

Organic food sales up 6.4 percent in 2017

By CAROL RYAN DUMAS
Capital Press

Organic food sales in the U.S. have come a long way in 20 years, growing from \$3.4 billion in 1997 to \$45.2 billion in 2017. Last year's sales were up 6.4 percent year over year, well above the 1.1 percent growth in the overall food market and claiming 5.5 percent of the nearly \$822.2 billion in total sales.

"Consumers love organic, and now we're able to choose organic in practically every aisle of the store," Laura Batcha, CEO and executive director of the Organic Trade Association, said in a press release accompanying the latest data on organic sales.

The 2018 Organic Industry Survey was conducted in Janu-

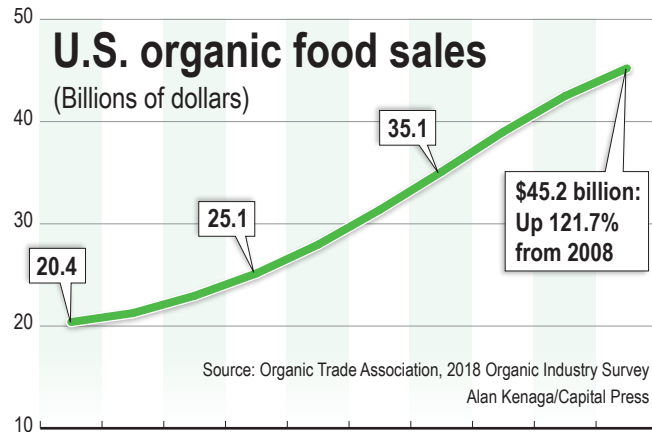


EO Media Group

Bins of fresh, organic peppers beckon shoppers at the Safeway store in Pendleton, Ore.

ary by Nutrition Business Journal on behalf of OTA, with 250 companies participating.

The growth rate was below



the 9 percent increase seen in 2016 and the double-digit increases from 2012 to 2015, but some slowdown was expected as the organic market matures. New channel and product expansions are becoming more incremental rather than revolu-

tionary, according to OTA.

"The organic market will see a steadier pace of growth as it matures, but it will continue to surpass the growth rate of the broader food market," Batcha said.

Produce remained the top

organic category in 2017 with \$16.5 billion in sales on 5.3 percent growth. Fresh produce accounted for 90 percent of those sales, but organic dried beans, dried fruits and dried vegetables increased 9 percent.

Organic beverages rose 10.9 percent to \$5.9 billion, making it the third-largest organic category. The driver was fresh juices with \$1.2 billion in sales, an increase of 25 percent. Non-dairy organic beverage alternatives such as almond, soy, coconut and rice drinks also gained popularity.

But it was a challenging year in the dairy and egg category. While still the second-largest selling organic category, sales grew just 0.9 percent to \$6.5 billion.

Many producers have entered the organic dairy market

over the last several years, creating a new wave of supply. But that supply hit the market as demand for organic milk began to shift to more plant-based beverages — creating a situation of too much of a good thing, OTA said.

Despite the slump in milk sales, sales of organic ice cream were up more than 9 percent in 2017, and organic cheese sales grew by almost 8 percent.

In the egg market, pasture-raised eggs presented stiff competition for organic eggs in 2017.

OTA blames the fallout in poultry and dairy on USDA, saying the requirements regarding outdoor access for organic poultry and livestock are unclear and inconsistently applied.

USDA axes organic checkoff proposal

By CAROL RYAN DUMAS
Capital Press

USDA has terminated a proposed rule to establish a national research and promotion program for organic products, citing a "split within the industry in terms of support" for a checkoff program.

The action comes following a public comment period on the proposal that closed April 19 in which the agency received nearly 15,000 comments.

"While some comments voiced support for a collective industry program, other comments stated that industry was not aligned in backing the proposal," USDA stated.

Support for a checkoff was led by the Organic Trade Association, which shaped the proposal over five years and contends it was comprehensive, thoroughly vetted and strongly supported.

"The \$50 billion organic sector offers opportunities for U.S. organic farmers and businesses. It makes no sense that the agency is continuing to take steps to cut it off at the knees," OTA said in a press release following USDA's announcement.

"USDA unilaterally making the decision on behalf of the 26,000-plus certified organic growers, ranchers, processors, handlers and business owners to not advance the process is stunning," OTA said.

On the other side, the No Organic Checkoff Coalition spearheaded the opposition, contending a federal mandatory checkoff is not the right solution for the growing domestic industry.

The coalition, representing 6,000 organic farmers across the country, issued a statement on Wednesday saying a checkoff would have served as another direct assessment and processors passing down the cost.

"Existing checkoff programs have a history of corruption and using funds



Capital Press File

A split among organic farmers has led USDA to drop a proposal for a checkoff program for the industry.

inappropriately, with poor representation of farmer priorities in granting of research dollars," NOCC said.

Its list of objections also includes restrictions on promoting the benefits of organic, increased organic imports due to the challenges of increasing domestic organic acreage and creating an "unworkable" program that lumps all organic products together as a single commodity.

"Organic farmers together can come up with the solutions to address the needs of the growing organic market" without hurting the very farmers that built the movement, Ed Maltby, executive director of Northeast Organic Dairy Producers Alliance, an NOCC member, said.

Jim Gerritsen, president of the Organic Seed and Trade Association — which was an early member of NOCC — said organic farmers have had negative experiences with other commodity checkoff programs.

"I don't know a single farmer that would voluntarily take part in a checkoff program, especially the half-baked proposal from OTA," he said.

Checkoffs are an involuntary tax on farmers and don't work. Any increased sales from checkoff programs don't trickle down to the farmer, he said.

"If processors want to increase their sales, they should

pay for it" and not expect struggling family farmers to pay for it, he said.

The organic industry is developing into two factions — corporate organic and family-scale organic. OTA represents the corporate segment, and it misrepresented support for a checkoff as unified — which couldn't be farther from the truth, he said.

"A lot of us are sick and tired of OTA," he said.

Fortunately, USDA acted contrary to OTA's false claims, he said.

"It's a relief to see USDA actually standing up for family farmers; it doesn't happen that often," he said.

The Organic Farmers Association said the proposed checkoff would have required all certified organic operations, even those exempted from the program, to submit annual gross sales reports, which would have been overly burdensome.

"The proposed program was divisive among the organic community, and checkoff programs must have industry support to be instituted — this proposal did not," OFA said in a statement.

USDA said it based the termination on a lack of consensus within the industry and divergent views on how to resolve issues in implementing the program.

Pest alerts on rise following mild winter

By BRAD CARLSON
Capital Press

Insect and fungal pest numbers are exceeding last year's levels, keeping Rich Guggenheim busy.

"It has been a busier year," the University of Idaho Extension Canyon County horticulture educator said. "The mild winter meant people were able to see things going on, without the snow. And because it was mild, some of the diseases and pests overwintered well. So there are more. And because it has been



Rich Guggenheim

warmer this spring, they are coming out earlier."

The Caldwell, Idaho-based Guggenheim, who is a Pacific Northwest Pest

Alert Network contributing author, starts teaching clinics in mid-May. Interest in the clinics is strong.

"This year, we've already had several hundred calls," he said. The phone calls about clinic participation started

around February, he said.

Volunteer scouts with the pest network in the Treasure Valley of southwest Idaho and southeast Oregon — tpepestalert.net — also got off to an early start posting information and sending photographs.

Codling moths, fire blight, pear blister mites, peach leaf curl and peach tree borers have sparked red alerts on the network since late April. Predictive, less urgent yellow alerts appeared for lygus bugs in alfalfa seed and for sugar beet root maggots.

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Deluxe cab, PS transmission, 4 remotes, 3pt hitch, no PTO, 620-42 duals, 5,177-hrs, #E0107240
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2013
Hillco 27% leveler, duals, 4WD, Straw chopper, MacDon header harness, 1,116-hrs, #D0756086
-Located in Tekoa
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JD 9870
2009
Rahco 35% leveler, duals, 4WD, straw chopper, 635F platform and cart, 2,335-hrs, #0S730229
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Simplot names Lofto as its new CEO

Garrett Lofto will assume new role on Sept. 1

By GEORGE PLAVERN
Capital Press

A 26-year employee is poised to become the next president and CEO of the J.R. Simplot Co. in Boise.

Garrett Lofto, who most recently has led the company's agribusiness group since 2009, will take over the top job beginning Sept. 1. He replaces Bill Whitacre, who retired in April after 18 years with Simplot, including nine years as president and CEO.

"I'm honored and humbled that the board and the Simplot family have entrusted me to lead this great organization as part of the senior leadership team," Lofto said in a statement. "The company is filled with tremendous talent and leaders, and I'm committed to ensuring they have the support they need to make the J.R. Simplot Company the best we can be."

As president of Simplot agribusiness, Lofto oversaw



Garrett Lofto

a \$2.5 billion operating division. During his tenure, the company charted significant growth in its retail arms, Simplot Grow-

er Solutions and Simplot Partners, and opened a new state-of-the-art ammonia plant.

Scott Simplot, chairman of the Simplot board of directors, praised Lofto for his vision and leadership.

"We're well-positioned for success across our organization, and the Simplot family and board of directors are confident we've got the right leader to help us achieve great things," Simplot said.

Lofto was raised on a farm in southern Manitoba, Canada, and has lived in Idaho since 2001. He earned a bachelor's degree in agriculture from the University of Manitoba and a master's degree in business administration from the University of Phoenix.

Lofto joined Simplot in 1992 as a crop adviser for the Morris, Manitoba area. He also serves on the board of directors for the Ronald McDonald

House Charities of Idaho, the Fertilizer Institute, Nutrients for Life Foundation and the International Plant Nutrition Institute.

Whitacre, who steps down as president and CEO, played a key role in growing company revenues from approximately \$4.5 billion to \$6 billion, according to the company. Scott Simplot described Whitacre as a "highly successful and visionary leader" who helped the company reach new heights and expand its global presence.

"The company, the board and the extended Simplot family thank him for his leadership and commitment," Simplot said.

Founded in 1929, J.R. Simplot Co. now has 10,000 employees around the world, with major operations in the U.S., Canada, Mexico, Australia and China. Products are marketed in more than 40 countries worldwide.

Lofto becomes the seventh president and CEO since company founder Jack Simplot retired in 1973. The company has begun searching for candidates to fill Lofto's position in the agribusiness division.