

Subscribe to our weekly dairy or livestock email newsletter at CapitalPress.com/newsletters

Dairy

Judge: Trustee will take over management of troubled dairies

By **GEORGE PLAVEN**
Capital Press

A bankruptcy judge in California will appoint a trustee to operate Lost Valley Farm, Oregon's second-largest dairy, after finding owner Greg te Velde is "unwilling, or unable to comply with his duties as a fiduciary."

The ruling, handed down Sept. 12, states te Velde has continued his long-standing pattern of drug use and gambling while owing creditors \$160 million — including \$68 million to Rabobank, a Netherlands-based agricultural lender.

In addition to Lost Valley Farm near Boardman, Ore., te Velde will lose control of his two dairies in California — GJ te Velde Ranch in Tipton, and Pacific Rim Dairy in Corcoran — with a combined total of 53,382 cattle.

When reached Friday, te Velde said he had no comment on the ruling.

The U.S. Department of Justice asked Judge Frederick Clement to appoint a trustee for all three of te Velde's dairies, citing his alleged drug use, gambling and lack of financial transparency. Since filing for bankruptcy, te Velde has continued to use methamphetamine two or three times per week, and has gambled



E.J. Harris/EO Media Group File

The Lost Valley Dairy outside Boardman, Ore., is one of three dairies owned by Greg te Velde that will be managed by a trustee.

away \$2,000 to \$7,000 per month, according to court documents.

Te Velde has blamed his financial problems not on his lifestyle, but rather on market forces outside his control, such as low milk prices and construction cost overruns at Lost Valley. But creditors in court papers say they believe that "darker forces have caused his insolvency, or if not the cause, preclude te Velde from effectively resolving his debt problems."

Te Velde also does not abide by the orders of the bankruptcy court, Clement stated in his ruling. For ex-

ample, after declaring bankruptcy, te Velde borrowed \$205,000 from Pasco Farms without court approval. Between May 8 and June 2, te Velde was authorized to personally withdraw \$10,000, but instead took \$38,420, explaining he was "unaccustomed to personal bank accounts, took the cash he needed, and authorized his bookkeeper to pay his personal bills from the dairy accounts."

Lost Valley Farm opened in April 2017 after receiving a wastewater management permit from the Oregon Department of Environmental

Quality and Department of Agriculture, which jointly manage the state's confined animal feeding operation, or CAFO, program.

Almost immediately, the dairy began racking up permit violations, including 32 infractions related to waste storage between June 28, 2017 and May 9, 2018. The state attempted to revoke the permit in June, though a Multnomah County Circuit Court judge ruled in August that Lost Valley Farm could stay in operation while te Velde and regulators worked out an agreement to get the dairy back in compliance.

Lost Valley is within the Lower Umatilla Basin Groundwater Management Area, established by DEQ in 1990 for elevated levels of groundwater nitrates. A spokeswoman for the Oregon Department of Agriculture said regulators continue to inspect the facility routinely, and have conducted 11 inspections since June 1.

Meanwhile, te Velde also filed for Chapter 11 bankruptcy protection in April after Rabobank sought to sell the Lost Valley herd to repay debts. Lost Valley has 10,500 dry and milking cows, along with 4,000 replacement heifers. The dairy is permitted for up to 30,000 animals.

CME cheese price direction in question

By **LEE MIELKE**
For the Capital Press

Mid-September cheese prices were down again. CME Cheddar blocks closed Friday at \$1.6050 per pound, down 5 3/4-cents on the week and a half-cent below a year ago. The barrels finished at \$1.42, down 8 cents on the week and 3 cents below a year ago.

Monday's cheese was unchanged, as traders anticipated Tuesday morning's GDT and Wednesday's August Milk Production report. The blocks were up a penny Tuesday, to \$1.6150, but the barrels rolled 1 1/4-cents lower, to \$1.4075, lowest since July 30, 2018, and a whopping 20 3/4-cents below the blocks.

FC Stone said in its Sept. 12 Early Morning Update that "favorable milk production weather in the West and forecasts for that to continue may be creeping into the market's mind as we wait for additional fundamental data."

Friday's edition added: "U.S. milk production in July was only up 0.4 percent, which initially looked friendly to prices, but behind the scenes fat and protein components in the milk have been growing significantly over the past few years. Higher components mean we have higher

Dairy Markets
Lee Mielke



cheese yields, which combined with more processing capacity has kept the cheese markets in check."

Cheese demand in the Central region is generally positive, according to Dairy Market News. "Fresher cheese stocks, namely Colby and Cheddar, are moving well. Italian style cheesemakers are also pointing to a continued steadiness, with some expected hiccups from the impending hurricane in the East affecting orders from that region."

Food service demand is seeing an uptick as schools reopened in the Midwest but cheese producers are not expecting orders to remain as steady following market drops as buyers may hold off and wait for further declines. Milk availability was mixed last week with most spot prices at a premium.

Western cheesemakers report that retail orders are strong and with most schools back in session, some food service accounts are pulling more cheese. Discounted milk is not as readily available, but there's no trouble getting the milk needed. Cheese inventories, while heavy, are not burdensome.

PROUD TO SUPPORT Members & Families of FFA

Albany - Eugene - Roseburg - Woodburn - Cornelius - Oregon City - Gresham - The Dalles - White City
Redmond - Klamath Falls, OR • Yakima - East Wenatchee - Auburn - Mount Vernon, Marysville, Sequim, WA

www.CoastalFarm.com

OREGON BEEF COUNCIL

Proud Supporters of FFA

Students who have won the state level Career and Leadership Development Events will go on to compete at the national level this fall.

Gretchen Hansten, Jerome FFA, will be representing Idaho FFA as its national officer candidate. Good luck, Gretchen!

Alesha Kisher, Rigby FFA, has been named one of four national finalists in Outdoor Recreation Entrepreneurship Proficiency. The overall winner will be announced onstage at the National Convention and Expo.

HDH HighDesertHay

Feed Store Quality

Farmgate Prices

541-668-7658

By Fox Hollow Ranch

HighDesertHay.com

Stutzman FARMS

www.stutzman-environmental.com

Proud Supporter of FFA

P.O. Box 307 • Canby, OR 97013

888-877-7665

RIVERBROOK

FARM • HAULING SERVICE

Brooks, OR

www.riverbrooktrucking.com

- Local & Nationwide
- Farm Equipment
- Heavy Equipment

888-393-1819

NW Ag Solutions

OREGON & WASHINGTON

- Hazelnut Consulting
- Hazelnut Management
- Aerial Imaging • Harvesting
- Orchard Aeration
- Field Layout • Orchard Removal

Proud Supporter of FFA

503-602-0684

nwagsolutions.com

YOUR AD HERE!

Proud Supporter of FFA

Call Today!

1-800-882-6789

Proud Sponsor of FFA

Branson TRACTORS

THE TRACTOR STORE

(541) 342-5464

5450 W. 11th, Eugene, OR

Idaho FFA Competing at National FFA Convention & Expo

By Savannah Stroebel
2018-2019 Idaho FFA State Reporter

The National FFA Convention and Expo is right around the corner, and the Idaho FFA Association is proud of its members who will be representing the Gem State at the national level. With a membership of 5,108, Idaho will again have five delegates proudly representing the state. Idaho FFA is sending members who won at the state level to compete in all 25 national Career and Leadership Development Events.

Fifty-one members from the Idaho FFA Association will be receiving the prestigious American FFA Degree. Of National FFA's 653,359 members, only 1 percent receive this honor. This degree is designed to honor FFA members who demonstrate the highest levels of leadership and make significant accomplishments within their Supervised Agricultural Experience.

Two students from Idaho have been named National Finalists in their proficiency areas: Carson Urrutia, Vallivue FFA, with his Agriculture Mechanics Repair and Maintenance Placement Proficiency; Alesha Kisher, Rigby FFA, with her Outdoor Recreation Entrepreneurship Placement Proficiency. Both Urrutia and Kisher will find out on stage whether they have won the National Proficiency Award in their area. Idaho FFA also has 5 gold, 6 silver, 9 bronze in various proficiency areas as well as 4 competitors in the Agriscience Fair.

Two chapters in Idaho have been named Models of Excellence at the National Level. The American Falls and Rigby FFA Chapters are 2 of the 10 chapters chosen in the country that exhibit qualities in growing leaders, building communities, and strengthening agriculture. Both chapters are the only two that have been named Models of Excellence Finalists from the entire Western Region.

The Idaho Chapters that received three stars are: American Falls, Bonners Ferry, and Rigby. The Idaho Chapters that received two stars are: Cambridge, Homedale, Kimberly, Kuna, Meridian, Nampa, and Vallivue. Kaitlin Muniz, Meridian FFA, and Sophia Raasch, Troy FFA, were both selected as members of the National FFA Chorus. Britton Bolgen, American Falls FFA, will compete in the National FFA Talent Competition playing the piano blindfolded.

Idaho FFA would also like to congratulate Larry Church of Fruitland, for receiving one of the 19 National VIP Citation for making significant contributions to the National FFA Organization. Dr. Katlyn Wolf, University of Idaho, and Idaho District 28 Sen. Jim Guthrie will both be receiving their Honorary American FFA Degrees for helping advance the FFA and agricultural education nationally.

In addition, the Idaho FFA Association is sending Gretchen Hansten, Jerome FFA, as their national officer candidate. Hansten served as the Idaho FFA state president from 2016 to 2017.

The Idaho FFA Association wishes all of its members the very best as they compete at the National FFA Convention and Expo in Indianapolis on the 24th-27th of October.

Klopfenstein Ag Service

Custom Nut Harvesting

klopfensteinag.com

SILVERTON, OR • 503-932-0766