

ODA weighs seeking \$10 million budget increase

By **MATEUSZ PERKOWSKI**
Capital Press

HOOD RIVER, Ore. — Oregon's farm regulators are contemplating a request to increase their budget by approximately \$10 million in the 2019-2021 budget cycle.

That amount would represent a roughly 8.5 percent boost over the Oregon Department of Agriculture's current budget of \$117 million in the 2017-2019 biennium.

The money would pay for 19 full-time equivalent positions in ODA's natural resources, food safety and market access policy areas, as well as its administration.

The \$10 million figure is tentative and will be refined over the summer, said Lauren Henderson, the ODA's assistant director, during a June 6 meeting in Hood River of the

Oregon Board of Agriculture, which advises the agency.

About \$1.5 million would be invested in ODA's information technology systems, including improvements to security, he said.

"We're struggling to keep up with the threats we get every day," Henderson said.

More than \$1 million would go to replacing laboratory equipment in ODA's food safety program, which "gets used a lot and wears out," he said.

An unspecified amount of money for cannabis testing would be derived from the state's cannabis tax funds, which are "oversubscribed," he said.

Another major expenditure would be \$1.7 million for three full-time positions in the "strategic implementation area" program for agricultural water



Mateusz Perkowski/Capital Press

The Oregon Board of Agriculture meets June 6 in Hood River. The Oregon Department of Agriculture, which is advised by the board, may ask for an increase of \$10 million to its budget in the 2019-2021 biennium.

quality, which seeks to reduce farm-related runoff and otherwise improve water quality in specific watersheds each year.

About \$375,000 would be dedicated to establishing a

position that would coordinate international marketing of Oregon farm goods.

In the short and medium terms, Japan will continue to be a major export destination,

said Alexis Taylor, ODA's director, who is soon leading a trade mission to that country.

However, Japan's population is aging — likely corresponding with declining food demand — which means Oregon should seek new opportunities in China and Southeast Asia, she said.

Another \$250,000 would go to promotion and branding activities beyond the "staff and rent" expenses that consume most of the ODA's market access funds, Henderson said.

In the policy arena, ODA is considering asking for new tools that would help the agency recoup food safety inspection fees, said Lisa Hanson, the agency's deputy director.

About 600 entities consistently fail to pay inspection fees, which translates into about \$135,000 in missing food safety funds, she said.

The problem mostly pertains to retail outlets, such as small grocery and convenience stores, Hanson said.

The ODA continues to inspect these facilities to protect public safety but is currently limited to issuing civil penalties, which are often also ignored, Hanson said.

Exactly what new tools the agency may need will be discussed before next year's legislative session, she said.

The agency is also contemplating "strategic fee increases" in its programs for food safety, confined animal feeding operations and weights and measures, she said.

"We're still working on the numbers," Hanson said, adding that specifics will depend on how much is available in the general fund budget. "It will be in flux throughout the process."

Drought declared in fourth Oregon county

Lake County latest to receive emergency declaration

By **GEORGE PLAVERN**
Capital Press

Drought continues to spread across vast portions of southern and eastern Oregon, with Lake County the latest to receive an emergency declaration from Gov. Kate Brown.

"Forecasts are predicting severe drought and wildfire conditions for much of Oregon," Brown said in a statement. "The conditions in Lake County are already concerning, and I'm directing state agencies to prioritize assistance in the area to help minimize the impacts drought conditions could have on the local economy."

Drought has also been declared in Klamath, Grant and Harney counties. Racquel Rancier, a spokeswoman for the Oregon Water Resources Department, said no other applications are currently pending.

The Lake County Board of Commissioners request-



Associated Press File

The Oregon governor has issued a drought declaration in a fourth county.

ed drought relief in March, citing below average precipitation and inconsistent water storage, ranging from 51 percent of normal at Cottonwood Reservoir to 114 percent of normal at Drews Reservoir.

Approximately 45,000 acres of irrigated farmland

were expected to run out of stored water between April and May, and 147,000 outlying acres were also expected to run out of water around the same time, according to the county's drought resolution.

"Many longtime Lake County farmers and ranchers

have commented that they have not seen water conditions this severe since 2015," the county resolution states.

As of May 30, snowpack has entirely melted in the Lake County and Goose Lake basins. The U.S. Drought Monitor shows nearly all of southern and eastern Oregon in some stage of drought, from abnormally dry to severe conditions.

The National Oceanic and Atmospheric Administration's Climate Prediction Center also forecasts Oregon will be hotter and drier than normal for the next three months, exacerbating drought statewide.

"The Lake County Board of Commissioners determines that extraordinary measures must be taken to alleviate suffering of people and livestock and to protect or mitigate economic loss, and to be responsive to the threat of wildfires," the resolution continues.

The governor's drought declaration gives water managers some increased flexibility to assist producers on the ground, such as emergency water use permits, water exchanges, substitutions and in-stream leases.



Port of Seattle

The container ship Benjamin Franklin calls at the Port of Seattle. Agriculture groups are worried that the Trump administration's decision to increase tariffs on some commodities such as steel and aluminum will result in higher tariffs for their crops and products overseas.

Concerns over U.S. tariffs continue to grow

By **CAROL RYAN DUMAS**
Capital Press

The Trump administration says it's hitting Mexico, Canada and the EU with tariffs on steel and aluminum, just days after it decided to move ahead with tariffs on \$50 billion worth of imports from China.

Those countries had received temporary exemptions from the 25 percent tariff on imported steel and 10 percent tariff on imported aluminum implemented in March. They contend the tariffs are unjustified protectionist measures and promise to respond in kind, leaving U.S. agriculture to fear retaliation.

The concern for agriculture is the consequences of the administration's "back-and-forth tariff regime," Dave Salmonsens, senior director of congressional relations for American Farm Bureau Federation, said.

"We're never happy when we have retaliation on U.S. exports," he said.

While Canada has not released details of its response, Mexican officials released a statement saying retaliatory tariffs will be placed on U.S. pork, sausages, cheeses, apples, grapes, blueberries and food preparations.

EU officials have released a 10-page list of U.S. products to target, including sweet corn, rice, kidney beans, cranberries, orange juice, whiskey and tobacco.

Lost exports will go down the chain to impact prices to farmers, Salmonsens said.

Hopefully, the U.S. and those countries can come to agreements to avoid retaliatory tariffs, he said.

National Pork Producers

Council said the industry has already suffered considerable losses in the trade dispute with China and the steel and aluminum tariffs significantly heighten producers' concerns.

Mexico is the largest export market for U.S. pork — \$1.5 billion in 2017 — and it is already threatening to retaliate against U.S. pork. Canada is the fourth-largest market, with \$792 million in sales last year, NPPC stated.

"The market disruption caused by export market uncertainty comes at a time when U.S. pork is expanding production to record levels," Jim Heimerl, NPPC president, said in a statement to the press.

Pork exports accounted for more than \$53 of the average \$149 value of a hog last year and support 110,000 U.S. jobs. It's one of the nation's most competitive export products and favorably impacts U.S. trade imbalance, he said.

"We call for an end to these trade disputes..." he said.

National Corn Growers Association is urging policymakers to strengthen cooperation with U.S. trading partners and stay at the negotiating table.

"Imposing tariffs has the potential to undermine positive relationships with our closest allies and erode long-standing market access," Kevin Skunes, NCGA president, said in a statement.

With a 52 percent drop in net farm income over the last five years and depressed commodity prices, this is not the time to face such a burden, he said.

"This uncertainty impacts every step of the agriculture economy, from securing financing to marketing," he said.

PNW pear growers look to 'good, full crop'

By **DAN WHEAT**
Capital Press

PORTLAND — Pacific Northwest pear growers anticipate an average crop this year of 18.8 million, 44-pound boxes after lighter crops four years in a row.

Growers produced a record 21.69 million boxes of pears in 2013 but every year since then the yield has been much lighter. Hot weather causing fruit drop and contributing to decay called cork is at least partially responsible for the lighter crops.

The 18,855,900-box estimate is just 58,345 boxes less than the five-year average of 18,914,245 boxes. It is 18 percent bigger than the 2017 crop, which will soon finish sales at close to 15.9 million boxes.

"I like that this looks like a good, full crop. Not record by any means, there should be plenty of promotable fruit for export and domestic markets if this forecast holds," said Kevin Moffitt, president of The Pear Bureau Northwest in Portland.

That can be a big if. A 17.6-million-box crop was forecast a year ago. It grew to an 18.3-million-box forecast on Aug. 22 but has dropped 13 percent since then.

That's a much larger shrink than most years, Moffitt said. Beside an increase in cork, about 150,000 boxes of pears were lost in an October fire at Underwood Fruit in Bingen, Wash., near Hood River, Ore.

The Pear Bureau is the Northwest's fresh pear industry promotional arm and gave the forecast on May 31, the second day of its annual meeting in Portland.

The forecast will be updated in mid-August. Right now, the breakdown by growing district is: Wenatchee, 8.6 million boxes; Hood River, 7 million; Yakima, 2.4 million; and Medford, 751,200 boxes.

The top volumes by variety will be: 9.3 million boxes of d'Anjou, up 10 percent from 2017; 4.5 million of Green Bartlett, up 24 percent; 3.1 million of Bosc, up 42 percent; 1 million of Red d'Anjou, up 7 percent; and 309,100 boxes of Starkrimson, up 20 percent.

The percentage jump in Bosc is large because it was short last year, Moffitt said.

Organic pears are expected to total 1.6 million boxes, up from 1.2 million last year.

"There's been more and more transition. It takes three years to transition from conventional to organic. Demand has been

growing and our supply is behind demand," Moffitt said.

Harvest is forecast to start with Starkrimson in Hood River on Aug. 3 and will finish in late September or early October in higher elevations of Hood River and Leavenworth at the upper end of the Wenatchee Valley.

The Pear Bureau renewed grower assessments at 38.5 cents per box for promotions and 3.3 cents for Pear Bureau administration and funding the Northwest Horticultural Council. It increased research assessments from 3.1 to 4.5 cents per box.

The preliminary domestic and foreign promotions budget will be about \$6.9 million, up \$500,000 from the preliminary spending plan approved a year ago. Of that, \$5.7 million is for domestic promotions and \$1.2 million for export promotions. Some \$2.8 million from the USDA Market Access Program is expected to bring export promotions up to \$4 million and the total budget up to \$9.8 million.

The 2017 crop was 94.45 percent shipped as of June 1 versus 93.78 percent of the crop shipped a year ago. About 883,000 boxes remained to be sold versus 1.1 million a year ago.

Washington dairies present 'biggest issue' at CAFO appeal

By **DON JENKINS**
Capital Press

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late addition by the Washington Department of Ecology last year to manure-storage rules blindsided dairies and threatens to bankrupt some, an industry official told an appeals board Tuesday.

The rule increases the distance that manure in lagoons

must be from groundwater, by several feet in some cases.

As a result, many lagoons, particularly in Western Washington, are out of line with Ecology's standards, testified Dan Wood, executive director of the Washington State Dairy Federation.

"Our experience is that when agencies, such as Ecology, label something as 'deficient,' that's not the end of the conversation," Wood said. "I think this is probably the biggest issue in this appeal."

Ecology's new rules for confined animal feeding operations particularly affect the state's 230 dairies with 200 or more cows. The dairy federation and Washington Farm Bureau are appeal-

ing aspects of the rules to the Pollution Control Hearings Board.

The board is simultaneously hearing complaints from environmental groups that the rules are too lax to protect surface water and groundwater. The hearing, expected to wrap up this week, is likely to be a step toward further court challenges.

Ecology's standard for separating stored manure from groundwater departs from Natural Resources Conservation Service standards.

Wood said that bringing a la-

goon into compliance could cost hundreds of thousands of dollars and that he's heard from dairymen who say that could drive them out of business. "This is a major cost concern for a lot of producers," he said.

Ecology had not included the requirement in preliminary written proposals, or mentioned it in meetings, Wood said.

The federation didn't have a chance to comment, and its officials didn't pick up on the departure from NRCS standards until farmers brought it to their attention, Wood said.

"Our first reaction was they (farmers) were misreading it," he said. "We looked. Yes, indeed, it was there."

Also Tuesday, Washington

State University animal science professor Joe Harrison testified that testing groundwater at dairies was not needed, disputing a chief complaint by environmental groups that Ecology was negligent in not requiring monitoring wells.

Harrison, a longtime adviser to the dairy industry, said standard manure-handling practices, checked by fall soil tests, safeguard water.

"Those collectively, as a suite of practices, are protective of groundwater," Harrison said.

Harrison acknowledged under cross-examination by environmental attorney Charlie Tebbutt that testing groundwater was the only way to be absolutely sure it isn't polluted.

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