

'It's not a good time. I think folks are being cautious'

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Like the rest of the Northwest, the vast majority of Oregon wheat — between 85 and 90 percent — is exported, with 21 percent of export sales to Japan. That amounts to \$60 million, at current prices from Portland grain terminals.

While the price of soft white wheat has rebounded modestly from its sub-\$5 per bushel low last year, Japanese flour mills estimate higher tariffs on U.S. wheat could negatively impact market share by more than half, from 3 million metric tons to less than 1.4 million metric tons. And once that market share is gone, it can be difficult to recapture.

Matt Wood, who farms several thousand acres of dryland wheat and cattle pasture near the small town of Helix, Ore., said farmers are wary of the unpredictability. But the economic consequences extend even further.

"The community from where you draw business support is ever shrinking," Wood said. "That's a real concern."

Ripple effect

What has happened in Helix — population 181 — is what continues to happen all over rural America, Wood said.

Wood took over the lease on his family's farm in 1993. Since then, he said the town has lost its grocery store and hardware store, and the post office was forced to cut back hours. The Helix Market & Pub nearly suffered the same fate until Wood and four others bought the place in 2006 just to keep it open — it was cheaper than paying their tabs, he quipped.

The Watering Hole Consortium, as they called themselves, has since passed the pub along to Anna Doherty, who has kept it running.

"The concern we all had was if that place closes, it ain't opening again," Wood said.

Helix has historically depended on agriculture, yet Wood estimates that half his neighbors are no longer farming. The return on investment is no better than 2 percent, he figures. So instead of having 10 people farming 2,000 acres, he said two people are now farming 10,000 acres.

That observation is backed up by data from the USDA. A recent report from the agency's Economic Research Service shows that farm production has been trending toward consolidation over the last three decades. By 2012, 36 percent of all cropland was on farms with at least 2,000 acres, up from 15 percent in 1987.

Consolidation means fewer people to invest in the community, Wood said.

"It's just been a shift in the economy," he said.

Eric Orem, a wheat farmer north of Lexington, Ore., has seen something similar. Orem serves on the board of directors for Morrow County Grain Growers, the local farmers' cooperative. Between drought-stunted yields and increasing trade uncer-



Owner Anna Doherty, right, gives change to customer Chris Gibson at the Helix Market & Pub.

E.J. Harris/EO Media Group

tainty, he said the co-op is experiencing some lean years in product and equipment sales.

In turn, the co-op — while still profitable — has less money to support community organizations like FFA or Little League Baseball.

"It's a ripple effect, for sure," Orem said. "It's definitely a reflection of what's happening on the farms."

Exports crucial

Exports remain crucial to wheat growers to turn a profit. Umatilla and Morrow counties rank first and second, respectively, in statewide production as of the most recent 2012 Census of Agriculture. Combined, they total roughly 395,000 wheat acres.

With the U.S. out of the latest TPP agreement, state and national wheat industry groups sent a letter to Trade Representative Robert Lighthizer, urging President Donald Trump to reconsider.

"The president has promised to negotiate great new deals," the letter reads. "American agriculture now counts on that promise and American wheat farmers — facing a calamity they would be hard-pressed to overcome — now depend on it."

Wood said the last thing the wheat industry needs is to jeopardize any kind of international trade. Orem

said that, while he does not believe U.S. wheat will ever truly lose the whole Japanese market, the latest developments are "troubling," and "disheartening."

Blake Rowe, CEO of the Oregon Wheat Growers League and Oregon Wheat Commission, echoed the farmers' sentiments. In addition to TPP, Rowe said the organization is keeping a close eye on North American Free Trade Agreement negotiations, and possible retaliation against U.S. agriculture based on new steel and aluminum import tariffs.

"It's not a good time," Rowe said. "I think folks are being cautious, not knowing where this is going to end up."

Dryland wheat is the still the major agricultural crop for many communities in the arid climate of Eastern Oregon. Without access to irrigation water, there are not many viable alternatives.

"I'm not really sure how communities will absorb those hits," Rowe said.

Bruce Sorte, community economist for Oregon State University Extension in Eastern Oregon, said wheat isn't the only commodity that may be affected. Fruit also depends on exports, along with processed potatoes and onions.

"Those exports are just critical to the folks out there," Sorte said.

"How these things play out, you never can tell."

Job diversification

Steve Chrisman, economic development and airport manager for the city of Pendleton, Ore., said the local job base has grown more diverse over the last couple of decades, which has helped insulate the community against the impact of a single business — namely agriculture.

"If wheat's not going to do well, it's not good for the city, but it doesn't cripple it, either," Chrisman said.

Chrisman pointed to Wildhorse Resort & Casino, Keystone RV and Interpath Laboratory as examples of large employers outside the farm sector. Another recent development that has him excited is the Pendleton Unmanned Aerial Systems Range, which he said is beginning to add full-time permanent jobs.

Companies such as Yamaha, A³ and defense contractors have flocked to the range, which has been the site of several high-profile drone launches including the Project Vahana air taxi and ArcticShark, which will be used to gather sophisticated climate data in the Arctic atmosphere over Alaska.

The range has brought anywhere from 20 to 50 people into Pendleton at all times during the last six

months, Chrisman said, eating out in local restaurants and staying in local hotels. And Chrisman believes this is only the tip of the iceberg.

"The potential for growth here is pretty exciting," he said. "I think we've made huge strides in the last two years."

Pat Beard, who manages the Pendleton Convention Center, added summer tourism as another economic driver for the city, with Pendleton Bike Week, Pendleton Whisky Music Fest and, of course, the world-famous Pendleton Round-Up.

Beard said he knows, living in a very agriculture-oriented area, the price of commodities will always affect the community. But as the economy diversifies, it is not as devastating a blow as it would have been 50 years ago.

"While it's challenging times, it's part of the lifestyle," Beard said.

That lifestyle is what keeps farmers like Wood and Orem working through the tough times.

"It's what we do. It's what we know," Wood said.

Orem said he is still optimistic for the future, and believes the battle-tested wheat economy will ultimately prevail.

"We've been through tough times before," Orem said. "We'll figure these trade deals out. It's a bump in the road right now."

A male wolf went more than 100 miles into British Columbia before being killed

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While Eastern Washington now has 13 breeding pairs, the North Cascades recovery zone lost one of its two breeding pairs from 2016. The state's third recovery zone, the South Cascades, has no confirmed wolves.

"It (recovery) has taken a hit," said Tim Coleman, executive director of the Kettle Range Conservation Group in northeast Washington.

Coleman said that he suspects wolves in northeast Washington will disperse south when the population thickens. The department has confirmed 28 wolf mortalities

in the past two years, some of them breeding females. "That certainly has a significant impact," Coleman said.

The department killed three wolves last year to stop depredations on livestock, and the Colville tribe legally harvested three wolves. Two wolves were killed by vehicles, two were lawfully shot while attacking livestock and four were killed under suspicious circumstances.

According to the department, here's where the nine collared wolves went:

- Dirty Shirt pack: Three members left this pack in Stevens County. A male went more than 100 miles into British



Savanah Walker/Spokane Tribal Wildlife Program

The Washington Department of Fish and Wildlife reports that nine collared wolves dispersed from packs in 2017. None moved in directions that furthered recovery goals.

ish Columbia before being killed. The report does not say how the animal died. Efforts to reach the department for more

information were unsuccessful.

- A female also went into British Columbia, but returned to the pack after eight days and traveling 300 miles. Another adult female went 30 miles north and established the territory of the new Leadpoint pack, also in Stevens County.

- Smackout pack: A male traveled at least 1,700 miles from Stevens County before settling northwest of Yellowstone National Park in southwest Montana.

- Loup Loup pack: A female went 542 miles into south-central British Columbia before her collar stopped working. The pack is one of

three in the North Cascades recovery zone.

- Profanity Peak pack: A female left the pack in June and went into southern British Columbia and western Ferry County before being killed under suspicious circumstances in November. The department says it's investigating.

- Goodman Meadows pack: Two males left the pack in November and crossed into northern Idaho. One was harvested in March, and the other settled in northwest Idaho.

- Huckleberry pack: A female moved north within Stevens County to the Stranger pack.

Calyxt's high-fiber wheat is second gene-edited variety that USDA has cleared

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"seed and grain production that would require both interstate movement and unconfined environmental release," according to its letter to USDA.

Aside from confirming the cultivar isn't regulated as a plant pest, the USDA has also determined the gene "knockout" will not increase the weediness of wheat or jointed goatgrass, a related species.

Calyxt's high-fiber wheat is the second gene-edited variety of the crop that USDA has cleared for commercialization without the environmental review required for deregulating transgenic crops.

In 2016, the company's powdery mildew-resistant wheat, also created

through a gene knockout, was determined to be nonregulated by the agency.

Gene-edited wheat hasn't drawn a reaction from U.S. trading partners because the traits haven't been widely adopted in the wheat industry, said Steve Mercer, vice president of communications for U.S. Wheat Associates, an export organization.

"It has not come up because it's not anywhere close to commercialization," Mercer said.

Commercializing a cultivar typically requires lengthy trials and ramping up seed supplies, but Calyxt is a genetics developer that will likely license or sell its traits to a seed company or a public university, he said.

It's uncertain how foreign wheat buyers will react to gene-edited varieties, but U.S. Wheat Associates is supportive of the technology, he said.

Unlike traditional genetic engineering, gene editing is less expensive and thus more available to public breeders, Mercer said. "It does not have to be the big tech providers."

The American Seed Trade Association is hopeful that gene-edited crops will not encounter the same uneven patchwork of international rules as traditional GMOs, said Bernice Slutsky, the group's senior vice president of domestic and international policy.

Before any gene-edited crops come onto the market, the global seed

industry is trying to develop consistent science- and risk-based policies for the technology across countries, Slutsky said.

Because developers are working within a plant's own gene pool, there's an interest in gene-editing research even in GMO-wary jurisdictions, such as Japan and Europe, she said.

"There is a feeling they should not be treated as a GMO," Slutsky said.

However, critics of biotechnology doubt that consumers will embrace gene edited crops — particularly the health-conscious market segment to which high-fiber wheat is intended to appeal.

Fiber is commonly extracted during the manufacturing of white

flour, but it's found in whole wheat, said Bill Freese, science policy analyst for the Center for Food Safety.

"Consumers can achieve the same effect — more naturally and safely — by consuming more whole and fewer refined-grain products," he said in an email.

Key information about the high-fiber wheat is redacted from Calyxt's submission to USDA, whereas it would otherwise be shared with the public under the deregulatory process, Freese said.

Without such information, there's no way to evaluate whether the modification may have unintended side effects, such as "novel carbohydrates that humans haven't encountered before," he said.