

Deal struck on minimum Oregon hazelnut prices

By **MATEUSZ PERKOWSKI**
Capital Press

Oregon farmers will receive at least 90 cents per pound for kernel hazelnut varieties grown in 2021, the same guaranteed minimum price as last year.

In-shell hazelnut varieties, meanwhile, will fetch at least 80 cents per pound for this year's crop — a boost of 15 cents from last year's minimum price.

A deal on those minimum prices was struck last week between the Hazelnut Growers Bargaining Association and most processors of the crop.

Large hazelnut yields and currency fluctuations in Turkey, the world's dominant producer, have unsettled the market for kernel

varieties, said Larry George, president of the George Packing Co.

It remains to be seen what the global price for kernels will be for the 2021 crop, but even with those risks, the Oregon industry was confident in the 90 cent per pound minimum, he said.

Prices for 2020 kernel varieties ended up rising to about 97 cents to \$1.17 per pound, George said. "At this point, we're optimistic it's going to be similar but that market hasn't developed."

Increased Turkish production and devalued Turkish currency would tend to weaken global prices for hazelnuts, though Oregon producers are generally able to get a premium, he said.

The minimum price for in-shell varieties went from



Mateusz Perkowski/Capital Press File

Hazelnuts are swept into rows in preparation for harvest. Growers will receive at least 90 cents per pound for kernel varieties grown in 2021, while in-shell varieties will fetch a minimum guaranteed price of 80 cents per pound.

65 cents last year to 80 cents this year because of reduced tariffs on the crop in China, George said.

The Trump administration reached a trade deal with China on agricultural

commodities before leaving office, but many hazelnut importers didn't qualify for reduced tariffs until this year, he said.

Because the vast majority of importers will now be

paying 50% tariffs — down from the previous 70% — the industry was able to guarantee a higher minimum price, George said.

"Those in-shell nuts are really dependent on the Chinese market," he said.

For both in-shell and kernel varieties, disruptions in the shipping industry are a concern, George said. Truckers and containers are in short supply.

"Supply chains are the big problem," he said.

Farmers should see the stability in minimum kernel prices and the increased in-shell prices as a "sign of strength" for the state's hazelnut industry, said Terry Ross, executive director of the Hazelnut Growers Bargaining Association.

"We've been quite resil-

ient during COVID times," he said.

The industry is expected to harvest at least 62,000 tons of hazelnuts in Oregon this year, which would be similar to the 2020 crop, Ross said.

The hope is that hazelnut production will continue to grow each year due to new plantings, instead of cycling between larger and smaller harvests, as has historically been the case, he said.

"We're hoping growers will continue to plant hazelnuts and see it as a worthwhile investment," Ross said.

As for the shipping troubles facing the industry, "it's never easy," he said. "There's always something lately that gums up the works."

Idaho ranchers push back on potential grazing lease rate increase

By **SIERRA DAWN McCLAIN**
Capital Press

BOISE — Many Idaho ranchers and farm groups are worried that the Idaho Department of Lands may soon increase its grazing lease rate.

The proposal, according to officials, would raise the lease rate on public lands in 2022 from \$7.07 to \$10.73 per animal unit month, or AUM. That's a 52% increase.

AUM is the amount of forage needed by an "animal unit" — such as a bull or cow-calf pair — grazing for one month.

Experts estimate the proposal would impact about 800 ranchers and 1,100 grazing leases. Advocates say the proposal would promote fair market value; critics say it would hurt farmers who are already struggling through this year's drought.

The department presented a draft proposal to Gov. Brad Little this sum-

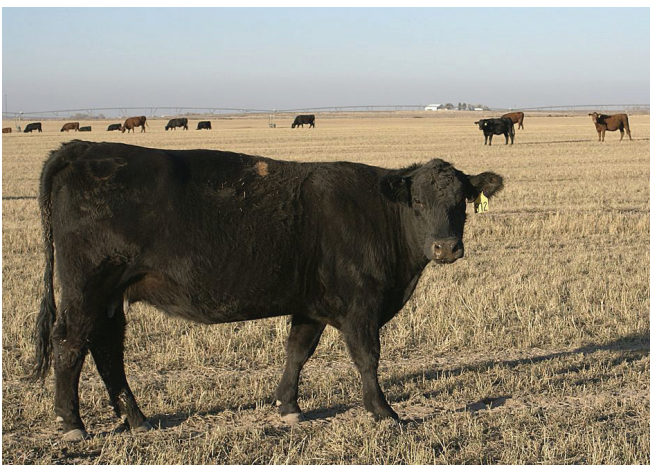
mer. At the next meeting Sept. 21, the department will finalize its proposal.

Jason Laney, grazing, ag and conservation leasing program manager for the department, said the agency has been considering a new grazing rate formula since 2012, with its most recent push in 2018. If this proposal passes, it would be the first time the formula has changed since 1992.

The main reason the department is developing a new grazing fee, Laney said, "is because the 1992 formula is likely not yielding a fair market value for our grazing leases."

Advocates' main argument is that grazing fees the state charges are only about a third of what private landowners charge. The grazing fee rate for cattle on private Idaho lands, according to USDA's latest report, was \$18.50 per AUM in 2020.

The new public grazing rate will still only be about 60% of what private landowners charge.



Carol Ryan Dumas/Capital Press File

The Idaho Department of Lands proposes to increase the grazing lease rate on state land.

A precedent for higher fees also exists in other states. According to Laney of the state Land Department, several other Western states have already made changes to grazing fees.

Montana, for example, instituted a four-year phase-in rate increase starting in 2012. Montana's current rate is \$13.41 per AUM.

Ranchers, however, say comparing public to private lands is like comparing apples to oranges.

"People claim that because the proposal is gonna be below the private lease rate, that's still a great bargain. Well, no, it's not," said Russ Hendricks, director of governmental affairs at the Idaho Farm Bureau Federation.

According to anecdotal

SURVEY OPPORTUNITY

Idaho Farm Bureau Federation is putting together a survey to submit to the Idaho Department of Lands showing average expenses ranchers accrue grazing on public land. To be considered statistically significant by the department, the survey will require at least 89 responses from Idaho ranchers who have grazed on public lands. Farmers can participate by calling 208-239-4271 or emailing Dexton Lake at dlake@idahofb.org.

evidence, Hendricks said, even before the proposed increase, "it's already more expensive to graze on state land than on private land."

Hendricks compared leasing private land to renting a furnished apartment and leasing public land to renting an unfurnished apartment.

On public state lands, according to Hendricks, ranchers are responsible for buying materials, building fences and corrals, providing noxious weed control, hauling animals, installing water infrastructure and making repairs. On private land, in contrast, the landlord is typically responsible for improvements.

Another hidden cost to grazing on public land, Hendricks said, is predatory pressure. Public lands are more likely to be in far-flung places where livestock deaths from predators, including wolves, are more common. Coyotes, too, can harass animals, leaving them stressed so they don't put on as much weight. In Northern Idaho, ranchers even deal with grizzly bears.

Idaho Farm Bureau the next few weeks is collecting survey answers from farmers to submit to Idaho Department of Lands in an effort to ensure the department has accurate data while deliberating about the proposal.

USDA expands feed hauling assistance

Capital Press

USDA is expanding the Emergency Assistance for Livestock, Honey Bees and Farm-raised Fish Program to cover the cost of feed transportation for drought-impacted producers.

The action is in response to the severe drought conditions in the West and Great Plains.

ELAP already covers the cost of hauling water during drought, and this change will expand the program beginning in 2021 to cover feed transportation costs where grazing and hay resources have been depleted.

This assistance applies to places where drought intensity is D2 for eight consecutive weeks as indicated by the U.S. Drought Monitor, drought intensity is D3 or greater or USDA has determined a shortage of local or regional feed availability.

Cost share assistance will also be made available to cover eligible costs of treating hay or feed to prevent the spread of invasive pests like fire ants.

Eligible ranchers will be reimbursed 60% of feed transportation costs above what would have been incurred in a normal year. Producers qualifying as

underserved will be reimbursed for 90% of the feed transportation cost above what would have been incurred in a normal year.

A national cost formula, as established by USDA, will be used to determine reimbursement costs, which will not include the first 25 miles and distances exceeding 1,000 transportation miles.

The calculation will also exclude the normal cost to transport hay or feed if the producer normally purchases some feed. For 2021, the initial cost formula of \$6.60 per mile will be used but may be adjusted on a state or regional basis.

To be eligible for ELAP assistance, livestock must be intended for grazing and producers must have incurred feed transportation costs on or after Jan. 1, 2021.

Although producers will self-certify losses and expenses, they are encouraged to maintain good records and retain receipts and related documentation in the event these documents are requested for review by the local Farm Service Agency county committee.

The deadline to file an application for payment for the 2021 program year is Jan. 31, 2022.

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