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THINKING outside the CAN



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Canadian ag minister urges caution in NAFTA talks

By MATEUSZ PERKOWSKI
Capital Press

PORTLAND — Canada's Minister of Agriculture, Lawrence MacAulay, said he's amenable to negotiations over the North American Free Trade Agreement but hopes the talks proceed with caution.

"It's put a lot of money in the farmers' pockets in the U.S. and Canada, so let's be sure to continue down that path," MacAulay said. "If you're going to fix something that's in good shape, be careful."



Lawrence MacAulay

MacAulay stopped in Portland July 24 for the annual summit of the Pacific Northwest Economic Region, a non-profit created by five American states and five Canadian provinces.

NAFTA is top of mind in agriculture these days, with negotiations over the agreement between the U.S., Canada and Mexico set to begin Aug. 16-20 in Washington, D.C.

After meeting with USDA Secretary Sonny Perdue, MacAulay sees an ally who's also supportive of the strong trade relationship between the U.S. and Canada.

Whether Perdue will be able to influence NAFTA's renegotiation, however, is a subject about which MacAulay said he'd prefer not to speculate.

In late April, it appeared the President Donald Trump was ready to pull out of NAFTA, until Perdue and other pro-trade agriculture groups convinced him to revisit the deal rather than withdraw entirely.

In outlining the Trump administration's objectives in the NAFTA discussions, U.S. Trade Representative Robert Lighthizer specifically pointed to "market access issues" related to trade with Canada in grain, dairy and wine that the current deal "is unequipped to address."

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Food processors change with the times as consumer tastes evolve

By ALIYA HALL
Capital Press



"If people are eating more fresh fruit and less canned fruit it certainly affects us. I see it in my own life. ... We eat more fresh fruit because it's available."

Russell Loughmiller
Muirhead Canning Co.
owner

THE DALLES, Ore. — Russell Loughmiller has seen first-hand how the food processing industry has changed over the years. He's changing with it.

Loughmiller's Muirhead Canning Co. in the Dalles, Ore., is one of the 1,016 food and beverage processing plants in Oregon and is part of a \$500 billion national industry, according to the USDA Economic Research Service. But Loughmiller, 42, who has been canning peaches, cherries and pears for 11 years, has noticed a steady decline in consumers' desire for canned goods.

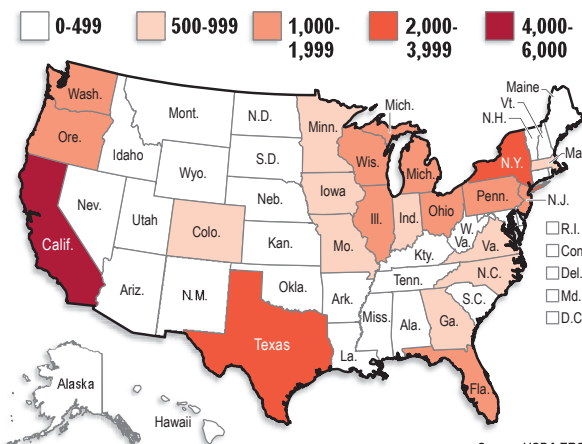
"That affects me directly. I go into grocery stores and see that canned fruit is shrinking," he said. "I feel like some of it is generational, and some of it is the availability of fresh fruit year-round."

Loughmiller bought the cannery in 2006, and employs 25 people.

Like every industry, food processing has gone through many rapid changes in recent years. Chief among them is a shift from canning produce to freezing it or shipping it fresh, either packaged individually, sliced or as salad mixes.

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Food and beverage manufacturing establishments in the U.S., 2015



Source: USDA ERS
Alan Kenaga/Capital Press

Top 12 states by number of establishments

Rank/state	Number	Rank/state	Number
1. California	5,531	7. Florida	1,212
2. New York	2,508	8. Wisconsin	1,119
3. Texas	2,175	9. Ohio	1,067
4. Pennsylvania	1,489	10. New Jersey	1,028
5. Illinois	1,384	11. Michigan	1,026
6. Washington	1,323	12. Oregon	1,016

Good cherry season for consumers, not so much for growers

By DAN WHEAT
Capital Press

YAKIMA, Wash. — It's been a stellar Northwest cherry season in terms of weather, fruit quality and sale prices for consumers.

But it's likely to be the largest crop on record at more than 25 million, 20-pound boxes, making it less than stellar for grower returns.

"It's been the best cherry weather ever. No rain. It hasn't been 100 degrees ev-

ery day and it's been cool at night. But pricing has not improved," says Brenda Thomas, president of Orchard View Farms in The Dalles, the largest cherry grower in Oregon.

Wholesale prices averaged \$25 to \$27 per 18-pound box two weeks ago and have not gotten better, Thomas said. The wholesale average over the past three years was \$35 per box, she said.

Early cherries were small, later ones are larger but more volume has not increased

profits, she said.

"This year it's a lot of work for little pay. It's really at the orchard level. Orchards won't get the returns they received last year," she said.

It will be one of the lower-return years for Orchard View Farms growers and most likely throughout the industry, she said.

Retail advertising sales prices typically run \$1.99 to

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Dan Wheat/Capital Press
Jessica Flores and her mother, Veronica Flores, check Rainier cherries at Drescher Orchard near Orondo, Wash., on July 12.

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