

USDA orders volume controls on cranberries

Unsold fruit spurs order

By DON JENKINS
Capital Press

Cranberry handlers were ordered by the USDA on Wednesday to withhold from U.S. consumers 15 percent of the 2017 crop to raise prices that farmers receive.

The reduction applies to cranberries grown by approximately 1,100 farmers in 10 states, including Oregon and Washington. Growers and handlers petitioned the USDA for volume controls to chip away at a huge surplus.

The USDA projects the order will divert as many as 110 million pounds of cranberries to charities, animal feed or foreign markets.

Consumers are unlikely to see higher prices, but the reduction likely will help farmers, according to the USDA. The agency didn't forecast a specific bump in grower returns. Even with volume controls, the supply of cranberries will exceed demand. The USDA projects carryover inventory will equal 83 percent of annual sales.

"We're going to go through some tough times in the next few years," said Washington cranberry farmer Malcolm McPhail.

An Ocean Spray spokeswoman said in an email that the farmers' cooperative believes volume reduction will be good for the industry.

Consumer demand has



Don Jenkins/Capital Press File

Workers harvest Ocean Spray cranberries on the Long Beach Peninsula in Washington. The USDA has ordered handlers to withhold 15 percent of the 2017 crop in a bid to increase producer prices.

been flat for several years, while production has been on an upward trend, especially in Wisconsin. The industry has not self-corrected.

The Cranberry Marketing Committee, which includes growers and handlers, projected last summer the surplus would reach 115 percent of annual sales without action.

The USDA's order follows the 15 percent cut recommended last summer by the committee. The committee later changed its recommendation to 5 percent because the 2017 harvest was smaller than forecast. Ocean Spray supported the lower figure, but USDA stuck with the higher percentage.

A 5 percent reduction

would have left a surplus of 90 percent and not lifted prices, according to the USDA. The market committee is also seeking a volume reduction of 25 percent for the 2018 crop. The USDA has yet to rule on that request.

The cranberry surplus has not stimulated consumer demand, but it has hit farmers. Growers earned an average of 30 cents a pound in 2011 and 10 cents a pound in 2016. The industry puts the average cost of production at 35 cents a pound, according to the USDA.

Organic cranberries, a small part of the market, are exempt from the order, as are handlers who dispose of all of their 2017 fruit before this

year's harvest. The order also exempts handlers who take in fewer than 125,000 barrels, or 12.5 million pounds. The exemption applies to 88 percent of the handlers, but only covers 10 percent of the volume, according to the USDA.

Handlers can meet up to 50 percent of their obligation by disposing of juice concentrate, rather than whole fruit. Juice concentrate is a byproduct of dehydrated cranberries and makes up a large share of the surplus, though not as much as frozen berries, according to the USDA.

The order doesn't apply to cranberries coming into the U.S. from Canada and Chile, two countries with growing production volumes.

Ruling overturns limit on replacing Oregon farm dwellings

Previous legal interpretation required taxation within five years

By MATEUSZ PERKOWSKI
Capital Press

Dwellings can be rebuilt on Oregon farmland regardless of when the original structures were destroyed or removed, according to the Oregon Court of Appeals.

The ruling overturns an earlier interpretation of state law by Oregon's Land Use Board of Appeals, which held that dwellings can only be rebuilt if they were subject to property taxes within the past five years.

Landwatch Lane County, a farmland preservation group, argues that the Oregon Court of Appeals has misconstrued the pertinent land use statute, creating an "end run" around the state planning goal of preserving farmland.

"I would call it devastating for Oregon farmland," said Lauri Segel-Vaccher, the group's legal analyst.

Long-lost homes could be rebuilt on farmland regardless of soil quality and with uncertain proof they existed in the first place, she said.

Counties are often "lackadaisical" in protecting farm and forest land, so they may require only scant evidence of a dwelling's location, Segel-Vaccher said.

"Anybody could come up with a photograph or a diary entry from the 1800s," she said.

Landwatch Lane County hasn't yet decided whether to challenge the decision before the Oregon Supreme Court, Segel-Vaccher said.

Oregonians In Action, a property rights group, believes state lawmakers were "fully informed" of the effect their revisions would have on the applicable land use statute in 2013.

"The whole purpose of the bill was to allow property owners to replace dwellings that had been removed, in some cases decades earlier," said Dave Hunnicutt, the group's executive director.

The notion that a significant number of homes will be built as a result is "silly" because landowners must still demonstrate the existence of a dwelling, he said.

"Most rural land is on parcels that have never had farm dwellings," said Hunnicutt.

The legal dispute over replacement farmland dwellings stems from the case of landowner who sought to rebuild three houses on 100 acres of farmland near Florence, Ore., that were torn down more than two decades ago.

Lane County officials permitted the construction based on a 2013 bill that eased the replacement process for dilapidated or demolished farm dwellings.

However, the county's decision was reversed last year by the Land Use Board of Appeals, which found the dwelling replacement provision is "somewhat ambiguous" but only applies to a five-year "look back" period during which property taxes were imposed.

The Court of Appeals disagreed with that understanding, ruling that it's "logical to conclude that the legislature intended to excuse demolished dwellings from the taxation requirement altogether."

Controversial Eastern Oregon dairy may soon be selling its entire herd

By GEORGE PLAVERN
Capital Press

The owner of Lost Valley Farm, a controversial Eastern Oregon dairy that has drawn the ire of environmental groups and run afoul of state regulators, may soon be forced to sell off its entire herd.

Greg te Velde, of Tipton, Calif., began operating the dairy near Boardman, Ore., in 2017, which was permitted for up to 30,000 cows — making it the second-largest dairy in the state, behind neighboring Threemile Canyon Farms.

But according to documents filed in Morrow County Circuit Court, te Velde is in significant financial straits, owing more than \$150 million in debt — more than \$60 million to Rabobank, a multinational agricultural lender.

Rabobank made three commercial loans and issued three lines of credit for Lost Valley and two other dairies te Velde owns in California. The loans were secured in part by Lost Valley's dairy herd, other livestock, silage and equipment.

The bank claims te Velde has since defaulted on two of the loans, and foreclosure proceedings are underway in California. Toppenish Livestock Commission, of Toppenish, Wash., has been secured to auction the Lost Valley herd, which includes 10,500 milking and dry cows, along with 4,000 replacement heifers.

John Top, owner of Toppenish Livestock, said they will begin preparing next week for the auction, which is scheduled for April 27. However, according to a motion filed in Morrow County by Rabobank seeking a preliminary injunction, te Velde has not given the auctioneer permission to enter the dairy and take the herd.

Te Velde declined to com-



This Nov. 27, 2016, photo shows an aerial view of Lost Valley Ranch under construction.

Courtesy Paloma Ayala, with aerial support from LightHawk.

ment when contacted last week. An attorney for Rabobank also declined comment.

In a declaration filed in state superior court Feb. 15 in Fresno, Calif., Nicola Merrifield-Olivia, senior vice president and manager of commercial special assets for Rabobank, wrote that the bank had attempted to work with te Velde for more than a year to restructure his debts. Yet despite these efforts, te Velde failed to put together a realistic plan.

"Two of the three loans extended to te Velde by Rabobank have matured, and te Velde's precarious financial condition is beginning to endanger the well-being of the three herds," Merrifield-Olivia wrote.

Lost Valley is on a portion of the former Boardman Tree Farm. It has been a lightning rod for controversy since before it was permitted as a confined animal feeding operation, or CAFO.

More than 4,200 public comments opposed the operation, urging the Oregon Department of Agriculture and Department of Environmental Quality to deny a key wastewater permit for roughly 187 million gallons of liquid manure.

Opponents railed against the potential for air and water

contamination, though ODA and DEQ did award the permit based on what the agencies described as the most protective permit conditions for a CAFO to date.

Within the first year of operation, Lost Valley failed numerous inspections and was cited four times for permit violations. ODA sued to shut down the dairy, though ultimately the sides reached a settlement, with Lost Valley agreeing to limit its wastewater to 65,000 gallons a day and ensuring manure lagoons had enough capacity to handle water from storms. It also agreed to weekly inspections.

According to court documents, te Velde was in discussions to sell the dairy, but those negotiations fell through as of March 15. A motions hearing is scheduled in Morrow County for April 12.

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Weekly fieldwork report

	Ore.	Wash.	Idaho	Calif.
Item/description (Source: USDA, NASS; NOAA)				
• Days suitable for fieldwork (As of April 1)	4.9	5.5	3.7	7
• Topsoil moisture, surplus	15%	7%	24%	40%
• Topsoil moisture, percent short	28%	17%	3%	5%
• Subsoil moisture, surplus	11%	5%	15%	40%
• Subsoil moisture, percent short	33%	16%	7%	5%
• Precipitation probability (6-10 day outlook as of April. 3)	40-70% above	50-70% above	40-50% above	33-70% above/ Normal (South)

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