

U.S. farm exports reach record highs

By **MATEUSZ PERKOWSKI**
Capital Press

ATLANTA — Exports of U.S. farm products are setting records, and more opportunities are on the horizon, according to a top federal trade official.

The nation's agriculture industry exported up to \$180 billion worth of goods last year, eclipsing the previous record of \$154 billion, said Dan Whitley, administrator of the USDA's Foreign Agricultural Service.



Dan Whitley

"Exports are on fire," he said Jan. 9 at the American Farm Bureau Federation's annual convention in Atlanta, Ga. "This is a phenomenal number."

The farm industry has set "records across the board," with exports of at least seven commodities rising to unprecedented levels, Whitley said. "We've never seen this much grain leaving the U.S. for foreign markets in the history of U.S. agriculture."

Revived shipments of farm products to China have been a big part of the agriculture industry's success, he said. The country is again the top destination for U.S. farm goods, buying up to \$36 billion of agricultural products last year.

"You can't ignore a population of 1.7 billion people," Whitley said.

However, U.S. relations with China are strained by such issues as intellectual property theft, human rights abuses, restricted freedoms in Hong Kong and tensions over Taiwan's sovereignty, he said.

"China is the big elephant in the room," Whitley said.

Such political problems can have a devastating impact on trade, as seen during the recent trade dispute with China, he said. Exports fell to a low of roughly \$11 billion due to retaliatory tariffs before a trade deal was struck in 2020.

"That shows the negative power of tariffs," Whitley said.

The phase one trade agreement that revived farm exports to China shows how effectively American farmers can outperform competitors when given a level playing field, he said.

China is still imposing non-tariff trade barriers that have prevented U.S. farm exports from reaching their full potential, Whitley said. These issues are currently being negotiated as the 2-year phase one deal winds down.

"They didn't do everything we thought they should do," he said.

Apart from China, the U.S. has other opportunities to expand farm exports, he said.

The population of Vietnam, Thailand, Malaysia, Indonesia and the Philippines is collectively 588 million people, Whitley said. The southeast Asian region's economy and middle class are growing fast.

"Those five are an amazing opportunity for U.S. agriculture going forward," he said. "We're talking about amazing buying and purchasing potential. This is something to be very interested in as it develops."

Farmer plans small-scale 'micro dairy'

By **BRAD CARLSON**
Capital Press

A small dairy planned near Glens Ferry targets a gap in the south-central Idaho market caused by the closure of two operations in 2021.

Wild Spaces Farm owner Wilder Jones, an organic producer, is using a \$75,000 no-interest loan from the Impact Idaho Fund on a milking barn, processing parlor, equipment, additional animals and certification. Raw milk, to be sold in reusable glass containers, is expected to be available this spring.

He and the fund's staff started working on the dairy's financial framework last summer.

"I am looking forward to continuing the ongoing friendship and working relationship with this group of people who share my ideology," Jones said in a release. "As I launch the dairy, it is incredibly valuable to be part of a team and not feel like I have to go it alone."

He told Capital Press that his 160-acre farm includes alfalfa hay, some feeder corn in rotation, 45 young peach trees and part of his father's cow-calf operation.

The so-called "micro dairy" is "brand new and intentionally small," Jones said. It now consists of a bull and five cows; the first calf is expected to be born next month. Milking has not yet started.

"Cattle are exceptional in their ability to convert sunlight and grass into fat and protein," he said. "We are looking forward to having a project that is entirely unique."

Jones will use regenerative practices in running the dairy. He may have up to 10 milking cows in the next several years, but the idea is to keep the dairy small.

The Impact Idaho Fund is a project of the Sun Val-



"CATTLE ARE EXCEPTIONAL IN THEIR ABILITY TO CONVERT SUNLIGHT AND GRASS INTO FAT AND PROTEIN. WE ARE LOOKING FORWARD TO HAVING A PROJECT THAT IS ENTIRELY UNIQUE."

— Wilder Jones, Wild Spaces Farm owner, shown above on his land near Glens Ferry, Idaho



Impact Idaho Fund photos

Wild Spaces Farm near Glens Ferry, Idaho.

ley Institute for Resilience. The institute in December received a second major gift from the Heinz Family Foundation.

Amy Mattias, the institute's program director, said in the release that the Wild Spaces "will fill a

much-needed gap in our regional food system and be a demonstration of a regenerative and profitable model for small-scale dairy farming in southern Idaho."

Two small dairies in southern Idaho, Old Almo

Creamery and Picabo Desert Farm, closed last year, the institute said.

Mattias said Wild Spaces is its third project for the Impact Idaho Fund, which seeks to grow. It provides capital and entrepreneurial support services.

Shipping delays prove costly

By **CAROL RYAN DUMAS**
Capital Press

Port congestion and shipping delays made dairy exports extremely challenging in 2021, and one industry insider anticipates those challenges will continue in 2022.

Leprino Foods is heavily reliant on port infrastructure, capacity and supply-chain integration across the port-export system, and those dynamics didn't change in 2021, said Mark Benson, chief procurement officer and vice president of government affairs and global responsibility at Leprino.

"What did change was the overall capacity, the reliability and the consistency of port operations, of carrier and container capacity and really the overall velocity of the localized supply chain in and around the port, particularly out of California," he said during the latest "Dairy Download" podcast.

More than 99% of Leprino's ocean shipments in 2021 were canceled or rebooked at least once — and in some cases more than 10 times. Each time that happened, the "rework loop" was generally two to three weeks in duration and came with added costs and fees, he said.

More than 100 shipments were canceled or rebooked

17 times, with customers experiencing a five-month delay for products they're depending on, he said.

"On the cost side, it's been a big challenge," he said.

One freight bill that would generally be \$5,000 to \$5,500 reached \$20,000. Leprino experienced more than \$25 million in added costs in that area in 2021 and expects the same in 2022, he said.

Leprino and other dairy exporters have been active in exploring different and alternative ports with some progress. But in some cases, that just moved the problem, he said.

Some are of the opinion the port issue will ultimately equalize or resolve itself, he said.

"We're not observing that, and we don't share that view. In fact, there were folks who were making that point six months ago," he said.

In addition to utilizing alternative ports, Leprino has doubled down on establishing prepositioned inventory and logistics hubs in the international markets it serves. It's also added labor, team members and additional reporting capability for every step of the booking and fulfillment process and routing of a shipment on the water and into its intended market, he said.

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