

Court upholds \$1.5 million judgment in Oregon dairy lawsuit

Feed manufacturer ordered to pay \$750,000 in damages, \$760,000 in attorney fees

By MATEUSZ PERKOWSKI
Capital Press

The Oregon Court of Appeals has upheld a \$1.5 million judgment against Land O'Lakes Purina Feed for selling defective feed to an Oregon dairy.

Neal and Nancy Kaste, who own a dairy farm near Tillamook, Ore., won \$750,000 in a lawsuit that



Courtesy of Anne Foster

Dairy farmers Neal Kaste, Nancy Kaste, center, and daughter, Kristen, right, with attorney Anne Foster, left. The family won \$750,000 in a lawsuit that accused the manufacturer of supplying feed containing hazardous levels of proteins, phosphorous and copper.

accused the manufacturer of supplying feed containing hazardous levels of

proteins, phosphorous and copper. The plaintiffs claimed

the defective feed sickened or killed many of their cows, causing the dairy to spend money on veterinary treatments and sustain financial losses for which Land O'Lakes was liable.

After a jury found in favor of the dairy, Tillamook County Circuit Court Judge Jonathan Hill ordered the feed manufacturer to pay \$750,000 in compensation for damages and \$760,000 in attorney fees.

Land O'Lakes challenged the decision before the Oregon Court of Appeals, which has now rejected the manufacturer's arguments that the judge should have issued a "directed verdict" in its favor.

The judge could have issued a directed verdict if the evidence was legally insufficient for the dairy to win the lawsuit, but the Oregon Court of Appeals has ruled this action wasn't required.

The dairy presented adequate evidence of suffering direct damages from the breach of contract, for which the judge awarded it about \$89,000, the ruling said.

"From that evidence, the jury permissibly could find that plaintiffs had been damaged in an amount equal to the purchase price of the feed: Plaintiffs paid for feed with a value of the contract price, but received feed with

no value, given its toxicity," the appellate court said.

Aside from the \$89,000 in compensation for breach of contract, the judge also awarded the dairy \$661,000 for tort claims, which alleged a wrongful act causing a loss.

Land O'Lakes argued that its contract with the dairy precluded such tort damages, but the Oregon Court of Appeals ruled the contract language was ambiguous and didn't entitle the manufacturer to a directed verdict.

The appellate court also rejected the company's argument against paying the dairy's attorney fees, ruling that it had properly amended its lawsuit to seek such a remedy.

U.S. hop supply catches up to demand

By DAN WHEAT
Capital Press

MOXEE, Wash. — For the second year in a row, U.S. hop stocks were up in March over a year ago, a further indicator that supply has caught up with demand.

U.S. hop growers, dealers and brewers had 140 million pounds on hand March 1 compared to 128 million a year earlier for an increase of 9 percent, according to a March 17 report by USDA National Agricultural Statistics Service.

Stocks held by growers and dealers totaled 105 million pounds while brewers held 35 million pounds. A year ago, growers and dealers held 88 million pounds and brewers held 40 million pounds.

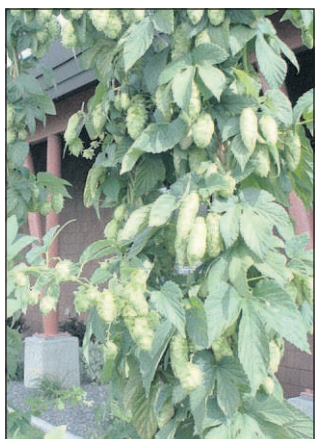
In March 2016, stocks were up 10 percent over March 2015, when they were down 2 percent from March 2014. In September 2016, pre-harvest stocks were up 2 percent from the year before and the September before they were down 8 percent.

All of that shows the hump has been crossed from under-supply to oversupply, sources say.

"In some varieties there will be pretty substantial carryover," said Ann George, executive director of Hop Growers of America and the Washington Hop Commission in Moxee, near Yakima.

A few specialty varieties still may be undersupplied, she said.

"The main thing is we're



Dan Wheat/Capital Press

Hop vines and cones grow in the fall outside the John I. Haas building in Yakima, Wash. Extract from the cones is used in making beer.

going into a period of re-balancing (amounts of varieties) between growers and merchants. Some brewers are still putting out new contracts while others are coming back in and renegotiating, pushing deliveries out in the future or canceling," George said.

For years the expansion of small, craft breweries fueled the demand for more aroma hop varieties. But not only has acreage caught up with demand but big brewers are losing market share worldwide because of increased competition from other beverages, she said.

The production of the top 10 breweries in the world dropped 11.4 million hectoliters from 2014 to 2015, which is a lot of beer, she said. One hectoliter equals 100 liters.

Extract from hop cones is used in making beer.

Sixty-four percent of U.S. production is exported.

In 2016, a record 50,857 acres of hops were harvested — mostly in Washington, Oregon and Idaho. The production value was estimated at a record \$498 million and volume was the second largest ever, at 87.1 million pounds.

The average price per pound reached \$5.72, up from \$4.38 the year before, driven by more high-value aroma varieties.

"Prices will remain strong for the 2017 crop. The average price could be similar to 2016, perhaps even slightly higher," said Pete Mahony, director of supply chain management and purchasing for John I. Haas, a major processor and grower in Yakima.

The 2017 crop is essentially entirely contracted under multi-year agreements for expansion, Mahony said.

Therefore, pricing is still reflective of the peak of the market but will start to drop in 2018 and probably more dramatically in 2019, he said.

The March 1 stock increases are largely the result of production increases of 11 percent annually over the past two crops and the 2016 increase would have been even greater if not for below average yields in many big varieties, he said. Acreage increased 17 percent last year and will slow but might still reach 4,000 new acres this year, he said.

Craft beer growth rates are beginning to show signs of slowing, he said.

New \$700K system a boon to wheat breeders, researchers

New technology 'a huge leap' for abilities

By MATTHEW WEAVER
Capital Press

PULLMAN, Wash. — Researchers welcomed a new \$700,000 system they say will help identify biological markers and speed up the wheat-breeding process by years.

USDA Agricultural Research Service and Washington State University researchers will use the new mass spectrometry system, purchased from specialty measurement company Waters Corp. of Milford, Mass.

A ribbon-cutting ceremony for the new machine concluded a celebration March 21 of plant metabolomics on the WSU campus.

According to WSU, metabolomics refers to the scientific study of chemical fingerprints, called metabolites, that cellular processes leave behind in organisms and nature. Metabolites are clues to the health, development and symbiotic activities of plants and microbes.

The wheat metabolome is the web of chemical signals that drive the health and development of wheat and associated organisms.

"When you have environmental influences on the genome, there might be very



Matthew Weaver/Capital Press

Washington State University biochemistry research scientist Bob Bonsall prepares to cut the ribbon for a new \$700,000 mass spectrometry system during a celebration in the WSU and USDA Agricultural Research Service laboratory March 21 in Pullman.

subtle changes there, but you might see great changes on the metabolome," said Ken Rosnack, principal business development manager at Waters Corp.

The technology is fundamental, the better to provide a base for applied research, said David Weller, leader of the USDA ARS wheat health, genetics and quality research unit in Pullman.

"Every time you can bring new instrumentation and technology forward, it makes a huge leap in your research abilities," Weller said.

The new technology will help breeders develop disease-resistant new wheat varieties earlier in the process.

"By understanding the metabolome of the plant, and

especially the roots, we can identify the bio markers that say, 'Is this plant healthy? Is it going to be robust? What problems is it going to have?'" Weller said.

Researchers will be able to tell if they should continue a line of wheat — whether it contains the good characteristics they're looking for or negatives they want to avoid, Weller said.

"It makes the whole process of screening plant material so much more of a rapid process," he said.

WSU biochemist Bob Bonsall said he'd been working for years to get the technology to the university.

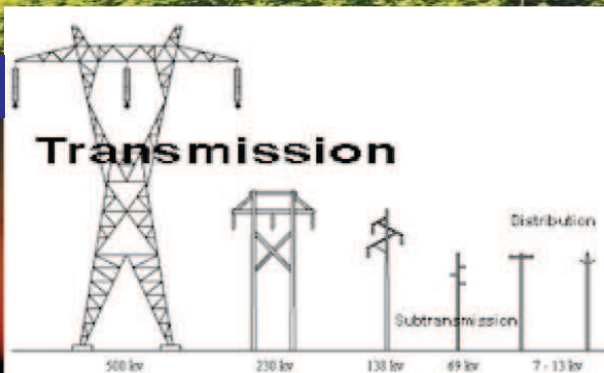
"This puts us in the next dimension," he said of the new technology.

Innovative Solar Systems



Can We Lease Your Land for Our Solar Farms?

Large Transmission Power Lines on Your Property? *Lease Us Your Land!*
Long Term Land Leases Needed! 20-40 Years - Up to \$1,250 per Acre per Year



- We require large tracts of land (over 150 acres), currently clear and clean with 3-phase transmission type power lines for our solar farms.
- Land **cannot** be in flood zone or have wetlands issues. Owner **must** retain mineral rights both above and below surface, or have executive rights.
- No underground utilities, including oil and gas lines, within the proposed solar site.

CALL
(828) 817-5400 or
(828) 817-9101

EMAIL
InnovativeSolarFarms@
gmail.com

www.InnovativeSolarFarms.com