

Wheat industry voices goals for NAFTA talks

By **MATTHEW WEAVER**
Capital Press

U.S. wheat growers are urging the Trump administration to maintain the current advantages of the North American Free Trade Agreement and level the playing field with Canada and Mexico in other areas.

The Trump administration announced the objectives for NAFTA renegotiations July 17.

"After months of unknown, it is refreshing to see the proposed NAFTA objectives identify agriculture as one of the sectors that have benefited from the decades-old trade deal, something we have reiterated since the beginning of renegotiation rumors," said David Schemm, president of the National Association of Wheat Growers and a Sandy Springs, Kan., wheat farmer.

Trump's objectives also identify agriculture as an area to maintain and improve market access and maintain duty-free market access, Schemm said.

"This is crucial for wheat growers that have seen significant gain in the Mexican market since NAFTA was implemented and the tariff barriers lifted," he said.

Mexico was the No. 1 export market for U.S. wheat farmers last year, and is consistently one of the top five markets for the industry.

"Our priority is not to do any harm to the relationships and the current situation," said Steve Mercer, vice president of communications for U.S. Wheat Associates.

The renegotiation provides a opportunity for the U.S. to work with Canada on moving wheat across borders, Mercer said.

"Wheat moves both ways, but Canadian wheat is rated as if it

were produced in the United States and put into the system," Mercer said. "Our wheat sold at an elevator in Canada has to be within their variety registration and is rated as a feed wheat. There's no incentive for our folks to sell at a local elevator across the board, whereas the Canadians have a lot more opportunity."

Canadian law would have to be changed, Mercer said. U.S. Wheat representatives have spoken with Canadian representatives. Western Canadian wheat growers hope to see a similar reciprocity, he said.

Schemm and Mercer also welcomed the potential for modern sanitary and phytosanitary measures.

"We really see this as a way to update these science-based measures with like-minded countries and potentially serve as the gold standard for future trade deals," Schemm said. "The goals specifically call out improving communications, consultation and cooperation on items like new technologies."

For wheat growers looking to technology to improve yield, quality and other factors, "it is vital that our trading partners accept the tools we use to achieve top quality products," Schemm added.

Schemm said NAWG will continue to engage with the U.S. government and Congress through the renegotiating process.

The objectives continue Trump's decision to renegotiate NAFTA and not withdraw from the deal, Mercer said.

"If we stay on that line, we're on a good path," he said. "We'll continue to monitor through our contacts and certainly express our concern or pleasure when it happens."

Trade representative lists NAFTA objectives for ag

Staff and wire report

The Trump administration on Monday released its objectives in the renegotiation of the North American Free Trade Agreement between the United States, Canada and Mexico.

The president said Monday in revising the pact he hopes to cut the \$64 billion trade deficit with Mexico.

In addition to reducing the trade deficit, the administration wants to insert a chapter on the digital economy into the deal. It also wants to strengthen labor and environmental obligations, as well as amending the rules of origin so that more of the products traded come from the United States and North America.

The new NAFTA objectives, a requirement to begin talks on updating the agreement in the next 30 days, contain the first specifics for a Trump administration that has made bold promises on trade. Trump has pledged to recover factory jobs and boost wages by crafting new trade deals.

Supporters note that NAFTA enabled companies to charge cheaper prices for products that range from cars to vacuum cleaners, helping many U.S. consumers.

The U.S. Trade Representative's 17-page document lists the following objectives for agriculture:

- Maintain existing reciprocal duty-free market access for agricultural goods.
- Expand competitive market opportunities for U.S. agricultural goods in NAFTA countries, substantially equivalent to the competitive opportunities afforded foreign exports into the U.S. market, by reducing or eliminating remaining tariffs.



Dario Lopez-Mills/Associated Press File

In this Aug. 31, 2016, photo, then presidential nominee Donald Trump walks with Mexico President Enrique Pena Nieto at the end of their joint statement in Mexico City.

- Seek to eliminate non-tariff barriers to U.S. agricultural exports including discriminatory barriers, restrictive administration of tariff rate quotas, other unjustified measures that unfairly limit access to markets for U.S. goods, such as cross subsidization, price discrimination, and price undercutting.
- Provide reasonable adjustment periods for U.S. import sensitive agricultural products, engaging in close consultation with Congress on such products before initiating tariff reduction negotiations.
- Promote greater regulatory compatibility to reduce burdens associated with unnecessary differences in regulation, including through regulatory cooperation where appropriate.

The Mexican government said in a statement that the administration's NAFTA objectives will give greater clarity to the negotiations.

Chrystia Freeland, Canada's minister of foreign affairs, said, "NAFTA supports millions of middle class jobs" across North America and Can-

ada welcomes the opportunity to add "progressive, free and fair approaches" to the pact.

Despite the report, it's still not clear exactly how Trump will renegotiate NAFTA to reduce the trade deficit, said Phil Levy, a senior fellow for the Chicago Council on Global Affairs and a business professor at Northwestern University.

"There's no detail," Levy said. "There's nothing in there where you could say, this is how we get rid of the trade deficit."

When NAFTA went into effect in 1994, the United States ran a small trade surplus in goods with Mexico and a slight deficit with Canada. But the size of the deficits steadily began to increase afterward.

By last year, the United States ran a \$64 billion trade deficit with Mexico and a nearly \$11 billion gap with Canada. Neither trade deficit is near its peak level. The trade deficit with Canada hit a high in 2008, while the trade gap with Mexico nearly reached \$75 billion in 2007.



Sean Ellis/Capital Press

Growers and industry representatives inspect a field trial designed to help farmers find better solutions to control onion thrips July 12 during a field day at Oregon State University's agricultural experiment station near Ontario.

Onion thrips population soaring in Idaho, Oregon

By **SEAN ELLIS**
Capital Press

ONTARIO, Ore. — Onion thrips were late to arrive in the Treasure Valley of Idaho and Oregon this year, delayed by a harsh winter and wet spring.

But temperatures have been well above normal this month and the onion pest's population is exploding as a result. The average high temperature in Ontario has exceeded 100 degrees eight times in July already.

"The heat's making things explode," said Nyssa grower Paul Skeen, president of the Malheur County Onion Growers Association.

Onion thrips can cause feeding damage. They are also a vector for the Iris Yellow Spot Virus, which can significantly reduce yields of the bulb onions grown in the region.

"They were a little late getting in but they have made up for it," said Stuart Reitz, an Oregon State University cropping systems extension agent in Ontario. "With these higher temperatures, the populations are really going crazy. We're starting to see a lot higher numbers."

Virus pressure is just starting and has been detected in a few commercial fields recently, Reitz said.

"We haven't seen much (virus) around the area. Yet. It's probably coming," he said.

While the timing of the pest's appearance in the valley can vary from year to year, they are an annual headache for Treasure Valley onion farmers.

There are no effective biological controls for onion thrips, so that leaves the use of insecticides as growers' only option to control them, Reitz said.

The thrips problem has only gotten worse for growers over the years, Skeen said.

"When I started farm-

ing here 45 years ago, if we sprayed four times in a season, that was a lot," he said. "Now, it's not uncommon to spray seven or eight times."

Onion grower groups in the region are helping fund a field trial that has been overseen by Reitz that seeks solutions to the thrips problem.

One of the main goals of the trial is to help growers find the right mix of insecticide treatments that allows them to spray as little as possible.

Researchers are rotating chemistries and using them at different times of the season to try to find the right combination for thrips control.

It costs between \$20 and \$100 an acre to spray for thrips, depending on which chemical is used, so reducing the number of times a grower has to spray can save a lot of money, Reitz said.

OSU researchers recommend not overusing any one chemistry to prevent resistance in thrips.

"You have to manage them in the season but you also have to look at the longer term picture and that's why we're really stressing rotating chemistries so you don't have resistance building up," Reitz said.

Wheat prices 'bounce around' as harvest gets underway

By **MATTHEW WEAVER**
Capital Press

MILTON-FREEWATER, Ore. — Farmer Nathan Rea stood in his field of dark northern spring wheat, slated for harvest later in July.

Prices for the wheat class have taken off in recent weeks, in response to hot and dry weather in Montana, South Dakota and North Dakota.

"Unfortunately for them," Rea said. "The positive side is we're getting a much-needed increase in the price of wheat. The DNS price is helping to pull up some of the others. We're hopeful soft white will get some legs here."

On the Portland market, DNS ranged from \$7.93 to \$9.53 per bushel last week, depending on protein content. Soft white wheat ranged from \$5.21 to \$5.45 per bushel. Both are up more than 20 percent this year.

But futures prices trended lower last week compared to the previous week, according to USDA. Chicago wheat futures were 27.25 cents lower at \$5.12 per bushel, Kansas City wheat futures were 31 cents lower at \$5.16 per bushel and Minneapolis wheat futures were 19.5 cents lower at \$7.50 per bushel.

"We're going to see this thing bounce around," said Dan Steiner, grain merchandiser for Morrow County Grain Growers in Boardman, Ore. He said Minneapolis numbers are "rock-solid" because of high demand and crop problems in the region.

Since the end of May, grain speculators have bought 805 million bushels of Chicago wheat futures, Steiner said. They're now 235 million bushels long — owning more than they need to sell — the biggest long position in three years. Speculators on the Kansas City market are long 362 million bushels, the



Capital Press File

Weather problems in the Upper Midwest, Canada and Australia have led to an increase in wheat prices.

biggest long position in more than a decade, Steiner said.

"If they're long and the price goes up, they make money," he said. "If they're long and the price goes down, ooh, sad faces."

Steiner expects a lot of movement in the market.

"It's going to take time to work this through the system," he said. "The speculators came in and went from a reasonable short position to very large long positions as far as Chicago and Kansas City are concerned. There's going to have to be some unwinding from this rally."

Soft white wheat prices still need to go higher to cover farmers' cost of production, Rea, the farmer, said. He'd like to see well above \$5 per bushel locally, and ideally \$6 per bushel, noting that it costs farmers to ship their wheat from rural grain elevators to Portland for export to overseas markets. It costs about 60 cents a bushel to transport wheat to export facilities.

"This is much better than where we've been," Rea said. "We're going to have high yields this year, but the price has just been killing us. People talk about knowing your cost of production and not selling for anything below that, but that's not been possible the last couple of years."

It's unclear what the final losses will be in Montana and the Dakotas. Other possible problem spots include competing wheat-producing regions in the Canadian Prairies and Australia, Steiner said.

"It's a slow developing

picture," Steiner said. "That's one of the problems with a drought. It's not like a tornado or hailstorm that comes whipping through and you know the results as soon as the sun comes back out."

Australian wheat production is expected to be down 30 percent from last year, from 33.5 million metric tons to 23.5 million metric tons, which will also affect soft white wheat prices, Steiner said.

Soft white wheat will likely maintain its value, Steiner said.

Hot and dry conditions will continue in the Northern Plains and Canadian Prairies, further impacting the DNS crop.

"It's going to be tight — we're going to see a small crop, no doubt about it," said Darin Newsom, senior analyst for DTN in Omaha, Neb. "The market still looks like it wants to go higher. We haven't found that price level yet where buying just shuts off."

As long as grain merchandisers are struggling to find supplies, higher prices could continue, Newsom said.

Grain speculators are driving the market right now, Steiner said. He recommends farmers sell at least some of their wheat when prices are in the high \$5 per bushel range and holding it when prices get lower.

"In today's environment, you're probably going to be able to get somewhere between \$5.50 to \$5.70 without too much trouble," Steiner said.

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PUBLIC NOTICE

The Oregon Soil and Water Conservation Commission (SWCC) will hold its regular quarterly meeting on Thursday, August 10, 2017, from 12:00 p.m. to 4:30 p.m. The regular quarterly meeting will be held at the Jackson Soil and Water Conservation District office, 89 Alder Street, Central Point, OR, 97502. 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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• Unit 140 - Eric or Jordan Hagen
• Unit 161 - Jamie and or Tawnya Newman
• Unit 166 - Stephen Shuck
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PURSUANT TO ORS CHAPTER 98
Notice is hereby given that the following vehicle will be sold, for cash to the highest bidder, on 7/25/2017. The sale will be held at 10:00am by PARKING ENFORCEMENT SERVICES 1768 13TH ST SE, SALEM, OR 2013 CHEV MALIBU VIN = 1G11B5SA4DF197798 Amount due on lien \$3124.00 Reputed owner(s) JAVIER MARTINEZ AMERICREDIT FINANCIAL

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Notice is hereby given that the following vehicle will be sold, for cash to the highest bidder, on 7/26/2017. The sale will be held at 10:00am by HILLYER'S STAYTON FORD 11361 MILL CREEK RD SE, AUMSVILLE, OR 2001 FORD F150 P/U VIN = 1FTNW21F51ED77155 Amount due on lien \$2104.47 Reputed owner(s) BURTON BODDA EQUITABLE FINANCE

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