

Wheat industry weighs next moves on TPP

Potential harm of withdrawal now a 'looming reality' for farmers

By **MATTHEW WEAVER**
Capital Press

Wheat industry representatives planned to consider their options this week in Washington, D.C., after the remaining 11 countries in the Trans-Pacific Partnership decided to move ahead without the U.S.

The move could cost U.S. wheat growers hundreds of millions of dollars in lost sales annually in the years ahead.

Glen Squires, CEO of the Washington Grain Commission, said he expected the trade deal would "clearly be a topic" at the annual winter meetings for the National Association of Wheat Growers and U.S. Wheat Associates.

NAWG's National Wheat Foundation planned to hold an educational event Feb. 8 on Capitol Hill. Wheat industry representatives were to speak with members of Congress about the "absolute importance" of the Japan and Vietnam markets, and all of the others involved in the trade deal, Squires said.

President Donald Trump withdrew from the TPP in January 2017,



Capital Press File

Wheat grows in June. Members of the wheat industry were to meet in Washington, D.C., this week to discuss their options in light of the Trans-Pacific Partnership continuing without the U.S. The move could cost U.S. wheat farmers hundreds of millions of dollars in lost sales each year.

saying he believed U.S. manufacturers were short-changed in the deal. Representatives of U.S. agriculture felt TPP was a good deal for them and offered better access and lower tariffs in Asian and other Pacific Rim markets.

Trump recently said he would consider re-entering TPP if it represented a better deal for the U.S., according to The Associated Press. Squires hopes that's a recognition of the value of the trade relationships with countries in the TPP.

In addition to Japan and Vietnam, Australia, Canada, Mexico, Chile, Malaysia, New Zealand, Peru, Singapore and Brunei are parties to TPP.

Steve Mercer, U.S. Wheat vice president of communications, said continuation of the deal showed that

"decisions have consequences."

"The potential harm that we saw when withdrawal was announced a year ago is now really a looming reality for wheat farmers," Mercer said.

Mexico, a member of TPP, was the largest customer for U.S. wheat farmers last year.

Japan has consistently been the largest and most loyal buyer of the soft white, club wheat, spring wheat and hard red winter wheat primarily grown in the Northwest, Mercer said.

Upwards of 90 percent of the wheat grown in the Northwest is exported, most of it to Japan and other Asian nations.

Sources in the Japanese milling industry estimate the situation could eventually reduce U.S. wheat

import volumes by more than half, representing a loss at the farm gate of \$450 million per year at current prices, Mercer said.

"It may not diminish the amount of soft white or Western white that they import too much because they can't really get it from other places," he said. "But the chilling effect of that on prices in general is going to affect every wheat farmer."

Mercer said the industry will push for renewed renegotiations on a bilateral agreement with Japan, and work with Japanese flour millers.

"The difference in cost to the millers probably will overcome the goodwill and loyalty that have been built up over the years," Mercer said, noting the U.S. wheat industry has worked for 70 years to develop the Japanese market. "That's a real concern."

U.S. Wheat will work to help millers express their concerns to the Japanese government, he said.

The discounting of effective tariffs on Canadian and Australian wheat sold to Japan under the new TPP deal would gradually be applied over nine years. The effective tariff on U.S. wheat would not change, Mercer said.

The remaining countries in TPP will sign it in March.

"We won't have a huge hit right away, but it certainly will begin having an impact," Mercer said.



Dan Wheat/Capital Press File

The Brender Creek migrant farmworker housing in Cashmere, Wash., shortly before it opened in 2015.

Yakima looks at fostering farmworker housing

By **DAN WHEAT**
Capital Press

YAKIMA, Wash. — The city of Yakima is considering a new zoning category that would allow seasonal farmworker housing within the city limits.

The city was approached by Borton Fruit of Yakima, Valicoff Fruit Co. of Wapato, the Martinez family and a hop grower looking to build or convert housing for H-2A-visa foreign agricultural guestworkers, said Joan Davenport, city community development director.

The city hearing examiner held a public hearing to receive testimony and determined a new zoning category would be needed, Davenport said.

Hearing Examiner Gary Cuillier asked the city planning commission to draft a proposed ordinance, hold a public hearing and make a recommendation to the city council.

The commission has held one focus group and the whole process will take at least a couple of months, Davenport said.

"Agriculture is huge in Yakima. There has to be standards and criteria. It's not a quick process. We're moving as quick as we can," she said.

Borton, Valicoff, Martinez and the hop grower have all talked about buying and converting hotels into H-2A housing or building new facilities, Davenport said.

"The point is they all need housing. We're very supportive of converting underused hotels into worker housing," she said.

H-2A housing would not be allowed in most residential districts but more likely in business or industrial districts, she said.

While farmworkers live in single-family residences there are no farmworker apartments or high-density farmworker dwellings in the city, Davenport said.

Yakima Housing Authority owns and manages 173 units of agricultural rental housing on 46 sites throughout Yakima County but they are outside the city.

Borton and Valicoff could not be reached for comment.

Heri Chapula, field services director for WAFLA farm labor association, said there are several small motels on North First Street suitable for leasing or sale that the companies would update to H-2A standards.

"They could meet the need and turn into a positive for the community, lift up an area," Chapula said.

The Martinez family, connected with G&G Orchards, Cowiche, are the main ones asking and probably need housing for about 20 workers, he said.

Valicoff and Borton probably are each looking more in the 50- to 100-bed range, he said.

In general, small growers need H-2A housing and can't afford to build or buy their own, he said.

WAFLA is not interested, at this time, in buying or building H-2A housing in Yakima, but is encouraging the companies to do so, Chapula said.

He said he and Mike Gempler, executive director of Washington Growers League in Yakima, spoke in favor of a farmworker housing zoning category at the hearing examiner's Jan. 24 meeting.

R-CALF CEO: Trump was right to withdraw from TPP

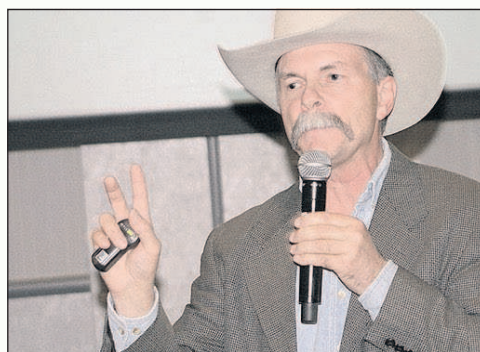
Bullard: Negotiate price to support ranchers

By **MATTHEW WEAVER**
Capital Press

While some industries worry about the potential disadvantages of the remaining countries in the Trans-Pacific Partnership proceeding without the U.S., R-CALF USA says President Donald Trump lived up to his campaign promises when he withdrew from the deal.

"It was the right thing to do when President Trump withdrew," Bill Bullard, CEO of the organization, which represents cattle and sheep ranchers on domestic and international trade and marketing, told the Capital Press. "It's the right thing for the United States to do today, and if other countries want to continue to negotiate to cede their sovereignty through this agreement, let them. But the United States should not be party to that."

TPP was a global effort to create global supply chains in the cattle industry, Bullard



Matthew Weaver/Capital Press

R-CALF USA CEO Bill Bullard says President Donald Trump was right to withdraw from the Trans-Pacific Partnership. R-CALF supports bilateral agreements that will benefit U.S. ranchers and correct existing imbalances, he says.

said, allowing multi-national meatpackers to "seamlessly switch" from one country to another to source their cattle and beef.

Bullard said the U.S. should be strengthening a domestic cattle supply chain instead of pursuing a global supply chain. TPP did not recognize the U.S. beef produced exclusively in the country, allowed imported beef to bear the U.S.

label and did not include safeguards for price or import surges that could hurt domestic prices.

TPP is an agreement with some of the world's largest beef exporters, and represented more beef production than consumption, Bullard said.

"The United States was the most likely market where all of that excess beef was going to be targeted to," he said.

R-CALF supports bilateral agreements with countries that represent important markets for the U.S., and not an additional supply source for the large meat packers. The U.S. is already "tremendously disadvantaged" between Canada and Mexico, Bullard said.

"They sell us 4 billion pounds worth of beef and we turn around and sell them 2 billion pounds of the same product, so that's a terrible imbalance that needs to be corrected," he said. "For that reason, we don't think we should jump in and become even more disadvantaged under TPP."

Bullard thinks claims that the U.S. will be harmed without TPP are a "smokescreen" to convince ranchers to stay the course and continue to support trade agreements that ultimately harm the industry by importing more than is exported.

Mentorship to pair new, experienced farmers

Program to run March through September

By **MATTHEW WEAVER**
Capital Press

Farmers in Spokane and Lincoln counties are invited to mentor aspiring farmers as part of a unique effort in Eastern Washington.

The mentors will help new farmers learn the ropes of a successful operation. The effort is sponsored by Washington State University's Spokane County Extension and the Spokane Conservation District.

"They can sit in class, push papers and do internet research, but when it comes down to the nuts and bolts of really running a farm, nothing beats getting out



Capital Press File

Beginning farmers will learn from veteran farmers through mentorships offered in Spokane and Lincoln counties in Eastern Washington.

there with a good experienced farmer and learning hands-on," said Pat Munts, Spokane County Extension small farms and urban agriculture coordinator. "It puts everything they may have done book learning on to the test and they really can find out, 'Hey, do I

Online

<http://bit.ly/2nyHK3r>

really want to do this?"

Spokane and Lincoln counties are included in the state Department of Labor and Industries farm and internship program, Munts said. Farmers must qualify for the program, but are covered for L&I issues, she said.

The program is open to anyone seriously considering small-scale agriculture.

Munts said the schedule will be flexible. Farmers will set up a curriculum, and Munts will monitor teams in the field.

Farmers and mentors must go through interviews.

"We're looking for people who

have a lot of drive to do this," Munts said of intern candidates.

Munts hopes to have the program started by end of March, and it will run through the end of September. She'd like to have 15 interns and 10 to 15 farmers participating.

The program is a test run for possible expansion of the Cultivating Success mentor-intern program. It fell to the wayside during the recession, but Munts hopes to revive it and take it statewide.

The program uses funding from a \$37,000 grant from WSU's Western Extension Risk Management Education Center.

Farmers receive a stipend for mentoring, Munts said.

Contact Munts at 509-477-2173 or pmunts@spokanecounty.org

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