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# Opinion

## Editorial Board

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## OUR VIEW

# Idaho Wheat Commission right on royalties

Idaho wheat producers are a bit miffed with the University of Idaho, and we think they have every reason to be mad.

For years Idaho producers, through the wheat commission, have given researchers at the university money for the wheat breeding program. It's been running about \$1.25 million a year. Not a small amount of money considering how much wheat prices have fallen in recent years.

The university has put that money to good use. University of Idaho breeders have developed a number of popular, and profitable, public varieties. It's been good for farmers, who get varieties bred specifically for Idaho growing conditions. It's



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been good for the university, because the royalties from the public varieties have been a boon.

It's not an insignificant amount of money. Three of UI's publicly released wheat varieties — UI Magic, UI Palouse and UI Castle — have generated \$400,000 in royalties the past two years.

No one really begrudges

the university profiting from intellectual property developed at its facilities by its researchers. It's what the university is doing with the money, or rather what it's not doing with the money, that's the rub.

None of the royalty money is going back into the breeding program.

Under UI's current royalty distribution formula, 20 percent goes to the college to distribute as it wants, 40 percent goes to the university's office of technology and 40 percent goes to the inventor.

We think someone who develops intellectual property, even if they are on the public payroll, should profit from their discoveries. It gives them the incentive to do even better work to benefit producers. That still leaves 60 percent of the royalty pie that could be going back into the breeding program.

The Idaho Wheat Commission wants the university to commit to returning its share of the royalties back to the program, and toot sweet. To make sure it gets the

message, the commission has told the university that if it doesn't comply the producers will stop funding the program.

"We expect senior management to grab a hold of this and get it fixed because soon isn't quick enough," Commissioner Bill Flory told university general counsel Kent Nelson during the commission's June 7 meeting.

Here's how the producers see it: They helped fund the research in the first place, then were charged for the seeds once they were developed. It looks to them that they are the ones doing all the paying. Fair point.

Nelson said the university takes the issue seriously. It should, and meet the commission's demand.

## OUR VIEW

# Washington apple industry's new super star

The Washington state apple industry is re-inventing the way it does business. The industry is investing hundreds of millions of dollars in a radically different strategy for introducing a new variety of apple, the Cosmic Crisp.

A cross between the Enterprise and the Honeycrisp varieties, Cosmic Crisp is easier to grow and store than most other varieties. Most importantly, consumer focus groups have given it top ratings for taste and texture.

The Cosmic Crisp has all the makings of a super star and will replace Red Delicious and other varieties whose popularity has flagged in recent years.

Apple varieties typically take many years before they reach a critical mass. The Cosmic Crisp's introduction will shift that process to fast-forward. This spring about 50 Washington growers chosen in a drawing planted 630,000 Cosmic Crisp trees. About 10 million more trees will go into the ground in the next two years.

In 2019 Cosmic Crisp will make its commercial debut with 200,000, 40-pound boxes. That will jump to 1.9 million boxes the next year, 5 million in 2021 and 9 million in 2022, marking the fastest ramp-up of a new apple variety in history.

Ultimately, industry leaders hope to sell 30 million boxes or more each year.

The main question that remains is price. Assuming consumers are willing to pay a premium price similar to what they pay for Honeycrisp, the new apple will become a success. But even at lower prices the Cosmic Crisp will be a boon to the industry.

The Cosmic Crisp is different because it was developed by Washington State University breeders. That allows WSU and the state's apple industry to retain control of it and the royalties it generates.

The royalty is \$1 for every tree sold and 4.75 percent of the price of every box that sells for more than \$20. One-fifth of the royalty will go to commercializing and promoting the apple.

Most importantly, half of the royalty will go to WSU plant breeding programs, with most of that going to apple breeding. The remaining royalty will go to the WSU Office of Commercialization, the College of Agricultural, Human and Natural Resource Sciences and the breeders.

This investment in turn will establish a bigger pipeline for developing more new apple varieties in the future.

Our hope is the Cosmic Crisp will be a roaring success, but our further hope is that success will provide the resources that allow WSU's plant breeders to develop important new varieties of apples and other crops.

One apple industry leader said the Cosmic Crisp could help Washington become "the Silicon Valley of apple breeding."

That's a bold statement, but it's also one that's achievable.

# Agricultural Heritage Program a starting point for getting farmland to next generation

By NELLIE MCADAMS  
For the Capital Press

Guest  
comment  
Nellie McAdams



How do beginning farmers and ranchers connect with the record number of retiring producers? What should be a straightforward question with a straightforward answer isn't always so simple.

Recent research by Oregon State University, Portland State University and Rogue Farm Corps found that the average age of Oregon's farmers and ranchers is nearly 60, higher than it's ever been. As a result, 64 percent of Oregon's farmland — 10.45 million acres — will change hands in the next 20 years. Yet the majority of Oregon producers might not have comprehensive succession plans, which means this land is not guaranteed to stay in agricultural production.

Estate taxes, attorney fees and family strife can come with any estate, but they are especially likely and costly in an unplanned estate. As one rancher said: "Either you pay the attorney now and have something left over for your kids, or you pay it all to the state after you die and you burden your family in the process."

Land-rich but cash-poor farmers and ranchers often sell their agricultural land to pay estate taxes and divide the estate among multiple heirs, jeopardizing the future of the business that created this wealth. One farmer asked: "If the first generation spent their lives buying the asset, how can they help the next generation not have to pay for it again?"

In a recent series of agricultural succession workshops around the state, attendees included not only retiring producers, but first-generation farmers and ranchers without property to inherit. Among them was Aimee Danch, a Jackson County rancher in her 30s.

Aimee grew up in a semi-urban area, but was always drawn to agriculture. Fearing it wasn't a viable profession because she wasn't born into it, she worked on and off ranches until apprenticing at San Juan Ranch in Colorado, where she finally decided there must be a way to make a living. Aimee couldn't stop ranching. "I feel most myself when I'm doing this work," she said.

She went on to manage a 600-head cow operation with upwards of 1,000 head of finish beef for a company in California. After 4 years, she met her husband, Jeremiah Stent, a ranch manager in Central California, and together they decided to form their own land and cattle company, Pacific Grasslands LLC.

Business has grown steadily for them. But one thing they couldn't do during the decade of amassing the skills and experience necessary to successfully run a livestock business is save enough money to purchase land. As Aimee explained, "You simply cannot legitimately learn the

skills and save or raise the money for a down payment at the same time."

Aimee and Jeremiah now raise their 1-year-old daughter outside Jacksonville, running several hundred head of cattle on more than 10 leases in Oregon and California. None of their properties are contiguous and each has a different landlord. The decreased efficiency of this model and the inability to scale due to a lack of access to large parcels makes it nearly impossible to acquire the capital they need for a down payment.

They know about the mass farm and ranch succession, but wonder, "How do we develop a process that doesn't depend on luck for connecting retiring ranchers who have solvent ranches and are looking for successors, with qualified first-generation ranchers? Having the skills and equipment isn't enough when the price of the land is often too high to cash flow with agricultural income alone. We don't know of any first-generation ranchers who've been able to purchase land unless they're backed by a landowner or benefactor."

Organizations are working to make these connections. Online programs like Oregon Farm Link connect landowners to land seekers; Dirt Capital LLC in the northeastern states pools capital from private investors to help beginning farmers buy land; and some land trusts help farmers purchase land in transactions that include a working lands easement. These easements prevent development, allow for production, help sellers get cash from their land without having to sell parcels, and make the land more affordable for young farmers.

The Oregon Agricultural Heritage Program, HB 3249, would help fund working lands easements as well as other voluntary tools like temporary covenants and conservation management plans. It also would support succession workshops and a study of Oregon's estate tax. This bill is an important part of the solution — a starting point. Agricultural land is changing hands, aging farmers want to see their legacy continued, and qualified beginning farmers and ranchers are ready to take it on. We should continue to explore tools and opportunities for connecting generations of farmers and ranchers for the future of agriculture in Oregon.

*Nellie McAdams is on the board of the Oregon Association of Conservation Districts and is the Farm Preservation Program Director at Rogue Farm Corps, where she helps create programs for farm and ranch succession planning and the preservation of agricultural land for the next generation. She also works on her family's hazelnut farm in Gaston, Ore.*

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**Letters policy:** Please limit letters to 300 words and include your home address and a daytime telephone number with your submission. Longer pieces, 500-750 words, may be considered as

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