

# Willamette Valley Vineyards to build new winery

By **GEORGE PAVLEN**  
Capital Press

TURNER, Ore. — Willamette Valley Vineyards is building a new winery in the Dundee Hills southwest of Portland and will hire a new director to oversee winemaking and vineyards, including 65 full- and part-time employees, the company announced on June 24.

Jim Bernau, founder and CEO, said the decision comes as production has vastly outpaced capacity at the current winery in the Salem Hills near Turner, Ore.

"It got to the point where I just couldn't wait any longer," Bernau said. "We have exceeded the design capabilities for this winery."

Founded in 1983, Willamette Valley Vineyards is a leading producer of Oregon Pinot noir. The winery was originally built for making 12,500 cases of wine per year, Bernau said.

Last year, the winery produced 175,357 cases — more than 14 times its initial



George Plaven/Capital Press

**Jim Bernau, founder and CEO of Willamette Valley Vineyards, holds up a cluster of Pinot noir grapes growing at his vineyard in Turner, Ore.**

capacity.

"That creates a lot of pressure on our cellar staff," Bernau said. "What I really need to do is prepare for the future."

Four years ago, the company purchased 40 acres in the Dundee Hills American Viticultural Area along Highway 99 where it plans to build a state-of-the-art winery with the capacity to pro-

duce between 250,000 and 500,000 cases annually.

The winery will be within a few miles of Willamette Valley Vineyards' new sparkling wine facility, called Domaine Willamette, which is slated to open in May 2022.

Bernau said the sparkling winery and tasting room is a "considerable investment," with the building and road improvements exceed-

ing \$15 million. The site is already home to a mature vineyard, and will also feature a biodynamic garden.

Growth for Willamette Valley Vineyards doesn't stop there. The company is building four winery restaurants, with the first to open before the end of the year in Lake Oswego, Ore. Three others are planned for Vancouver, Wash., and Bend and Happy Valley, Ore.

Along with increasing brand awareness nationally for Oregon Pinot noir, Bernau said the restaurants will only add further demand. He estimates that Willamette Valley Vineyards will need to double production over the next 5-7 years to keep pace.

The company has hired Steven Martin Associates, an engineering firm based in Sonoma County, Calif., to come up with designs for the new winery. There is no timetable or cost estimate yet for the project.

"We're going to move as quickly as we can," Bernau said.

The Salem Hills winery will still be used to make small lots of Pinot noir, with more of the space to be dedicated to wine tastings and hospitality, Bernau said.

In addition, Willamette Valley Vineyards is creating a new position, director of winemaking and vineyards, who will help manage the transition into the new winery while overseeing operations and assisting in the development of brands and products.

Willamette Valley Vineyards owns five vineyards in the Willamette Valley, totaling about 500 mature acres, as well as 35 acres in Eastern Oregon and Washington in the Walla Walla Valley and The Rocks District of Milton-Freewater AVA. The winery also has 500 acres under contract with Oregon growers.

Bernau credits expansion of the winery to its business model, as a publicly traded company with more than 19,000 wine enthusiasts as shareholders.

## Oregon farmworker dies during heat wave

By **SIERRA DAWN MCCLAIN**  
Capital Press

ST. PAUL, Ore. — A farmworker died in St. Paul on Saturday as a record heat wave gripped the Northwest, pushing the local temperature to 104 degrees Fahrenheit.

The death happened at Ernst Nursery and Farms LLC, Oregon OSHA spokesman Aaron Corvin said Tuesday. Corvin said OSHA is investigating the nursery and the Brother Farm Labor Contractor in connection with the death.

Neither the nursery nor labor contractor immediately responded to requests for comment. The worker's name, age and hometown were not available.

St. Paul Fire District Chief Bryan Lee said his agency was notified of the medical emergency at 3:37 p.m. Saturday.

According to Lee, the first responders arrived in the field to find a man who appeared to be in his 40s. He was unresponsive, not breathing and had no discernible pulse.

"I don't know for sure if it was heat-related or a medical thing or the heat exacerbated an underlying medical issue, but obviously heat causes a lot of stress on the body," said Lee.

Corvin, of OSHA, said that based on a report the agency received, the employee was moving irrigation lines. At the end of his shift, he was found lying in the field.

First responders performed cardiopulmonary resuscitation and advanced life support measures on-site, then transported the man to Providence Newberg Medical Center, said Lee of the fire district. The patient was declared dead at the hospital.

Oregon OSHA reported the death on its website, listing the preliminary incident description as "heat."

Andres Pablo Lucas, owner of Brother Farm Labor Contractor that provided workers for the nursery, told the Associated Press the man who died was from Guatemala. The laborers, Lucas said, usually have the option to start work around sunrise and stop midday, but some continue working.

A review of federal and state OSHA databases indicates this was the first reported work-related heat death of a farmworker in Oregon in at least two decades.

A report from the Centers for Disease Control and Prevention shows that, nationwide, farmworkers are 20 times more likely to die from heatstroke than workers in other occupations.

Reyna Lopez Osuna, executive director of PCUN, the state's largest union for farmworkers, said news of the farmworker's death "devastated" her and her team.

"I think this tragedy illustrates the need for emergency action," she said.

State OSHA rules require employers to protect workers from excessive heat, and farm groups such as the Oregon Farm Bureau regularly issue best practices for preventing heat-related illness and death. But Oregon currently has few specific rules regulating outdoor work in high temperatures.

Farmworker advocacy groups and unions want to change that.

Prior to Saturday's incident, Oregon OSHA was already working with stakeholders, workers' groups and environmental organizations to develop specific, enforceable rules.

Those discussions are expected to wrap up in September, but Lopez of PCUN believes that's not soon enough.

On June 30, one of her teammates, Ira Cuello-Martinez, climate policy associate at PCUN, will meet with Renee Stapleton, policy manager at Oregon OSHA, to discuss implementing an emergency rule to regulate farm labor in temperatures 90 degrees Fahrenheit and higher.

## Nitrogen prices resurgent in 'frantic' global market

By **MATEUSZ PERKOWSKI**  
Capital Press

Prices for nitrogen fertilizers have more than recovered from the demand shock of the coronavirus pandemic, reaching highs not seen in years due to strong grain markets.

Urea, a common nitrogen type that reflects global fertilizer prices, is trading at about \$450 per short ton along the Gulf of Mexico wholesale market, compared to less than \$200 per short ton roughly a year ago.

Activity in the nitrogen market is hectic even though it's not traditionally the season for intense fertilizer demand, said Julie Meehan, managing editor of fertilizers at the ICIS commodity market analysis service.

"We should be in a quiet period when we should see prices coming down," she said. "That's not the case. It's really frantic."

The demand for nitrogen fertilizers has risen along with the prices of grain, which are at eight-year highs, she said. Large Chinese corn purchases from the U.S. are partly responsible for the increase, as are easing restrictions associated with the coronavirus and improved economic activity.

"A lot of this grain story is related to COVID," Meehan said. "If you're selling fertilizer it's most certainly been a positive."

Though the grain market's strength is the underlying reason for higher nitrogen prices, they've also been buoyed by recent export restrictions in China and Egypt, which want to ensure there's enough fertilizer for domestic farmers, she said.

Unexpected outages at facilities that produce ammonia — a crucial



Mateusz Perkowski/Capital Press File

**A tractor spreads urea on a tall fescue field near Newberg, Ore. Prices for urea and other nitrogen prices are resurgent after a demand shock last year.**

input — in Saudi Arabia and Trinidad and Tobago have further curtailed supplies, while potential environmental restrictions on Turkish manufacturers could also affect the market, Meehan said.

"You've got all these factors going on at the same time," she said.

The market fundamentals don't point to an imminent reversal in the nitrogen price, Meehan said. "My money is that it will stay firm."

CF Industries, a major U.S. nitrogen producer, has a similar outlook for fertilizer prices.

The company's net income more than doubled, from \$68 million to \$151 million, compared to the first quarter of 2020, according to a report with the U.S. Securities

and Exchange Commission. The company's revenues grew from \$971 million to \$1.048 billion while its costs decreased slightly.

The company's healthy financial performance came despite a major freeze in February that knocked production facilities offline, said Tony Will, its CEO, during a conference call with investors last month.

"We expect grain prices to remain strong through several growing cycles and farmers are incented to maximize yield, driving demand for nitrogen," he said.

Demand for nitrogen imports is expected to be high in Brazil and India, where new fertilizer facilities have been built but haven't

increased production in the aggregate, said Will. Excess production probably won't materialize this year.

"As new production comes on, some older production is curtailed or taken offline," he said.

Similarly, global grain stocks are low and probably will not be replenished in just one season, which is likely to sustain higher nitrogen prices, said Bert Frost, the company's senior vice president of sales, market development and supply chain.

"We're operating in the most favorable environment we've seen in many years, and we believe this will have a relatively long tail," he said.

## Historic heat sweeps over W. Wash.

By **DON JENKINS**  
Capital Press

The three-day heat wave that busted temperature records in Western Washington cooked berries on the vine and brought other challenges to farmers.

Southwest Washington grower George Thoeny said Monday the heat melted red raspberries that he produces for the fresh market, interrupting what had been a good season.

He said he likely will pick the roasted berries, dump them on the ground and wait for green berries to ripen. He said he was about one-third of the way through the season and estimated the heat ruined about half of what was to come.

"We'll just work through it. That's what you have to do when you have adversity," Thoeny said.

All-time high temperatures were recorded from Whatcom County bordering Canada to Clark County bordering Oregon. Vegetable crops without irrigation suffered, but so did some vegetable crops with irrigation, according to the USDA's weekly crop report.

Western Washington temperatures matched Eastern Washington degree for degree. Vancouver reached 112 degrees on Sunday, surpassing by 4 degrees a record set in July 2009. The mark was reset Monday at 115 degrees.

Thoeny, about 20 miles north of Vancouver, said irrigating wouldn't have helped. "It would

have steamed the berries," he said.

To the north, Bellingham reached 99 degrees Sunday, an all-time high for the city. The red raspberry season there is not as far along as in southern Washington.

"It's going to be a knock," said Henry Bierlink, executive director of the Washington Red Raspberry Commission. "Some farmers have said they've never seen anything like it."

On the coast, Hoquiam reached 103 degrees Sunday, an all-time high.

Long Beach Peninsula cranberry grower Malcolm McPhail said he irrigated to cool the bogs, but that interrupted pollination.

"It probably happened at the worst stage," he said. "I think we got through just fine, but it's pretty scary. We won't know until the harvest whether it had an effect, and we might not be able to tell then."

The heat came two weeks after a rainstorm that broke records in some places in Western Washington.

With the ground still moist, the heat was more miserable for people than his corn and spring barley, Grays Harbor farmer Jay Gordon said.

Helpfully, no wind blew to dry out fields, he said.

"I don't know if I can ask for a better spring," Gordon said. "Corn likes 90 degrees at nine at night and 72 degrees at six in the morning."

## Heat, drought spell trouble for seed crops

By **GEORGE PAVLEN**  
Capital Press

Extreme heat and drought are expected to take a major toll on Oregon's signature seed crops, though the extent of the damage won't be known until after harvest.

Combines are beginning to roll in the Willamette Valley, home of the "Grass Seed Capital of the World." Oregon grows 98% of all U.S. orchardgrass seed, 93% of fescue seed and 91% of ryegrass seed, according to the state Department of Agriculture.

But this year could see yields across the region reduced by as much as half due to low precipitation and sizzling temperatures, said Nicole Anderson, an associate professor and field crops extension agent for Oregon State University.

"In this case, we could have both low seed number and low seed weight," Anderson explained. "It's kind of a double-whammy effect here."

Anderson estimated that 75-80% of Willamette Valley seed crops are grown without irrigation, relying instead on normally rainy spring weather.

The period from March 1 to June 1 is especially critical, Anderson said. That's when the crops start coming out of winter dormancy, soaking up moisture and nutrients to sprout reproductive tillers and fill seed heads.

This year, Anderson said precipitation was down 5.5 inches in most places during that timeframe, ham-

pering the plants' development. Without enough water, she guessed yields might drop 25-50% based on the conditions.

Looking at OSU records dating back to the 1970s, Anderson said no other year comes close to the precipitation deficit seen this growing season, throwing out any historical comparison.

"This really is something that's fairly unique," she said.

Along with the drought, a punishing heat wave with temperatures reaching as high as 117 degrees on June 28 is also putting grass seed growers to the test.

Normally, the first step to harvest is swathing the grass into neatly piled rows. Growers then return to the field in a combine that separates the seed from the straw. If it gets too hot, however, the physical impact of mechanical swathing can cause the seeds to break off the stem — known as "shattering" — resulting in yield losses.

Farmers often swath at night when there's dew on the ground to avoid shattering, Anderson said. Even that has proven challenging during the scorching weather.

"With these super hot conditions, we aren't seeing dew at night," she said. "We expect to see more shatter than normal."

Bryan Ostlund, administrator of the state Fine Fescue, Tall Fescue, Clover and Ryegrass Growers Seed commissions, said some growers in the northern Willamette Valley have indicated they won't even attempt to swath for fear of shatter.