

Apple growers worry about crop damage from heat

By SIERRA DAWN McCLAIN
Capital Press

Apple growers and researchers across the Northwest say they're concerned about fruit damage caused by the record-breaking heat wave that struck in late June.

With several weeks to go before the harvest of some varieties begins, however, it's too early to predict the scope of the damage.

Washington growers especially are worried. The apple is the state's highest-value crop. In 2020, according to USDA, the apple crop was worth \$1.95 billion.

"This temperature event was unprecedented with both the intensity and how early it

occurred," said Lee Kalcsits, assistant professor of tree fruit physiology at Washington State University.

In scorching 100-plus-degree weather over the past week, Kalcsits has visited orchards, assessing fruit quality and heat impacts.

During the heat wave, Kalcsits said, based on infrared thermometer readings, fruit surface temperatures exceeded 140 degrees Fahrenheit in the afternoon when no sunburn protective sprays were used, and 113 to 119 degrees Fahrenheit when protective sprays were used.

"This does seem extreme but is correct," said Kalcsits, of the extraordinarily high fruit temperatures.

The result was sunburned fruit.

Despite growers' use of sunburn protection including netting, canopies, evaporative cooling, misting and spraying, many growers say their apples are showing sunburn browning, reducing marketability.

"The apples are sunburning big-time," said Jesus Limon, a cherry and apple grower with orchards near Orondo and Quincy, Wash.

Limon said he's been spraying his apples with a protective coating to limit sunburn, but the spray doesn't seem to be very effective in such high temperatures.

Protective measures are

expensive and time-consuming, so Limon, like many growers, has focused his efforts on protecting the highest-value apple varieties.

Because apples are small, Limon said it's too early to know the percentage of damage, but he expects he'll be able to assess the scope more accurately in a few weeks.

"I think we'll have quite a bit of damage no matter what," he said.

Charles Lyall, a long-time grower in Mattawa, Wash., said he's also concerned about sunburn, especially in early-harvest apple varieties.

But, like Limon, he said it's too early to make market or volume predictions.

"It's a pretty big question mark right now," he said. "You know in your gut it probably won't be good, but you just don't know yet."

Lyall said he thinks the heat damage has "taken its toll" emotionally on apple growers, who have already faced many challenges over the past year.



Mateusz Perkowski/Capital Press File

Trees are logged in an Oregon forest with a feller-buncher. The demand for logs is expected to remain healthy despite a recent decline in lumber prices.

Log demand strong despite lumber fluctuations

By MATEUSZ PERKOWSKI
Capital Press

Lumber prices have slipped from the stratospheric highs seen earlier this year but the demand for Northwest logs is expected to remain healthy, experts say.

After consistently hovering above \$1,500 per thousand board-feet earlier this year, the price of lumber is now down to about \$1,000 per thousand board-feet and falling.

For context, the price has usually ranged from about \$300 to \$400 per thousand board-feet over the past decade, said Brooks Mendell, president and CEO of the Forisk timber industry consulting firm.

While the price could drop to \$500-\$600 per thousand board-feet, the industry's fundamentals remain solid because the U.S. housing inventory is low, he said.

"It's primarily a function of sawmills catching up to demand," with prices falling as supplies rise, Mendell said. "People have been running extra shifts and the demand has continued to be strong for lumber."

If the demand for new housing — and the remodeling and repair market — remain strong, then lumber can continue to fetch decent prices, he said.

The price surge seen earlier this year was the result of a "pinch" in lumber production as sawmills struggled to increase their output, partly due to coronavirus restrictions and labor shortages, Mendell said.

"It took them longer to catch up than expected," he said. "The price got out of whack."

However, the labor shortages that have hindered lumber production may also constrain housing construction, acting as a headwind for lumber demand, Mendell said. "If you don't have the bodies, the labor, you can't build the homes."

If the repair and remodeling market softens after growing robustly during the pandemic, that may also inhibit some of the demand for lumber, he said. "It's possible we could have eaten some of the do-it-yourself projects out of the future and gotten them done already."

Fluctuations in the lumber

market don't neatly correlate with changes in log prices, which are influenced by supplies available to sawmills, Mendell said.

"It's a local market for logs and a national market for lumber," he said.

Recent record-setting lumber prices haven't caused a similar upswing in log prices, said Gordon Culbertson, international development director with the Forest2Market consulting firm.

"The two can be very disconnected," he said.

Over the past year, log prices rose from roughly \$700 per thousand board-feet to \$900 after the September 2020 wildfires but have since declined to about \$750 due to an abundance of salvage timber, he said.

"It's a race to get it harvested and milled before it becomes unusable," Culbertson said. Board-feet are calculated differently for timber and lumber, so 1,000 board-feet of timber can generate 2,000 board-feet of lumber or more.

With fire restrictions looming, reduced timber harvest could cause log prices to rise again later this summer, he said. "When mills aren't getting logs, it doesn't take long before the inventory is used up."

Apart from accounting for fire risk, many sawmills are still eager to build up their log stocks for autumn and winter because lumber prices remain above the cost of production, said Hakan Ekstrom, principal of the Wood Resources International consulting firm.

"Even if prices have come down, lumber prices by historical standards are high," he said. "They came down from an extraordinarily high level we haven't seen before. There's still a ways to go before they become hesitant to run."

Sawmills will likely remain profitable for the next couple years and the demand for wood products can generally be expected to strengthen over the next decade or more, with some ups and downs, Ekstrom said.

Many homes in the U.S. were built immediately after World War II and have seen better days, he said. "A lot of those will need to be replaced with new houses or renovations, and that can't be done in just a few years."

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PUBLIC NOTICE BY WASHINGTON STATE PORK PRODUCERS ASSOCIATION AND THE NATIONAL PORK BOARD

The election of pork producer delegate candidates for the 2022 National Pork Producers (Pork Act) Delegate Body will take place at 1:00 p.m., Friday, July 16, 2021 in conjunction with a Board of Directors meeting of Washington State Pork Producers Association, in Room 1 of the Washington Association of Wheat Growers building, 109 East 1st Street, Ritzville, Washington, 99169. All Washington State pork producers are invited to attend.

Any producer, age 18 or older, who is a resident of the state and has paid all assessments due may be considered as a delegate candidate and/or participate in the election. All eligible producers are encouraged to bring with them a sales receipt proving that hogs were sold in their name and the checkoff deducted. For more information, contact Washington State Pork Producers Association, 2001 VanTine Road, Garfield, Washington, 5252599-1

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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re Chapter 11
EASTERDAY RANCHES, INC., et al. Lead Case No. 21-00141-11
Jointly Administered

Debtors.¹

NOTICE OF SALE OF PROPERTY BY AUCTION, SALE OBJECTION DEADLINE, AND SALE HEARING

NOTICE TO CREDITORS OF EASTERDAY RANCHES, INC. ("RANCHES"); EASTERDAY FARMS ("FARMS"); CODY EASTERDAY AND DEBBY EASTERDAY, HUSBAND AND WIFE, KAREN EASTERDAY, IN HER INDIVIDUAL CAPACITY AND AS THE PERSONAL REPRESENTATIVE OF THE ESTATE OF GALE EASTERDAY² (COLLECTIVELY, THE "EASTERDAYS").

PLEASE TAKE NOTICE OF THE FOLLOWING MATTERS THAT MAY AFFECT YOUR RIGHTS:

On February 1, 2021, and February 8, 2021, respectively, Ranches and Farms (together, the "Debtors"), commenced chapter 11 bankruptcy cases (the "Bankruptcy Cases") in the U.S. Bankruptcy Court for the Eastern District of Washington (the "Bankruptcy Court").

The Debtors operate commercial farms and ranches that utilize multiple farms, feedlots, ranches, and other facilities that are commonly referred to as Nine Canyon Farm, Goose Gap Farm, River Farm, Cox Farm, Farm Manager House, and Storage Complex (the "Property"). The Property is owned in part by the Debtors (the "Debtor Property") and in part by the Easterdays (the "Easterday Property").

To maximize the value of the Property, the Debtors and the Easterdays determined that the Property should be marketed for sale together. Accordingly, on March 26, 2021, the Debtors filed two motions with the Bankruptcy Court: (i) a motion to approve a cooperation agreement (the "Cooperation Agreement") between the Debtors and the Easterdays (together, the "Sellers") and (ii) a motion (x) establishing a process to sell the Property and (y) to approve the sale of the Property at the conclusion of such process (the "Sale Motion").

On April 28, 2021, the Bankruptcy Court entered an order (the "Cooperation Agreement Order") approving the Cooperation Agreement between and among the Debtors and the Easterdays. On April 29, 2021, the Bankruptcy Court entered the Bidding Procedures Order which, among other things, (i) approved procedures for submitting offers and bidding at an auction for the Property ("Bidding Procedures"), (ii) approved procedures for the assumption and assignment of certain executory contracts and unexpired leases, (iii) scheduled a hearing on the sale, and (iv) granted related relief.

On May 19, 2021, the Sellers, entered into a purchase and sale agreement (the "Stalking Horse APA") with Farmland Reserve, Inc. ("FRI" or the "Stalking Horse Bidder"), pursuant to which, and subject to higher and better offers in accordance with the Bidding Procedures:

(i) the Debtors shall acquire the Easterday Property, upon which transfer all of the Easterday Property shall constitute property of the Debtors' bankruptcy estates in the Bankruptcy Cases and for which the Easterdays shall receive, subject to the approval of the Bankruptcy Court, an allocable interest in the Net Sale Proceeds, as such term is defined in the Cooperation Agreement;

(ii) the Debtors shall sell, assign, transfer, convey and deliver to FRI, and FRI shall acquire and accept from Debtors, free and clear of all Claims, Rights, and Encumbrances (as defined in the proposed Sale Order attached to the Stalking Horse APA), all of the Debtors' rights, title and interest in and to the Property; and

(iii) FRI shall pay \$188,000,000 plus any transfer taxes or the like "Purchase Price" for the Property (i) through (iii), the "Sale".

Also on May 19, 2021, the Debtors supplemented the Sale Motion with their motion to designate FRI as the Stalking Horse Bidder, approve the bid protections in the Stalking Horse APA, and supplement the relief requested by the Debtors in the Sale Motion to include authorization for the Debtors to acquire all rights, title and interest in and to the Easterday Property for the purpose of including the Easterday Property in the Sale, pursuant to the Stalking Horse APA ("Supplemental Bidding Procedures Motion").

On May 28, 2021, the Bankruptcy Court entered an order granting the Supplemental Bidding Procedures Motion, pursuant to which the Bankruptcy Court (i) approved the Stalking Horse APA as the Stalking Horse Bid and FRI as the Stalking Horse Bidder, (ii) authorized the Debtors to enter into and perform under the Stalking Horse APA, subject to higher or otherwise better offers by other qualified bidders, and (iii) approved the Debtors' request to supplement the relief requested by the Debtors in the Sale Motion to include authorization for the Debtors to acquire all rights, title and interest in and to the Easterday Property for the purpose of consummating the Sale with the Stalking Horse Bidder, subject to higher or otherwise better offers by other qualified bidders at an auction (the "Auction") to be held on **June 14, 2021, commencing at 10:00 a.m. (Pacific Time)** ("Supplemental Bidding Procedures Order").

THE BANKRUPTCY COURT HAS CURRENTLY SET JUNE 30, 2021 AT 4:00 P.M. (PACIFIC TIME) AS THE DEADLINE FOR ALL OBJECTIONS TO THE SALE (THE "SALE OBJECTION DEADLINE").

All objections to the Sale and related relief must: (a) be in writing; (b) be signed by counsel or attested to by the objecting party; (c) conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court ("Local Rules"); (d) be filed with the Clerk of the Bankruptcy Court, 402 E. Yakima Avenue, Yakima, WA 98901 by no later than the Sale Objection Deadline; and (e) be served in accordance with the Local Rules so as to be received on or before the Objection Deadline by the following: (i) counsel to the Debtors: (a) Bush Kornfeld LLP, 601 Union Suite, Suite 500, Seattle, WA 98101, Attention: Armand J. Kornfeld (jkornfeld@bskd.com) and Thomas A. Buford (tbuford@bskd.com); and (b) Pacheluski Stang Ziehl & Jones, LLP, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, CA 90067, Attention: Richard M. Pacheluski (rpacheluski@pszjlaw.com), Ira D. Kharasch (ikharasch@pszjlaw.com), Jeffrey W. Dulberg (jdulberg@pszjlaw.com) and Jason H. Rosell (jrosell@pszjlaw.com); (ii) the Office of the United States Trustee for the Eastern District of Washington, 920 W Riverside Ave, Suite 593, Spokane, WA 99201, Attn: Gary W. Dyer (Gary.W.Dyer@usdoj.gov); (iii) counsel to the Stalking Horse Bidder, Stoel Rives LLP, 600 University Street, Suite 3600, Seattle, WA 98101, Attention: Oren B. Haker (oren.haker@stoel.com) and Ellen E. Ostrow (ellen.ostrow@stoel.com); and (iv) those parties who have filed notices of appearance and/or requested service of all motions and pleadings in these Chapter 11 Cases prior to the date of service thereof.

THE SALE SHALL BE FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES OR OTHER INTERESTS UNDER SECTION 363 OF THE BANKRUPTCY CODE. THE ASSIGNMENT OF CERTAIN OF THE SELLERS' CONTRACTS AND LEASES MAY BE APPROVED AND AUTHORIZED BY THE BANKRUPTCY COURT ABSENT A TIMELY OBJECTION BY ANY PERSON OR ENTITY CLAIMING AN INTEREST OR RIGHT IN SUCH CONTRACT OR LEASE. THE FAILURE OF ANY PERSON OR ENTITY TO FILE AND SERVE AN OBJECTION ON OR BEFORE THE SALE OBJECTION DEADLINE MAY BE DEEMED CONSENT TO ANY SALE OR ASSIGNMENT APPROVED BY THE BANKRUPTCY COURT AND MAY BE A BAR TO THE ASSERTION OF ANY LIENS, CLAIMS, RIGHTS, ENCUMBRANCES OR OTHER INTERESTS IN THE PROPERTY SOLD, ASSIGNED OR OTHERWISE TRANSFERRED TO THE STALKING HORSE BIDDER OR THE SUCCESSFUL BIDDER(S), AND MAY BE A BAR TO ANY RECOVERY AGAINST THE STALKING HORSE BIDDER OR OTHER SUCCESSFUL BIDDER(S).

IF YOU ARE A CREDITOR OF THE SELLERS OR A CONTRACT OR LEASE COUNTERPARTY TO ANY OF THE SELLERS, YOUR RIGHTS MAY BE AFFECTED BY THE SALE OF THE PROPERTY TO THE STALKING HORSE BIDDER OR OTHER SUCCESSFUL BIDDER(S). You should review the documents related to the Sale and discuss them with your attorney. If you do not have an attorney, you may wish to consult one. Sale documents, including the Stalking Horse APA, Sale Motion, Bidding Procedures Order, Supplemental Bidding Procedures Order, and proposed sale order, can be obtained through the Bankruptcy Court or by requesting copies from the Debtors' bankruptcy counsel by email to Jason Rosell (email: jrosell@pszjlaw.com). **If you do not want the Bankruptcy Court to approve the Sale, you must file an objection with the Bankruptcy Court by the Sale Objection Deadline as set forth above.**

A hearing to confirm the results of the Auction and approve the sale of the Property (the "Sale Hearing") will be held before the Honorable Whitman Holt, United States Bankruptcy Judge, on **July 14, 2021 at 11:00 a.m. (PT)**, or at such other time as the Bankruptcy Court permits, in the United States Bankruptcy Court for the Eastern District of Washington, 402 E. Yakima Avenue, Second Floor Courtroom, Yakima, WA 98901. Parties may appear at the Sale Hearing by telephone. To make a telephonic appearance, parties must call 877-402-9757; code 7036041. The Debtors may adjourn or reschedule the Sale Hearing one or more times with prior notice filed on the docket in the Bankruptcy Cases or without prior notice by making an announcement at the Sale Hearing.

Dates set forth in this notice are subject to change, and further notice of such changes may not be provided except through announcements in open court and/or the filing of notices in the Bankruptcy Cases. Interested persons or entities are encouraged to monitor the electronic court docket for further updates.

1 The Debtors along with their case numbers are as follows: Easterday Ranches, Inc. (21-00141) and Easterday Farms, a Washington general partnership (21-00176).
2 The administration of the Estate of Gale Easterday is currently pending in Franklin County Superior Court, Case No. 21-450004-11. 5247844-1

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PURSUANT TO ORS CHAPTER 87
Notice is hereby given that the following vehicle will be sold, for cash to the highest bidder, on 07/12/2021. The sale will be held at 10:00am by
COPART OF WASHINGTON INC
2885 NATIONAL WAY WOODBURN, OR 2014 RAM 1500 CW
VIN = 1C6RR7KT6ES240959
Amount due on lien \$1455.00
Reputed owner(s)
CONNIE & EUGENE GRAHAM
ONPOINT COMMUNITY CREDIT UNION 5251104-1

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PURSUANT TO ORS CHAPTER 87
Notice is hereby given that the following vehicle will be sold, for cash to the highest bidder, on 07/12/2021. The sale will be held at 10:00am by
COPART OF WASHINGTON INC
2885 NATIONAL WAY WOODBURN, OR 2013 HONDA ACCORD 4DR
VIN = 1HGCR3F84DA025082
Amount due on lien \$3635.00
Reputed owner(s)
HEATHER L BECKNER
DIGITAL FED CR UN 5251103-1

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PURSUANT TO ORS CHAPTER 87
Notice is hereby given that the following vehicle will be sold, for cash to the highest bidder, on 07/19/2021. The sale will be held at 10:00am by
COPART OF WASHINGTON INC
2885 NATIONAL WAY WOODBURN, OR 2016 MERZ GLC 300 LL
VIN = WDC0G4KB3GF017278
Amount due on lien \$1555.00
Reputed owner(s)
LORI ELLEN & TIMOTHY ALVIN BAUGUS 5251103-1

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PURSUANT TO ORS CHAPTER 87
Notice is hereby given that the following vehicle will be sold, for cash to the highest bidder, on 07/12/2021. The sale will be held at 10:00am by
COPART OF WASHINGTON INC
2885 NATIONAL WAY WOODBURN, OR 2017 JEEP PATRIOT UD
VIN = 1C4NJPBA7HD200900
Amount due on lien \$1455.00
Reputed owner(s)
HEATHER & MICHELLE BACH
EXETER FINANCE LLC 5251105-1