

Winter storms expected to boost Oregon snowpack

Statewide precipitation ahead of last year

By **GEORGE PLAVERN**
Capital Press

PORTLAND — Heading into 2021, Oregon's snowpack and overall precipitation levels are faring much better than they were a year ago, though there is still room for improvement as river basins across the state rebound from drought.

As of Dec. 30, snowpack is 80% of average for the water year that began Oct. 1, and precipitation is 85% of average. That compares to 45% of average snowpack and 49% of average precipitation at the same time last year.

Scott Oviatt, snow survey supervisor for the USDA Natural Resources Conservation Service in Portland, said parts of southwest and central Oregon remain in



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severe to extreme drought, and the coming months will be crucial for replenishing streams and reservoirs. "We're very early in the winter," Oviatt said. "There is still work to be done."

A pair of winter storms this week are expected to help, dumping as much as 12-15 inches of fresh snow

on the Oregon Cascades from Portland to Medford.

Rebecca Muessle, meteorologist for the National Weather Service in Portland, said the storms will bring heavy rain to the Oregon coast and Willamette Valley before turning into snow at around the 4,500 feet of elevation in the Cascades.

The heaviest snowfall is expected in the southern Washington and central Oregon mountains, especially over Santiam and Willamette passes east of Salem and Eugene, Muessle said.

Charles Smith, meteorologist for the Weather Service in Medford, said much-needed snow is also coming to Southern Oregon, with the storms bringing as much as 19-20 inches in some areas.

"Snow is on the way, for sure," Smith said. "We'll definitely make up some of the ground we lost in December."

That is good news for farms that struggled with water shortages and devastating wildfires in 2020. The U.S. Drought Monitor still lists 91% of Oregon in some stage of drought — including 29% in "extreme drought," mostly centered on the Rogue, Umpqua, Klamath and Upper Deschutes basins.

As a result, Klamath Basin irrigators received just a fraction of

their normal water allocation, and Wickiup Reservoir in Central Oregon dropped to just 1% of capacity, a historic low.

Wildfires also burned more than 1.2 million acres statewide in 2020, headlined by a series of wind-whipped blazes after Labor Day that all but wiped several communities off the map.

Oviatt, with the NRCS Snow Survey, said conditions appear to be improving, but noted weather patterns can change quickly.

"Our trend right now is slightly below the historical values, but there's room for improvement," he said. "With that in mind, it's going to take us a little bit of time to get out of (drought), if conditions warrant it."

NRCS plans to release its first 2021 Water Supply Outlook Report for Oregon this month, including updated streamflow and reservoir forecasts. The reports are issued monthly through June.

Oregon rail-to-trail project blocked for third time

By **MATEUSZ PERKOWSKI**
Capital Press

The farm impacts of a recreational trail in Oregon's Yamhill County weren't properly analyzed, so the project must be reconsidered for a third time, according to a state land use board.

County officials failed to comply with a previous order to "make specific factual findings" whether the 3-mile trail Yamhelas-Westsider trail will "force a significant change in farming practices" in regard to pesticide spraying, the Land Use Board of Appeals has ruled.

"The farmers are not obligated to accommodate the trail by changing their accepted farm practices, even if that change is 'reasonable, prudent and feasible,'" according to LUBA.

Yamhill County bought a 12.5-mile stretch of rail corridor for \$1.4 million in 2017 and approved converting three of those miles between Yamhill and Carlton into a recreational trail the following year.

However, LUBA overturned that decision on procedural grounds in 2018 and then again due to farm impact concerns in 2019.

In the most recent ruling, LUBA has again found that county officials came up short in their analysis of the trail.

Farmers and the Oregon Department of Agriculture testified that spraying of gramoxone and parazone herbicides near the trail would be prohibited, which weighs heavily in the favor of the project's opponents, the ruling said.

Meanwhile, Yamhill County's conclusion that the trail wouldn't affect use of these chemicals "is not supported by substantial evidence" or "countervailing expert testimony,"



Capital Press File

Opponents of a trail across farmland in Oregon's Yamhill County protest against the project in this file photo. The state Land Use Board of Appeals has blocked the project and ordered the county to reconsider its approval for the third time.

according to LUBA.

Likewise, farmers should not be required to impose a 10-foot setback for spraying the pesticides Lorsban and Yuma 4E on their own property, since it's up to Yamhill County to accommodate farm use — not the other way around, the ruling said.

The county wrongly didn't evaluate if the trail will change how farms are regulated under the federal government's "application exclusion zone" for pesticides, the ruling said.

Even if no law prevents aerial spraying next to the trail, the county must still consider whether the project will adversely affect such applications, LUBA said. "The burden is on the county to demonstrate that its nonfarm use will not force a significant change. The county has not done so."

Aside from the trail's potential effects on pesticide usage, the county also failed to consider whether the project will "result in new drainage patterns and how the stormwater will be managed to avoid contamination

of adjacent farmland," the ruling said. "The findings simply dismiss the farmers' concerns."

It's unclear whether fencing around the trail will prevent "trespass-related concerns" about pesticide exposure, "as well as weed seed, trash and feces contamination," according to LUBA. The county's analysis of fire risks, meanwhile, was "inadequate and not supported by substantial evidence."

LUBA also agreed with the project's opponents that Yamhill County's process for authorizing the trail was flawed.

The county didn't allow opponents to present oral testimony while discounting their written testimony as "not credible" based on its judgment of their attorney, the ruling said.

"In these unique circumstances, we agree with the petitioners that the county's procedure prohibiting petitioners from testifying at the hearing prejudiced their substantial rights to submit their case and to receive a full and fair hearing," LUBA said.

Feds backpedal on \$14K fee for distillers that made hand sanitizer

By **GEORGE PLAVERN**
Capital Press

No good deed goes unpunished.

That is how dozens of Northwest distillers felt after rushing to make hand sanitizer in the early days of the coronavirus pandemic, only to be slapped with unexpected fees by the U.S. Food and Drug Administration for their efforts.

The FDA announced Dec. 29 it would charge distilleries across the country \$14,060 under a newly established fee program for "monograph drug facilities" producing over-the-counter drugs, including hand sanitizer.

Two days later, the Department of Health and Human Services, which oversees the FDA, decided to withdraw the fees for distilleries after receiving blowback from industry representatives and lawmakers. Payments for fiscal year 2021 had been due Feb. 11.

"We are incredibly grateful to HHS for opening a dialogue with us, and look forward to working more collaboratively together in 2021 with FDA to ensure our members are treated fairly for the challenges they face to support their hometowns via hand sanitizer production in the wake of COVID-19," said Becky Harris, president of the American Craft Spirits Association.

According to the Distilled Spirits Council of the United States, 67 craft distilleries in Oregon, Washington and Idaho have produced hand sanitizer in response to the pandemic.



Dry Fly Distilling

Bottles of hand sanitizer made by Dry Fly Distilling in Spokane. The FDA announced Dec. 29 it would impose \$14,000 in fees for distilleries that made hand sanitizer amid the coronavirus pandemic. The fees were later rescinded.

In Spokane, demand for hand sanitizer was so great that hundreds of cars lined up outside Dry Fly Distilling at a time when store shelves were virtually empty.

Terry Nichols, co-owner and vice president of sales for Dry Fly Distilling, said the idea to make hand sanitizer was spearheaded in March by head distiller Patrick Donovan. The distillery switched one of its vodka column stills over to making 190-proof ethanol, which was mixed with hydrogen peroxide, glycerin and distilled water — a formulation recommended by the World Health Organization.

Nichols estimates they made about 32,000 gallons of hand sanitizer in total. The first 5,000 gallons were donated to first responders and social service providers, including hospitals, police and nursing homes.

Dry Fly Distilling also organized 10 community distribution events, held over a series of Saturdays, which proved popular. Police directed traffic to where volunteers stood ready on both

sides of the street, handing out 4- and 8-ounce bottles.

Nichols said they had as many as 3,000 cars drive through during the events.

"I never thought I'd see so many people so thankful for hand sanitizer," Nichols said. "People were scared. There was a need, and they couldn't find it on the store shelves. They were just grateful."

Nichols described the FDA fees as a slap in the face for distillers who were just trying to do the right thing in a time of crisis.

John Ufford, CEO of Rose City Distilling in south-

west Portland, said it was actually the U.S. Alcohol and Tobacco Tax and Trade Bureau that put out the initial call for distillers to make hand sanitizer, and even provided the recipe.

Rose City Distilling continues to make hand sanitizer as part of its operations, albeit at a smaller scale. Had the FDA fees gone forward, Ufford said they were prepared to fight in court, if necessary.

"My initial reaction was that we are not paying a dime," Ufford said. "We did what we were asked to do."

Thomas Mooney, founder and CEO of Westward Whiskey in Portland, said that while his distillery ultimately decided not to make hand sanitizer, the fees would have been a serious financial blow for small producers.

"What I can definitely tell you is that these fees are a gut punch for a community of small producers who lost most of our business this year and still found ways to help our communities by providing hand sanitizer when nobody else would," Mooney said.

Analysts: Big milk supply can't support prices

By **CAROL RYAN DUMAS**
Capital Press

The futures market for Class III milk prices is looking healthy with prices near \$17.50 per hundredweight in February, March and April, but analysts at the University of Wisconsin are skeptical those prices will play out given surging milk production.

U.S. milk production was up 3% in November year over year and up 2.3% in September and October.

"That's more milk than the market can handle to keep the milk price up," Bob Cropp, a dairy economist at the university, said in the latest "Dairy Situation and Outlook" podcast.

There's expansion in the industry, with cow numbers up 62,000 head year over year in November. And production per cow was up 2.3% year over year in November, a large increase from the trend of 1.4% to 1.5%, he said.

"So that combination is a lot of milk," he said.

Futures prices for Class III milk on Dec. 31 were at \$17.49 per hundredweight for February, \$17.46 for March and \$17.38 for April.

But unless farmers are planning to slow production or there's another round of government food box distributions, Cropp doesn't think those prices will even be in the \$16s, he said.

Plugging in current cheese and whey prices, Class III would be in the low \$15s, he said.

"I think the markets, futures, are over-optimistic at least for the first quarter and maybe the first half of the year," he said.

Fellow university economist Mark Stephenson agreed, saying cheddar cheese prices have settled out at about \$1.60 a pound for blocks.

"That's not moving much of anywhere, but that is essentially at world

market prices. So at that kind of price, maybe with a small discount, we can sell some cheese on export markets," he said.

But cheese and whey prices imply a Class III price well below \$17.50, he said.

Milk production is probably going to continue to be pretty high in the first quarter of 2021, Cropp said.

A new cheese plant that will process 6 million to 8 million pounds of milk a day is coming online in Michigan, and capacity is being added to other cheese plants, Stephenson said.

"So perhaps we can handle the milk," he said.

The worrisome thing is that it'll take exports to clear the market, and that implies downward pressure on prices, he said.

Domestic markets can't handle much more than a 1% increase in milk production, Cropp said.

"Exports have been strong but not enough to handle the 2.3-3% growth in milk production you see right now," he said.

The recent announcement of Section 32 government purchases for \$50 million in butter could help support prices. That would be close to 2% of butter production for the year and could draw down stocks if it doesn't cannibalize a lot of commercial sales, Stephenson said.

"So that could help provide some support for sure for butter prices," he said.

But it's not the government food boxes that have been in place this year, and they aren't likely to continue under the new administration, he said.

His guess is the new administration will use more traditional food-insecurity measures, such as the Supplemental Nutrition Assistance Program. But that gives people discretion about their purchases, and they might not buy a block of cheese — which was in the food boxes, he said.

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