USDA boosts ag export forecast to $140 billion for year

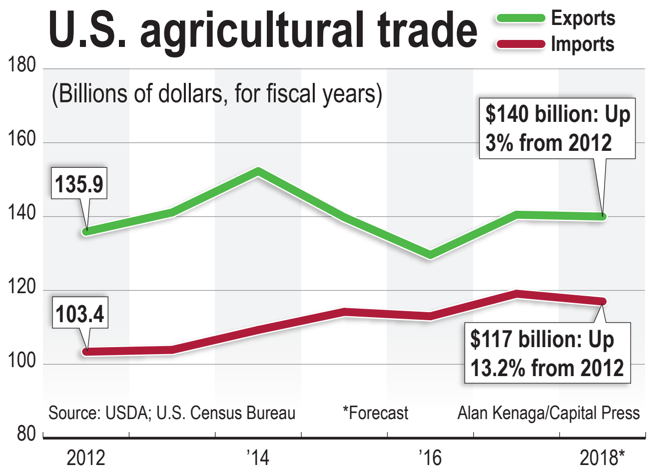
By CAROL RYAN DUMAS
Capital Press

USDA has added $1 billion to its forecast for agricultural exports in FY 2018, projecting $140 billion in sales and the fourth-largest export year on the books.

The new forecast puts expected sales closer to the $140.5 in FY 2017 and is an increase from the $139 billion projected in August.

The increase is largely due to higher corn volumes and values and strong demand for dried distillers grains with solubles, known by the initials DDGS, the USDA Economic Research Service and Foreign Agricultural Service reported in the latest Outlook for U.S. Agricultural Trade.

With imports projected to decrease by $2.1 billion, the U.S. agricultural trade surplus is expected to grow 8 percent to $23 billion.



"Much of this expected success can be attributed to robust sales to our East Asian and North American trading partners," USDA Secretary Sonny Perdue said in a press release.

China is again shaping up to be the top export market for the U.S., led by continued strong soybean sales, while Canada and Mexico remain the second- and third-largest markets, respectively, he said.

Online
To view the entire report, visit: http://bit.ly/1mT8tP6

"We're expecting exports to grow in the coming year to all our top three markets," he said.

Exports to China are expected to grow $600 million year over year to $22.6 billion, exports to Canada are expected to grow $800 million to $21.2 billion, and exports to Mexico are projected at $19.2 billion, up $600 million.

While the export picture is brighter for grains and feed than in August, total sales are expected to drop $1 billion from FY 2017 to $29.4 billion.

Strong, early-season sales and shipments of corn, primarily to Mexico, strengthened USDA's projection. But corn exports are expected to be down $1.2 billion year over year to $8.5 billion.

Feeds and fodder are forecast up $300 million from FY 2017 to $7.5 billion on expectations of strong demand for DDGS.

The outlook for wheat sales has dampened a bit since August, with values under pressure from abundant global supplies. But large sales to Iraq and the expectation that U.S. wheat will be more competitive later in the year has USDA forecasting a year-over-year increase of $100 million to $6.3 billion.

Record U.S. soybean production is driving record exports, although values are down because of larger global supplies. Those lower prices are expected to spur additional demand for U.S. soybeans, leading to increased sales of $100 million in the coming year to $24.1 billion.

The outlook for livestock, poultry and dairy exports improved, largely due to higher export forecasts for products such as lard and tallow. USDA is projecting $29.7 billion in sales, up almost $1 billion from FY 2017. That includes expected increases of about $100 million in beef and veal and about $300 million in dairy.

Exports of fruits, vegetables and tree nuts are expected to increase about $500 million to $34.5 billion, with a $400 million increase in tree nuts, a $200 million increase in fresh produce and a $100 million decrease in processed fruits and vegetables.

Oregon ag wary of 'cap-and-invest' energy plan

Climate change legislation to be introduced in 2018

By MATEUSZ PERKOWSKI
Capital Press

EO Media Group File

A methane digester collects gas from decomposing cow manure at a dairy and uses it as fuel to generate electricity. Such generators could also produce carbon credits for Oregon farmers under "cap-and-invest" proposals considered by Gov. Kate Brown and the state legislature.

PORTLAND — Representatives of Oregon agriculture say they are wary of a proposal to reduce the state's carbon emissions.

While farmers could attract new revenue under the system, they could also face higher costs for fuel, electricity and other inputs, they say.

Oregon lawmakers in the House and Senate are currently devising carbon emission "cap-and-invest" bills to be introduced during the 2018 legislative session. The goal is to mitigate climate change by reducing the amount of "greenhouse gases" such as carbon dioxide that get into the atmosphere.

The basic idea of the legislation is to cap the amount of carbon emissions by certain companies, with the greatest impact falling on those consuming or importing significant amounts of fossil fuels.

Facilities that fall below the cap would earn credits that can be sold to offset the emissions of companies that exceed that level.

"It harnesses market incentives by putting a price on carbon," said Kristen Sheeran, carbon policy advisor for Oregon Gov. Kate Brown.

The State of Oregon would also sell emission allowances to regulated firms, generating money that will be used for highway improvements and to relieve the effects of higher electricity or natural gas prices, said Sheeran.

"Governor Brown wants to decarbonize the Oregon economy," she said during the Nov. 30 meeting of the Oregon Board of Agriculture in Portland.

Kristen Sheeran

Some of the funds generated by the system would also fund projects that decrease or offset carbon emissions, which would benefit agriculture, she said.

"If people don't want to do it, they don't have to participate," Sheeran said of the role that would be played by farmers and ranchers, who wouldn't be regulated as emitters under the current proposals.

However, related industries, such as large food processors and pulp mills, would fall under the regulatory scheme.

For farmers, the proposal is concerning because it would raise the cost of doing business for manufacturers of fertilizer, fuel and energy — major inputs in agricultural production.

About 80 percent of Oregon's farm goods are shipped out of state, so growers here can't afford to have higher production costs than farmers elsewhere, said Mary Anne Cooper, public policy counsel for the Oregon Farm Bureau.

"It will make Oregon agriculture less competitive," said Cooper.

Growers could potentially sell carbon credits they earned by turning dairy emissions into energy with anaerobic digesters, for example, or by growing crops that sequester carbon.

In California, though, farmers have often found the paperwork and verification process for generating carbon credits too cumbersome to be worthwhile, she said.

Also, growers who have already invested in reducing carbon emissions with energy efficient equipment and no-till cropping systems would likely not be compensated for past investments.

In effect, the policy would penalize early adopters of technology, Cooper said.

"We're looking at it as a net loss for agriculture," she said.

California and British Columbia have already implemented such carbon regulation systems, but there still isn't enough information available to learn from those experiments, said Jeff Stone, executive director of the Oregon Association of Nurseries.

"We just don't know its impacts," he said.

There are opportunities for agriculture, such as investing money in planting trees along roads to absorb carbon, Stone said.

However, these possibilities must be studied more thoroughly, he said.

For example, it's too early to know exactly how much carbon is "sequestered" through the production, sale and planting of Japanese maples or rhododendrons, Stone said.

"It needs to be part of the conversation," he said.

Another issue is ensuring the cap-and-invest system would not drive emitting industries from Oregon to other states, which would hurt the economy without reducing emissions.

To this end, the government would probably offer free or discounted emission allowances to companies that are prone to flee, said Sheeran.

"We will provide some sort of differential treatment under the cap," she said.

Washington to spray 1,300 acres for gypsy moths

Naval base, neighborhood to get treatments

By DON JENKINS
Capital Press

Washington State Department of Agriculture

One trap holds 14 European gypsy moths July 31 in Graham, Wash.

The Washington State Department of Agriculture said Tuesday that it plans to spray an insecticide over a total of 1,300 acres in two counties next spring to kill gypsy moth caterpillars.

The department will target 300 acres near Graham in Pierce County and 1,000 acres on and surrounding the U.S. Navy base in Kitsap County.

"I'm confident that our proposal will prevent gypsy moths from gaining a foothold in our state and protect our environment from this invasive threat," WSDA pest program manager Jim Marra said in a written statement.

Washington, like other Western states, has been waging a 40-year war to keep out European and Asian gypsy moths. The pests feast on a wide-range of plants and are established in 20 states in the East and Midwest.

Massachusetts suffered its worse infestation in decades last year. Gypsy moths damaged 362,254 acres of state forests, according to officials. Gypsy moth eggs travel across the country attached to outdoor belongings.

WSDA this summer and fall trapped 117 gypsy moths, all of the European variety and the most since 1995.

The total doesn't count about 100 female moths and 13 male moths collected by hand in early August from a bush in a Pierce County neighborhood. It was the first time WSDA has ever found female moths laying eggs. Female gypsy moths don't fly and so aren't lured into traps hanging from trees and fenceposts.

Most moths were trapped in Pierce or Kitsap counties, triggering the plan to spray Bacillus thuringiensis var. kurstaki, or Btk, in those places. The spraying will be in April or May, from the air and timed to when the caterpillars emerge. Btk is approved in organic farming, and it's the chemical that WSDA has used in the past. WSDA said it developed the spraying plan in consultation with the USDA and the University of Washington. The plan will go through public comment and environmental review before being made final.

WSDA also trapped gypsy moths in Clark, King, Island, Thurston and Whatcom counties, but not enough for the department to spray.

The 1,300-acre treatment will be one of the larger campaigns against gypsy moths WSDA has waged. But it will be much smaller than the last. In 2016, the department sprayed more than 10,000 acres in seven places. In the two years since, no gypsy moths have been detected in those areas, according to WSDA.

EPA: Farms to spend $14.9M to report manure emissions

By DON JENKINS
Capital Press

U.S. farmers will spend an estimated $14.9 million a year reporting to federal emergency managers that livestock are releasing gas, the Environmental Protection Agency disclosed Monday.

The EPA also projected that the mandate, set to take effect Jan. 22, will apply to approximately 44,900 farms, though producer groups say they're still sorting out which operations will have to report.

"It's going to be a challenge, to put it lightly," said Jack Field, executive director of the Washington Cattle Feeders Association.

The EPA included the figures in a notice due to be published Tuesday in the Federal Register. The new rule comes after a decade-long battle between the EPA and environmental groups over the scope of the Comprehensive Environmental Response, Compensation and Liability Act, commonly known as the Superfund law.

The law, passed in 1980, gives federal emergency managers authority to respond to releases of hazardous substances. The EPA exempted animal feeding operations, maintaining that it was unlikely anyone would ever stage an emergency response to decomposing manure.

The U.S. Circuit Court of Appeals for the District of Columbia this year overruled the EPA. The court sided with Waterkeeper Alliance and other environmental groups, which argued that manure was a hazard that emergency responders and the public should know about.

Still to be determined is whether the same farms will have to also register with local and state officials under the Emergency Planning and Community Right-To-Know Act, a law passed in 1986 in response to the chemical leak in Bhopal, India, that killed thousands of people.

The EPA says the court's decision on the Superfund law did not require farmers to report under the Right-To-Know Act. The suing environmental groups say it does. The court has yet to clarify its ruling.

The reporting threshold for both laws is the release of 100 pounds of ammonia or hydrogen sulfide in a 24-hour period.

Field said he anticipates that every major feedlot in the state will have to register. Less certain, however, is the number of ranches that will have to report.

The EPA has released worksheets to help producers estimate emissions for cattle, pigs and poultry. But climate, enclosures and manure handling practices complicate the calculations.

Sarah Ryan, executive vice president of the Washington Cattlemen's Association, said she has heard estimates that producers with as few as 200 head of cattle will have to report. Other estimates put the number at about 350 head of cattle, she said.

EPA recently advised ranchers that manure from cows grazing in pastures outside enclosed areas will count toward the reporting threshold.

"For cow-calf producers it's a struggle to know what the threshold is," Ryan said.

The EPA says it's working on streamlined forms, but still estimates farms will spend 496,893 hours to report livestock emissions.

Factories must immediately report chemical leaks to the National Response Center, staffed by the U.S. Coast Guard. Farms will be able to register with the center annually as a continuous source of hazardous substances since livestock regularly vent.

Some ag employers don't support H-2C plan

By DAN WHEAT
Capital Press

Agricultural employers, meeting last week in Las Vegas, were happy that a House bill proposing a new agricultural foreign guestworker program to replace the H-2A-visa program doesn't appear to be going anywhere, says a manager of a leading foreign guestworker supplier.

Attendees at the annual conference of the National Council of Agricultural Employers don't like a cap on foreign workers in HR 4092 and they don't like the bill's mandatory E-verify (electronic employment eligibility) without legal work permits for thousands of illegal agricultural workers living in the U.S., said Kerry Scott, program manager of masLabor in Lovingston, Va.

E-verify without legal authorization for illegals could remove as much as 70 percent of field workers, leaving growers with a huge labor vacuum, Scott told Capital Press following the NCAE meeting, which he attended.

"There are too many vulnerable employers and farmers scared of how that would play out," he said. "So we're happy to see it die if it dies."

Labor-intensive agricultural employers were OK with the way House Judiciary Committee Chairman Robert Goodlatte, R-Va., wrote the bill but didn't like changes made to it before it passed out of that committee Oct. 25, said Scott, who lives in Goodlatte's district and considers him to be a friend.

The bill, which would replace the H-2A-visa foreign guestworker program with a new H-2C program, is all but dead, not only because of agricultural opposition but because Goodlatte announced his retirement at the end of 2018, Scott said.

Dairies like the bill because it allowed a 36-month initial stay for guestworkers instead of 10 months allowed in H-2A. Dairies need workers year-round. Tree fruit growers can live with the 10-month limit. But tree fruit growers liked Goodlatte's provisions making employer-provided transportation and worker housing voluntary instead of mandatory and reducing a required minimum wage.

Growers, however, didn't like a 450,000-worker annual cap under H-2C because it most likely would be met immediately and an escalator provision would be slow, Scott said.

H-2A has no cap and probably will continue increasing rapidly because agricultural labor shortages will grow rapidly because of a thriving economy and tighter borders, he said.