



Robert Hubner/WSU

Jim Harbertson, Washington State University enologist, discovered sulfur dioxide management is important in developing shades and tints of color in rosé wine.

Researcher perfects wine colors

By DAN WHEAT
Capital Press

PULLMAN, Wash. — A Washington State University enologist has become an expert in the art and science of fine-tuning rosé wine colors.

Asked by Washington winemakers how to more precisely develop wine colors, associate professor Jim Harbertson and graduate student Caroline Merrell have found that sulfur dioxide management is an important factor in rosé wine color. They have come up with a

guide for winemakers to follow that allows them to predict color changes analytically and achieve that gorgeous shade of ballet-slipper-pink or deep rouge.

“What’s significant is that our study provides tools to winemakers to measure apparent and potential color in their rosé wines. There’s more science and less guesswork involved,” Harbertson said.

Rosé was considered as sweet and cheap about a decade ago, but now it’s regarded as chic and sophisticated. Sales

rose 40 percent in 2017, according to Nielsen market research.

“More than other wine types, color heavily influences consumers’ perceptions of rosé. This makes winemakers particularly mindful of achieving just the right color,” Harbertson said.

Rosé stands apart from other wines in its diversity of hues, shades and tints. Though aroma and flavor are important to consumers, studies say the number one factor is its pinkish charm.

Rosé’s color also signifies its style. A light-colored rosé is

expected to be a lighter-bodied wine and a darker one to be more full-bodied, Harbertson said.

The trick to perfecting color is the timing of exposing dark wine grape skins to juice, 2 to 48 hours, with the wine lightening during fermenting and darkening after bottling.

“Rosé may be easy to drink but it is not easy to make,” he said.

His study was recently published in *Catalyst*, a journal by the American Society for Enology and Viticulture.

Apple Commission adopts budget, talks trade, varieties

By DAN WHEAT
Capital Press

WENATCHEE, Wash. — The Washington Apple Commission approved a status quo \$10.2 million budget for 2018-19 and discussed trade, promoting proprietary varieties and grocery e-commerce in China at its May 24 meeting.

The budget includes about \$4.7 million in revenue from a 3.5-cent per box grower assessment on the 2018 crop estimated at 135 million boxes, \$4.87 million from the federal Market Access Program, \$545,000 in grants and \$100,000 from interest and rented office space.

The commission will spend \$7.4 million on export promotions, with \$4.87 million from MAP and \$2.56 million from grower assessments.

The top six countries and their promotional allocations are:

- India: \$1.25 million, up \$280,000.
- Mexico: \$1.14 million.
- Vietnam: \$667,750.
- Central America: \$518,000.
- Indonesia: \$484,300, down \$67,450 because of access issues.
- China and Hong Kong: \$466,000, down \$419,693 because of access issues.

Apples have been caught up in Chinese retaliatory tariffs that are responses to U.S. tariffs on Chinese steel and aluminum, but the situation is fluid with negotiations are ongoing.

In recent days, India added a 30 percent tariff on apples in retaliation for the U.S. steel and aluminum tariffs. That’s on top of its regular 50 percent apple tariff, said Mark Powers, president of



Dan Wheat/Capital Press File

The Washington Apple Commission will spend \$7.4 million on export promotions during the coming year.

the Northwest Horticultural Council in Yakima.

Jason Hafemeister, trade counsel to the Secretary of Agriculture, gave commissioners a 45-minute telephone tutorial on trade. More than 20 percent of U.S. agricultural production is exported, he said. While the U.S. runs an overall trade deficit it has a surplus in agricultural commodities and products, he said.

China recognizes the U.S. trade deficit is a problem and is willing to help by importing more agricultural products, he said.

A new North American Free Trade Agreement does not appear close and the president has to decide by June 1 whether to impose steel tariffs on Canada and Mexico, Hafemeister said.

Powers said market threats to U.S. ag products seem to be growing. Apple Commissioner Bob Mast, president of Columbia Marketing International in Wenatchee, said there’s a lot of nervousness about tariffs hurting cherry exports to China.

Regarding foreign promotions of proprietary varieties, Mast called it a slippery slope

of keeping promotions proportionate to the varieties that generate the most in grower assessments.

Rebecca Lyons, the commission’s export marketing director, also said it would be a slippery slope to push single varieties and that she doesn’t want to, but importers and overseas retailers are interested in new proprietary varieties and promoting them increases shelf space and positions the commission for the future.

Commission President Todd Fryhover said he will educate himself more on how individual companies already promote proprietary varieties and seek the advice of Mast and other commissioners on how to proceed.

Fryhover reported that Hema Supermarkets, part of the Alibaba Group in China, is leading the way in merging online and offline sales. Customers order online, have groceries delivered or go to the store and have them prepared into a meal to be eaten there.

“It’s amazing what they are doing in China with e-commerce. It has to be a model for the rest of the world,” he said. “We think it’s a major trend moving forward.”

Wheat Marketing Center seeks new technical director

By MATTHEW WEAVER
Capital Press

The Wheat Marketing Center is looking for a new technical director after Gary Hou departed April 30 to take a position as chief technology officer with the SPC Group, a baking company in South Korea.

Hou was at the marketing center more than 22 years. He was first hired as an Asian products specialist and was promoted to technical manager in 2000 and technical director in 2005.

The job opening has been posted on the marketing center’s website and several professional websites, said Janice Cooper, executive director of the marketing center.

Cooper is asking stakeholders, including U.S. Wheat Associates and state commissions, to consider priority products and markets they want to focus on, as well as weighing the skills of the marketing center’s current team.

“It’s still under consideration exactly what kind of a person we’re looking for,” Cooper said.

All of the marketing center’s activities and courses are covered for this year, allowing time for an extensive search,



George Plaven/Capital Press File

Gary Hou, technical director of the Wheat Marketing Center in Portland, has taken a job with a South Korean company.

Cooper said.

Cooper expects crackers and noodles to continue to be a major focus for the marketing center. Markets in Asia and Latin America are top priorities, she said.

In an email to the Capital Press, Hou said he trained more than 1,000 professionals from around the world, published more than 30 peer-reviewed scientific papers and generated more than \$2 million in revenue through research and product development projects while at the marketing center. He felt his technical expertise would be

well-used in a commercial company where he could have a direct impact.

At SPC Group, Hou manages several products and helps with wheat procurement, flour milling production, flour blending and developing specialty flours.

“I am very proud of U.S. wheat farmers for growing one of the highest quality wheats in the world,” Hou said.

He recommended farmers consider the needs of food processors when they decide which variety to plant.

“Providing the required wheat and food products to our respective customers is the only recipe for continued success in business for all of us,” he said.

After working for the marketing center, Hou said, he has become a U.S. wheat user and buyer.

“It has become very interesting to look at the same subjects from a different perspective,” he said. “I hope my new experience will help the U.S. wheat industry to align its efforts with customers’ needs.”

The marketing center works to create a deeper understanding for the value of U.S. wheat in high-quality end products, Cooper said.



Carol Ryan Dumas/Capital Press

Jon Maughn, managing director and vice president of Rabo AgriFinance in Twin Falls, Idaho, at the Rabobank office on May 22.

Dairy lenders look to the long game

By CAROL RYAN DUMAS
Capital Press

TWIN FALLS, Idaho — An extended period of low milk prices has made things challenging on dairy farms across the country, giving rise to concerns over what awaits dairy farmers looking for their next loan.

But two big lenders in the Northwest and Idaho say they’re in it for the long term and sticking by their dairy clients.

Producer margins have been compressed for more than three years, Doug Robison, Northwest Farm Credit Services’ senior vice president for western Idaho, said.

While there have been periods of profitability, the average annual pay price for milk has generally been below the cost of production needed to support operating expenses, capital replacement needs, and principal debt repayment, he said.

Despite the tough times, NWFCs will continue to offer the same products and services to dairies — one of its largest financed sectors, he said.

As a customer-owned cooperative, NWFCs remains committed to financing agriculture, food and fiber throughout the Northwest, he said.

“Our strategy remains

consistent and includes even-handedness through industry cycles,” he said.

This cycle will run its course, and there will be stronger industry profitability in the future, he said.

“Producers need to remain focused on managing costs, protecting capital and marketing their product,” he said.

Milk prices in the first half of 2018 have been low, below the price needed to generate profitability. The Class III price for milk to manufacture cheese will average about \$14.50 per hundredweight in the first half of 2018, and average cost of production in Idaho in 2017 was about \$16.70 per hundredweight, he said.

Milk prices have been strengthening over the past few weeks, however, and milk futures indicate break-even or above prices in the \$16.75 range during the second half of the year. Recent strength in butter and cheese markets supports the improved outlook for milk prices, he said.

“This has led to some optimism for pay prices in the second half of the year and even into 2019,” he said.

Idaho dairy clients with Rabo AgriFinance have been operating at a loss for the past six to 10 months, particularly in the first quarter of this year

with milk prices in the \$12 to \$13 range, Jon Maughan, the company’s managing director for southern Idaho, said.

“I think we’re through the worst of it, so (I’m) cautiously optimistic,” he said.

It hasn’t been pretty, but exceptional prices in 2014 made it tolerable. Most producers learned lessons from the downturn in 2009 and held onto capital, he said.

“Most balance sheets are in good shape, with the exception of several operations that have not recovered from 2009,” he said.

There’s been some consolidation and voluntary liquidation, but there’s been very little forced liquidation, he said.

“We feel like our portfolio is above average. We’ve done really good with customer selection,” he said.

Rabo had extremely limited penetration in the area’s dairy business before 2011, and in 2011 and 2012 had the opportunity to hand pick who it wanted to do business with — the survivors of 2009, the longtime players, he said.

“Our strategy really hasn’t changed. We still continue to look for additional business with dairies,” he said.

The company now has a large dairy portfolio in Idaho. Its mandate is to “book good business,” and that hasn’t changed at all, he said.



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