

Napa Valley winery rejects 2,000 tons of S. Oregon wine grapes

‘Smoke taint’ blamed for decision

By **GEORGE PLAVEN**
Capital Press

Southern Oregon wine-growers may be on the hook for millions of dollars worth of unsold grapes after a California winery suddenly canceled contracts with at least 15 different suppliers in the Rogue Valley.

Copper Cane Wines & Provisions, based in the Napa Valley, notified growers as recently as Sept. 28 that it would not buy wine grapes purportedly contaminated by “smoke taint” from this year’s wildfires across the region.

John Pratt, president of the Rogue Valley Winegrowers Association and owner of Celestina Vineyard in Medford, said Copper Cane rejected approximately 2,000 tons of

grapes valued at \$4 million, leaving the fruit to rot on the vine.

“I think most everybody was stunned,” Pratt said. “It was devastating.”

While the cancellations were ostensibly due to smoke exposure, Pratt said vineyard owners did their own testing and found that the levels of guaiacol and methylguaiacol — compounds released by burning wood that indicate smoke taint in fruit — were below the level considered to be a cause for concern.

Though smoky skies lingered over the Rogue Valley this season, Pratt said it was mostly higher up in the atmosphere, and not the dense ground smoke winegrowers normally associated with dangerous smoke taint.

“Everybody feels very strongly that’s just a bogus smokescreen scapegoat reason for rejecting the fruit,”



Capital Press File

Copper Cane Wines & Provisions, of California, has canceled contracts to buy at least 2,000 tons of wine grapes from Southern Oregon growers due to smoke taint from this year’s wildfires.

Pratt said.

A representative of Copper Cane did not return messages for comment.

The affected growers met Sept. 28 in Medford to share information and discuss their options moving forward. Because the cancellations came just before harvest, Pratt said that gives them virtually no time to find new buyers before the fruit becomes overripe.

“A few people said they

had found a home for some of the fruit they hadn’t been able to pick for Copper Cane, but most everybody said it was worthless,” Pratt said.

Two wineries in the Willamette Valley are now reaching out to find homes for the stranded grapes. Willamette Valley Vineyards and King Estate Winery recently sent an SOS to see if any fellow wineries can take on extra volume.

Jim Bernau, founder and CEO of Willamette Valley Vineyards in Turner, Ore., said the winery bought an extra 8 tons of Merlot at full contract price, and is willing to put up the money to help others do the same.

“This could break the backs of some of those Southern Oregon growers,” Bernau said.

Willamette Valley Vineyards already buys grapes from Southern Oregon for its Griffin Creek brand. Bernau said they tested this year’s

grapes at an independent lab, ETS Laboratories in Newberg, Ore., to check for smoke taint, and results show the fruit is in good shape.

“It doesn’t concern us at all,” Bernau said.

Sam Tannahill, co-founder of A to Z Wineworks in Newberg, also buys 3,000 tons of wine grapes from the Rogue Valley. He said there does appear to be isolated pockets of smoke taint in the region, however the amount seems to be relatively low.

“Certainly, this year was definitely less intense than last year,” Tannahill said. “This is very isolated for us this year.”

Copper Cane is already gaining notoriety in Oregon over allegations of misleading labels that misrepresent the state’s valuable American Viticultural Areas, or AVAs. Industry leaders recently testified about the controversy

during state Legislative Days before the House Interim Committee on Economic Development and Trade.

Copper Cane denies it is doing anything wrong, and is quick to point out that all its labels have received approval from the federal Alcohol and Tobacco Tax and Trade Bureau. The winery did provide bottling, transfer and production records for seven wines to the Oregon Liquor Control Commission, which is looking into whether the labels meet state law.

Rep. Pam Marsh, D-Ashland, serves as committee chairwoman, and said they take the allegations seriously.

“These appellations are really important to our marketing,” Marsh said. “The labeling issues are pretty critical, because we want to grow our region as a destination. To do that, a destination has to mean something.”



Don Jenkins/Capital Press

Long Beach, Wash., cranberry farmers Malcolm and Ardell McPhail churn a bog Sept. 25 to shake loose cranberries. A cranberry surplus is projected to persist even after volume controls.

Cranberry surplus still high with harvest underway

Industry waits for trade numbers

By **DON JENKINS**
Capital Press

U.S. cranberry farmers are harvesting what’s expected to be another large crop, even as the industry tries to cut a price-depressing surplus.

For a second straight year, fruit handlers must withhold some berries, a USDA-approved response to an inventory that had grown bigger than annual sales. The industry’s Cranberry Marketing Committee, which requested volume controls, projects the supply will exceed the demand in the coming year by 66 percent.

Long Beach, Wash., farmer Malcolm McPhail said he has seen the price he receives for a 100-pound barrel fall by about \$13 from \$45 in the past two years. “I anticipate we’re going in be in the low 30s for another year or two, hopefully not longer than that,” he said.

The surplus built up over several years as American farmers grew bumper crops and Canadian farmers stepped up production. The marketing committee predicts this year’s U.S. harvest will be near 2016’s record.

While U.S. consump-

tion has been flat, exports of cranberries have been rising for several years. New tariffs threaten that trend, according to the Cranberry Institute, an association of handlers.

The tariffs by Canada, China, the European Union and Mexico responded to duties enacted by the U.S. on steel and aluminum imports. It’s widely assumed cranberries are a favorite target for retaliatory tariffs because House Speaker Paul Ryan represents Wisconsin, by far the top cranberry-producing state.

The tariffs were imposed between June 4 and July 6. The total value of cranberry exports actually increased in July to \$33.6 million compared to \$29.1 million in July 2017, according to figures compiled by the USDA’s Economic Research Service.

Month-to-month numbers normally fluctuate, and it’s too soon to tell how the tariffs will affect cranberry farmers or whether the industry can increase sales in countries that haven’t imposed tariffs, Cranberry Institute Executive Director Terry Humfeld said Thursday.

“You really can’t draw conclusions from one month of data. I think we need a number of months of data to really estimate what the impact is,” he said.

Uninhabitable ‘critical habitat’ debated before Supreme Court

Dusky gopher frog at center of controversy that may have broader implications

By **MATEUSZ PERKOWSKI**
Capital Press

Justices from the U.S. Supreme Court appeared to have differing opinions on whether “critical habitat” for an endangered species can be designated in an area it can’t inhabit without significant changes.

The oral arguments held on Oct. 1 centered on potential dusky gopher frog habitat in a Louisiana forest, but agriculture and property rights advocates believe the case may have broader Endangered Species Act implications for landowners.

In 2012, the U.S. Fish and Wildlife Service designated critical habitat for the amphibian on 1,500 acres of forest owned by Weyerhaeuser and other landowners, which they fear reduces property values and inhibits housing development.

“The immediate effect of this overlay of a critical habitat on this 1,500 acres is a diminution in value of tens of millions of dollars. That is what it says in the agency’s economic analysis, that there is an immediate loss in value,” said Timothy Bishop, attorney for Weyerhaeuser.

Not only is that acreage currently unoccupied by the frog, but the upland areas would need to be substantially modified to allow the species to survive in the area again.

However, the federal government has found the property contains five seasonal ponds that would prove essential to the frog’s recovery if landowners eventually cooperated on restoring diverse groundcover to the area.

Weyerhaeuser filed a law-



U.S. Fish and Wildlife Service

The dusky gopher frog is the focus of a case before the U.S. Supreme Court.

suit against the critical habitat designation, claiming it would impede ground-disturbing activities requiring federal permits, but a federal judge and the 5th U.S. Circuit Court of Appeals upheld the decision.

Critics of the designation are concerned that farmland receiving federal loans or financial assistance could be affected by a similar action, as could publicly owned rangeland and irrigation structures.

Associate Justice Elena Kagan, who was appointed by President Barack Obama, said it would be a “counterintuitive result that the statute would prefer extinction of the species to the designation of an area which requires only certain reasonable improvements in order to support the species.”

Bishop responded that there’s a difference between an unoccupied area

that could serve as habitat — which may be designated as “critical” — versus an “unoccupied area that’s not habitat,” which goes further than the law allows.

Associate Justice Sonia Sotomayor, also an Obama appointee, suggested that perhaps it’s enough for the “species to survive, albeit not robustly” for an area to still qualify as critical habitat.

“I don’t know that unoccupied has to be an optimal survival place, and if it doesn’t have to be optimal, what would otherwise be a minimum?” she said.

Chief Justice John Roberts, who was appointed by President George W. Bush, questioned how far the government could go in determining the necessary changes for an area to qualify as critical habitat.

“If you have the ephemeral ponds in Alaska, you

could build a giant greenhouse and plant the longleaf pines and the frog could live there,” he said. “In other words, there has to be presumably some limit on what restoration you would say is required.”

Deputy Solicitor General Edwin Kneedler, representing the government, said that only “reasonable efforts” were needed to restore the uplands surrounding the ponds, since the area was once occupied by the frog before logging and forest management began.

Kneedler said the question of “whether it is capable of supporting a population is basically a scientific one” that’s dependent on land characteristics rather than landowner intentions.

Such efforts wouldn’t likely be reasonable if the area had “a shopping center there or a housing development there,” he said.

Governor, senators request additional relief for ranchers

By **GEORGE PLAVEN**
Capital Press

Ranchers in north-central Oregon are just beginning to recover from a devastating wildfire season that saw hundreds of thousands of acres of dry grass and rangeland go up in flames.

To assist livestock producers who lost vital grazing pastures, USDA Secretary Sonny Perdue authorized emergency grazing on Conservation Reserve Program, or CRP, land through Sept. 30 in Wasco, Sherman and Wheeler counties. CRP is a federal conservation program administered by the Farm Service Agency that pays farmers to take envi-

ronmentally sensitive land out of agricultural production for 10-15 years.

Now, Oregon Gov. Kate Brown and U.S. Sens. Ron Wyden and Jeff Merkley are asking Perdue to extend the CRP deadline through Feb. 28, 2019, while also expanding emergency grazing and haying to neighboring Gilliam County, which recently sustained a 50,000-acre blaze.

Brown, Wyden and Merkley, all Democrats, sent a letter Sept. 26 to Perdue asking for additional relief, and to consider any other programs to address soil erosion that may affect both farmland and fish habitat.

Tires

LES SCHWAB

Weekly fieldwork report

	Ore.	Wash.	Idaho	Calif.
Item/description (Source: USDA, NASS; NOAA)				
• Days suitable for fieldwork (As of Oct. 2)	6.9	6.8	6.9	7
• Topsoil moisture, surplus	0	0	0	0
• Topsoil moisture, percent short	90%	70%	68%	70%
• Subsoil moisture, surplus	0	0	2%	0
• Subsoil moisture, percent short	87%	61%	61%	75%
• Precipitation probability (6-10 day outlook as of Oct. 2)	33% Below/ 40% Above	33% Below/ 33% Above	33-60% Above	Normal/ 40% Above

YOUR FARM TIRE HEADQUARTERS

Les Schwab Tire Centers are proud to sponsor the Fieldwork Report. We have over 475 stores throughout the West! www.LesSchwab.com

Tires

LES SCHWAB