



Courtesy of Columbia Riverkeeper
As part of its Port Westward expansion, the Port of St. Helens would rezone 786 acres of adjacent farmland to allow additional industrial development.

Port's expansion proposal would plant industry on ag land

By ERIC MORTENSON
Capital Press

A long-running Oregon land use question — under what conditions can farmland be rezoned for other economic uses — returns to Columbia County northwest of Portland with an Aug. 2 public hearing before the county commission.

At issue is an expansion plan for Port Westward, an industrial park owned by the Port of St. Helens. The park includes 4,000 feet of deepwater frontage along the Columbia River. The facility has a 1,250-foot dock, a pair of electrical generating plants, a 1.3 million-barrel tank farm and a biomass refinery, according to a summary by the state Land Use Board of Appeals, or LUBA.

In a proposal first filed in 2013, the port seeks to rezone 786 acres of adjacent farmland to allow additional industrial development. Mint grower Mike Seely, who farms next to the site, opposes the idea. Columbia Riverkeeper, an environmental group based in Hood River, sides with Seely, who could not be reached for comment.

The opponents say additional industrial development could harm water quality and wildlife habitat and interfere with farm operations through dust, noise, increased traffic and train crossings that would delay farm vehicles.

Environmentalists are chiefly concerned the property will be used by coal trains

and crude oil trains.

The state Department of Agriculture raised a couple of concerns in a letter to the county from Jim Johnson, the agency's land use and water planning coordinator.

He said industrial development could harm mint and blueberry production. The land proposed for rezoning is primarily Class 2 and Class 3 soils, and is considered high value farmland, he said.

The case has bounced back and forth through the land-use appeals process, with LUBA ultimately siding with Seely, the farmer, and Columbia Riverkeeper on a couple points and remanding it to the county, which had approved the plan.

Paula Miranda, the port's deputy director, said the expansion is important for the county's economic health. The facility is one of Oregon's few deepwater ports, and providing more room will allow it to attract more businesses.

She said the plan includes protection for agriculture. The port is required to assess any impact it might have on farms and to demonstrate it has taken steps to mitigate the impact.

County Commissioner Alex Tardif said the board has to balance potential economic growth with the cost of converting farmland.

"What will the long-term consequences be?" he asked. "Maybe it makes sense for the here and now, but what will the long-term viability of the county be?"

E. Oregon ag community applauds \$26 million for rail transload facility

By SEAN ELLIS
Capital Press

ONTARIO, Ore. — Eastern Oregon is on the path to landing a major rail transload facility, and that news is sending a jolt of excitement through the region's agricultural industry.

The Oregon Legislature's recently passed \$5.3 billion transportation bill includes \$26 million to create a transload facility near Ontario in Malheur County.

A transload facility allows shipping containers to be transferred from one mode of transportation to another, in this case between truck and rail.

The facility would be a big benefit to the area's agricultural sector, particularly the onion industry, Rep. Cliff Bentz, R-Ontario, said.

"It would drive down the cost of freight significantly," he said. "It would be a real benefit to our community."

The facility could benefit the region's alfalfa, timber, dairy and other industries as well but it would be a huge win for the onion industry, Bentz said during a public presentation June 13 in conjunction with a Malheur County Onion Growers Association board meeting.

"The entire facility is built around the onion industry," he said. "Eighty to ninety percent of the facility is going to be for you guys."

Onion growers and shippers applauded plans for the facility.

"This thing is huge," the association's president, Paul Skeen, a farmer, told Capital Press. "It's a big, big deal. It will allow us to move product faster and cheaper."

Most of the region's onions are shipped by rail to the East Coast. They currently have to be taken by truck to the nearest transload facility in Wallula, Wash., before heading east.



Sean Ellis/Capital Press

Rep. Cliff Bentz, R-Ontario, answers questions about plans for a rail transload facility in Eastern Oregon during a July 13 presentation in Ontario. The facility is expected to significantly reduce freight costs for farm and other products shipped from the region.



It costs onion growers in Eastern Oregon and Southwestern Idaho about 50 cents per 50-pound bag to do that, said Grant Kitamura, general manager of Murakami Produce, an onion shipping company.

With a transload facility near Ontario, "That could be money in our pockets,"

he said. "This is going to be a real salvation for our local onion industry."

Shay Myers, general manager of Owyhee Produce, an onion shipper, estimates the transload facility could result in about \$15 million per year in freight savings for the Oregon-Idaho onion industry.

"That's just freight savings; it doesn't include new market share that might be created by that (new) freight advantage," he said.

Bentz, who was vice-chairman of the 14-member committee that hammered out the transportation bill, said the biggest advantages of the transload facility would be reducing freight costs and reducing delivery times.

He said the facility would

attract product from the nearby Boise area and as far away as Burley in southcentral Idaho.

Kay Riley, general manager of Snake River Produce, an onion shipper, said that when it comes to shipping to the East Coast, the Oregon-Idaho onion industry enjoys about a 50-cent per bag natural geographic advantage over onion growers in Washington.

However, he added, that advantage is wiped away by the fact Oregon-Idaho onions have to backtrack to Washington before being shipped by rail to the East Coast.

"This (transload) facility would re-establish that advantage," he said. "It's huge (and) could be a real game-changer for us."

Tour shows benefits of keeping USDA grants

White House: Subsidies inappropriate

By DON JENKINS
Capital Press

A farm tour in northwest Washington Monday showcased the rippling economic gains from USDA grants, which the White House says the government shouldn't be handing out.

The Northwest Agriculture Business Center, which helps farms apply for grants, organized stops at two small dairy processors and a produce farm that have benefited from USDA grants.

The federal grants spur private investment and lead to permanent jobs at small farms trying to fill niches in markets dominated by big companies, the business center's project manager, Jeff Voltz, said.

"How do you do good for the little guys?" he asked. "That's what we're trying to do."

The Trump administration has presented Congress with a \$137 billion USDA spending plan for the fiscal year beginning Oct. 1, down about \$12 billion from the current budget, according to a USDA budget summary. Some of the savings would come by cutting grants to businesses.

The White House argues tax and regulatory relief would be more effective in helping rural economies. "The government should not be subsidizing the advertising and promotion of commodities, singling out select commodities for special assistance, or providing subsidies to producers for the processing of their products," according to a White House paper on budget reform.

The Trump administration proposes to entirely eliminate "value-added producer grants," which help farms add employees, buy packaging materials and market products. The farms also must match the grants with capital



Don Jenkins/Capital Press

Larry Stap, owner of Twin Brook Creamery, holds a bottle of chocolate milk at his processing plant in Lynden, Wash. Stap says a USDA grant helped his dairy develop its own line of dairy products. The White House has proposed cutbacks in USDA grant programs.

investments.

"You can't buy 'hard objects' with the USDA grant, but it frees up your capital so you can do that," said Lynden dairy farmer Larry Stap, owner of Twin Brook Creamery.

Stap left the Darigold cooperative more than a decade ago to bottle non-homogenized milk from his 200-cow dairy. Twin Brook distributes milk to about 200 stores and has 11 employees, about nine more than if it had stayed solely a dairy, Stap said.

A \$276,000 value-added producer grant helped the business survive early struggles, he said. "I don't know if we would have made it."

The USDA last fall awarded 325 value-producer grants totaling \$45 million. Washington received 18 grants, second only to Virginia's 20. The Washington grants will support marketing a variety of products, including cider, mead, kale chips and organic grass-fed milk.

Grace Harbor Farms in Custer, Wash. — makers of yogurt, flavored milk and kefir (drinkable yogurt) — received a \$249,000 USDA grant in 2015 for payroll, supplies and marketing.

Meanwhile, the farm invested in capital improvements, said David Lukens,

whose parents, Tim and Grace Lukens, started the business in 1999.

"The grant was instrumental in becoming more efficient," he said. "That was a huge boost in the arm for us."

Grace Harbor receives milk from a 70-cow dairy and an 80-goat dairy. Its products are sold in about 120 stores in Western Washington.

The farm estimates that the grant allowed it to add four or five full-time workers. It has a total of 12 employees, and David Lukens said he has ambitions to grow. He predicted rising demand for kefir. "We'll see in three to five years if I'm right," he said.

Cloud Mountain Farm Center, in Everson, is a 42-acre farm owned by a nonprofit organization. Interns provide the labor and novice farmers lease plots. The center received a \$49,000 rural-development grant and bought equipment to wash and spin salad greens. Previously, the center used washing machines and clothes dryers.

The equipment helps the center package the bags of salad sold to restaurants and cafeterias, Executive Director Tom Thornton said. The center may be a nonprofit, but it won't survive as a money-loser, he said.



SAN 30-6

DID YOU KNOW?

FACT:

- There is a new stabilized dry granular NITRATE form of fertilizer available.
- NITRATE nitrogen is the fastest acting nitrogen source.
- SAN 30-6 has 30% nitrogen and 6% Phosphate.
- A unique combination of ammonium phosphate and ammonium nitrate in a homogenous granule.
- SAN 30-6 gets nitrogen to the plant when it needs it. Use for early, mid and late season applications.
- SAN 30-6 is less volatile than other dry forms of Nitrogen. No need to add a nitrogen stabilizer.

AVAILABLE THROUGH YOUR LOCAL AG RETAILER.

For Questions and More Information, Contact
Two Rivers Terminal
866-947-7776
info@tworiversterminal.com
www.tworiversterminal.com

