The company's packing facility was damaged but is still operating.

The shipper lost 22 million pounds of onions, and general manager Shay Myers estimates the company sustained about \$10 million in damage to the buildings.

He said at least three other shippers sustained the same degree of damage.

Demolition of damaged buildings is occurring now and the rebuilding is underway.

Though Owyhee Produce, which had insurance coverage on its buildings, will experience significant financial pain in rebuilding, it will emerge stronger, as will the entire industry, Myers predicted.

"It's forced us to make some changes that, frankly, otherwise we would have taken longer to do," he said.

That includes updates in technology in storage sheds and additional automation in packing facilities.

"I don't mean it's a positive thing that this happened but the end result will be positive for the industry as a whole because it forces updates that otherwise wouldn't have happened," he said.

According to Jay Breidenbach, a National Weather Service meteorologist, the areas where most of the damage occurred were blanketed by unprecedented amounts of snow. No official records exist for snow accumulation in Nyssa, but total accumulation in nearby Ontario, Ore.,



Sean Ellis/Capital Press

Owyhee Produce General Manager Shay Myers points out the damage done when this large onion storage shed in Nyssa, Ore., collapsed under the weight of snow and ice. About 60 onion storage sheds and packing facilities in the region collapsed this winter, and the industry is trying to recover in time for the 2017 harvest.

peaked at 48 inches on Jan 19. "That looks like the most snow they have ever had on the ground," he said.

Big question

The big question is whether the rebuilding will be finished in time for the 2017 harvest, which will start in earnest in September and wrap up by mid-October.

Snake River Produce in Nyssa lost three of its storage sheds, three others that it leased and about 25,000 50-pound bags of onions, said general manager Kay Riley.

The shipper had good insurance coverage and should be fine financially, Riley said, but a lot of the storage sheds that were lost were owned by individual farmers, some of them retired.

It's unknown how many of those structures had adequate insurance and how many will be rebuilt.

"I don't know if building an onion storage is a good retirement scheme or not," Riley said.

He agrees with Myers that the industry will be stronger in the long term because of the modernization that will occur with rebuilding.

Short-term worries

"But in the short-term I'm very ... concerned because I don't think there's enough contractors, time, money and insurance claims to get all of this put back together by this fall," Riley said.

Reitz said it's a major question mark whether there will be enough storage in the region.

"People have to be careful about that," he said. "They have to make sure they have a place to put their crop at the end of the year."

Almost all of the region's lost onion packing capacity will be replaced by this fall, Myers predicted. "I don't think there are long-term ramifications from a production standpoint. Where there may still be some is on the storage side."

John Wong, owner of Champion Produce in Parma, Idaho, which lost one storage shed and part of another, said he has heard that most people plan to be rebuilt in time for this year's harvest.

"I think a lot of people in the industry wonder how likely that is to occur," he said. "But I wouldn't bet against the American farmer."

Moving time?

Another unknown is how many Oregon shippers that suffered major damage will move to Idaho.

Several industry leaders have told Capital Press in the past year that some shippers are seriously considering relocating in Idaho because of Oregon's much higher minimum wage. Oregon's current non-urban rate of \$9.50 an hour will increase to \$12.50 by 2022. Idaho's minimum wage is \$7.25.

Myers said this winter's catastrophe could well push his company and others to move. Owyhee Produce and several other onion shippers are a few hundred yards from Idaho. The Snake River separates the two states.

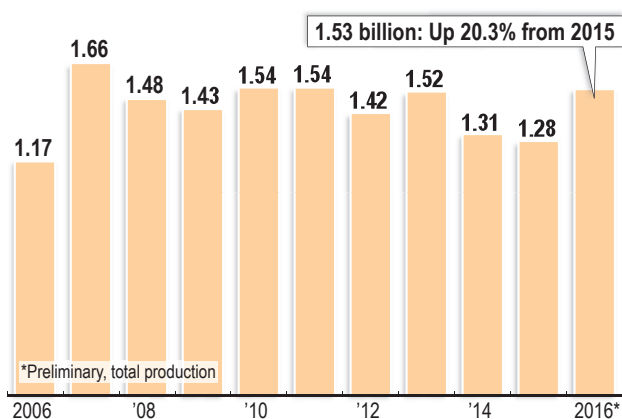
"There's a high probability we'll be across the river in a new place," Myers said. He said he knows of at least three other companies that are also seriously considering moving to Idaho.

Burying the debris

The onions that froze or have debris mixed in with them — worth between \$7 million and \$10 million — are no longer good and will be buried in area landfills.

Onion Country, USA production

(Onions harvested, billions of pounds, dry summer storage)



Source: USDA NASS

Alan Kenaga/Capital Press

That's to protect the region's reputation for quality, Riley said. The area, which calls itself "Onion Country, USA," is under a federal marketing order and promotes and markets its onions as a region, he said.

"We have a good reputation for quality and if somebody sent something out that had problems it would reflect on all of us," said Riley, the marketing order chairman.

In the meantime, the rest of the region's onion industry, which produces about 25 percent of the nation's big bulb storage onions, wants customers to know plenty of onions are still available.

"We still have plenty of onions to ship," said Grant Kitamura, general manager of Murakami Produce in Ontario, which did not sustain any weather-related damage. "Most of the onion sheds have their normal supply of onions."

Disaster area

With the region declared a federal disaster area, many businesses are eligible for low-interest loans, which will help the rebuilding process.

Myers and others said Oregon and Idaho officials have done a good job of helping to speed up the recovery by cut-

ting through red tape where possible.

That includes making exceptions that allowed more landfills in the area to accept onions and building debris, and relaxing restrictions that otherwise would have slowed the recovery.

For example, buildings usually can't be burned during demolition but exceptions have been made, Myers said.

"The bureaucracy was bypassed as much as possible, where possible, to allow things to happen in the way that they needed to make sure that we're in business next year," he said.

Idaho Gov. Butch Otter, a Republican, and Oregon Gov. Kate Brown, a Democrat, toured the region on a National Guard Black Hawk helicopter and saw the damage first-hand.

Oregon farmer Paul Skeen, president of the Malheur County Onion Growers Association, was on the helicopter with them and made sure they understood the magnitude of the damage.

"There's no question they saw the devastation because I was pointing it out to them," he said. "They understand it fuller now. They're seeing our plight."

Port expects to 'hit the ground running with a new strategy' in early 2018

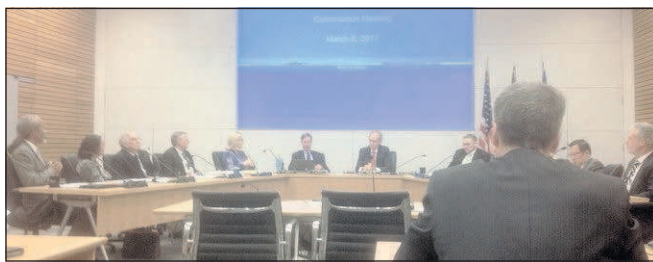
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"We want to take the time to study what our future in the container business is," Leavitt said.

The port expects to "hit the ground running with a new strategy" in early 2018 after conferring with shippers and other stakeholders, he said.

The undertaking comes at a time of upheaval in the shipping industry, adding another layer of difficulty to the situation, he said.

"We have to find our market niche. It's changing and it's more narrow than it's ever



Mateusz Perkowski/Capital Press

The Port of Portland's commission voted March 8 to sever ties with ICTSI Oregon, a company that leased its container terminal. The decision opens the way for the port to restart operations at the facility, which has been inactive because of labor conflicts since last year.

been," Leavitt said.

Getting the container terminal up and running will only be part of the solution for

agricultural shippers, he said.

Even at full capacity, Terminal 6 was only serving about 55-60 percent of the po-

tential regional market of importers and exporters, Leavitt said.

In the future, the port will need to take a comprehensive approach by helping shippers get products to ocean carriers in the Puget Sound as well as restarting its own terminal, he said.

One idea could be to send containers to ports in Seattle and Tacoma on barges, though the economic viability of this concept is questionable due to the added travel time involved, he said.

Terminal 6 also has a rail yard that's been underutilized,

Leavitt said. "We've never really consistently activated it."

It's not an option for the port to operate the terminal because that has proven unprofitable in the past, said Bill Wyatt, the port's executive director.

"We were losing boatloads of money in the course of that," Wyatt said. "We were subsidizing the operation of Terminal 6 by selling land and we were running out of land."

This unsustainable position led the port to lease its container terminal to ICTSI for 25 years in 2011.

While the arrangement

initially seemed productive, a dispute broke out in 2012 over whether the ILWU had jurisdiction over plugging in and unplugging refrigerated containers.

Since then, ICTSI has been locked in a labor battle with the longshoremen's union that has involved several lawsuits.

The conflict resulted in slowed productivity that prompted ocean carriers to abandon Terminal 6 in 2015 and 2016.

"It could take a few years before there is light at the end of the litigation tunnel," said Leavitt.

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Courtesy of Oregon Department of Fish and Wildlife

Snake River pack captured by a remote camera photo taken Feb. 1 in Hells Canyon National Recreation Area. Wildlife officials say the state has eight breeding pair and has moved into a new phase of wolf management.

Wolf plan does not allow a general hunting season

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Wild spokesman, said the group worries the policy will be used to kill wolves. He said more deer are lost to poachers than to wolves.

ODFW spokesman Rick Hargrave said the wolf plan does not allow a general hunting season on wolves. "This policy differentiates Oregon from other states like Idaho and Montana which currently allow general season hunting of wolves," he said in an email.

Hargrave said ODFW has no immediate plans to propose controlled take of any wolves in Oregon. The five-year update to the Wolf Management Plan will provide clarity regarding this issue.

In a prepared statement, ODFW wolf biologist Russ Morgan said the state will continue to prioritize "non-lethal solutions to wolf conflicts."

"Take (killing) of wolves can only be considered as a management response in very specific situations and there are no plans for controlled take at this time," Morgan said in the statement.

Oregon's wolf population has grown steadily in the decade since the first wolves migrated from Idaho into Northeast Oregon. The state had a minimum of 110 wolves at the end of 2015, and the 2016 count, due to be reported at the April ODFW Commission meeting, is expected to top that number.

ODFW officials have described Oregon's wolf population growth as a biological success story, and the state commission took wolves off the state endangered species list in 2015. They remain protected under the federal Endangered Species Act in areas west of U.S. highways 395, 78 and 95.

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