

Q&A: Crystal Potter, incoming board chair of Idaho's wine commission

By BRAD CARLSON
Capital Press

Crystal Potter is slated to take over as Idaho Wine Commission board chair on July 1. A board member since 2017, she succeeds Earl Sullivan.

Potter co-owns Potter Wines in Garden City with her husband, Von Potter. The Idaho wine industry includes 69 wineries and about 1,300 planted acres.

Capital Press recently interviewed her about the state's growing wine industry.

Capital Press: What is the board working on for the rest of 2021 and into 2022? What market trends or other needs are driving that work?

Crystal Potter: As we rebound from the pandemic and the loss of events, the board has shifted the commission's focus a bit. We are focusing on education, both within the industry as well as consumer-driven. The wine industry in Idaho has gained tremendous



Kimberly Teske Fetrow
Crystal Potter of Potter Wines, Garden City, Idaho.

momentum in recent years, and with that there is a demand for furthering education among the wine-makers and grape growers.

The quality of vineyards and wines in this state is attracting national attention. We have some really fantastic wines here, which I believe lends itself to the com-

mitment our wineries and growers have to consistently raise the bar in what they do. People are loving Idaho wines and really talking about them in their communities. So we're seeing a demand for more education on that level, too.

CP: What are a couple of challenges the board faces as it works to help grow the industry in the state while continuing to serve existing participants? How is the board addressing these challenges?

Potter: The most obvious but certainly most significant challenge has been the pandemic and the loss in the commission's budget this past fiscal year. We lost \$200,000 and we were not eligible for COVID relief funds because we are a state agency. We had to cancel a great deal of events and lay off a staff member. Looking forward, we are going to ask the Legislature for one-time funds to help us get back on our feet and keep the growing industry mov-

ing forward. We are trying to be inventive with the little funding we do have.

CP: On the consumer-facing side, how are Idaho winery operators and other retail participants positioned coming out of the COVID-19 pandemic?

Potter: We are all so thrilled to be fully open again and welcoming consumers back to our tasting rooms. In the past few months, we have seen a fantastic showing and incredible support of the industry as people get back out and try new wines and visit the tasting rooms. We're grateful for getting through 2020 and it certainly would not have been possible without our communities supporting us. We're looking ahead with gratitude for our consumers and dedicating our efforts to produce high-quality wines.

CP: On the agriculture side, what trends are you seeing among vineyard operators and processors? How is the board involved?

Potter: We're seeing the growers more dedicated than ever to the quality of the vineyards. From irrigation practices to biodiversity and soil health, they are committed to the development of ongoing processes that affect the quality of the grapes from the vine to the glass. Part of our mission is to be able to consistently give growers the resources they need to make every acre planted count.

CP: What is the board's outlook for the Idaho wine industry as the pandemic winds down and in-migration to Idaho from other states continues?

Potter: We don't see the growth of this industry slowing down anytime soon, thankfully. We're excited to resume our annual Savor Idaho event in June 2022. Besides that, our strategic priorities are to build on consumer awareness, gain sustainable funding and continue to offer education and resources industrywide.



Idaho Department of Lands
Idaho's land board auctioned two parcels of land for nearly \$36 million.

State auctions ag parcels in growing SW Idaho for \$35.2M

By BRAD CARLSON
Capital Press

An auction of state-owned farmland in the growing Caldwell, Idaho, area generated nearly six times its appraised value.

Idaho Department of Lands officials said two adjacent parcels totaling 282 acres sold at a June 11 auction for \$35.2 million.

Their combined appraised value was about \$6 million.

The University of Idaho has leased the parcels for agricultural research since the 1940s. The university about two years ago sold an adjacent veterinary training facility.

UI said earlier that it plans to request the state Board of Land Commissioners reinvest the auction proceeds in land at its agricultural research centers.

It has nine research and extension centers and six affiliated centers.

The affiliated centers include the Idaho Center for Agriculture, Food and the Environment (CAFE), a 640-acre dairy and nutrient research facility under development north of Rupert. Planned additional phases are an education and outreach complex near Jerome and a food-processing pilot plant in cooperation with the College of Southern Idaho in Twin Falls. The combined cost is estimated at \$45 million, UI development director Jim Miller said.

Scott Phillips, Idaho Department of Lands policy and communications

chief, said that after transaction closing and property disposition, proceeds will be deposited into the state-authorized land bank.

He said the land board could opt to use proceeds to acquire new property on behalf of the beneficiary, leave that money in the land bank for up to five years while it explores other reinvestment opportunities or transfer the funds into the permanent fund.

The state's endowment consists of land and the permanent fund. The fund's investments generate interest distributed to beneficiaries annually.

Phillips said June 15 that the land board does not currently have a meeting scheduled to discuss the Caldwell sale.

"We do expect the University of Idaho to make a request for reinvestment," he said. The board at that point would meet and consider it.

"This auction was incredibly valuable because the land was no longer supporting the university's research facility and the revenue generated from the farm lease on the land was nominal," Idaho Department of Lands Real Estate Services Bureau chief Josh Purkiss said in a release. "It was the right time to sell this land in the best interest of the endowment beneficiaries."

The department said the winning bidder among 12 was Endurance Holdings LLC. An Idaho Secretary of State's Office business entity filing lists Endurance at the same Meridian address as CBH Homes.

Weather, feed costs to keep global milk supply in check

By CAROL RYAN DUMAS
Capital Press

Margins for dairy farmers in the Big 7 exporting regions are at breakeven or better, supporting milk supply growth, but weather and feed costs are likely to limit global production growth, according to Rabobank analysts.

Rabobank is expecting modest year-on-year production growth of just 1% during the next 12 months, the analysts said in their latest "Dairy Quarterly" report.

Nonetheless, they are forecasting expansion in combined exportable surplus in 2021 — with the U.S. doing most of the heavy lifting.

The top dairy exporters are the U.S., EU, New Zealand, Australia, Brazil, Argentina and Uruguay.

The U.S. dairy cow count in April was 9.49 million, the largest in more than 20 years and more than 135,000 head higher than the low of the pandemic in June 2020. Most of the additional cows are in Texas and the Upper Midwest.

"This represents a continuing movement from the coasts inward searching for fewer barriers to scale and the prospect of new processing capacity," the analysts said.

U.S. milk production in April increased 3.3% year over year and was up 4.7% from April 2019. High feed costs, however, will challenge the pace of growth and lower producing cows are likely to be culled.

"Dairies that grow their own feedstuffs and those that purchased feed before



Matthew Weaver/Capital Press File

International dairy production will increase in the next 12 months, analysts say.

the spike in prices are faring better than those buying spot feed," the analysts said.

Herd expansions are also limited by higher construction costs, they said.

But the sizable and efficient milk-cow herd will carry momentum through the rest of the year for a 2.2% increase year over year in the second half of 2021. The analysts expect growth to slow to a 1.1% gain in the first half of 2022.

U.S. domestic demand is forecast to increase by 4.4% year over year in the second quarter of 2021 as reopening from the pandemic accelerates. The second half of the year should continue to show improvement over 2020, up 2% year over year.

"The first half of 2022 will give a mixed picture but will be net positive, up 0.6% year on year," the analysts said.

On the broader stage, global dairy markets are delicately poised waiting for some direction. Further upside cannot be ruled out, but the peak is near, they said.

"An expected softening of Chinese import demand should be enough to trigger a price correction in the dairy complex that is likely to occur in the later stages of 2021," they said.

China's demand for hog feed will grow, but that's really only relevant to whey, said Ben Laine, a Rabobank economist.

"That's positive for U.S.

U.S. MILK PRICE FORECAST

Dollars per hundredweight

CLASS III

Q2 2021	— 18.14
Q3 2021	— 18.26
Q4 2021	— 18.28
Q1 2022	— 16.26
Q2 2022	— 16.76
Q3 2022	— 17.24

CLASS IV

Q2 2021	— 16.09
Q3 2021	— 16.78
Q4 2021	— 17.00
Q1 2022	— 16.57
Q2 2022	— 16.73
Q3 2022	— 16.91

Source: Rabobank

exports since whey is the primary dairy product we sell to China, and we're already seeing that in the strength of the whey market," he said.

More broadly across other dairy commodities like whole milk powder is where there might be a cooling off in China's import needs. That's more of an issue for New Zealand, where trade with China is dominated by whole milk powder, he said.

"China has been working on growing their own milk production recently and while they will never be fully self-sufficient, it will start to slow down the growth rate of their import needs at some point," he said.

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