Trump: 'What he understands is how regulation is a job-killer'

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might have to wait until after the election — has some questioning whether rural support for Trump will hold.

"There's some real frustration and trepidation out there," Brubaker said.

But any businessman in agriculture knows something had to be done, and Trump's hard line on China hasn't altered Brubaker's support, he said.

"... It should have been done 20 to 30 years ago. He's the only one with a backbone to do it," he said.

That's a rare quality in a U.S. president and a big reason Trump has his support, he said.

"You might not like what he says, but you know where he stands. He's not going to be bought off," he said.

Another aspect he likes about Trump is that he's not a politician, he's a businessman.

Trump has rolled back regulations, including Waters of the U.S., he said. Many in agriculture saw WOTUS as an attempt by the federal government to control nearly all surface water.

"What he understands is how regulation is a job-killer, and he's all about American jobs," he said.

He also appreciates Trump's tough stance on immigration. It's a two-edged sword because farmers need an immigrant work force, but it has to be done the right way, he said.

"We can't just have people walk in here freely by the hundreds of thousands," he said.

That's not to say Brubaker agrees with every decision Trump has made. He doesn't think standing up to China alone or pulling the U.S. out of the Trans-Pacific Partnership were the way to go.

The U.S. should have gotten a coalition of countries, and definitely the EU, involved in standing up to China, he said.

As for the TPP, Trump wanted bilateral agreements instead, and he has procured an agriculture-focused agreement with Japan that mirrors TPP.

But pulling out of TPP opened the doors to U.S. competitors in the other 11 markets, he said.

On the whole, Brubaker believes Trump has the farmer's back, he said.

He's done more for farmers, and the nation, than any president since Ronald Reagan, he said.


Carol Ryan Dumas/Capital Press

John Brubaker, a Trump supporter, looks up from checking cows at his dairy in Buhl, Idaho, on Nov. 27.

Strong support

There's more to the equation than disruptions in trade, according to the American Farm Bureau Federation, which doesn't endorse candidates.

Despite the frustration over trade, the Trump administration has brought about tax reform and rolled back regulations, Dale Moore, AFBF executive vice president, said.

One big regulatory rollback was EPA's Waters of the U.S. rule, he said.

Farm Bureau members he and his colleagues have talked with "still believe the president is out there fighting for them," he said.

They also feel the administration is listening. Whether it's USDA or the Department of the Interior, they feel they're being heard. They like how agencies are approaching things and want to keep that going, he said.

They're not always getting the answers they want, but folks are listening, he said.

One example is the trade mitigation and market facilitation programs, meant to compensate farmers and ranchers for lost income due to the trade dispute with China.

It's not going to make farmers whole, but it is appreciated, he said.

Producers are "somewhere between frustrated and angry at the situation," but they also realize "China is a bad actor and it's gone on a long time," he said.

Producers also felt the effects of pulling out of the TPP, and getting the agreement with Japan is an important step forward — as is resolving the situation with China and getting the U.S.-Mexico-Canada Agreement ratified, he said.

There has also been progress on rural infrastructure and broadband internet expansion as well as a focus on the opioid crisis and mental health in rural communities, he said.

The rural sentiment toward healthcare is really tough to get a handle on, he said. Everybody has an issue trying to sort that out, particularly in rural areas, where so many people are self-employed, he said.

"Affordable insurance is going to be an ongoing issue," he said.

Immigration reform is also an issue, as is the need to reduce the number of waivers under the Renewable Fuel Standard, he said. The administration exempted some small refineries from the biofuel mandate, upsetting corn producers.

While the farm economy is struggling, the economy in general has improved under the Trump administration — and that's important to producers, he said.

What Farm Bureau is hearing from its state affiliates is "folks still support the president." As one member put it — when it comes to Farm Bureau gatherings in his area "you complain about the president at your own peril," he said.

People in rural communities feel Trump understands their issues, whereas the other presidential candidates are still trying to make inroads in rural areas, he said.

The rural vote was important in the last presidential election, and it's going to be important in the 2020 elections, he said.

Rural voters accounted for 17% of the electorate in the 2016 elections and Trump carried 62% of the rural vote, according to exit polls.

Steady backing

Jonathan Hladik, policy director at the Center for Rural Affairs, said rural support for Trump appears to be steady.

The center is an independent, non-partisan organization that advances policy to support small towns and family farmers.

"Based on what we're hearing, support probably remains unchanged," he said.

He doesn't think it's as enthusiastic as portrayed by some media. But Trump voters are still willing to see the best in him, and he doesn't think they'll turn on him.

Trump has made some mistakes, and people see that. But he's also done some good things, he said.

"They feel that he's at least trying to get things done, and that's a contrast compared to Congress," he said.

The administration has just sent out the second installment of trade mitigation aid, and that's top of mind right now, he said.

"I think this says to a lot of farmers this is an administration that understands they're in a rough spot. They see it as a recognition of the challenges on the farm and what they've been through," he said.

And they think someone's in charge who is at least willing to improve trade. There's a sense that something will get done with China and the U.S.-Mexico-Canada Agreement, he said.

There are lots of issues in rural areas, from access to healthcare to the quality of jobs and economic opportunity. Anecdotally, people are certainly struggling despite low unemployment rates, he said.

"The rural economy hasn't rebounded the way it has in other parts of the country. But I don't know if people attribute that to the president," he said.

They do, however, attribute the refinery waivers under the Renewable Fuels Standard to the Trump administration — again, a big deal for corn growers.

But from things Trump has said, he realizes that was a mistake and will fix it, he said.

Trump does a good job of speaking to voters and assuring them they just need to be patient, he said.

"He's good enough at messaging that people who support him in rural areas are not willing to turn their back on him," he said.

Not unanimous

While many rural voters appear to support the president, the feeling is not unanimous.

For those in farm country who oppose Trump, trade is a major concern.

"I suspect there will be declining enthusiasm" for Trump, said Roger Johnson, president of the National Farmers Union, which represents 200,000 farmers and ranchers. "Who knows what's going to happen with China? China's the big one. ... A few years back, China was our number one agricultural market for several years. It has just dropped off the cliff, and is four, five or six, depending on how you tally it."

Johnson said that as a result of the dispute China has also shifted its trade patterns to rely less on the U.S. for ag commodities.

"They've done major investments in South America, in the infrastructure so they could continue to get their ag products from there," Johnson said. "They're doing the same thing, particularly in Eastern Europe. So there's more land opening up. That land is not going to go back out of production once we settle" these trade disputes.

Overall, Johnson said, "I think there has been enormous damage done to our reputation around the world. ... I think our reputation is in tatters around the world and I think, for the rest of my lifetime, we will be viewed as a residual supplier by the rest of the world."

Impeachment factor

The U.S. House of Representatives appears to be on track to vote on articles of impeachment, centered on Trump's dealings with Ukraine, before the end of the year. However, the matter will ultimately be decided by the Republican-dominated Senate.

Overall, the impeachment sentiment in rural communities is one of disappointment, Hladik said.

"People think it's a waste of money and a waste of time," he said.

They view it as another example of partisanship, he said. "People see this as a partisan play and are turned off by that."

Dairyman Brubaker is of the same sentiment and thinks the impeachment effort doesn't stand a chance.

"I think it's a waste of time and money," he said.

Moore said Farm Bureau trusts Congress and the White House will sort things out.

Back on the dairy

While Brubaker said his opinions and support for Trump are personal, he does have the opportunity to talk with dairy farmers across the nation through his involvement with the United Dairy Industry Association and Dairy Management Inc.

He gets no sense that rural support for Trump is waning, he said.

"Yeah, there's a sense of frustration things aren't moving faster (with China), but if we don't get something done things will be worse off than it is now," he said.

The U.S. might not ever have a trade deal with China, he said, but if Trump can get some of the other pending agreements done, others will follow.

Today, he puts Trump's chances of winning re-election at 90%. It's hard to know what things will look like next November, but he thinks the odds will still be better than 50%.

Brubaker said Trump rallies are always packed, and there's no one on the Democratic side who excites people like that.

People vote with their pocketbook, he said, and as long as the economy keeps going like it is, Trump will get the vote.

In fact, he thinks Trump will win by a landslide.

"He's like a bull in a China closet, but he's getting things done," he said.

Capital Press reporter Matthew Weaver contributed to this story.

Hemp: 'It's going to be a little bumpy until the infrastructure matures'

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"It's going to be a little bumpy until the infrastructure matures," said Beau Whitney a senior economist at New Frontier Data who tracks the hemp industry.

Regulatory and market factors converged to cause hemp acreage to surge in 2019.

The crop was legalized at the federal level by the 2018 Farm Bill, convincing farmers that hemp could be grown without the same legal jeopardy as marijuana, the psychoactive form of cannabis that remains illegal under federal law.

At the same time, the marketplace saw a profusion of new food, beverage and cosmetic products containing cannabidiol, or CBD, which is a compound contained in hemp that's touted for reducing inflammation and possessing other healthful qualities.

Nearly 2,000 farmers planted about 64,000 acres of hemp in Oregon this year, up from fewer than 600 growers with about 11,750 acres in 2018, according to the Oregon Department of Agriculture.

Farmers who were accustomed to earning a few hundred dollars per acre growing hay were inspired to switch to hemp after hearing about others earning $50,000 per acre in revenues from the crop, Taylor said.

"Bragging has a funny effect on the market," he said. "It can make people jump in without thinking."

An early problem to emerge was with hemp seeds that were advertised as being "feminized," or altered to only germinate female plants that produce CBD-laden flowers, said Kozen.

In fact, some growers later found the seeds weren't actually feminized, meaning that half of them grew male plants that caused problems with cross-pollination and unwanted seed production, he said.

Farmers who grew widely spaced hemp plants on plastic-covered mounds — emulating techniques used for small-scale marijuana operations — later found the method didn't scale up to bigger fields, he said.

"It's not conducive to harvesting large crops," said Kozen, who expects 40% of Oregon's hemp acreage went unharvested this year. "There's no congruity in the industry, there's no standard."

Once the 2019 crop was ready to harvest, many growers discovered that machinery needed to reap, dry and bale hemp wasn't as widely available as they'd been led to believe, said Jerry Norton, founder of American Hemp Seed Genetics.

"We've had some bottlenecks," Norton said. "A lot of people were sold a bill of goods."

Likewise, some purported hemp brokers misrepresented themselves as having existing deals to sell the crop to major processors and product manufacturers, when in fact such deals were only speculative or didn't exist at all, said Whitney.

Farmers who grew hemp based on such false promises learned at harvest time that they didn't actually have a market for their crops, he said.

"There are a number of people out there who are just corrupt," Whitney said. "It would put the cultivator into a false sense of security that their crop had been sold, then they had the carpet pulled out from under them."

Though some farmers encountered disastrous harvest conditions, such outcomes weren't universal.

Ken Iverson, whose family grows hemp near Woodburn, Ore., said he was able to bring in the 2019 crop successfully and is processing it using the farm's own equipment. He was forced to harvest early, however, as September rains caused gray mold on the flowers.

Even so, he acknowledges the market for hemp is depressed as "everybody's trying to find a place to sell it," which is only aggravated while manufacturers await guidelines for CBD from the U.S. Food and Drug Administration.

The federal agency is still deciding whether to regulate CBD as a food additive or more strictly as a pharmaceutical, which has convinced some food companies to delay jumping into the market, Iverson said. "We really need the FDA to come out and say what they're going to do."

Prices for hemp biomass reached as high as $40 per pound during the spring and summer, but they've since fallen to about $10 per pound, which roughly works out to $20,000 an acre in revenue, said Whitney.

"It's not making people rich, they're doing better than corn and soy and wheat, but they're not going to be able to retire off this stuff," he said. "It's a lot harder than people originally thought."

It's especially tough for farmers who can't find a buyer for raw biomass and must pay to have the hemp processed into CBD oil themselves, he said.

"They're holding onto their crop a lot longer and paying more to put it into a higher value product," Whitney said.

However, the headwinds faced by growers this year may not be as powerful in future years as the industry establishes itself and manufacturers gain confidence in the supply chain, he said.

At that point, there's likely to be a "second wave" of demand for hemp as the crop is used not only for CBD products but also for textiles, construction materials, papers and plastics, for example, Whitney said. "There's a real bright opportunity ahead of them."

NORPAC: Tiegs prevails

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regulatory concerns.

Last month, Tiegs again made a deal to acquire only the Quincy plant, which set off a bidding war with Simplot for that facility.

After an auction on Dec. 10 and 11, NORPAC determined that Oregon Potato Co.'s offer was superior, with the company agreeing to pay $21.5 million for the Quincy plant, plus $64 million to $72 million for the inventory's value depending on the closing date, as well as an extra payment of $13.6 million.

Simplot offered the same amount of money for the facility and inventory but offered $15 million as an extra payment. However, the transaction would have taken longer to close, during which time NORPAC would have continued losing money, so Oregon Potato Co.'s $13.6 million payment was considered an equal or superior offer.

Kennedy, NORPAC's attorney, told the judge that the cooperative also considered the Oregon Potato Co.'s offer superior because the sale and lease of the Oregon facilities was contingent on OPC acquiring the Quincy plant.

For the farmers and workers in the Willamette Valley, keeping food processors in the area is a key consideration, he said. Meanwhile, Simplot was not prepared to commit to leasing the Oregon facilities.

It also appears that Tiegs faces the threat of legal action for allegedly breaching the original agreement and defaming NORPAC by making negative comments about the company to the Capital Press in October.

A committee representing unsecured creditors — those who don't have collateral for loans made to NORPAC — had asked a judge not to release Tiegs and his Oregon Potato Co. from legal liability under the deal to buy the Quincy facility.

The value of such a release from liability must be scrutinized by the bankruptcy court to ensure the purchase price is fair and equitable, according to the committee.

Under a legal precedent, it's also possible for the creditors committee to pursue litigation to recover money on the debtors' behalf, the document said.

Under Tiegs' most recent bid for the Quincy plant, he would not be released from legal liability for defamation or contract breach.

CoBank, an agricultural lender and NORPAC's largest creditor, said in a court document that it's willing to extend until Jan. 3 a forbearance agreement under which it won't seek to foreclose on NORPAC's assets.

The bank wants to extend the agreement so that NORPAC can continue using its cash while negotiations over the sale of its assets are pending, the document said.