

Meat processors reject administration's claims

By CAROL RYAN DUMAS
Capital Press

The North American Meat Institute, representing meat and poultry processors, is hitting back at the Biden administration's claims that processors are responsible for the higher price of beef, pork and poultry in grocery stores.

The administration accused processors of generating record profits during the pandemic at the expense of consumers, farmers and ranchers.

Last week, the administration released a study and held a White House briefing — featuring USDA Secretary Tom Vilsack — on concentration in the processing industry and proposals to



Julie Anna Potts

not help consumers.

"The administration cannot ignore the fundamental principles of supply and demand," said Julie Anna Potts, the Meat Institute's president and CEO.

Vilsack refuses to acknowledge what Americans are experiencing firsthand, she said.

"The effects of COVID and lack of labor are hurting consumers, and nothing proposed by the secretary

address it.

The Meat Institute said Vilsack's transparent attempts to "scapegoat" the meat and poultry industry will

help consumers. Potts sent a letter to Vilsack on Tuesday saying she was disappointed he failed to acknowledge the array of market forces affecting retail prices.

A recent report on food prices by USDA's Economic Research Service examined beef, pork and poultry prices and "never identified industry structure as a price driver," she said.

She pointed out the report said "high feed costs, increased demand and changes in the supply chain have driven up prices for wholesale beef and dairy."

"Further, ERS identified

economy-wide price inflation, confirming that consumer price inflation is far broader than meat and poultry products," she said.

She also cited other government reports that pinned 2020 food-price inflation on pandemic-related shifts in consumption and supply-chain disruptions, and more recently economic recovery and government social benefits.

Rising input costs for processors is another factor, as noted by the U.S. Bureau of Labor Statistics, she said.

Those costs included natural gas, corn, wheat, slaughter steers and heifers, and corrugated recycled paper, according to the agency.

She also noted labor

shortages that affect processing lines, warehouses, maintenance and other critical jobs in the supply chain.

"Unfortunately, at the press conference the challenges of labor shortages were never acknowledged," she said.

She also noted that none of the agricultural economists testifying at Senate and House Agriculture Committee hearings last summer suggested consumer price inflation was linked to the structure of the meat and poultry industry.

Over the past three months, Meat Institute staff met with White House and USDA officials, and not once did those officials "suggest consumer prices were rising because of industry

structure," she said.

She also pointed out the meat and poultry processing industry has a significant downstream economic impact for U.S. agriculture, with meat animals being the major users of forage, feed grains, protein meal from oil seeds and distillers' grains.

She also noted ERS described meat and poultry supply chains as "efficient," with Americans spending an average of 8.6% of their disposable income on food in 2020.

"Before the administration attempts to recreate the animal agriculture industry, it is prudent to look back and acknowledge the benefits that flow from the food supply chains as they exist," she said.

Smaller winegrape crop expected in California, southwest Oregon

By GEORGE PLAVERN
Capital Press

Winegrowers in California and southwest Oregon are anticipating a lighter crop this year after months of hot, dry weather leading up to harvest.

According to the USDA National Agricultural Statistics Service, California is on track to produce 3.6 million tons of winegrapes in 2021 — about 10% less than normal.

"We're going to limp by this year," said John Aguirre, president of the California Association of Winegrape Growers. "Certainly, drought is a problem."

The good news, Aguirre said, is that wildfire smoke should be less of a concern for the industry than it was a year ago, when growers suffered an estimated \$500 million in crop losses from canceled or reduced grape contracts.

California winegrapes are worth \$4 billion at the farm gate. By comparison, the Oregon and Washington crops are worth about \$597 million combined.

With the exception of the Caldor Fire burning in the Sierra Foothills, Aguirre said most vineyards appear to have avoided prolonged and intense smoke that can impact wine quality, imparting an unpleasant ashy or chemical taste.

"I'm expecting most winegrape growers are going to bring in their crop successfully, but we're not out of the woods yet," Aguirre said. "We've all got our fingers crossed that we aren't going to experience a wildfire break out in wine country."

Instead, the primary challenge for farmers has been navigating extreme drought and water scarcity.

Jeff Bitter, president of Allied Grape Growers, a co-op representing 500 winegrape growers across California, said the impacts vary by region but he generally expects smaller yields.

On the North Coast, which includes the world-fa-



Capital Press File

An example of smoke-tainted winegrapes. Growers say the problem of smoke from wildfires is less serious this year than in 2020 but the hot, dry summer has posed other challenges.

mous Napa Valley, some areas have experienced just one-quarter to one-third of their usual total annual rainfall, Bitter said.

"You had a lot of people with a limited supply of water in their ponds," Bitter said. "They had to find a way to make that last all year long."

Meanwhile, on the west side of the Central Valley, Bitter said water scarcity has dramatically raised the cost of buying and transferring water to irrigate parched vineyards, with prices reaching as much as \$2,000 per acre-foot.

Bitter said he is aware of at least some vineyards that were abandoned completely due to a lack of water.

"They just can't afford to keep them in production," he said. "There will be more (abandoned) going into the future unless something changes very quickly."

Across the border in southern Oregon, Brian Gruber said winegrowers in the Rogue and Applegate valleys are facing similar conditions. Gruber is the winemaker at Quady North winery in Medford, and also has his own 4-acre vineyard within the Talent Irrigation District.

Normally, Gruber said he receives five months of irrigation water in a given season. This year, however, there was only enough for five weeks.



John Aguirre

Working with other local winegrowers, Gruber said they came up with a new strategy. For the few weeks they had water, they irrigated as normal up until the final week, when they saturated the ground as much as possible in hopes it would last through the heat of summer.

The heat, Gruber said, was intense. For 30 days in June and July, temperatures exceeded 95 degrees. During the major "heat dome" that enveloped the Pacific Northwest in late June, temperatures reached as high as 117 degrees, turning grapes black and leaves crispy.

Gruber said he didn't harvest any grapes from vines younger than five years old. As for mature vines, he said the crop is down 10-20%.

However, the heat finally snapped in August and allowed the fruit quality to rebound, Gruber said, with flavors coming into balance.

"Had it stayed that hot all the way through the last 3-4 weeks, I would be less optimistic about the quality of the fruit," he said.

Southern Oregon has had plenty of wildfire smoke, Gruber said, but nothing like last year. The risk of smoke taint, he said, is based on a number of factors, including the proximity and duration of fires.

Southwest Washington cooperative looks for more barley growers

By DON JENKINS
Capital Press

CHEHALIS, Wash. — Farmers in a southwest Washington cooperative have finished their second year of growing barley for a Vancouver, Wash., malting company, nearly doubling production over the previous year despite lower per-acre yields.

Southwest Washington Growers Cooperative president Dave Fenn, a Lewis County farmer, said co-op leaders hope more farmers will sign up to grow barley for next year.

"We're competing with very high wheat prices, high grass seed prices," Fenn said. "I'm a little disappointed we haven't been able to get more acres, but that means farmers are doing well with competing crops."

The cooperative was formed after some farmers in the region in 2017 lost contracts to grow vegetables for a processor. They hope to build silos and conveyor systems at the Port of Chehalis to load and load grains onto



Don Jenkins/Capital Press File

Lewis County farmer Dave Fenn, president of the Southwest Washington Growers Cooperative, in a field of winter barley. The new co-op produced more barley this year for a Vancouver malting company.

railcars. The port is halfway between Portland and Seattle.

The Legislature this year appropriated \$1.75 million for the project, which is still on the drawing board. The facility could be used to load and unload other types of grain and animal feed, organizers say.

For the past two years, farmers have made do with a portable conveyor system that loads barley directly from trucks to railcars. "It's strictly temporary," Fenn said.

Seven farmers grew barley this year. The coopera-

tive delivered 607 tons of winter barley and 470 tons of spring barley to Great Western Malting Co.

Farmers planted 280 acres of winter barley, though 30 acres close to the coast flooded. "It's just too wet there," said Mike Peroni, project manager for the Northwest Agriculture Business Center.

Farmers planted 215 acres of spring barley.

The cooperative has drawn interest from farmers as far north as Skagit County and as far south as the Willamette Valley, according to organizers.

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