Sugar beet planting wrapping up ahead of schedule

By BRAD CARLSON
Capital Press

Sugar beet planting is about a week ahead of schedule in southern Idaho and eastern Oregon.

"I'm almost done. I've got just 50 acres to go," grower Galen Lee said. His family's Sunnyside Farms is near New Plymouth, Idaho, around 10 miles from the Oregon border.

"It's a little wet right now, but there is a lot planted in my area here, for sure," he said. "We're a little bit ahead of our usual schedule."

A warm early spring allowed farmers to plant sugar beets earlier than usual. Meanwhile, demand is shifting on COVID-19 concerns.

Sugar beets are a major crop in Idaho, which ranks second nationally in beet production and generates some 20% of the U.S. yield, the state Department of Agriculture says. The beets are grown in irrigated areas of the Snake River Valley primarily.

"The soil is in good condition and the weather is pretty good," Lee said. If beets avoid post-planting frost damage, "they usually take off and grow pretty well."

He is one of the more than 750 members of Snake River Sugar, the cooperative that owns Amalgamated Sugar and its manufacturing plants in Nampa, Twin Falls and Paul, Idaho.

"The start time depends on where you are, but the progress seems to be a little early across the board," Amalgamated spokesperson Jessica Anderson said. Planting was about a week ahead of schedule systemwide as of April 1. This year's crop will be around 175,000 acres, similar to 2019.

"We have a day left right now," said Randy Grant, who farms in the Hazelton-Eden area of south-central Idaho.

Grant, president of the Idaho Sugarbeet Growers Association, said that in the typical season, he likes to finish planting in the first few days of the month.

Last year's cold, wet spring delayed planting well into late April in much of southern Idaho and southeastern Oregon.

With planting on or slightly ahead of schedule this year, Grant said he does not expect abnormally high pressure from pests or disease if the weather sticks to usual patterns.

Lee said sugar beets will stop growing if the summer heat gets too high, "but they need sunlight and warm temperatures to grow at the optimum rate. We are looking forward to the season."

Grant said that while planting has been normal or better, he wonders about COVID-19's long-term impacts.

"The mental challenge of what's happening and the unknown of what's going to happen is a little unnerving right now," he said. He wonders "when the economy is going to open back up," and — if a downturn persists — "will we start losing markets for our ag products here?"

Jack Roney, director of economics and policy analysis at the American Sugar Alliance, said a major, prolonged downturn would have some effect. But sugar does not have a strong "income elasticity," as people whose pay declines still consume some sweets.

"Sugar is just disappearing off the shelves," as people buy baking ingredients, he said. That is picking up slack from foodservice and institutional segments.


Brad Carlson/Capital Press

Josh Norris, who provides custom farm work, plants sugar beet seed April 3 between Wilder and Homedale, Idaho.

Lawsuit claims COVID-19 outbreak voids Oregon hemp purchase contract

By MATEUSZ PERKOWSKI
Capital Press

A Kentucky company claims the coronavirus outbreak has voided its contractual obligation to buy $9 million worth of hemp extract from an Oregon producer.

Third Wave Farms of Mt. Vernon, Ky., has filed a lawsuit seeking to nullify its contract with Pure Valley Solutions of Canby, Ore., due to coronavirus-related emergency declarations in both states.

The Oregon hemp company, meanwhile, has threatened to file its own complaint alleging that Third Wave's owners should be held personally liable for the $9 million owed for cannabidiol, or CBD, a substance derived from hemp.

The Kentucky company claims the disease outbreak has triggered a "force majeure" clause in the contract that absolves it of responsibility for not abiding by the agreement, due to an "act of God" or other disaster beyond its control.

However, Pure Valley Solutions doesn't believe this provision applies because the problems with payment began several months before COVID-19 infection had emerged as a threat in the U.S. or anywhere else.

"Corona didn't cause the default, the default occurred before this," said Gina Johnnie, the Oregon company's attorney.

Under the contract that became effective in May 2019, Pure Valley Solutions agreed to contract with farmers to grow 100 acres of hemp and deliver up to 5,000 liters of CBD oil of at least 50% purity extracted from the crop at a price of $1,800 per liter.

Aside from the coronavirus outbreak, Third Wave Farms alleges the Oregon company doesn't have the capacity to supply that amount at the specifications required under the contract.

The Kentucky company also claims it wasn't required to buy the CBD extract because it hadn't raised an additional $2 million in capital, as specified in the agreement.

Johnnie, the attorney for Pure Valley Solutions, argues that provision doesn't relieve Third Wave's obligations under the deal.

She also said her client was prepared to deliver that amount of CBD extract and that Third Wave Farms had approved the testing information for the product.

Pure Valley Solutions has threatened to file a complaint accusing the Kentucky company of breaching its contract.

The threatened complaint, which was sent to Third Wave along with a demand letter from Pure Valley, would also seek to recover the $9 million directly from Mike Lewis, Trent Paasch and David Eden, who allegedly control the Kentucky firm.

"Piercing the entity veil" in this way is possible when a company is undercapitalized or doesn't abide by corporate formalities, thereby waiving its legal protections, said Johnnie.

Capital Press was unable to reach the attorney for Third Wave Farms to respond to allegations in the proposed complaint.

Cleanup permit transferred to new owners of controversial dairy

By GEORGE PLAVEN
Capital Press

BOARDMAN, Ore. — The Oregon Department of Agriculture has approved transferring the cleanup permit at the former Lost Valley Farm in Boardman, which shut down in early 2019, to new owners Easterday Farms based in Pasco, Wash.

Easterday bought the property for $66.7 million last year.

Lost Valley Farm opened in 2017 and was permitted for up to 30,000 cows, making it the second-largest dairy in Oregon.

However, under previous owner Greg te Velde, Lost Valley almost immediately began violating the conditions of its permit for improperly handling and storing manure.

Te Velde declared bankruptcy in April 2018 amid allegations of persistent drug use and gambling. Later that year, he was stripped of his control over Lost Valley — along with two other dairies in California — and a federal trustee was put in charge.

The trustee, Randy Sugarman, decided to close and sell the dairy but was first responsible for cleaning up the site. On Dec. 30, 2019, ODA issued a "letter of satisfaction" for the cleanup, which included removing all cows, flushing barns and emptying wastewater lagoons.

ODA recently transferred the "zero-animal clean-up permit" to Easterday Farms. Andrea Cantu-Schomas, a spokeswoman for the agency, described it as "essentially the same very protective CAFO permit that was in place with the former operator, minus animals in the production area."

"The clean-up permit still requires the operator to maintain all the required reporting and monitoring because of the waste storage facilities on site," Cantu-Schomas said.

Easterday Farms cannot reopen the dairy until the state approves a new Confined Animal Feeding Operation, or CAFO, permit. The farm has applied for a new CAFO permit, which is under review and expected to go out for public comment this summer.

Oregon's CAFO program is jointly managed by ODA and the state Department of Environmental Quality.

Easterday Farms Dairy would have up to 28,300 cattle, with 8,000 mature dairy cows and 2,650 heifers housed under roof along with 1,700 mature cows and 5,950 heifers in open confinement. The farm plans to invest $15 million to bring the operation into full environmental compliance.


George Plaven/Capital Press

The milking parlor at Easterday Farms Dairy includes two rotating carousels capable of milking 180 cows at a time.

Storms brighten water outlook in central Idaho mountains

By BRAD CARLSON
Capital Press

A late-March storm that dropped 1 to 2 feet of snow above 6,000 feet has boosted the water outlook in central Idaho.

USDA's Natural Resources Conservation Service in an April 1 report said March storms brought much-needed precipitation to the region's Wood and Lost River basins, with most sub-basins receiving above-normal precipitation for the month.

The amount of water stored in central-mountain reservoirs is above normal, but given forecasts for lower runoff, ample spring precipitation is needed — especially on the region's west side — to prevent potential water shortages, NRCS said.

On the upside, the NOAA Climate Prediction Center expects below-normal temperatures and a slight chance of above-average precipitation in April.

West-central basins, which supply irrigators in the greater Boise area, received slightly below-normal precipitation in March. Reservoir storage is above normal, and basin snowpacks are at or near long-term medians. Forecasts call for cool weather and greater-than-usual precipitation in April's first half.

Snowpack is above normal in much of the Upper Snake River Basin, which received more precipitation than usual last month, NRCS reported. Palisades Reservoir dam operators have started to make room for snowmelt.

The Owyhee River Basin, which includes parts of Oregon, Idaho and Nevada, has below-normal snowpack, and has seen snowmelt at the lower elevations. But water stored in Owyhee Reservoir, near Adrian, Ore., was 121% of normal April 1. Basins along the Idaho-Nevada border have above-normal snowpack.

Basin snowpack totals April 7 included 91% of the long-term median for Boise, 100% for Payette and 103% for Weiser, NRCS reported.

Other totals included 76% in Little Wood, 80% in Big Wood, 82% in Big Lost, and more than 100% in basins in eastern and northern Idaho.

Slight gains in snowpack in many locations where March precipitation was below normal reflected that most fell as snow and little melt occurred, NRCS said.