

Washington's apple industry grapples with shipping challenges

By **SIERRA DAWN McCLAIN**
Capital Press

WENATCHEE, Wash. — Faced with a snarl of export challenges, Washington state's apple industry is pivoting to focus on what Todd Fryhoyer, president of the Washington Apple Commission, calls the "home court" — the U.S., Canada and Mexico.

Experts say the global shipping crisis, combined with tariff disputes, will reduce exports for the 2021-2022 crop.

According to the Northwest Horticultural Council, Washington exported, on average, 31.36% of its apple crop annually in the five years leading up to COVID. Of the 2019-2020 crop, 28.3% was exported. That fell to 25.9% in 2020-2021. This year's export market is even worse. According to the state apple commission, export shipments this December are 16% to 17% lower



Sierra Dawn McClain/Capital Press

Washington state apples in a packing house.

than during the same timeframe last year.

"If this continues through the whole season, we'll have the lowest exports since 2003-2004," said Rebecca Lyons, the commission's

international marketing director.

In recent years, major export markets have included Mexico, Canada, the Middle East, India, Taiwan, Central America, China, Hong Kong, Indonesia, Vietnam

and Thailand. But with high ocean shipping costs and jammed ports, Lyons said there's "lower risk to ship to neighbors."

Although many export difficulties have been shipping-related, another piece of the puzzle is retaliatory tariffs.

China currently has three tariffs on Washington apples adding up to a total 55% tariff. This makes U.S. apples less competitive in China's marketplace.

In India, two tariffs also continue, adding up to a total 70% tariff. Since the tariffs started in 2019, Washington's share of India's apple market has fallen from 20% to 6%.

Although this isn't good news for the industry, it's not a surprise, in part because Washington farmers have recently been growing fewer acres of Red Delicious — India's favorite variety.

"We're much less dependent on (India's) market today than we

were two years ago," said Bob Mast, grower and president of CMI Orchards. "There were close to 22 million boxes of (Red Delicious) left this time in the season two years ago, and there are about 15 million this year. So, if there's a year that we wanted to not have as much dependency on that market, this is a good year for it."

India is sourcing an increasing number of Red Delicious apples from Turkey.

The apple commission, in turn, is pivoting its marketing strategy, cutting advertising dollars by 45% in India this year and focusing on the Americas.

Over the weekend, the commission rolled out an in-store sampling campaign for Cosmic Crisp apples in 42 Metro Ontario locations, a Canadian retailer. According to early reports from the commission's Canada marketing representative, the campaign is going well.



Carol Ryan Dumas/Capital Press File

A tight supply and high demand have driven hay prices higher, a University of Idaho Extension educator says.

Hay supplies tight, prices lofty

By **CAROL RYAN DUMAS**
Capital Press

Drought, shipping challenges, labor and COVID all played a role in hay supply and demand in 2021 and make ironclad predictions for hay markets in 2022 difficult to come by.

On the supply side, there's just not a lot of hay sitting on farms in the western U.S. May 1 hay stocks in the region showed significant declines from December stocks, and production in 2021 is down, said Steve Hines, University of Idaho Extension educator in Jerome County.

In addition, ill-timed rains in Idaho and other western states on first and fourth cuttings put a hit on dairy quality hay, he said during the university's Ag Outlook seminar.

"Because of the supply this year, I've heard several times that the dairies are less worried about quality. They're just worried about being able to get hay put onto the dairy," he said.

One dairy farmer said dairies just seem to be buying and testing the quality later, he said.

"So that tells us that production is down for this year and that disappearance over the winter is likely going to be pretty significant," he

said.

That will be especially true if it's a hard winter and more energy is needed for both dairy and beef cattle, he said.

Idaho supreme hay, which was selling in the neighborhood of \$225 a ton in June, was \$265 in September. One dairy producer recently told him hay was being purchased for \$300 a ton and dairies are just happy to get it.

Idaho fair quality hay went from \$165 in June to well over \$225 in November. The spread between supreme and fair quality is not very big, he said.

"That adds some credence to that comment that essentially these dairies are buying hay and then testing it later, just trying to see what they have and then trying to make that fit in the ration," he said.

Things are tight for beef cattle producers as well. Since May, conditions on well over half of western range and pasture have been categorized as poor or very poor, according to USDA.

Cattle herds have been pulled off the range early, winter range is not in very good condition and beef producers have been going to the hay market when they traditionally might not have, he said.

The U.S. Drought Monitor shows severe, extreme and exceptional drought will continue across the West, and it's likely going to worsen into the spring. In southern Idaho, some irrigation districts were shut off early or cut back, he said.

"If those winter snow supplies aren't replaced in the mountains, that condition is only going to worsen," he said.

It's hard to predict what's ahead for Idaho hay prices, but strong prices need Idaho's May 1 hay stocks to be lower than 400,000 tons or for the milk price to be above \$18 a hundredweight, he said.

Milk prices at \$17.50 to \$18.50 are in the breakeven range. So dairy producers don't have additional cash to go into the market, and they've pretty much laid in their hay supply — hoping to make it through until the new crop starts coming in, he said.

Export demand is improving, but exports need to be able to move from West Coast ports. Domestic demand for hay is strong due to the drought and will remain strong as long as the drought persists. Substitute feed prices are high, so there aren't a lot of options for other feedstuffs, he said.

Domestic, stock water uses dominate early filings in Clark Fork-Pend Oreille adjudication

By **BRAD CARLSON**
Capital Press

About 88% of the claims filed so far in the Clark Fork-Pend Oreille River Basin Adjudication are for domestic or stock water rights, said Craig Saxton, the Idaho Department of Water Resources adjudication section manager.

"I expect the trend to continue where the majority of the water right filings are going to be for those domestic and stock water uses," he said.

The department is mailing adjudication notices to the estimated 25,000-plus property owners in the region. It aims to finish the mailings by the end of 2022.

The process is expected to take about 10 years depending on how many claims are filed.

Individual water users supplied by a city, irrigation district or utility

are not required to file a claim. Those distributors are responsible for the water right.

Filing a claim could prove important as the population grows. The state's water-rights law prioritizes older uses over newer ones when the supply falls short of the overall need.

"The benefit to filing is to confirm and secure the priority date of your water right," Saxton said. "There has been a lot of development in all of Idaho, and there could be a definite advantage for the individual water user to have their water right adjudicated, and to secure their priority date."

He said the department is receiving claims from owners in areas to which it has not yet sent notices, which it welcomes.

The department has started reviewing some claims but is spending most of its time helping

landowners file claims, Saxton said.

The department will likely first review claims in the area that includes the Priest River drainage, followed by the Clark Fork River and Lake Pend Oreille areas.

The department is mailing notices to all property owners in the basins because the location of many existing water uses is not known.

It has records of about 2,700 water rights in the drainages and expects up to 9,000 claims to be filed.

"Most of the customers we've worked with have been very supportive of the process, and helpful," Saxton said.

A state district court June 15 commenced the adjudication. It enables existing water users to claim quantities and priority dates for their water rights, which Water Resources verifies, and have them recognized by court decree.

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