

Washington proposes fines for breaking hemp rules

By DON JENKINS
Capital Press



Richard A. Howard/USDA NRCS

The Washington State Department of Agriculture is proposing fines for violating the state's rules for growing and processing hemp.

man said the agency has not confirmed any cases of unlicensed hemp cultivation.

The top penalty would be double the \$7,500 maximum fine the department can issue for allowing pesticides to drift

off target. The department says the penalties will recoup the cost of investigating complaints. The department has a goal of making the hemp program self-supporting, though for now it's relying on general

taxes to continue the program without raising license and inspection fees.

Industrial Hemp Association of Washington lobbyist Bonny Jo Peterson said the fines were "quite spendy," but better than hiking other fees to pay for investigations.

"It's a lot of money, but I think the department is following the rules," she said.

Hemp has been slow to take root in Washington. The department issued seven hemp-related licenses in 2017, the program's first year. Two were to Washington State University researchers. The one-year licenses begin expiring in June. The department has no pending applications, a department spokesman said.

Washington regulates

hemp to stay within the 2014 Farm Bill. The bill requires states to supervise hemp farmers and processors. Hemp remains a federally controlled substance.

Legislation is pending in Congress to legalize hemp. Peterson said she hoped federal lawmakers will pass the bill and nullify the need for state penalties.

The proposed penalties include:

- \$15,000 for cultivating hemp that tests too high in THC, the psychoactive chemical in marijuana. The department could destroy the plants and not fine the farmer if it believes the violation was unintentional.
- \$15,000 for transporting hemp seeds and plants across

state lines.

• \$15,000 for processing hemp into a product for consumption other than the seeds. Washington prohibits making hemp oil marketed as a dietary supplement.

• \$1,000 for growing hemp within 4 miles of a marijuana growing operation. In Washington, marijuana has priority over so-called sober cannabis.

• \$500 for failing to post the proper signs on every side of a hemp field.

The department will hold two public hearings on the proposed fines: 11 a.m. May 24, WSDA conference room 238, 21 N. First Ave., Yakima; 11 a.m. May 25, WSDA Natural Resources Building, 1111 Washington St. S.E., Olympia.

Spud farm's bankruptcy case dismissed

By MATEUSZ PERKOWSKI
Capital Press

A federal judge has dismissed a financially distressed Oregon farm's petition for Chapter 11 bankruptcy, which protects companies against property foreclosure while they restructure debt.

During a April 20 court hearing, U.S. Bankruptcy Judge Thomas Renn said terminating bankruptcy proceedings for Carleton Farms of Klamath County is "wise" due to "unusual and extraordinary circumstances."

The court hearing was initially intended to resolve a dispute over Carleton's ability to use cash that serves as collateral for debt owed to its creditors.

The farm had also sought to recover real estate, machinery and other property that's set to be sold off by a receiver.

However, attorneys for Carleton Farms withdrew those motions and asked to be taken off the case, citing a conflict of interest that cannot be disclosed under attorney-client privilege.

Keith Boyd, attorney for the farm, said a situation arose where they were informed the case could not go forward as a Chapter 11 reorganization.

"Debtor will consent to the dismissal of the case," Boyd said.

Attorneys for Umpqua Bank, the farm's largest creditor, and CFO Solutions, a receiver that's taken control of the farm's assets, agreed to the dismissal.

Prior to the court hearing, Umpqua Bank claimed the bankruptcy case should be dismissed because Carleton Farms wanted to undermine a receivership agreement to which it had previously consented.

Earlier this year, the farm had allowed a receiver, CFO Solutions, to take control of its assets after defaulting on about \$17.5 million in loans to Umpqua Bank.

In its recently filed bankruptcy case, however, Carleton Farms wanted to compel the receiver to return nearly \$4 million worth of assets that it claimed were necessary to continue agricultural operations.

The company also wanted permission from the bankruptcy court to use \$510,000 to \$870,000 of cash that serves as collateral to creditors.

Carleton Farms attributes its "severe economic difficulties" to the "aggressive" pursuit of cultivating organic potatoes and other crops, which have recently proven unprofitable due to lower prices.

At the time Carleton Farms agreed to the receivership, the company believed it could buy back the necessary equipment to continue farming but the money didn't materialize, according to a court filing.

Unless the receiver turns over the equipment, the farm won't be able to irrigate alfalfa hay, resulting in the loss of future cuttings, or prepare land for planting in the fall, the document said.

Farm groups divided over House farm bill

By CAROL RYAN DUMAS
Capital Press

The House Agriculture Committee is moving its draft for the next farm bill to the floor after a 26-20 vote on April 18, reflecting the deep division between Republicans and Democrats over changes to the Supplemental Nutrition Assistance Program.

Those changes would require able-bodied adults to work at least 20 hours a week or be engaged in a state worker-training program to participate.

While SNAP would remain budget-neutral, the bill would give more than \$9 billion to states to develop those training programs in what the committee's ranking member Collin Peterson, D-Minn., calls entirely untested mandates.



George Plaven/Capital Press File

Zippy Duvall, American Farm Bureau president, says the Farm Bureau supports the first draft of the next farm bill, which the House Agriculture Committee approved last week.

While a food-assistance component in the farm bill is needed to secure the urban vote in Congress and many commodity groups

realize SNAP helps move their crops, most are more concerned with the farm programs in the bill.

On that front, the bill has won the support of most major producer groups, which want to see the farm bill reauthorized before the existing bill expires and urge the House and Senate to work in a bipartisan effort.

Zippy Duvall, president of the American Farm Bureau Federation, said in a statement the committee's passage is great news for farmers and ranchers.

It "takes us one step closer to bringing certainty to families who face the toughest economy in more than a decade," he said. "We look forward to working with members of both the House and Senate to complete work on a bipartisan, bicameral bill that can be signed into law by the

president before the current law expires."

Wheat, corn, soybean, beef, pork and dairy producer groups have echoed that sentiment. While all want more funding and additional improvements as the process moves forward, they support the House draft as a good first step.

Their support of the bill includes funding for export programs, provisions to maintain a strong crop insurance program, improvements to risk-management programs, the establishment of a vaccine bank for foot and mouth disease, conservation incentives and research initiatives.

Other groups, however, contend the bill falls far short on many fronts.

"This bill is wholly inadequate for providing family farmers with the resources

they need to endure the worst decline in the farm economy in decades," Roger Johnson, National Farmers Union president, said in a press release.

It lacks needed improvements to farm and consumer safety nets, upends programs that improve sustainability and removes programs that aid the growth of fair and diverse markets for farmers, he said.

It doesn't adjust reference prices for payouts on producer losses in commodity markets that have been under water for years and doesn't include a mechanism that manages the nation's oversupply of milk, he said.

It also doesn't increase USDA loan authority, cuts funding for conservation and cuts funding for access to local, regional and specialty markets, he said.

Temperature swings throw 'curveball' at SW Oregon tree fruit

By CRAIG REED
For the Capital Press

ROSEBURG, Ore. — The roller coaster temperatures of earlier this year have had a negative effect on some fruit orchards in southwestern Oregon.

According to growers in both the Rogue and Umpqua basins, apricot trees were severely impacted. Some peach varieties may have also suffered, but growers remain optimistic that those trees will still produce some fruit.

What led up to this situation were severe temperature swings. January's temperatures were slightly warmer than normal and early February featured eight days of spring-like weather with high temperatures ranging from 55 to 66 degrees.

Fruit buds on apricot and some nectarine and peach trees were already slightly advanced because of January's warmth and then February's "false spring" increased that advancement into the

mid-bloom stage.

But then in the Umpqua Basin area, a morning low of 22 degrees was recorded on Feb. 13. More temperatures in the 20s followed with the average low being 34 degrees and the average high being 49 for the next 11 days.

The result was that sap stopped flowing in some of the fruit trees.

With buds halfway through the bloom cycle and no sap flowing, it is possible the partially developed pollen in the buds died. There was then nothing in the blossoms to attract bees so pollination did not take place.

"Mother Nature threw us a real curveball this year with some beautiful days in January and February and then the stone fruits got hammered by several mid-to upper 20-degree days," said Steve Renquist, the Oregon State University Extension horticulturalist for Douglas County. "The cold damages the ovary on the flower and then the ovary is not recep-

tive to being pollinated and it dies."

Mark Brosi, the owner of Sugar Tree Farms near Winston, Ore., said he wouldn't have much of an apricot crop.

"There are only a couple buds per tree," he said.

Kathy O'Leary, who owns Valley View Orchard near Ashland, Ore., said she probably lost her apricot crop.

Dave Belzberg, owner of Rolling Hills Farm near Medford, Ore., said he removed his apricot trees several years ago "because they were always getting frosted."

When it comes to peaches and nectarines, growers are taking a wait-and-see approach.

Brosi said his nectarines don't look all that great and his peaches only look "halfway good." O'Leary said she is not sure how much the weather impacted her future peach crop, but Belzberg, whose orchard is on a west



Craig Reed/For the Capital Press

Mark Brosi, left, owner of Sugar Tree Farms near Winston, Ore., and Steve Renquist, Oregon State University Extension horticulturalist, talk about the impact of temperature swings earlier this year on fruit trees. Brosi says he won't have much of an apricot crop and that his peach trees only look "halfway good."

slope, said his peach trees look "healthy and happy." He said west sites tend to be cooler than east sites and he added that his trees weren't flowering during the cold spell so he didn't anticipate any loss.

Because fruit buds on pear

and apple trees bloom about a month later than stone fruits, those trees were not advanced enough to be impacted by the extreme temperature changes.

The growers also said their cherry trees were not affected.

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