

Defunct Oregon beef packer seeks to pay out \$600,000

Bartels Packing shut down in March but has continued selling inventory

By **MATEUSZ PERKOWSKI**
Capital Press

A defunct Oregon beef packer wants to pay out more than \$600,000 of the \$1.3 million in USDA trust claims that cattle suppliers have filed against it.

Bartels Packing of Eugene, Ore., shut down in March, citing declining sales and the loss of a major customer, among other factors. A court-appointed receiver has

since overseen the company's dissolution.

Under the federal law, certain assets of meat packers are held in trust for the repayment of cash livestock sellers, who must file claims to obtain the funds. Livestock suppliers who sell their animals to packers on credit generally aren't protected by the trust.

The USDA has received more than \$1.3 million in trust claims since Bartels closed, with the agency determining that about \$624,000 of those claims are valid.

The receiver hasn't yet finished analyzing the remaining claims, some of which the USDA has determined aren't valid under the Packers and Stockyards Act.



Mateusz Perkowski/Capital Press

Chris and Kandi Bartels, who own defunct beef processor Bartels Packing, have closed the business but expect to have enough assets to repay debts, including \$4.6 million owed to cattle suppliers.

Pivotal Solutions, the receiver, has now asked a judge for permission to turn over the \$624,000 "after holding back

a reasonable amount for the estate to be able to maintain the necessary liquidity" of the operation as it dissolves.

The majority of livestock suppliers who'd receive payment are auction yards, with the largest claim — about \$330,000 — owed to Toppenish Livestock Commission of Toppenish, Wash.

Though Bartels has shut down, the receiver is using its facilities to re-process certain cuts and sell meat to make money available for creditors.

The USDA hasn't objected to the receiver's request, which will be the subject of a hearing scheduled for July 23 in Lane County Circuit Court in Eugene.

When Bartels Packing

closed, it claimed to have roughly \$14 million to cover its \$8.3 million in liabilities, including nearly \$4.7 million owed to cattle suppliers and feedlots.

Documents filed in the receivership case show that representatives of Pivotal Solutions have actively been trying to sell the company's facilities, which include a processing plant and slaughterhouse.

The receiver has had numerous meetings, tours, emails and phone calls with undisclosed potential buyers and held talks with local government representatives and state economic development officials, according to invoices submitted to the court.



Don Jenkins/Capital Press File

Cranberries are harvested by Juan Hernandez and Alison Hilson in a bog in southwest Washington in 2015. The European Union and Mexico have imposed retaliatory tariffs on some cranberry products. China is scheduled to impose tariffs July 6.

EU slaps tariffs on U.S. cranberry concentrate

By **DON JENKINS**
Capital Press

Tariffs imposed by the European Union on Friday will apply to less than one-third of the U.S. cranberry products sold to the 28-country trading bloc, but will still hurt, according to The Cranberry Institute, an industry group.

The EU put a 25 percent tariff on cranberry concentrate. The EU did not, however, extend the tariff to sweet dried cranberries, a product that has enjoyed duty-free entry into Europe since 2011.

The U.S. cranberry industry sells \$127 million worth of products annually to the EU, its largest foreign market. Cranberry concentrate, a by-product of making dried cranberries, makes up \$41 million of that, according to the institute.

"Tariffs on U.S. cranberries will be very detrimental to our industry," the institute's

executive director, Terry Humfeld, said in a statement.

The cranberry industry has become caught up in emerging trade wars between the U.S. and trading partners. U.S. cranberry products face retaliatory tariffs from China and Mexico, as well as the EU.

The U.S. is the world's top cranberry producer, but annual domestic consumption has been stuck at just under 2 pounds per person for many years. About one-third of the U.S. crop is exported, according to the USDA's Foreign Agricultural Service.

Humfeld, who was unavailable for an interview Tuesday, said in the statement that the U.S. cranberry industry has spent decades cultivating the European market. He said the tariff may hurt Europeans.

"Since there is no domestic cranberry industry in the EU, costs could increase for manufacturers, leading to higher prices for consumers or reduced access to cranberries," Humfeld said.

Canada, the second-largest

cranberry producer, appears poised to fill the demand. Canadian cranberry production doubled between 2006 and 2017, according to the USDA. Canada and the EU signed a trade agreement last fall that removed tariffs on Canadian cranberries. The deal eliminated an advantage the U.S. had enjoyed. The EU suspended duties on American sweet dried cranberries imported to use as ingredients in 2011. Exports to Europe then surged, according to the USDA.

Chile, the third-largest cranberry producer, has had a duty-free agreement with the EU since 2012.

Mexico, which like the EU was reacting to U.S. tariffs on steel and aluminum, applied a 20 percent tariff on sweet dried cranberries in early June. Next up, China is scheduled to increase tariffs on sweet dried cranberries to 40 percent from 15 percent on July 6.

The U.S. sells about \$45 million worth of cranberries to China annually, according to Humfeld.

Twin Fire sparks northeast of Boise

Capital Press

U.S. Forest Service crews on June 25 responded to a wildfire in steep terrain near Arrowrock Reservoir northeast of Boise.

The Twin Fire ignited about 10 miles northeast of the intersection of Idaho 21 and National Forest System Road 268, which runs along the Middle Fork Boise River.

The fire at midday was about 65 acres and 30 percent contained. The cause is still under investigation, Boise National Forest spokesman Michael Williamson said. It was burning on steep terrain of grass and brush.

Crews aimed to contain the Twin Fire fully by late afternoon June 26, he said.

As of June 25, the fire in-



Associated Press File

Firefighters hoped to control a wildfire northeast of Boise sometime Tuesday.

involved about 90 firefighters, three engines, two helicopters, and fire prevention and investigative personnel. No road or area closures were in effect, but Williamson urged

drivers on NFS Road 268 to use caution due to fire personnel and equipment in the area.

"It's still early in the season, but it is a reminder we are in fire season," he said.

Immigration bill fails in U.S. House

By **DAN WHEAT**
Capital Press

An agricultural labor amendment was stripped from a compromise Republican bill on immigration and DACA before the bill was defeated Wednesday on the floor of the U.S. House.

Rep. Dan Newhouse, R-Wash., said he expects changes for ag labor to get a standalone vote before the August recess.

The compromise bill, HR 6136, was defeated 121-300, faring worse than the more conservative HR 4760 that was defeated 193-231 a week earlier.

Newhouse, who voted against HR 4760, said he voted for HR 6136 as "the best opportunity to make substantive improvements to our broken immigration system..."

"If our nation's farmers are to continue providing food for America and the world, it is incumbent on Congress to act to address labor needs. I thank the speaker (Paul Ryan) for



Associated Press File

The U.S. House has rejected another immigration reform bill. Agricultural labor provisions had been stripped from the bill. They will be voted on in July, supporters say.

committing to hold a vote on this matter in July," Newhouse said in a statement.

Michael Marsh, president and CEO of the National Council for Agricultural Employers, in Washington, D.C., told Capital Press that leadership initially included the ag amendment — that included E-verify (electronic verification of employment eligibility) and a new H-2C-visa guestworker program — to get the Freedom Caucus (the most conservative GOP members) to vote for the bill.

It didn't work. Those members opposed the bill because it contained a pathway to citizenship for DACA (Deferred Action of Childhood Arrivals)

recipients.

The ag amendment contained improvements on ag workers that ag employers like and should work well for a vote, Marsh said.

"Reps. Newhouse, Jeff Denham and David Valadao (the latter two California Republicans) did a terrific job negotiating substantive changes. It gives us a good spot going forward if we get another chance," Marsh said.

In particular, the secretary of agriculture would be able to match the number of H-2C visas to market demand the first two years before a cap would be implemented.

That's an improvement, Marsh said, but "having a cap is ridiculous. The government shouldn't be deciding how many workers you need, farmers should."

Current unlawful workers and H-2A-visa workers would not count against the cap and there would be an automatic escalator to increase the cap if it were met on non-meat and poultry processing visas, according to a House Judiciary Committee bill summary.

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WHEN: July 11, 2018 @12:30pm-4:30pm
WHERE: Oregon Department of Fish and Wildlife
4034 Fairview Industrial Dr. SE Salem, OR 97310

For more information, or to arrange special accommodations for meeting attendees, please contact Julie MacSwain at 503-414-3250 or julie.macswain@or.usda.gov
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