

Subscribe to our weekly dairy or livestock email newsletter at [CapitalPress.com/newsletters](mailto:CapitalPress.com/newsletters)

## Dairy

# Longtime Portland dairy restructures its operations

N.E. 21st Avenue site will close

By **GEORGE PLAVERN**  
Capital Press

Sunshine Dairy, a long-time Portland dairy producer, has filed for Chapter 11 bankruptcy protection and will close its 85-year-old West Plant building on N.E. 21st Avenue.

Dan Boverman, chief restructuring officer, said Sunshine Dairy will continue to run its East Plant on N.E. Halsey Street near Portland International Airport. However, the West Plant will be shut down and operations

sold to Alpenrose Dairy, a cross-city competitor in Southwest Portland.

Alpenrose will take over production at its facilities, and the West Plant will eventually be sold to its “highest and best use,” Boverman said. The bankruptcy court still has to approve the agreement, which could happen by late May or early June.

Boverman said Alpenrose is expected to hire some of the current Sunshine Dairy employees, though it is not yet certain how many positions will be affected. Between the East and West plants, Boverman said Sunshine Dairy has roughly 100



Joe Mabel/Wikimedia Commons

The Sunshine Dairy plant on N.E. 21st Avenue in Portland will close as the company restructures its operations. The company will continue operations at its N.E. Halsey Street plant.

employees. The East Plant, which makes yogurt and other non-dairy cultured products, is still profitable and will emerge from the bankruptcy

proceedings as a going concern, Boverman said.

Formed in 1935 by Greek restaurateur John Karamanos, Sunshine Dairy sells milk, cream, butter, cheese and ice cream to Northwest grocery stores and restaurants, including Whole Foods Market, Burgerville and Stumptown Coffee Roasters.

Its largest vendor is the Oregon Milk Marketing Federation, made up almost exclusively of small to mid-size dairy farms in the Willamette Valley in Oregon and the Yakima Valley and Chelalis area in Washington.

“Given the vast changes currently going on with

the consolidation of dairies across the country and the reduction of family-owned dairies, we feel this restructuring will enable us to provide for the future benefit of the employees, customers and suppliers,” said Michael Anderson, president and CEO of Sunshine Dairy. “And it will allow us to provide even greater products and services in the community.”

Court filings show Sunshine Dairy is more than \$12 million in debt, including more than \$9 million to First Business Capital Corp., a Wisconsin bank. The dairy’s estimated assets are less than \$10 million.

## Washington dairies lose economic challenge to Ecology rules

Environmentalists lose issues, too

By **DON JENKINS**  
Capital Press

A state panel has discarded a claim by farm groups that the Washington Department of Ecology illegally disregarded whether new manure-handling regulations will bankrupt dairies.

Ecology last year greatly expanded the number of dairies and other confined animal feeding operations that need a permit similar to ones issued to factories that discharge wastewater. Ecology says the CAFO permits will better protect groundwater and waterways from manure.

The Pollution Control Hearings Board ruled May 10 that the Washington State Dairy Federation and Washington Farm Bureau can’t raise the economic issue while appealing the regulations.

The board also tossed out two related claims that Ecology low-balled compliance costs and should have done more to ease the financial burden on dairies that employ fewer than 50 workers. The dairy federation estimates that more than 90 percent of the state’s dairies are below that threshold.

In all, the three-member board dismissed at Ecology’s request six of 18 complaints



Don Jenkins/Capital Press

A lagoon holds manure at a dairy in Whatcom County, Wash. The Pollution Control Hearings Board will hear challenges by farm groups and environmental organizations to Department of Ecology rules for storing and spreading manure at a hearing set to begin May 21.

brought by either the farm groups or a coalition of environmental organizations led by Puget Soundkeeper Alliance. The board will hear the remaining dozen complaints at a hearing scheduled to begin Monday in Tumwater and last one week.

Farm groups are challenging the practicality and scientific basis of the rules. Meanwhile, environmental organizations allege the rules fall short of complying with state and federal clean water laws. The appeals have been combined into one hearing.

Ecology moved to dismiss some of the claims prior to the hearing, arguing the facts

weren’t in dispute and that the law was on its side.

In addition to three claims by three groups, the board dismissed three challenges raised by environmental groups. The organizations complained that Ecology was insufficiently concerned about climate change, didn’t name the farms that needed permits and ceded too much oversight of dairies to the Department of Agriculture.

The board will still consider several complaints by Puget Soundkeeper and its partners that farmers should monitor water quality and obey strict limits on nitrate and phosphorous in fields.

The farm groups will argue that new manure lagoon standards and requirements for testing soils are unnecessary and impractical.

The farm groups had alleged that Ecology’s CAFO permit violated Washington’s Dairy Nutrient Management Act. The act calls for the state to provide a stable business climate for dairies. The board rejected that argument, finding that the act imposed “guidance and not legal requirements.”

The farm groups also complained Ecology didn’t consider the costs of smaller crops and fertilizer in weighing whether the benefits out-

weighed the expense of new limits on spreading manure. The board ruled that it would defer to Ecology’s expertise in deciding what to count.

The board also set aside a complaint that the rules will particularly burden the 92 percent of the dairies with fewer than 50 employees, the state’s definition of a small business.

The board agreed with Ecology that the department met its duty to soften the blow of new regulations by exempting dairies with fewer than 200 cows, unless the agency decides a small dairy is a “significant” polluter.

## Idaho farm trucking company seeks bankruptcy protection

By **MATEUSZ PERKOWSKI**  
Capital Press

An Idaho trucking company that specializes in hauling farm goods has filed for Chapter 11 bankruptcy protection, which protects it against foreclosure while restructuring debt.

Anderson Farms of Burley, Idaho, operates 41

trucks that transport feed to dairies and distribute other agricultural products in the Northwest.

The company owes between \$1 million and \$10 million to fewer than 50 creditors and owns assets of less than \$50,000, according to its bankruptcy filing. It’s also a “substantial shareholder” in the Ander-

son Cattle Co., a feedlot and cattle operation.

Under Chapter 11 bankruptcy, companies can stay operational while developing reorganization plans to pay back creditors.

The company referred questions to its attorney, Steven Taggart, who was unavailable for comment as of press time.

According to court documents, Anderson Farms has asked a bankruptcy judge for permission to use about \$1 million in cash that serves as collateral for creditors. Without that money, which the company expects to collect over the next month, “the debtor will be unable to operate or reorganize,” according to a court motion.

A hearing on the matter was scheduled for May 9 in Boise.

The trucking company’s bankruptcy filing comes at a time of stress for the dairy industry, which is coping with low milk prices.

“There’s just no money in it right now,” said Steve Hines, a University of Idaho Extension educator.

While some dairies are eking out a profit, others are living off the equity in their business or selling cattle, Hines said.

Those reducing their herds would need less feed but others also aren’t stockpiling more feed than necessary, he said. “They don’t have the cash with the milk price to store hundreds of thousands of dollars in feed.”

Suppliers to dairies with large unpaid accounts receivable can face financial distress, but many have grown careful of finding themselves in this position, said Joel Packham, another University of Idaho Extension educator.

Some dairies own trucks for hauling cattle and may use them for hauling feed as well, potentially creating competition for trucking companies, he said.

Ultimately, though, the dairy industry is still reliant on transportation, Packham said. “They still need feed and they need someone to haul it for them.”

# WESTERN PACKAGING

*Your Future is Our Future...*

## WE SPECIALIZE IN BULK BAGS!

|                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BAGS:</b> <ul style="list-style-type: none"><li>• Seed Bags</li><li>• Fertilizer Bags</li><li>• Feed Bags</li><li>• Potato Bags</li><li>• Printed Bags</li><li>• Plain Bags</li><li>• Bulk Bags</li><li>• Totes</li><li>• Woven Polypropylene</li><li>• Bopp</li><li>• Polyethylene</li><li>• Pocket Bags</li><li>• Roll Stock &amp; More!</li></ul> | <b>HAY PRESS SUPPORT:</b> <ul style="list-style-type: none"><li>• Hay Sleeves</li><li>• Strap</li><li>• Totes</li><li>• Printed or Plain</li><li>• Stretch Film</li><li>(ALL GAUGES)</li></ul> <b>WAREHOUSE PACKAGING:</b> <ul style="list-style-type: none"><li>• Stretch Film</li><li>• Pallet Sheets</li><li>• Pallet Covers</li></ul> | <b>LOCATIONS:</b> <p>Albany, Oregon (MAIN OFFICE)<br/>Ellensburg, Washington</p> <b>CONTACT INFORMATION:</b> <p>Phone: 855-928-3856<br/>Fax: 541-497-6262<br/><a href="mailto:info@westernpackaging.com">info@westernpackaging.com</a></p> <p><b>CUSTOMER SERVICE IS OUR TOP PRIORITY!</b></p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

[www.westernpackaging.com](http://www.westernpackaging.com)

20-1/100

## STUMP BLASTER BLAST STUMPS INTO DUST

ROP-13-40-3/102

# BAUMALIGHT.COM

MFG OF BRUSH MULCHERS | STUMP GRINDERS | DRAINAGE PLOWS  
BOOM MOWERS | PTO GENERATORS | AUGER BITS & DRIVES  
TRENCHERS | TREE SPADES | TREE SAWS | LIMB SHEARS AND MORE

**ELLIS EQUIPMENT 800-949-2336**