



Sean Ellis/Capital Press File

A farmer cuts hay in a field near Nampa, Idaho, last June. Despite low crop prices, Northwest farmers are generally doing OK thanks to the wide variety of crops grown in most areas, according to agricultural lenders and an ag economist.

Northwest farmers doing OK despite low crop prices

By SEAN ELLIS
Capital Press

BOISE — The wide diversity of crops grown in many parts of the Northwest has helped farmers in the region weather low crop prices, and while farm debt levels are high, most producers still have relatively clean balance sheets.

Those were the main points made by several agricultural lenders and an agricultural economist asked about the state of the region's farm economy.

Farm margins in southwestern Idaho are much narrower than they were four years ago but so many crops are grown in the area that "there are still opportunities for our farmers and ranchers," said Andy Beitia, Washington Trust Bank's president in Idaho's Treasure Valley area.

"Some crops in the Treasure Valley have been able to do very well," he said. "There is enough diversification of crops that there are still opportunities for people."

There are always pockets of challenge when the nation's farm economy is in a down cycle but "the environment throughout the Northwest in

agriculture is generally good," said Blair Wilson, Northwest Farm Credit Services Idaho president.

"Idaho, Washington and Oregon have a tremendous amount of crop diversity compared with the Midwest" and that provides ample opportunities for producers to find crops to plant that will help them remain profitable, Wilson said.

"We're not going through a cycle that is any different from any other cycle we've gone through in agriculture," Wilson said. "There are some commodities facing challenges and others that are doing well and farmers are in a pretty good position...."

Brad Flodin, Washington Trust's vice president of commercial lending in North Idaho and Eastern Washington, said the bank is not seeing an increase in farm foreclosures in the region.

There has been a dent in profitability related to overall low crop prices, "But it hasn't been to the point where we're talking about foreclosures," he said. "Our growers have found a way to navigate through those challenges (of overall low crop prices) and do quite well."

While farm debt levels

are historically high, balance sheets are good, said University of Idaho agricultural economist Garth Taylor.

"Farm debt is higher now than it was during the 1980s farm crisis but we have really clean balance sheets," he said.

The big difference between now and the 1980s farm crisis is interest rates are much lower and real estate values have held steady, Wilson said.

"Farmers are by and large in a much better financial position than they were in the '80s," he said.

Today's interest rates are markedly lower than they were in the 1980s and a result, "the cost of (farmers') operating funds is dramatically different than what it was in the '80s," Beitia said.

Farm asset values are holding at near record highs and there is no exit of lenders willing to lend to farmers, said Charles McElligott, managing director of business development for Rabo AgriFinance in Oregon, Washington and Montana.

"The diversity of crops in the Northwest has been a benefit to agriculture in the Northwest," he said. "When something is down, something else is up."

Cranberry industry seeks to turn down volume control

Small harvest changes outlook

By DON JENKINS
Capital Press

The cranberry industry, soured by a huge surplus, suddenly has a new worry: The USDA will remove too many berries from the market this year.

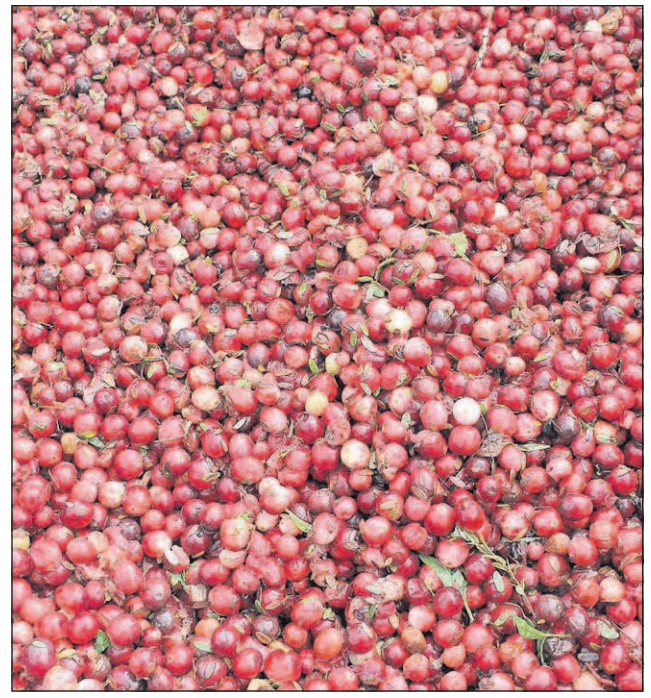
The Cranberry Marketing Committee is asking the USDA to order handlers to give away or dispose of 5 percent of the 2017 crop, instead of the 15 percent the committee recommended last summer.

Mother Nature has been swifter to act than the USDA. The U.S. harvest was about 10 percent smaller than expected. The marketing committee and Ocean Spray, which controls a majority of the cranberries, agree that a combined 25 percent reduction would be too much for growers to financially absorb in one year.

"If USDA ignores the (committee's) recommendation to lower the restricted percentage, it risks the unintended consequences of overcorrecting the industry's supply issues," Ocean Spray CEO and President Randy Papadellis wrote to USDA this month.

The USDA, largely embracing the industry's request, proposed in January a mandatory 15 percent volume reduction. The agency has not made a final decision.

The cranberry committee in August sought federal intervention to reduce a surplus that was projected to reach 115 percent of annual sales. The fall harvest, however, was smaller than anticipated across the U.S., with the exception of Oregon. The industry blames drought and deer damage, along with farmers cutting back on production because



Don Jenkins/Capital Press File

Cranberries fill a bin during harvest on the Long Beach Peninsula of Washington state.

of low berry prices. Harvests also fell short of projections in Canada.

The cranberry committee and Ocean Spray now say the industry can still meet its volume-reduction goal with a 5 percent cut. A 15 percent reduction on a small crop could drive this year's returns below what some small farmers and handlers could sustain, according to Papadellis.

Not all cranberry farmers see it that way. Some growers say the small crop and a 15 percent reduction would speed up bringing supply and demand in line. In fact, while asking for the 2017 volume control to be scaled back, the cranberry committee is petitioning the USDA to order a 25 percent cut in the 2018 crop.

Washington farmer Malcolm McPhail, an Ocean Spray grower, said he understood the short-term advantage of scaling back 2017 volume controls, but the small crop was probably a fluke, he said.

"We were lucky," McPhail said. "There's no good reason for crops to be down two years in a row. Next year, we'll have another big crop, and we'll be right back in the thick of things."

Volume reduction has strong support from the industry's cranberry committee, but some growers and handlers, particularly outside the Ocean Spray cooperative, oppose a mandatory cut in supply.

The cranberry surplus is largely in the form of juice concentrate, but the marketing order would also require disposing of fresh fruit.

California-based Mariani Packing Co., makers of dried-fruit products, asserted in comments to the USDA that withholding raw fruit would not be in the public interest. The smaller 2017 crop likely will mean a shortage of raw cranberries and sweet dried cranberries, according to the company.

Organic cranberries would be exempted from the order.

Soil-borne mosaic virus appears early in NE Oregon wheat

By GEORGE PLAIVEN
Capital Press

Scientists are cautioning wheat farmers in northeast Oregon about the early return of a pernicious, stunting disease that can reduce yields by as much as 41 percent.

Christina Hagerty, an Oregon State University assistant professor and plant pathologist at the Columbia Basin Agricultural Research Center, said soil-borne wheat mosaic virus has arrived four weeks earlier than last year at a disease resistance nursery near Milton-Freewater, Ore.

Already, Hagerty said she has met with five farmers about the virus and she expects more phone calls in the weeks to come.

"I think that we're probably in for another mosaic virus year," she said. "It's not ideal."

The virus, carried by a soil-borne organism, appears to be spreading around the region. Since it was discovered



Christina Hagerty/OSU Columbia Basin Ag Research Center

Soil-borne mosaic wheat virus has been detected four weeks earlier than last year by OSU researchers in northeast Oregon.

in the Walla Walla Valley in 2008, it has expanded from a five-mile radius to a 25-mile radius stretching into southeast Washington.

"This organism can spread any way you can think of soil spreading," she said. "The good news is the breeders, private and public industry are working really hard to develop

some good options for genetic resistance."

Hagerty said the early arrival is likely due to warm weather in January. Symptoms are primarily seen in leaves and include yellow streaks, mosaic patterns, splotching and stunted growth.

Hagerty said farmers who recognize any of these symptoms should send a sample to either the OSU plant clinic in Hermiston, Ore., or Washington State University plant clinic in Pullman, Wash., for diagnostic testing.

"The window to diagnose is as short as eight weeks," she said. "If they get a positive, there's not a lot they can do this year, but they will know it is in the field and that will inform their variety selection for the following crop year."

Soil-borne wheat mosaic virus does not respond to fumigation, and Hagerty said genetic resistance is the best tool for farmers dealing with the virus in their fields.

WESTERN PACKAGING

Your Future is Our Future...

WE SPECIALIZE IN BULK BAGS!

BAGS:

- Seed Bags
- Fertilizer Bags
- Feed Bags
- Potato Bags
- Printed Bags
- Plain Bags
- Bulk Bags
- Totes
- Woven Polypropylene
- Bopp
- Polyethylene
- Pocket Bags
- Roll Stock & More!

HAY PRESS SUPPORT:

- Hay Sleeves
- Strap
- Totes
- Printed or Plain
- Stretch Film (ALL GAUGES)

WAREHOUSE PACKAGING:

- Stretch Film
- Pallet Sheets
- Pallet Covers

LOCATIONS:

Albany, Oregon (MAIN OFFICE)

Ellensburg, Washington

CONTACT INFORMATION:

Phone: 855-928-3856

Fax: 541-497-6262

info@westernpackaging.com

CUSTOMER SERVICE IS OUR TOP PRIORITY!

www.westernpackaging.com

Family Fun

MID-VALLEY WINTER

AgFest

Saturday
Feb. 24th • 9-4

Sunday
Feb. 25th • 10-4

Adults: \$5 CASH ONLY
Under 18: FREE
FREE PARKING

- Farmer's Bounty Market
- Local Farm Seminars
- Artisan Vendors
- 4-H Petting Zoo
- Ag Tech
- Free Face Painting

See seminars at mvwagfest.com.

Polk County Fairgrounds & Event Center
520 S. Pacific Hwy West • Rickreall, OR 97371

Mid-Valley Winter Ag Fest & Farmer's Bounty Market

Weekly fieldwork report

Ore.

Wash.

Idaho

Calif.

Item/description	Ore.	Wash.	Idaho	Calif.
• Snow water equivalent*	38.1%	94%	79.6%	32.8%
• Percent area in drought	73.5%	6.4%	39.6%	81.7%
• Avg. temperature, 6-10 day outlook (Percent chance deviation from normal)	80% below	80-90% below	70-90% below	60-70% below
• Precipitation, 6-10 day outlook (Percent chance deviation from normal)	Normal/ 33% below	Normal/ 33% below	33% below	33-50% below
• Soil moisture anomaly (Monthly deviation from normal)	Normal/ Below normal	Normal/ Above normal	Normal/ Above normal	Below normal

*Aggregate average percent of median as of Feb. 14. Medians calculated for the period from 1981-2010. Sources: USDA, NRCS; NOAA, www.ca.gov; www.drought.gov/

YOUR FARM TIRE HEADQUARTERS

Les Schwab Tire Centers are proud to sponsor the Fieldwork Report. We have over 475 stores throughout the West! www.LesSchwab.com