

# Oregon governor declares drought in Grant County

## Second county to receive drought declaration in 2018

By **GEORGE PLAVERN**  
Capital Press

The specter of drought is continuing to spread across snow-starved areas of southern and Eastern Oregon.

Gov. Kate Brown on Friday declared a drought emergency for Grant County,

where the John Day Basin has experienced just half its normal snowpack for the year. The USDA Natural Resources Conservation Service is also calling for “well below normal” stream flows heading into summer, which could have a significant impact on local farms and ranches.

Grant County becomes the second county in Oregon to officially declare drought. The governor already signed a drought declaration for Klamath County on March 13.

“For portions of Oregon, including Grant County, drought forecasts are already predicting a troubling year ahead,” Brown said. “To minimize the impacts drought, severe weather and wildfire conditions could have on the local economy, I’m directing state agencies to work with local and federal partners to provide assistance to the Grant County community.”

County commissioners passed a resolution March 14 declaring drought, and asking the state to follow suit. In a letter to the Oregon Water Resources Department and Office of Emergency Management, the commissioners said seasonal drought within the region could dramatically increase wildfire danger, and result in significant agricultural losses.

In 2015, Grant County was ravaged by the destructive Canyon Creek Complex, which torched more than 110,000 acres and destroyed more than 40 homes south of

John Day and Canyon City.

A drought declaration gives the Water Resources Department a few additional tools at its disposal to assist communities and water right holders, such as issuing temporary emergency water use permits, water exchanges, substitutions and in-stream leases.

The U.S. Drought Monitor currently lists most of Grant County in “moderate drought.” According to the National Oceanic and At-

mospheric Administration’s Climate Prediction Center, Oregon can largely expect above-average temperatures and below-average precipitation for the next three months.

No other counties have applied for drought relief, according to a spokeswoman with the Water Resources Department. All major basins statewide are reporting less-than-average snowpack, with the lowest levels in the Owyhee, Malheur and Klamath basins of southern Oregon.

# Senators offer plan to legalize industrial hemp

## Bill would define hemp as agricultural commodity

By **GEORGE PLAVERN**  
Capital Press

A bipartisan group of lawmakers — including Oregon Sens. Ron Wyden and Jeff Merkley — are pushing to legalize industrial hemp in a bill introduced April 12 in Congress.

The Hemp Farming Act of 2018 would define hemp as an agricultural commodity and remove it from the federal list of controlled substances. It would also allow states to become the primary regulators of hemp, while opening the door for hemp researchers to apply for USDA grants and hemp farmers to receive crop insurance.

Wyden and Merkley, both Democrats, have joined Republican Senate Majority Leader Mitch McConnell in support of the bill, which they described as common sense legislation to promote jobs and assist American farmers.

“By legalizing hemp and empowering states to conduct their own oversight plans, we can give the hemp industry the tools necessary to create jobs and new opportunities for farmers and manufacturers across the country,” said McConnell, of Kentucky.

Oregon already has a program to regulate industrial hemp, established by House Bill 4060 in 2016. The state Department of Agriculture registers hemp farmers and seed producers, and oversees the testing of hemp products for human consumption. Products may not exceed 0.3 percent average concentration of tetrahydrocannabinol, or THC, the psychoactive component in cannabis.

ODA figures show 288 industrial hemp growers registered across the state, along with 107 handlers.

Courtney Moran, a Portland-based attorney who serves as president and lobby-



Capital Press File

Hemp grows in Oregon’s Willamette Valley. A bipartisan group of U.S. senators wants to legalize the crop nationwide.

ist for the Oregon Industrial Hemp Farmers Association, said she has spent the last year and a half working with Wyden’s office on developing the Hemp Farming Act of 2018. If the bill passes, she said it will help clarify things like interstate transportation and banking for Oregon hemp growers and processors.

“We have a very progressive yet robust program in our state,” Moran said. “If and when the federal bill does take effect, we have established a very solid framework for our program,” she said.

Hemp is used in a variety of products. As a food, both the seeds and leaves can be eaten raw and are a rich source of protein and B vitamins. Hemp was one of the first plants to be spun into fiber 10,000 years ago, and can be made into clothing, textiles, paper, biodegradable plastics and insulation.

In an interview with the Capital Press, Wyden said he was first struck by hemp years ago while visiting a Costco store near his home in Southeast Portland. There, he saw a package of hemp hearts for sale, and a thought crossed his mind.

“It seems to me that if you can buy (hemp) at a big supermarket in Oregon, you ought

to be able to grow it here in Oregon,” Wyden said.

Wyden has introduced bills to legalize hemp in 2012, 2013 and most recently in 2015, and despite previous defeats, he is more optimistic about the fate of the 2018 hemp bill with support from influential GOP allies such as McConnell.

As Wyden repeatedly emphasized, people cannot get high on hemp with its low concentrations of THC.

“This is not a criminal justice issue. This is an agricultural issue,” he said. “Farmers tell me this is a big opportunity for them.”

Moran is similarly optimistic about including the legislation in this year’s farm bill.

“I think we definitely have our best chance that we’ve ever had,” Moran said. “(McConnell) has a lot of political power, and having his support definitely changes the conversation.”

In a statement, Merkley said it is past time to move beyond “outdated and frustrating” restrictions on hemp farming in the U.S.

Rep. James Comer, a Republican from Kentucky, plans to introduce a companion version of the bill in the House of Representatives.

# Judge orders Oregon dairy to cooperate with auction

## Lost Valley Farm may still file for bankruptcy protection

By **MATEUSZ PERKOWSKI**  
Capital Press

A judge has ordered a controversial Oregon dairy not to interfere with the liquidation sale of its cattle herd to satisfy the demands of a creditor.

Morrow County Circuit Judge Jon Lieuallen has entered a preliminary injunction requiring Greg te Velde, owner of Lost Valley Farm in Boardman, to cooperate with the preparation of an auction scheduled for April 27.

The injunction was requested by Rabobank, a major farm lender that filed a lawsuit seeking to foreclose on the dairy’s assets, which serve as collateral for \$60 million in defaulted loans.

However, it’s possible the preliminary injunction won’t be the last word on the proposed auction of 10,500 cows and 4,000 replacement heifers, which is to be conducted by the Toppenish Livestock Commission.

Lieuallen said the order



Photo contributed by Paloma Ayala

Lost Valley Dairy near Boardman. A judge has ordered the owner to cooperate with the sale of cattle from the operation unless he seeks bankruptcy protection.

doesn’t prohibit the dairy from filing a petition for bankruptcy protection from its creditors.

The dairy’s obligations to cooperate with the auction would be suspended if the company files for bankruptcy protection, unless Rabobank obtains relief from the automatic stay on debt collection, the judge said.

Lost Valley Farm was controversial even before it began operating a year ago, with environmental groups and others arguing the facility will cause air and water pollution.

Citing unauthorized manure discharge and other violations, the Oregon Department of Agriculture fined the dairy more than \$10,000

earlier this year and then filed a lawsuit to stop the facility from generating waste — which would effectively shut down its operations.

That lawsuit was settled when the dairy agreed to generate less than 65,000 gallons of waste a day and maintain open capacity in its manure lagoons.

Lost Valley Farm’s troubles convinced the Tillamook County Creamery Association to terminate a milk-buying contract with the facility.

Even so, Tillamook has continued to buy milk from the dairy to avoid the “environmental and animal health risk” of suddenly halting its operations, though the creamery is requiring additional safety testing.

# Attention

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# OWRD approves emergency rules for Klamath Basin

## Preferences for stock watering, human consumption

By **GEORGE PLAVERN**  
Capital Press

With Oregon Gov. Kate Brown declaring a drought emergency in Klamath County, the state Water Resources Commission has approved temporary rules granting a preference to water rights for human consumption, such as drinking, cooking and sanitation.

A second set of preferences was also approved for livestock watering in the Williamson River Basin, provided ranchers meet certain requirements. Both provisions were approved by the commission during a special meeting April 13.

Water rights holders seeking to exercise either of these preferences need to submit a

notice to the district watermaster. Forms can be found online at [www.oregon.gov/owrd](http://www.oregon.gov/owrd).

Under the rules, water rights that would otherwise be shut off to accommodate senior rights holders will be allowed to continue usage, provided they satisfy criteria for human consumption in Klamath County, or livestock watering in the Williamson River Basin.

The commission passed similar preferences in 2013, 2014 and 2015. Tom Byler, director of the Oregon Water Resources Department, said the goal is to provide short-term relief during difficult water years.

“However, given that it reduces water available to senior water right holders, it is not a desirable solution for long-term water management,” Byler said.

A complete list of requirements is available on the OWRD website. For human consumption rights, that in-

cludes using the most efficient means of water delivery possible and curtailing all other water uses.

As for livestock watering, water diversion is limited to the number of animals not to exceed one-tenth of one cubic foot per second, roughly equivalent to 45 gallons per minute, per thousand head. Streams also cannot drop below 2 cubic feet per second for live flow.

OWRD is working with water users in the Klamath Basin to transition to alternative methods for stock water and human consumption needs, Byler said, so emergency preferences will not be necessary in the future.

“I am pleased by the progress that has been made, but I strongly encourage water users to complete efforts to develop more permanent solutions to their needs through alternative sources,” Byler said. “Our staff can help explain those options to water rights holders.”