

# Gala pushes Red Delicious out of top volume spot

By DAN WHEAT  
Capital Press

WENATCHEE, Wash. — Red Delicious, Washington's top apple in volume for 83 years, is predicted to fall to second place behind Gala in the 2018 harvest.

Honeycrisp is expected to keep increasing and organics make a big jump in the 2018 crop forecast compiled Aug. 1 and released Aug. 7 by the Washington State Tree Fruit Association.

The fresh, versus processing, crop is estimated at 131 million, 40-pound boxes, down 2 percent from the 2017 crop expected to finish sales in the next two months at 134 million. The record was 143.6 million in 2014.

Red Delicious is forecast at 28.3 million boxes, down 14.7 percent from the 33.2 million of 2017. Gala is expected to be 31.7 million, up 3.3 percent from 30.7 million.

"It's two weaker varieties passing each other. The scuttlebutt on Gala is not positive. It's like 10 years ago when Reds were being talked down," said Desmond O'Rourke, world apple market analyst and retired Washington State University agricultural economist.



Dan Wheat/Capital Press  
Apples in an East Wenatchee, Wash., orchard on Aug. 6, several weeks out from harvest.

Marketers have been desiring fewer Reds for years and more proprietary varieties in small volumes for better returns. However, the down side to a big Reds decline is that it's a big part of exports, O'Rourke said.

"That's almost a 5 million-box drop in Reds. It will drive up prices and then with

the tariffs, it could be a mess," he said.

## Washington fresh apple forecast

(Millions of 40-pound boxes)

Variety	2017*	2018**	Percent change
Red Delicious	33.19	28.3	-14.7
Gala	30.69	31.7	3.3
Fuji	17.12	17.75	3.7
Granny	19.24	17	-11.6
Honeycrisp	11.43	14.15	23.8
Others†	6.72	7.25	7.9
Golden Delicious	7	6.35	-9.3
Cripps Pink	5.28	6	13.7
Ambrosia	1.65	1.35	-18.1
Braeburn	1.04	0.78	-25
Jonagold	0.45	0.4	-10.7
<b>Total</b>	<b>133.79</b>	<b>131.03</b>	<b>-2.1</b>

\*Close to final as of Aug. 1, 2018 \*\*Forecast as of Aug. 1, 2018  
†Mostly club or managed varieties proprietary to certain companies.  
NOTE: Totals may not equal 100 due to rounding.

Source: Washington State Tree Fruit Association

Capital Press graphic

How badly an anticipated 20 percent tariff in Mexico and 50 percent tariff in China affect those markets in the coming season is a big concern, he said.

Exports have been good, particularly in India, where 8 million boxes of Washington apples have sold this season compared to 4.7 million the year before, he said. That was caused by India banning Chi-

nese apples, he said. Mexico has been good at 12.2 million. Total exports are 41.5 million for the season, ending up 4 million and 31 percent of the crop.

Reds averaged \$16 per box over the last year, very marginal for profits and Gala was also marginal at \$20 to \$21, he said. Honeycrisp averaged \$50, which is good but not as good as a few years ago as it increases in volume.

"The golden egg is losing

some of its gold," O'Rourke said.

Honeycrisp was forecast at 10.5 million boxes at this time last year. It will finish the year at 11.5 million and is forecast at 14.15 million for the new harvest.

The average of all varieties was \$20.71 per box in the first week of May and now is \$22.71, a nice increase as volume declines, he said.

About 12.4 million boxes of the 2017 crop remained to be sold in the next two months. That's easily doable at 2 million boxes per week, he said. But there probably won't be much uptick in prices at the start of new crop sales, he said. Heavy volumes of Honeycrisp and Gala, the first varieties harvested, will "keep a lid on prices," he said.

Harvest began July 25 with early strains of Gala in Wallula, north of Walla Walla, and Gala harvest will increase in earnest next week, said Charles Zeutenhorst, general manager of First Fruits Marketing of Washington in Yakima.

Harvest usually finishes in early November.

Organics are expected to be 14 percent of the total crop

or 18.9 million boxes. That's a "substantial increase and we struggle with huge increases" if it can't all be sold in the retail market, he said.

Zeutenhorst said he thinks the crop is larger than 131 million boxes and would be even 3 to 5 percent larger yet without rampant firelight this spring.

The tree-killing disease is exacerbated by extreme heat followed quickly by rain during bloom.

"It's been a horrible, horrible year for firelight. Orchards have been massively cut back and down," Zeutenhorst said. Limbs and whole trees are cut to stop its spread.

After three years of fruit sizes too large or small creating marketing challenges, this year's crop looks to be of normal fruit size, he said.

Large New York, Michigan and Pennsylvania crops will compete domestically in October, but prices should hold better because of better quality this year, Zeutenhorst said.

"Cherries are a bit of an indicator and we had a solid cherry year with sustained good quality," he said. "We think apples will follow suit."

## FDA chief reassures Oregon growers over FSMA concerns

By MATEUSZ PERKOWSKI  
Capital Press

BEND, Ore. — Oregon fresh produce growers got some reassuring words from U.S. Food and Drug Administration Commissioner Scott Gottlieb during a stop Tuesday near Bend, Ore.

Implementation of the Food Safety Modernization Act has loomed over the fresh produce industry since the law was signed by former President Barack Obama more than seven years ago.

The possibility of increased water testing and treatment, new federal on-farm inspections and the uncertain oversight of foreign competitors are just a few of the concerns raised by farmers.

During a visit at the Barley Beef feedlot outside Bend, Gottlieb acknowledged the agency is now venturing into some of the statute's thornier regulatory territory.

"The easy parts of the implementation of FSMA are done," he said. "The issues we're grappling with now are hard."

The law represents a critical rethinking of how the U.S. deals with food safety, but the government doesn't want to saddle the food industry with oversized unintended conse-



Mateusz Perkowski/Capital Press  
Scott Gottlieb, commissioner of the U.S. Food and Drug Administration, speaks with farmers about the Food Safety Modernization Act during a Tuesday stop near Bend, Ore.

quences, Gottlieb said.

As the FDA increasingly scrutinizes U.S. farmers, there's a danger that foreign produce suppliers will sidestep regulations due to lax enforcement by overseas authorities, said Kay Riley, general manager of the Snake River Produce Co. in Nyssa, Ore.

That's particularly true since FSMA's "foreign supplier verification" requirements fall heavily on importers who can close their doors and face little accountability, Riley said.

"We're relying on them to be the police," he said. "We want to make sure the playing field is level."

Gottlieb said he was sensitive to such criticism but would "challenge that notion" that foreign suppliers will skirt regulations.

The FDA works cooperatively with foreign regulators and can conduct foreign inspections, among other tools available to the agency, he said.

As state regulators take over more FSMA inspections, the agency will devote more resources to ensuring that foreign suppliers comply with rules — particularly those companies that are flagged as unreliable, Gottlieb said.

## Wolf encounters rare, but not unknown in Washington

### Biologists try to flush out wolves

By DON JENKINS  
Capital Press

A researcher's close encounter last month with a wolf in north-central Washington was a rare event, but ranchers say they occasionally see and more often hear barking wolves, an experience one rancher described as "eerie."

Cattle Producers of Washington President Scott Nielsen said he suspects wolf encounters have gone unreported because people don't want to face public scrutiny.

"I think they would be doing their community a service if they were to face it," Nielsen said Friday. "Wolves are a public safety issue. It's an animal that is opportunistic and eats meat."

Wildlife biologists have described the July 12 incident in the Okanogan-Wenatchee National Forest as unusual, yet also expected from a pack protecting pups. The U.S. Forest Service researcher said she tried to leave when she came face-to-face with a wolf, but the howling animal cut her off. She climbed a tree and called for help using a satellite phone.

She was swiftly rescued by a state Department of Natural Resources helicopter crew, though state wildlife biologists initially opposed disturbing the pack with a chopper, preferring to coordinate a ground rescue that could have taken two to three hours.

The head of Conservation Northwest's wolf program, Jay Shepherd, said wolf sightings are rare, but the incident highlights the need to

be on-guard when venturing into wolf territory. Knowledge about wolf behavior can help, he said.

"If you haven't been around wolves, they can scare the hell out of you, and if you've been around wolves, they can scare the hell out of you," he said.

"Don't act like their natural prey," he advised. "I would not try to outrun a wolf. I would stand my ground."

The day after the rescue, U.S. Fish and Wildlife Service biologist Gregg Kurz and state biologist Ben Maletzke found evidence the Forest Service employee had unknowingly walked into the pack's rendezvous site, where adult wolves stash pups for the summer. Kurz said they found rabbit entrails, small paw prints and little teeth marks on a tin can.

They picked up strong signals from radio collars worn by two wolves and tried to flush the wolves into the open.

"We purposely tried to elicit a reaction because this behavior seemed really odd to us. So we walked toward them and pressured them to see if we could get them to respond in a similar manner to us, and that did not happen," Kurz told Okanogan County commissioners in a meeting to review the incident.

"We know we were well within 100 yards of where they were and just kept pushing and pushing and pushing. They paralleled us and then headed up over the hill silently. We never heard a peep, never saw them."

"Based on that, we felt it was defensive behavior and not aggressive behavior," Kurz said. "We determined

it was a rendezvous site, and they were just trying to warn that person away from the area and escort her into the distance."

No human has been attacked by wolves in Washington, Oregon, Idaho, Wyoming or Montana since the animals were reintroduced into Yellowstone National Park and central Idaho in 1995, according to the Oregon Department of Fish and Wildlife website. Wolves mauled a woman to death in Alaska in 2010, according to the Alaska Department of Fish and Game. A 22-year-old man was found partially consumed by predators in 2005 in Saskatchewan, Canada. A University of Calgary biology professor said he had no doubt wolves killed the man.

Stevens County rancher Arron Scotten said the first time he heard wolves near him was in 2016 when he came upon a rendezvous site.

"Apparently, I just got too close and next thing I know I was getting barked at something fierce," he said. "It was eerie."

Stevens County rancher Rocky Mullen said he recently saw three wolves on a Sunday morning circling about a dozen cows near his home. The wolves left as he approached.

"They're thick," he said. "We used to not think anything of going down to the creek to fish without taking a pistol, but now we do."

Authorities declined to prosecute a man in southeast Washington in 2015 who said he shot a wolf from the front porch of his cabin to protect his wife and dogs. A man in northeast Washington attested in 2014 that he was surrounded by a wolfpack.

## USDA rolls out new dairy insurance plan

By CAROL RYAN DUMAS  
Capital Press

USDA Risk Management Agency on Wednesday announced a new insurance plan for dairy producers that insures against unexpected declines in quarterly milk sales.

Sign-ups for the new Dairy Revenue Protection plan — Dairy-RP — begins Oct. 9, with the first available coverage starting the first quarter of 2019.

Dairy-RP was developed by the American Farm Bureau Federation, American Farm Bureau Insurance Services and other collaborators and was approved by the Federal Crop Insurance Corp., John Newton, AFBF director of market intelligence told Capital Press in a recent interview.

The insurance plan is different from other USDA risk

programs for dairy, which focus on income over the cost of feed and don't directly manage revenue risk. It provides insurance for the difference between the final revenue guarantee selected by producers and actual milk revenue if prices fall.

It will function similar to crop revenue protection policies in that the revenue guarantee would be based on futures prices, expected production and market-implied risks, Newton said.

A dairy producer can decide the value of milk protected either based on a combination of Class III and Class IV milk prices or component milk prices for butterfat, protein and other solids.

He would choose the amount of milk production to cover, the level of revenue coverage to insure (from

70 percent to 95 percent) and which quarterly contracts he wants to cover.

The expected revenue is based on futures prices for milk and dairy commodities and the amount of covered milk production elected by the dairy producer. The covered milk production is indexed to the state or region where the dairy producer is located.

## Weekly fieldwork report

	Ore.	Wash.	Idaho	Calif.
<b>Item/description</b> (Source: USDA, NASS; NOAA)				
• Days suitable for fieldwork (As of Aug. 5)	6.8	6.9	6.9	7
• Topsoil moisture, surplus	0	0	3%	0
• Topsoil moisture, percent short	87%	62%	68%	70%
• Subsoil moisture, surplus	0	0	3%	0
• Subsoil moisture, percent short	85%	51%	59%	70%
• Precipitation probability (6-10 day outlook as of Aug. 7)	Normal	Normal	Normal	Normal

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