

Apple exports to Middle East plummet

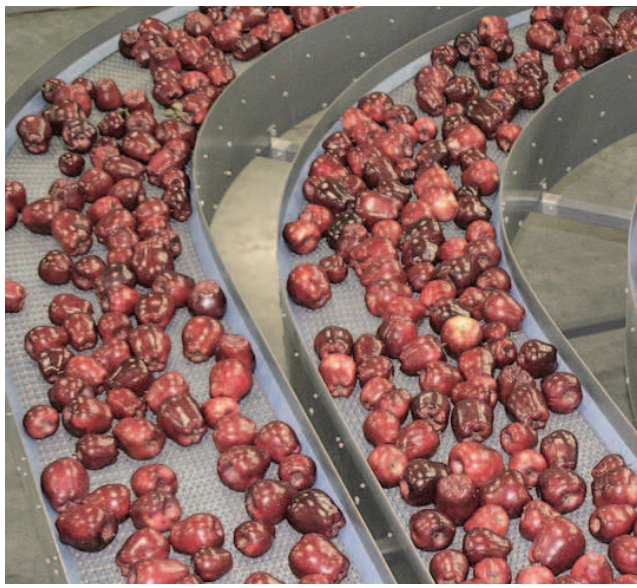
By DAN WHEAT
Capital Press

YAKIMA, Wash. — Washington apple exports to the Middle East are down 66 percent so far this season due to increased competition from Europe and Turkey.



Todd Fryhover

“There is an average of a \$5 difference between Washington and European Union apples at the wholesale level and at that we can’t move fruit in there,” Todd Fryhover, Washington Apple Commission president, told commissioners at a Dec. 6 meeting in Yakima. Fryhover visited importers and retail markets in the Middle East, Nov. 3-8. War in Yemen and increased taxes in Dubai and Saudi Arabia to pay for



Dan Wheat/Capital Press

Red Delicious remains the preferred Washington apple variety in the Middle East but far fewer will be shipped there this season because European and Turkish apples are closer and less expensive.

the war are contributing to a 20 percent reduction in the region’s economy which is altering apple imports, Fryhover said.

Washington apple prices are moving up because of a small crop while other countries have volume and low prices.

“Places like Poland, Ukraine, south Russia and Iran will take over the low-value side into the Middle East and that’s a large percentage of that market,” he said. “We will be the high value and how much there is will be the question.”

Saudi Arabia has lost 2 million of 7 million foreigners living there because of a tax on them aimed at getting more Saudis employed, Fryhover said.

Turkey is becoming Saudi Arabia’s main apple supplier.

“I met with the largest importer in Saudi Arabia and he said the week prior visiting Russians said in five to 10 years they will supply all of Saudi Arabia’s apple needs,” Fryhover said. “There are vast new plantings in the Ukraine we’re just now becoming aware of that will target Europe, the Middle East and Asia.”

Dubai had been a regional apple re-export hub but is no longer.

Dubai’s 5 percent value added tax has taken away its re-export advantage and it is now re-exporting 10 percent of the apples it imports instead of the 45 to 50 percent it has enjoyed, he said.

“Most of the people I spoke with absolutely love President Trump. They love that someone is willing to stand up against Iran. One importer said 90 percent of the issues in the Middle East come from Iran,” Fryhover said.

Poland is a large apple producer and is looming large in the Middle East with a good quality crop and extremely low prices, he said.

Turkey and Italy also are large producers.

Jordan has dropped its Washington imports 12 percent while increas-

ing EU imports 28 percent and there is a minimum \$6 a box price difference between Washington apples and those from Poland and Greece, he said.

Washington exported 4.5 million, 40-pound boxes of apples to the Middle East in 2013 and 5 million in 2014, but that fell 50 percent the next two years as the Russian embargo on Western produce caused Poland and other European countries to shift apple exports to the Middle East.

This year, season-to-date as of Nov. 30, Washington exported 207,349 boxes of apples to the Middle East versus 617,877 for the same period year earlier. That’s down 66 percent.

The two largest, United Arab Emirates (Dubai) and Saudi Arabia, are down 70 and 65 percent, respectively. The rest include: Israel, Jordan, Kuwait, Bahrain and Egypt.

Apple commission seeks more promotional funding

By DAN WHEAT
Capital Press

YAKIMA, Wash. — The Washington Apple Commission hopes to know soon how much more export promotion money it will get from USDA because of lost sales caused by retaliatory tariffs.

The commission already receives \$5 million annually from USDA’s Market Access Program largely for in-store promotions of Washington apples overseas.

The commission met a Nov. 2 deadline to apply for \$10.7 million from USDA’s new Agricultural Trade Promotion program for broader public relations for overseas promotions. It would be a one-time award requiring a 10 percent commission match.

Todd Fryhover, commission president, said at a Dec. 6 commission meeting in Yakima that he hopes to get at least \$5 million out of the \$10.7 million request. Combined with the \$5 million MAP money and \$3 million to \$3.5 mil-



Dan Wheat/Capital Press

Maria Mendoza fills trays with Red Delicious apples bound for Mexico at Olympic Fruit Co., Moxee, Wash. The Washington Apple Commission has applied for \$10.7 million from USDA’s new Agricultural Trade Promotion program for broader public relations for overseas promotions.

lion in grower money, it would boost the commission’s export promotional budget to about \$13 million for the 2019-20 sales season.

MAP is all point-of-purchase promotions. The ATP money has to be used differently, so it would go for broader public relations that

the commission has wanted but couldn’t afford, he said.

Priorities would be Mexico, India, China and Southeast Asia and secondarily Central and South America and Canada.

The direct loss of export sales of Washington apples in the 2018-19 sales season due to tariffs by Mexico, India and China has been estimated at \$129 million.

USDA awards \$200 million in MAP funds annually for which this year’s requests totaled \$306 million, Fryhover said. ATP will be \$200 million, and requests totaled \$621 million, he said.

Mark Powers, Northwest Horticultural Council president, chairs a coalition of MAP recipients that has sought a doubling of MAP funding.

“So this additional \$200 million ATP didn’t come out of thin air. It is a test case, if you will, what industries would do with an additional \$200 million if it were there,” he said.

Thomas picked as Apple Citizen of the Year

By DAN WHEAT
Capital Press

WENATCHEE, Wash. — Dalton Thomas, a leader in the Washington tree fruit industry, has been named 2019 Apple Citizen of the Year by the Washington Apple Blossom Festival in Wenatchee.

Thomas, retired president of Oneonta Starr Ranch Growers, of Wenatchee, will ride in the festival’s Stemilt Growers Grand Parade on May 4 and will be honored at the All Service Club Luncheon on May 1. It is the 100th year of the festival.

The company was founded by his late father, Paul “Tommy” Thomas, in 1934 as the first exporter of Washington apples.

The younger Thomas became president in the 1970s and opened Washington apple exports to Asia in 1972 with the first shipment



Dalton Thomas

to Taiwan. He also led the way into Indonesia and other Asian markets.

He received an award at the Asiafruit Congress in Hong Kong, Sept. 4.

Thomas’ sons, Brad and Jimmy, are now president and vice president, respectively, of Oneonta Starr Ranch Growers.

Oneonta grows, packs and ships 15.5 million, 40-pound boxes of apples, 2.5 million, 44-pound boxes of pears, 2 million, 20-pound boxes of cherries annually as well as stone fruit from Washington and Oregon. It exports almost 2 million cartons of grapes and citrus annually from California and is one the biggest growers of Honeycrisp apples in New Zealand.

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Wednesday, Jan. 16		
Cascade Hall — McKenzie Room		
9:30-10:15 a.m.	Current Trends in Agriculture	Carl Sampson Managing Editor, Capital Press
10:30-11:30 a.m.	Wage, Hour & Civil Rights Laws	Kristin Bremer Moore Partner, Tonkon Torp LLP
1:15-2:15 p.m.	Energy Trust of Oregon's Efficiency Upgrades Incentives	Ulrike Mengelberg, Cascade Energy, Inc. & Doug Oppedal, Evergreen Consulting
2:30-3:30 p.m.	Interest Rates: Outlook & Impacts on Rural America Brought to you by Harvest Capital Company.	Robert Owens, Director of Fixed Income Strategy, Farmer Mac
Cascade Hall — Santiam Room		
9:45-10:45 a.m.	Agriculture Weather Forecast	Phillip Volker, Founder, ERF Company
11:00 a.m.-12:00 p.m.	Conscious Decisions Mean Safer Work	Chelsea Imdieke, Safety Consultant, SAIF Corporation
1:30-2:30 p.m.	Oregon Hazelnut Trends & Opportunities	Patrick Gabrish, VP Sales & Marketing, Hazelnut Growers of Oregon
2:45-3:45 p.m.	Getting New Employees On Board For Safety	Eric Lloyd, Safety Consultant, Risk Management Resources
Cascade Hall - Willamette Room		
9:30-10:30 a.m.	Personal Protective Equipment (PPE)	Garnet Cooke & Khadija Mostafa, Oregon OHSA
10:30-11:00 a.m.	Heat Stress & the Pesticide Applicator	Garnet Cooke & Khadija Mostafa, Oregon OHSA
11:15-12:00 p.m.	Pesticide Safety Gone Awry	Garnet Cooke & Khadija Mostafa, Oregon OHSA
1:00-2:00 p.m.	The REVISED Worker Protection Standard	Garnet Cooke & Khadija Mostafa, Oregon OHSA
2:00-2:30 p.m.	Navigating Oregon's Application Exclusion Zone*	Garnet Cooke & Khadija Mostafa, Oregon OHSA
2:30-3:15 p.m.	Preventing Pesticide Spills	Garnet Cooke & Khadija Mostafa, Oregon OHSA
3:30-4:15 p.m.	Pesticide Storage	Garnet Cooke & Khadija Mostafa, Oregon OHSA
4:15-4:45 p.m.	Pesticide Shorts	Garnet Cooke & Khadija Mostafa, Oregon OHSA

Thursday, Jan. 17		
Cascade Hall — McKenzie Room		
9:15-10:00 a.m.	Interest Rates: Outlook & Impacts on Rural America. Brought to you by Harvest Capital Company.	Robert Owens, Director of Fixed Income Strategy, Farmer Mac
10:30 a.m.-12:30 p.m.	Oregon AgLink Board of Directors Meeting	Open to Oregon AgLink Members Only, Please
12:30-1:00 p.m.	Oregon AgLink Lunch	Open to Oregon AgLink Members Only, Please
1:00-1:30 p.m.	Oregon AgLink Membership Meeting	Open to Oregon AgLink Members Only, Please
1:30-2:45 p.m.	Farms of the Future: Practical Tech for Oregon Ag	Chad Higgins, Assistant Professor, Oregon State University
3:45-4:45 p.m.	Chemical Safety in Agriculture	Chelsea Imdieke, Safety Consultant, SAIF Corporation
Cascade Hall — Santiam Room		
9:15-10:15 a.m.	Managing Water Rights Assets	Peter D. Mohr, Jordan Ramis PC
10:30-11:30 a.m.	Labor Issues for Agricultural Employers	Roberta Gruber, Program Director, Oregon Farm Bureau's FEELDS Program
1:00-2:30 p.m.	Estate Planning	Maria Schmidtkofer, Counsel, Schwabe Williamson & Wyatt
2:45-4:15 p.m.	New Year, New Opportunities: A SWOT Analysis of Pacific Northwest Agriculture. Brought to you by Harvest Capital Company.	Ryan Kuhns, Economist, Farmer Mac
4:30-5:30 p.m.	Organizing Your Finances Brought to you by Harvest Capital Company.	Royce Ann Simmons, Executive VP Harvest Capital Company Farmer Mac
Cascade Hall - Willamette Room		
9:30-10:15 a.m.	The REVISED Worker Protection Standard	Garnet Cooke & Khadija Mostafa, Oregon OHSA
10:15-11:00 a.m.	Personal Protective Equipment (PPE)	Garnet Cooke & Khadija Mostafa, Oregon OHSA
11:00-11:45 a.m.	Pesticide Safety Gone Awry	Garnet Cooke & Khadija Mostafa, Oregon OHSA
1:15-2:15 p.m.	Driving Safety On & Off The Farm	Eric Lloyd, Safety Consultant, Risk Management Resources
2:30-3:30 p.m.	AeroVironment's Quantix AG Drone, An Out-of-the-Box Review	Jim McKay, Caltex Ag
3:45-4:45 p.m.	Energy Trust of Oregon's Efficiency Upgrades Incentives	Ulrike Mengelberg, Cascade Energy, Inc. & Doug Oppedal, Evergreen Consulting

**Seminars/Speakers schedule subject to change.