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OUR VIEW

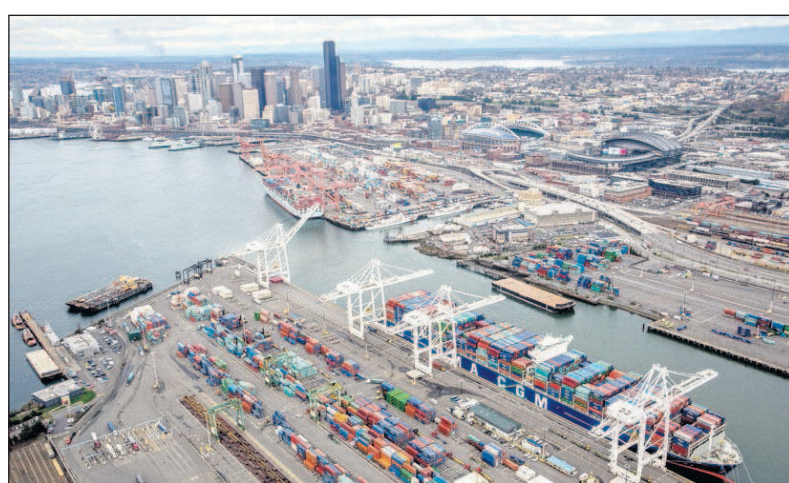
Trade tariffs costly for U.S. farmers

This week reporters from the Capital Press tried to put a dollar figure to the impact of retaliatory tariffs placed on U.S. agriculture products to farmers and rancher in the West.

It's an elusive number, but it appears to be more than \$4.1 billion over the next year. That's a significant number in a region where exports account for a significant portion of farm income.

One of the central themes of Donald Trump's campaign for the presidency was that the United States was not well served by its many trade agreements.

So, the U.S. left the Trans-Pacific Partnership and is working on bilateral deals with key partners. The North American Free Trade Agreement has been reopened for negotiation. Mexico and the U.S. have reached tentative agreement and are still



Don Wilson/Port of Seattle

The Port of Seattle. President Trump promised better trade deals to U.S. farmers but has yet to deliver.

talking with Canada.

All of this has caused concerns with farmers and ranchers who depend on trade.

But it's the tariffs the administration slapped on steel and aluminum imports from some of our biggest export customers

that are at the root of the most damaging trade problems.

China, India and Mexico responded with retaliatory tariffs on a host of U.S. products.

President Trump has long alleged that China manipulates its currency to advance its sales

abroad. There are also questions surrounding China's handling of intellectual property issues.

So, the administration placed additional tariffs on Chinese goods to address those issues, fueling several rounds of tit-for-tat retaliatory tariffs. U.S. farmers and ranchers have taken a big hit.

Last month Secretary of Agriculture Sonny Perdue released details of the administration's aid package for farmers across the country impacted by the tariffs. The plan includes nearly \$4.7 billion in direct payments to producers harmed, more than \$1.2 billion in government food purchases and \$200 million to develop foreign markets.

While producers will welcome the assistance, it's clear that the \$6 billion and change provided over the next year won't cover

the losses of every farmer in the country.

The obvious solution for producers, and their trading partners, is for the tariffs to go away. That's unlikely to occur without the administration being able to claim progress on the legitimate underlying disputes.

We'll give the president the benefit of the doubt that he is working, though so far unsuccessfully, in the interest of American farmers and ranchers. But having quickly put producers in jeopardy, he needs to move with haste to make the better deals he promised.

Producers rightfully worry that the trade relationships they have worked so hard to develop will be lost if tensions are not soon eased.

Farmers and ranchers would rather sell to trading partners than receive cash assistance checks.

OUR VIEW

Mass timber movement aims high

A mass movement is underway in Oregon — a mass timber movement.

Mass timber is cross-laminated timber — called CLT — mass plywood and other types of engineered wood that turn lumber into large, strong building materials that can support multi-story buildings. It's been called "plywood on steroids" and is substantial enough to replace steel and concrete. It's "green" because it comes from a renewable resource — trees — and sequesters carbon. It also emits less carbon dioxide during its production than other materials.

While mass timber has been used in places like Europe and Australia for decades — huge mass timber structures, buildings and houses have been built across those continents — it's just starting to catch on in the U.S. That's because U.S. building codes typically don't include it.

Now, however, Oregon codes allow its use. National codes could also allow it within a few years, opening the door to wider use of mass timber.

The U.S. mass timber movement had its beginnings

in tiny Whitefish, Mont., in 2011, when a 4,863-square-foot commercial building was constructed using CLT. It was completed at a cost of \$145 per square foot and took five days to build, according to the Wood Products Council. The CLT panels came from Europe — there are now several sources for it in the U.S. and Canada — and the building was designed using international building codes.

A person doesn't have to be a construction engineer to see the value of CLT — and the potential of mass timber in general. It is cost-effective, easy to install and strong.

Oregon State University and the University of Oregon have created the TallWood Design Institute to take the lead in mass timber research and development. The U of O College of Design and OSU's College of Forestry and College of Engineering have a platoon of researchers working on new products and designs, testing materials and helping to chart the future of mass timber.

The institute's new \$79 million building is also made of CLT, though a glitch in its

production has set back the construction schedule.

Elsewhere in the state, Freres Lumber Co. in Lyons, Ore., has patented a new type of mass timber called mass plywood. The company's owners say the plywood panels can range up to 48-feet long, 12 feet wide and 24 inches thick, yet use 20 percent less wood and are as strong as CLT.

Other companies in the U.S. and Canada are also pressing ahead with innovations, making the future of mass timber virtually unlimited.

Already in the U.S., buildings as large as 156,000 square feet and eight stories tall have been built in Portland. Seattle allows the use of CLT in buildings up to six stories.

But that's just the beginning. A 270,000-square-foot mass timber structure is proposed for Chicago, and a 220,000-square-foot seven-story apartment complex is planned for Minneapolis.

And a 100-story mass timber tower has been proposed for London, England.

Now that's aiming high.



University of Cambridge
A 100-story mass timber building proposed for London, England.

Treat the farm as a business

By TERRY PYLE
For the Capital Press

Guest
comment
Terry Pyle



If you were to poll farmers, orchardists, dairymen and ranchers across the country asking why they chose agriculture as a profession, few, if any, would say "I am in it for the money." The reason people live and work in the agricultural industry is because they love what they do.

The long hours of hard work and the inherent risks are just too much for most people, but farmers love the challenge. Lou Holtz once said, "Winners embrace hard work. They love the discipline of it, the trade-off they're making to win. Losers, on the other hand, see it as punishment. And that is the difference." This is how ag people see themselves, tough and disciplined.

On top of the physical demands there are the challenges of being good stewards of the land. We strive to produce at the highest levels possible while at the same time being the greatest conservationists in the world. Keeping abreast of all the new technology and research, and how to incorporate them into our own operations is time- and thought-consuming. Every single day of the production season there are hundreds of vitally important decisions that have to be made. The focus necessarily has to be to produce the most we can from every acre.

The downside to all these demands on a farmer's time is they force his focus onto his work and away from the running of his business. It is human nature to gravitate toward what we enjoy, so any time he faces competing emergencies in the office and in the field, he will always go to the field. I wish I had a dime for every time a farmer told me, "If I don't produce a crop, I don't survive." This is an absolute truism, but the same is also true of marketing, if you don't market your crop well, you won't survive. In order for an agricultural business to succeed in today's economy, there has to be active purposeful management of cost containment, risk mitigation, finances, continuous improvement, and on and on.

How is all of that possible? Various technology tools can support our decision-making and management. Specialists are available to us who are experts in everything from accounting to soil sciences, yet even with all this help, the management of an ag business can be overwhelming.

The business of agriculture has many elements, and each requires active management. When we focus all our effort and attention on production we limit time devoted to the other areas vital to our long-

term success. When we see working on those other things as punishment, we won't give them the attention needed to properly manage those elements of the business, and it will eventually cost us.

We may embrace hard work but as my dad used to say, "Sometimes the answer isn't working harder, it is working smarter." With so much going on all the time and having to find solutions to urgent issues on a daily basis, finding time and motivation to manage the business side of things can be difficult, but it can be done. Creating order out of chaos is almost impossible but creating order before the chaos starts is doable.

There is an order to management that when followed provides the structure for a manager to successfully run his business. Organization and discipline are both essential elements but the order in which we establish them is critical. An organized plan of operation must come first. When done correctly it will provide the framework by which all management decisions will be made, which will also provide the manager with the tools to help him be disciplined in handling the daily unexpected demands on his time and attention.

Set up a plan and stick to the plan. That sounds pretty simple, but any plan will only work if the manager is disciplined enough to stay the course when the fires start to burn.

Tiger Woods talks about how his father taught him to golf from green to tee. He started with the end goal, putting the ball in the hole. Planning should always start with the goal. Steven Covey taught "begin with the end in mind" in his landmark book "7 Habits of Highly Effective People." We have to know what we want to accomplish before we can develop an effective plan to get there.

Take a critical look at how we are currently doing in terms of productivity, efficiency and financially. They are all important elements of creating an achievable plan, but that is a topic for another discussion.

Terry Pyle has worked with farms and agri-businesses in the Columbia Basin for the past 30 years. Coming from a financial background and having experienced the economic cycles of agriculture, he delivers real-world experience to the application of financial and economic principles. He can be reached at tpyle@qosi.net or 509-760-0015.