

# CDFA's Ross urges growers to communicate with consumers

By TIM HEARDEN  
Capital Press

ORLAND, Calif. — State Food and Agriculture Secretary Karen Ross held up the rice industry in the middle Sacramento Valley as an example of how growers can respond to public concerns about their production activities.

The industry's effort about a decade ago to move away from winter residue burning by using water for decomposition quieted downwind complaints from urban residents while creating habitat for birds — and enhancing an already famous hunting ground, Ross said.

The move illustrates what California's 77,500 farms often have to do to mollify concerns among the state's roughly 40 million residents, many of whom may have formed misconceptions based on inaccurate information, she said.

"People don't know how passionate we are about our land and all the steps we take to preserve it," Ross told about 75 people at the second annual North State Innovations in Agriculture conference Nov. 8 at the Glenn County Fairgrounds.



Tim Hearden/Capital Press

California Secretary of Food and Agriculture Karen Ross (left) talks with Kevin Spafford of Ryan Wealth Management and Ryann Newman, manager of the Glenn County Fairgrounds, before speaking at the second annual North State Innovations in Agriculture conference Nov. 8 in Orland, Calif.

She urged growers to work with environmental groups and cultivate relationships and human interactions with city dwellers and consumers.

"You have the water of the state, and you have the wildlife, the forests and the diverse landscapes," Ross said. "If you want to be bolder going forward, you have to form partnerships and communicate with more people."

Ross' remarks came during a wide-ranging speech and question-and-answer session near the close of the conference, which was started to

educate Northern California farmers and ranchers about technological advances and marketing trends.

Her message provided a bookend after keynote speaker David Schabazian, a manager for the Sacramento Area Council of Governments, opened the conference Nov. 7 by telling growers they should form partnerships with local government planners to have input on land-use policies that could maximize their farms' earning potential.

Noting the conference's focus on emerging technologies,

Ross cautioned producers not to lose their human touch. She encouraged farmers to tell their stories on social media and in personal interactions with consumers.

"People can feel a connection with you even if they've never met you," she said.

She pointed to former California Cattlemen's Association president Matt Byrne, whose family's Sun-Fed Ranch markets its new grass-fed beef product lines by handing out samples at functions such as last year's Natural Products Expo West in Anaheim, Calif.

"That takes a lot of effort," Ross said, adding the ranch doesn't sell all of its beef that way but still finds the venues valuable.

While California's regulations often flummox growers, the upside is that the state's products are coveted around the world because people know they've met high standards, she said. To that end, California Grown, an organization that promotes the state's farm products, is working with the group Visit California to enhance food- and beverage-related tourism, which already accounts for 25 percent of all the tourism to the Golden State, she said.



Mateusz Perkowski/Capital Press

Tim Ramsey (left), the newly-hired CEO of the Wilco farmers' cooperative, shakes hands with Doug Hoffman, its retiring CEO, in front of the company's new headquarters in Donald, Ore.

## New CEO will oversee Wilco's hazelnut foray

Tim Ramsey replaces retiring chief Doug Hoffman

By MATEUSZ PERKOWSKI  
Capital Press

With its forceful foray into the hazelnut business, the Wilco farmers' cooperative is also bringing in a new CEO with experience in the food processing industry.

Last year, Wilco merged with the Hazelnut Growers of Oregon cooperative, adding a significant new venture to its existing businesses of retail stores, agronomy supplies and fuel distribution.

The merged cooperatives will operate out of a massive new processing facility and distribution center in Donald, Ore., that's nearing completion.

By the end of the year, former Oregon Chery Growers CEO Tim Ramsey will be taking the helm at Wilco when its current chief, Doug Hoffman, retires after 23 years.

As he switches from cherries to hazelnuts, Ramsey looks forward to growing the consumer market for the crop.

"We want to take the lead in driving new products and domestic consumption growth," he said.

Traditionally, Hazelnut Growers of Oregon has largely been geared toward packing in-shell hazelnuts for China — a major export destination — and shelling them for food manufacturers.

Since it already operates 18 retail stores in Oregon and Washington, Wilco now sees an opportunity to sell packaged hazelnut products to consumers as well.

Hazelnuts aren't widely available at mainstream grocery stores, so consumers must often seek them out at specialty shops, said Hoffman.

"Today, it's hard to find on the shelf," he said.

To compare, walnuts processed by the Blue Diamond company have a strong consumer presence, said Ramsey.

As it works to increase the domestic visibility of hazelnuts, Wilco benefits from the fact they're grown by its own farmers — modern consumers value such transpar-

ency, he said.

Market research will determine the exact nature of Wilco's hazelnut products, but history has shown that crops can quickly achieve breakthrough popularity with the right approach, Ramsey said.

"Who had a pomegranate before five years ago? Look what POM (the food products company) has done with the pomegranate," he said.

Wilco's retail farm stores have been successful at a time when the overall bricks-and-mortar retail industry is under stress.

Up until now, the cooperative has focused on the Interstate 5 corridor in Oregon and Washington, but it's exploring an expansion into California and elsewhere in the Northwest, said Hoffman.

The company has found its niche in locations with a substantial population base that earns a decent income but are still rural enough for raising livestock and hobby farming.

"Our stores don't fit in all communities," Hoffman said.

The biggest challenge for Wilco's retail stores is e-commerce, which the cooperative aims to overcome with its own strategy for online shopping.

Retail stores can serve as useful pickup points for items bought online, said Hoffman. "It's the same reason Amazon bought Whole Foods."

Wilco isn't as vulnerable to the rise of e-commerce as grocery stores, since its retail stores often sell items that are too heavy or unwieldy for easy shipping, Ramsey said.

"Not everybody is going to buy T posts online," he said.

Wilco's agronomy unit is also adapting to changes in production agriculture with its recent joint venture with Valley Agronomics and Winfield Solutions.

The joint venture allows the three companies to reach more farmers over a larger geographical area while increasing their buying power for fertilizers and chemicals, said Hoffman.

Such expansion is necessary as farmers have grown larger and suppliers have become more consolidated, he said. "Our competitors also grew. They became national competitors."

## Tiegs expands frozen fruit business with purchases

Rader Farms, Willamette Valley Fruit Co. under new ownership

By MATEUSZ PERKOWSKI  
Capital Press

Intensifying foreign competition hasn't dimmed farmer Frank Tiegs' enthusiasm for the frozen fruit business.

With his recent purchase of two processing companies — Rader Farms of Lynden, Wash., and Willamette Valley Fruit Co. of Salem, Ore. — Tiegs is betting on the industry's resilience.

"There's always going to be a place for U.S.-grown fruit," he said. "I wouldn't have bought them if I didn't think it was a good investment."

For Northwest crops such as blackberries and raspberries, anxiety about the future of the U.S. frozen fruit industry springs from the easy availability of lower-priced imports from Mexico and South America.

Blueberries also compete on a global scale, with new plantings and production rising steadily around the world in recent years.

Tiegs said he's not fazed by the industry's changing dynamics, recalling the anxiety surrounding the Chinese apple industry in the 1980s and 1990s. Decades later, U.S. apple growers continue to find ways to compete.

In his time as a farmer, Tiegs has found it's often wis-



Mateusz Perkowski/Capital Press

A worker at Willamette Valley Fruit Co. in Salem, Ore., unloads blackberries for processing. Farmer and entrepreneur Frank Tiegs recently bought Willamette Valley Fruit Co., Rader Farms in Lynden, Wash., and other assets from Inventure Foods for \$50 million.

er to invest during periods of uncertainty.

"My own experience has been to plant what's not the hot thing," he said.

In the 1970s, Tiegs began his agricultural career doing tractor and truck work for other farmers, then began buying land for himself in the 1980s.

Eventually, he moved into fresh packing of apples and potatoes, then invested in processing fruits and vegetables.

Now, Tiegs owns about 15 facilities across Oregon, Wash-

ington and Idaho.

This "seed to fork," vertically integrated approach allows Tiegs to better withstand agriculture's economic cycles, he said.

When crop prices are high, growing his own supply of raw product helps mitigate costs at his processing facilities. When prices are low, the processing facilities add value to crops.

Though he primarily considers himself a potato grower, Tiegs regularly rotates this mainstay crop with sweet corn,

onions, peppers, carrots, peas and green beans for processing.

Frozen fruit offers interesting opportunities for innovation, such as the retail smoothie mix kits that Rader Farms sells under the licensed "Jam-ba" brand.

Under Tiegs' control, the newly acquired facilities in Oregon and Washington will generate more product for food manufacturers than previously, requiring an investment in building inventories.

Increasing the amount of crops processed at the facilities will also reduce their down time.

"I usually try to run plants as close to capacity as I can get them," said Tiegs, who plans to buy crops from more farmers in the Skagit and Willamette valleys.

"We're hoping to expand our grower base," he said.

Inventure Foods, the previous owner of Rader Farms and Willamette Valley Fruit Co., was hindered by serious financial problems dating back to a food recall in 2015.

The recall was prompted by the detection of listeria, a bacterial pathogen, at its Fresh Frozen processing facility in Georgia.

Inventure lost money in every quarterly period since the recall, though the company also blamed the losses on lower frozen food prices and reduced distribution of certain products.

Before the recall, the company was reporting solid financial gains to the U.S. Securities and Exchange Commission.



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