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Our View

Hemp grower beware

Grower beware. That, in essence, was the warning attorney Veronica Darling issued during her presentation on processor contracts during the recent Hemp and CBD Connex Conference in Portland.

Growing hemp is difficult. Because it's a new crop, most farmers don't have much experience growing it. Finding the correct seed to maximize yield is key, but finding a reputable processor for the crop is even more important.

Cannabidiol, or CBD, is the chemical in hemp that is making farmers and processors the most money. With reported profits in the tens of thousands of dollars per acre of hemp, a lot is at stake.

That's why farmers need to be careful, said Darling, who is with the Portland law firm Cultiva Law.

Most farmers these days have given



George Plaven/Capital Press File
Cannabidiol, or CBD, is one of the main products driving interest in growing hemp. Farmers should do their homework when choosing a processor for their crop, a lawyer advises.

up on handshake agreements as a way of doing business. That's just common sense—and a reflection of modern times. Without a written contract, a farmer may only be looking for problems.

However, Darling said, all contracts

are not created equal. Some contracts can be a problem, with clauses tucked into them that are unfair to one party or the other.

In one instance, Darling said she ran across a contract in which the processor assumed no liability after taking possession of a farmer's hemp crop. Even if the facility were to burn down with the crop inside it, the processor would have owed the farmer nothing for the crop.

Darling also warned that even a contract that appears to be iron-clad isn't any good if a processor can't, or won't, live up to it.

One contract Darling saw was as good as anyone could write. All possible loopholes had been closed, and the farmer and the processor had reached what appeared to be a fair deal.

Except for one thing: The processor skipped town—and took the farmer's

hemp with him.

What's a farmer to do?

First of all, Darling suggests finding a processor well before the crunch of harvest time. Waiting until the last minute to sign an agreement with a processor is a recipe for desperation — and potential disaster, she said.

Farmers should also ask lots of questions when negotiating with processors. There are different ways to extract CBD. Which one will the processor use? How does the farmer know if the amount of CBD from his crop is maximized?

"It's all negotiable," Darling told the audience. "Your product is your product. It's important to you. You worked really hard on getting it to where it's at. You can negotiate those terms."

She is correct. Now, more than ever, farmers need to be careful out there.

Our View



Sierra Dawn McClain/Capital Press

A protester signs his name and a message on a tarp hanging from a truck during the Timber Unity demonstration last week.

Oregon's climate bill should be on the ballot

Last week more than 1,100 trucks and perhaps 2,000 or more protesters swarmed the streets surrounding the Oregon Capitol to urge legislators to scrap a proposed cap-and-trade bill that they say will severely impact the lives and livelihoods of rural Oregonians.

Gov. Kate Brown agreed to meet privately with protest leaders, who among other things asked that the legislation be put to the voters.

We generally have said that the business of legislating should be left to the legislature. But here we find an exception to that rule. Any measure that so radically impacts the economy of the state should be put to a vote.

Last year's attempt to cap carbon dioxide emissions and force many businesses to purchase "allowances" to cover existing emissions spurred a nine-day walk-out by Senate Republicans in late June. They returned two days before the session ended.

Democrats say the proposed measure contains a variety of concessions aimed at easing its impact on rural Oregon. Some climate change activists, meanwhile, believe the bill has been so weakened it may do more harm than good.

Senate Bill 1530 imposes measures to reduce Oregon's greenhouse gas emissions to 45% below 1990 levels by 2035 and 80% below 1990 levels by 2050. To meet those goals, large emitters of greenhouse gases would be forced to buy allowances, the supply of which would be reduced over time.

The idea is to incentivize industry to find replacements for fossil fuels, and to

use the proceeds from the sale of allowances to fund weatherization programs, jobs training and green energy projects.

It is true that supporters have tried to soften and delay the measure's impacts on rural Oregonians. For example, supporters say carbon fees on gas and diesel fuel would be applied on a regional basis — similar to the gradations in the state's minimum wage law.

Separate legislation would create a tax credit for low- and moderate-income Oregonians who live in areas covered by the gasoline regulations, as well as refunds for off-road operations in agriculture and forestry.

That said, the proposed bill will increase the cost of gasoline, diesel fuel, natural gas and electricity. The millions of dollars spent on allowances will most certainly be passed along to consumers of the goods produced by regulated companies. No one knows to who, or for what specific purpose, the money collected will go.

Democrats who sponsor the bill want to start regulating emissions, collecting fees and redistributing the booty next year—too tight a window, they say, to put the plan to the voters. One has even said that it is too complicated for voters to understand.

What isn't too complicated to understand is that the voters will pay the tab in the form of higher fuel and heating bills, more expensive goods and lost opportunities. And if fully implemented it will reduce global greenhouse gas emissions by less-than-a-tenth of a percent.

If it were our plan, we wouldn't want to put it up for a popular vote either.

No community left behind

Access to the internet is critical for life in the 21st century, not something that is simply nice to have. To ensure our rural communities have quality health care, college-level math classes at the county high school, or precision ag technology at the local farm, high-speed broadband internet connectivity is necessary.

When I first took office, President Donald J. Trump directed me to lead the Task Force on Agriculture and Rural Prosperity, a team of federal, state and local leaders focused on improving the lives of those who live in rural America. Expanding access to broadband in rural communities is one of the Task Force's top priorities.

I always say, investing in the expansion of rural broadband is as vital as the rural electric and telephone networks were decades ago. It's time to reignite a passion for connectivity and work to bring broadband to every small town and piece of farm land across our nation.

Full participation in the modern economy depends on access to the internet. We cannot leave behind those who live in rural America. When Americans are connected to high-speed internet, productivity and prosperity skyrocket. This task of providing rural Americans with broadband is of the highest importance for President Trump and his administration.

One of our core missions at the U.S. Department of Agriculture is to increase rural prosperity by boosting economic opportunity in rural America. We know that rural communities need robust modern infrastructure to thrive. Of the 21 million Americans that lack high-speed broadband internet access, 80% are in rural areas and on tribal lands.

Americans in rural communities, like some of the farmers and ranchers in Washington, are often prevented from accessing new technology simply because they do not have a reliable internet connection. Rural businesses in the southwest part of the state are prevented from accessing new markets through e-commerce.

For children living in the small towns of rural Washington, the lack of access means some kids are doing their homework out of a fast-food chain parking lot — or not at all. That's what is so important about President Trump's initiative to expand access to broadband.

The \$600 million budget for the USDA's ReConnect Broadband Pilot Program is a big step toward connecting rural America to the economic prosperity of the 21st century. USDA designed this program to make the greatest and most widespread impact as possible in rural communities across the country, like those in Washington.

We started accepting applications in April 2019 for the new ReConnect Broadband Pilot Program and there was an overwhelming response. In just three months, USDA received 146 applications requesting more than \$1.4 billion. That's double the amount we

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Sonny
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had available for this first round of funding.

The first round of recipients includes Mason Public Utility District 3 who will use ReConnect Program funding to connect to connect 250 households and home-based businesses in rural Mason County in southwest Washington.

While this news is great, President Trump and Congress know there's more work to be done in every state across this great Nation, which is why we are making available an additional \$550 million in ReConnect funding in 2020. Like the first round of funding, USDA will award up to \$200 million for grants, up to \$200 million for 50/50 grant/loan combinations, and up to \$200 million for low-interest loans in this second round. The application window for this round of funding opened Jan. 31, 2020. Applications for all funding products will be accepted in the same application window, which will close no later than March 16, 2020.

As we continue to announce the first round of recipients, USDA will look for ways we can be better partners to community leaders, just like Mason Public Utility District 3, in rural communities across the country.

It is clear that rural America's need for these investments is dire, and the competition for these resources is fierce. Under the leadership of President Trump, USDA is proud to partner with rural communities and their leaders in deploying this critical infrastructure. We know that when rural America thrives, all of America thrives.

The success of small businesses and the local economy in rural America is dependent on access to broadband. Any small business can become a global player through e-commerce. This is only possible if they have access to broadband.

Technological breakthroughs are radically transforming farming practices around the world. Precision agriculture and data-management innovations like blockchain will allow a family farm to track produce from the farm to a table on the other side of the world. That also has significant implications for food security and product safety. When Americans are given the right tools and a chance to succeed, we all prosper.

In today's information-driven global economy, broadband connectivity is not a luxury. Broadband is essential for education, health care, communication, banking, entertainment and, of course, agriculture. USDA will continue to work at the direction of President Trump to ensure that no community is left behind and that all Americans gain access to broadband connectivity.

Sonny Purdue is secretary of the U.S. Department of Agriculture.