

Minor hop states move to build acreage

By DAN WHEAT
Capital Press

MOXEE, Wash. — While Washington, Idaho and Oregon account for 98 percent of U.S. hop production, 26 other states making up the remaining 2 percent continue to add acreage, according to Hop Growers of America.

The HGA annual statistical report shows 26 non-Pacific Northwest states totaling 2,503 harvested acres in 2017, up 18.87 percent from 2,106 in 2016. The 2014 acreage was 881.

“While they did increase, most of those acres were planted in 2016 or even earlier, prior to the decrease in craft beer’s year over year growth curve,” said Ann George, administrator of Hop Growers of America and the Washington Hop Commission in Moxee.

“It’s unlikely that any of the non-PNW states will grow to the level of PNW states in acreage, although Michigan and several others are certainly developing the infrastructure and continuing to work very hard to do things right,” George said.

Michigan is the leader with 810 harvested acres in 2017, up from 650 the year before. New York is at 400 acres, up from 300. Wisconsin is at 297, the same as the year before. Colorado held steady at 200, California remained at 130 and Minnesota



Dan Wheat/Capital Press

Dormant hop yard at West McCreadie Road and North Wilgus Road east of Grandview, Wash., Feb. 7. Vines will sprout and climb strings to overhead wires in spring. Industry leaders are warning growers to stop increasing acreage.

was at 120, up from 73.

Most hop producers outside the PNW serve small craft breweries close to home but some are exporting hops to Canada and Europe, said Jaki Brophy, com-

munications director of the hop organizations.

The Yakima Valley, where nearly 80 percent of the nation’s hops are grown, is close to the 45th parallel north latitude, providing the daylight

hours conducive to the best yields and has a dry climate and normally abundant water, Brophy said.

Another big advantage is Yakima Valley growers can plant in the spring and harvest in the fall, but

other states have to wait two to three years to get a full yield, a former broker has said.

Non-PNW states are challenged by a lack of access to many popular proprietary hop varieties, although some regions have started their own breeding programs, George said.

They also cope with more disease from humidity and rainfall, she said.

The statistical report shows Washington at 38,438 harvested acres in 2017, Oregon at 7,851 and Idaho at 6,993. It also shows Washington at 78.7 million pounds harvested and Idaho overtaking Oregon for the first time at 13.7 million pounds versus Oregon’s 11.9 million. It estimates the other 26 states at 1.8 million pounds.

Many industry leaders are warning against continued acreage expansion in 2018 as all key indicators suggest aroma hops have caught up with craft brewery demand, the report states.

Conversely, alpha hop inventories for large brewers appear to have worked through a decade-long oversupply and any shortage now is expected to be met with increased alpha acreage in Germany and transition of some aroma acres back to alpha in the U.S., the report states.

The 2017 U.S. crop of 104.3 million pounds is valued at \$617.8 million with the average per pound price of \$6.22 in Washington and \$5 each in Oregon and Idaho.

Agricultural opinions divided on Oregon ‘cap-and-invest’ bill

By GEORGE PLAVEN
Capital Press

Oregon farmers and agricultural groups are divided about the cost versus benefit of a proposed carbon “cap-and-invest” bill that is expected to dominate the 35-day legislative session.

Supporters argue that climate change is already causing more extreme weather patterns, putting crops and farmers at risk.

Opponents, on the other hand, say a carbon cap will raise fuel prices and cost Oregon jobs, while making little to no difference on global greenhouse gas emissions or climate change.

The Legislature has held a hearing on the contentious policy. The issue may be moot for now, though, since lawmakers on both sides of the political aisle have suggested the short session is not enough time to pass such a complex bill.

Still, farmers and ranchers are key players in the debate that could have long-lasting consequences moving forward.

Rising costs

Under cap-and-invest, the state would place a limit on carbon emissions and then charge those companies for “allowances” to exceed the limit, which can be sold or traded on the open market.

The cap would gradually be reduced over time, and the money raised by the program would be placed in funding pools for climate-friendly state initiatives, such as renewable energy development.

Oregon’s proposal would take effect in 2021 and require companies that emit more than 25,000 metric tons of carbon annually to purchase allowances.

But agriculture groups such as the Oregon Farm

Bureau, Oregon Cattlemen’s Association and Northwest Food Processors Association are concerned the bill would raise food and electricity prices at a time when growers are already facing razor-thin margins.

Jenny Dresler, director of state public policy for the Farm Bureau, said cap-and-invest would cost a mid-size producer in the Willamette Valley an extra \$3,000 to \$5,000 per year, and \$11,000 to \$16,000 for custom farming businesses.

The burden, Dresler said, could be staggering for families struggling to make ends meet.

“They are going to see a pretty significant hike in their fuel costs alone,” Dresler said in an interview with the Capital Press.

In written testimony submitted to the Legislature, Jerome Rosa, executive director of the Oregon Cattlemen’s Association, said the bill would drive up costs for cattle producers. Incentive programs offered under the bill would also “require ranchers to devote precious time and resources to a cumbersome application process,” he added.

As for energy-intense food processors, the worry is that cap-and-invest would push companies across state lines.

Craig Smith, director of government affairs for the Northwest Food Processors Association, said most companies already have manufacturing plants in nearby Washington and Idaho, and may leave Oregon altogether if the cost of doing business becomes too high.

“When you start to tinker with the economy this way, it just has some unintended consequences,” Smith said. “Those are real jobs.”

Even if Oregon managed to eliminate all emissions,



Smith doubted it would make a dent on the world’s carbon output.

“If you look at Oregon’s carbon footprint, it’s almost non-existent,” he said.

Changing climate

According to reports, global carbon dioxide emissions were expected to reach 41 billion metric tons in 2017. Oregon emits roughly 63 million metric tons of carbon dioxide annually. That’s .001 percent of the world’s output.

Brad Reed, spokesman for the Renew Oregon coalition pushing for the cap-and-invest bill, acknowledged that Oregon’s carbon footprint is comparatively small, but took issue with the argument.

“Just because Oregon can’t grow enough potatoes to feed the entire world, do we not grow potatoes here?” Reed said. “We do our part.”

Plus, Reed said Oregon would not be going it alone — the state would join carbon pricing markets in California and Quebec and Ontario, Canada, which combined make up the fourth-largest economy in the world.

“That has a lot of weight,” he said. “Looking at it purely economically, it is really to Oregon’s advantage to get moving on this.”

But farmers who support cap-and-invest say it is about more than dollars and cents.

The Oregon Climate and

major snowstorms battered the Eugene area four years ago, causing several \$30,000 greenhouses to collapse. A similar event last winter caused nearly \$100 million in damage to onion storage and packing facilities in Eastern Oregon.

“That kind of extreme weather is becoming more and more common,” Kemple said. “It’s a huge challenge for farms.”

A portion of the revenue collected by cap-and-invest would go into a climate investment fund, which Kemple said would provide grants to help farmers increase carbon sequestration. Those projects would then generate offset credits, which could be sold back on the market.

‘Part of solution’

“Agriculture can actually be part of the solution when farms implement climate-friendly practices,” Kemple said. “This bill provides funding for them to do that.”

Les Perkins, manager of the Farmers Irrigation District in Hood River, did not speak for or against the bill, but told the Capital Press that funding to invest in small-scale renewable energy projects may have the potential to benefit districts like his.

The FID, which includes 5,888 acres, has two small hydroelectric projects that have generated \$50 million for the district over 30 years. That money has paid for in-

frastructure to conserve water, such as piping in place of open irrigation ditches.

Water conservation is key, Perkins said, at a time when more winter precipitation is falling as rain instead of snow. Without snowpack on Mount Hood to replenish streams and reservoirs, he said the timing and availability of water during irrigation season is affected.

“You can see those shifts,” Perkins said. “It’s a scary thing to be looking at less snowpack available.”

Unusual bloom

Sharon Blick, who owns Living Earth Farm on 15 acres west of Eugene, said timing is everything for farmers.

Blick said she is already seeing weather cause bizarre issues on her farm — one year the rhubarb started making stalks in November, when it is usually dormant. Another year her apple tree was blooming as late as Labor Day, when it generally blooms in spring.

“If you can’t predict what the weather is going to do, it’s really hard to get your timing right,” Blick said.

Climate change is already getting worse, Blick said. She supports cap-and-invest to help agriculture in the long run.

“I’m worried about our food supply, really,” she said. “I see things getting worse and worse the longer we wait to do anything about climate change.”

New Coastal store opens in Washington state

New store features 70,000 square feet of indoor and outdoor sales area

By MATEUSZ PERKOWSKI
Capital Press

The 17th Coastal Farm and Ranch retail store has opened in a renovated Kmart in Marysville, Wash., which includes more than 70,000 square feet of indoor and outdoor sales space.

Coastal, which employs 750 people in Oregon and Washington, was attracted by the location due to the combination of its “strong urban center” with a “thriving

farm and rural community,” said Byron Baule, its operations manager, in press release.

“We’re excited about the current environment and future growth of the Marysville market,” he said. “We’re here to stay.”

An official grand opening of the store in early March will have a community cookout, about \$15,000 in prizes, performances by high school bands and cheerleaders, as well as fundraisers for local FFA and 4-H organizations. The new store’s 20,000-square-foot outdoor yard features fencing, livestock handling equipment and other goods.

About one-third of the 50,000-square-foot indoor

store is devoted to clothing, including an expansive selection of Wrangler and Carhartt brands, and more than 2,000 pairs of boots.

Another third is dedicated to hardware, tools, automotive supplies and similar products, while the rest of the store contains animal health supplies, feed, supplements and farm equipment. Guns, ammunition, fishing, hunting and camping supplies are found in the store’s sporting goods department, while customers can find stoves and fireplaces in its “hearth and home” department.

“We really have something for everyone,” Baule said.

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