

Idaho Cattle Association sets summer meeting

By **BRAD CARLSON**
Capital Press

The beef industry has plenty on its plate headed into the annual Summer Round-Up meetings the Idaho Cattle Association plans June 18-20 at The Grove Hotel, Boise.

Recent tough talk on trade has created uncertainty in the export market, and a new southwest Idaho packing plant has helped some producers. “It has been a little volatile in the market lately. It has held up OK, but we saw periods when (prices) dropped as we first started discussing China trade negotiation,” said Cameron Mulrony, ICA executive vice president. “The market held pretty strongly and we’ve got good demand.”

Cattle placements in feedlots at the start of 2018 were up 8 percent from a year earlier, he said. Such an increase can portend that more animals will be market-ready later, presumably depressing prices.

“But if demand also is strong, the price will hold,” Mulrony said. “It seems things have still held strongly, and we think that’s because consumer demand is good for beef.”

The onset of summer also bodes well, typically boosting demand as people cook outside, he said.

The University of Idaho in January reported cattle revenue in the state grew about 5 percent from 2016 to 2017, with strong export markets supporting higher-than-expected beef prices even as the U.S. herd grew by 3 percent.

Also in January, the USDA National Agricultural Statistics Service said Idaho’s all-cattle inventory was up by about 1 percent from a year earlier. The all- or total-cattle population includes dairy cows that ultimately impact the market for hamburger and lower-priced beef cuts.

Adam Duckett, a principal in Duckett Ranches near Marsing, Idaho, said he has been following trade issues, cattle supply and input costs.

“We still are watching and are concerned about economic issues like (President Donald) Trump’s trade negotiations with China, TPP and NAFTA,” Duckett said, referring to the Trans-Pacific Partnership and North American Free Trade Agreement. “We have been monitoring the cattle-on-feed (statistics) and numbers slaughtered. The supply is definitely higher than last



Cameron Mulrony

year, but demand has remained very strong for beef due to a strong economy.”

Duckett said the local silage

corn price for Duckett Ranches has been down, helping to offset grain-corn prices that have recently increased.

Mulrony expects the cattle market to remain strong overall based on high U.S. demand and the likelihood that the export market will remain viable. The export market adds about \$300 per head to the average U.S. cow, he said, in part because more beef products are in demand internationally. Beef tongue is an example.

CS Beef Packers opened about a year ago in Kuna, filling a years-long void in southwest Idaho. The plant can reduce freight costs and boost cattle values for Idaho producers, Mulrony said.

“And it is the newest plant in the U.S., high-efficiency and very well put together,” he said. A tour for ICA meeting attendees is slated June 20.

Meeting topics are slated to include government policy, beef and feed markets, quality assurance — training and certification will be offered — and non-conventional alternatives to beef such as lab-grown muscle cells and vegetable proteins.

“Right now they are calling it fake meat, the general term for those grown in labs,” Mulrony said. Origin and labeling are among the issues.

“That is in early stages of production and we don’t know what would come from it,” he said. “If there is a problem with it, we don’t want it related with our conventional beef that we work hard to keep safe and healthy.”

The approximately 1,000-member Idaho Cattle Association works to preserve, promote and protect the state’s cattle industry. It is funded through dues, sponsorships and event participation. The group holds an annual meeting in November in Sun Valley. The summer meeting moves to different cities.

“One of the key things you achieve coming to a meeting is working together, networking and visiting with other producers,” Mulrony said. “That’s not one of those things you can put a value on.”

Economist: Blockchain has future in agriculture

By **CAROL RYAN DUMAS**
Capital Press

Blockchain technology and cryptocurrency are a bit of a mystery to many people. But they are making their debut in agriculture, and early adopters have the most to gain, according to an economist with CoBank.

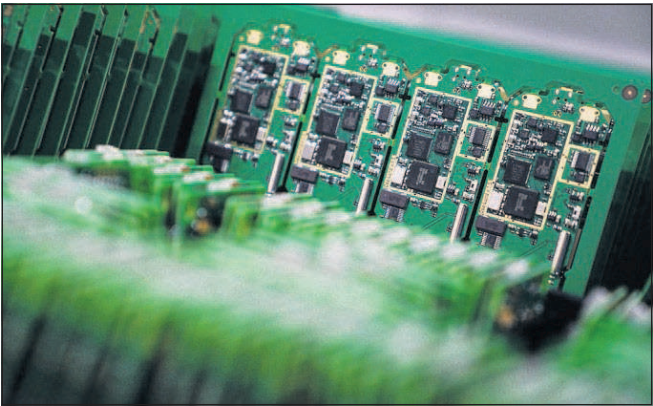
Blockchain is a shared digital ledger that tracks every transaction in a supply chain, and it can offer many benefits to agricultural partners. It’s simpler, faster, cheaper and more secure and transparent than the current process of moving product from farm to consumer, Tanner Ehmke, manager of CoBank’s knowledge exchange division, told Capital Press.

It offers a unique information-storage technology that allows all members in a business deal to record transactions in a digitized, decentralized data log maintained on a network of computers rather than a physical ledger or a single database.

It does not exist on paper or with one specific entity. It’s shared on all parties’ computers and is encrypted, so no one single entity is in charge — which is risky for everyone in the supply chain.

It’s also permanent and can’t be hacked, so to speak, Ehmke said.

“Each transaction is recorded and is immediately available and permanent,” he said.



Associated Press

Blockchain allows every party, from the producer to the consumer, to see all of the transactions as a product or crop goes to market.

It is impossible for any one entity to change the terms of a deal, making it a more trustworthy process. It makes the process more transparent, decreases transaction time and cuts costs, he said.

“Blockchain is going to make transactions faster and easier and safer,” he said.

It will allow entities to deal directly and cut out middlemen, such as lawyers and agents, and reduce the paperwork and time required in the conventional contract process. Blockchain eliminates paper transactions, which are open to fraud, he said.

“It creates more value by creating more trust,” he said.

That trust is not just between business partners. The transparency blockchain provides can also gain consumer trust, as food can be traced from farm to store in just a few seconds. Whether it’s

grass-fed beef or wild-caught salmon, consumers can see the entire supply chain back to the ranch or fishing boat and substantiate the label claims, he said.

“This transparency encourages accountability,” he said.

The desire for traceability will drive blockchain adoption by retailers and merchandisers, who will put pressure on their suppliers to do the same, he said.

“As more and more people adopt this technology, they’re going to request that others in the supply chain do it. Those who do are going to see the biggest returns,” he said.

Those returns will come from faster transactions that cut costs by not waiting on paperwork and skipping the middleman, reduced risk of fraud and consumer spending preference, he said.

Not everyone is going to

pick up on the technology. It doesn’t require big systems, but it does require an updated computer and internet connection — and some people don’t even use email, he said.

Adoption in agriculture will be a gradual evolution. One of the problems is that there are so many different systems in agriculture, and some are archaic. For some, it’ll be a long distance to travel technologically, he said.

As for the seemingly elusive value of cryptocurrency, it can be compared to paper checks or credit cards, which don’t physically hand over cash either, he said.

Some blockchain applications involve digital “coins,” which can provide instant payment in a transaction, but many don’t, he said.

Cryptocurrency can be highly volatile, and regulatory agencies worldwide are working to define it and write regulations for it. But it’s not just virtual currency, he said.

“Absolutely there’s money behind it because people are willing to trade it and they’re paying for it,” he said.

It’s a matter of infrastructure at this point, just as it was with credit cards in their infancy. Currency is valuable because people say it’s valuable, he said, pointing out that cigarettes and sea shells have been considered currency in the past.

Rayapati named WSU assistant dean, IAREC director

By **DAN WHEAT**
Capital Press

PROSSER, Wash. — Naidu Rayapati, a Washington State University plant pathologist, has been named director of the university’s Irrigated Agriculture Research and Extension Center in Prosser and assistant dean of the College of Agriculture, Human and Natural Resource Sciences at WSU Tri-Cities.

Rayapati, a native of India, has been with WSU since 2004 as a plant pathologist studying viral diseases in wine grapes. He was interim director of the Clean Plant Center Northwest in 2016.

Rayapati has worked in vineyards and farmers’ fields to help fight off, or prevent, pathogens that could have massive impacts on crops in Washington and around the world.

Educated in India, he worked for the International Crops Research Institute for the Semi Arid Tropics before working at the University of



WSU

Naidu Rayapati is the new assistant dean of agriculture at WSU Tri-Cities and director of IAREC in Prosser.

Georgia and then WSU.

“I’m very excited about taking on these dual roles,” Rayapati said. “We need to harness scientific and technological innovations, optimize strategic advantages and maximize opportunities at IAREC and the Tri-Cities campuses.”

The new assistant dean position will strengthen cross-campus collaborations and university-stakeholder

partnerships, enhancing the visibility and impacts of extension and academic programs from CAHNRS across Washington state and globally, Rayapati said.

Rayapati also aims to build partnerships with other institutions for advancing the overall land-grant mission of WSU and to contribute to WSU’s “Drive to 25” initiative.

Both IAREC and the

Ste. Michelle Wine Estates WSU Wine Science Center at Tri-Cities are large components of the WSU Viticulture & Enology Program. While serving in his new roles, Rayapati will continue to conduct research in his grape vitology program, with support from CAHNRS and his team of research associates, graduate students and technical staff taking on a larger role.

County hopes wastewater treatment facility attracts food processors

Area is ‘best-kept secret’ within state

By **MATTHEW WEAVER**
Capital Press

OTHELLO, Wash. — Adams County and the Port of Othello are building an industrial wastewater treatment and water reuse facility as a first step to recruiting niche food processors and diversifying the region’s crops.

The county wants to recruit companies that produce beverages, craft sodas, health foods or nutraceuticals.

“In economic development, everybody really wants the big win,” said Stephen McFadden, county economic development director. “What we really want is a handful of small to mid-sized wins that create diverse food processing here.”

Ideally, McFadden would like to find four companies that each employ 50 to 100 people.

“That would be the massive victory,” he said. “You would have four companies doing completely different things. Nobody’s walking over the top of the other, and we’ve really also created farm opportunities for our irrigated ground around niche and specialty crops.”

The port and Adams County will build the plant in the port’s Bruce Industrial Park. It was a top need cited by food processors, McFadden said.

A feasibility study found

that a 3.4 million-gallon-per-day facility with a reverse osmosis filter system would make 70-80 percent of treated water available to processors.

The facility would be 40 to 70 acres, McFadden said.

The county will hire an engineering firm to advocate for the port and county. A request for quotations will go out in the next few months, McFadden said.

Princeton, N.J.-based site selection firm The Boyd Co., studied industries the region was likely to recruit, including food processing for Othello and a distribution logistics fulfillment warehousing for Ritzville.

Land costs are \$27,000 per acre at the Othello port and \$33,500 per acre at Ritzville, compared to roughly \$197,000 in San Bernardino, Calif., \$292,000 in Seattle and \$319,000 in Los Angeles, location consultant John Boyd Jr. said. “That’s some of the most competitive land and utility costs you’ll find anywhere,” Boyd said.

Othello is the lowest-cost market in the nation for food processing and Ritzville is the second-lowest cost city in the U.S. for distribution. The lowest-cost market is Chesterfield, Va., he said.

Boyd pointed to Interstate 90 and Highway 395 access.

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