

Has Proposition 12 changed the price of an eggs-and-bacon breakfast?

By SIERRA DAWN McCLAIN
Capital Press

California's Proposition 12, an animal welfare measure approved by voters in 2018, took effect Jan. 1. Now, experts are exploring its impacts.

The legislation banned the sale of eggs, pork and veal products in California unless production facilities meet specific animal-confinement standards. Opponents predicted it would lead to egg and pork shortages and skyrocketing prices. Is that happening?

Experts say Proposition 12's impacts thus far have been minimal. However, they also say it may be months before Proposition 12's ripple effects are reflected in bacon and egg prices.

"There are no obvious impacts yet," said Daniel Sumner, professor of agriculture and resource economics at the University of California-Davis. "The sky isn't falling."

In the lead-up to Proposition 12's implementation, some opponents predicted the price of fresh pork products covered under the legislation would increase 60%. Sumner, in an economic study, makes the more modest prediction that the average price of uncooked pork will rise by 7.7%, or about 25 cents per pound.

But even that price increase likely won't be for months, he said. That's because Proposition 12 specifically regulates the space breeding sows must have. The meat currently in supermarkets is from pigs that weren't yet raised under



It's too early to assess the full impact of California's Proposition 12, which governs how eggs and pork are produced.

these requirements.

Sumner estimates Proposition 12's required sow space will translate into \$5 of added costs per pig leaving the farrowing barn.

The economist also predicts added expenses at the processing stage due to tracking and segregation requirements. His studies estimate processing expenses will add 19 to 21 cents per pound to the final price of compliant pork products.

But no one knows for sure yet, he said.

"We don't know what's really going to happen at retail," said Sumner. "We just know that every time you make something a little more complicated, you make it a little more expensive."

Nate Rose, spokesman for the California Grocers Association, agreed it's too early to make accurate pricing forecasts.

"On pricing, I think it's too soon to tell," he said.

Rose said retailers are talking with pork producers to negotiate new contracts as producers move into com-

pliance, but price changes likely won't be seen for 3 to 6 months.

Proposition 12 also regulates the egg industry, requiring eggs sold in California to come from cage-free operations.

Retailers, said Rose, don't seem as concerned about inflated egg prices, because California has been moving toward a predominately cage-free market for a long time.

According to a USDA special report, 96% of egg-laying hens in California were already in cage-free systems by September 2021. California has historically produced only 35% of its egg supply, so the legislation is felt most by those outside the state, said Lesa Vold, spokeswoman for the Egg Industry Center.

But even there, the cage-free market has been edging upward. According to the Humane League, in 2015, 6% of U.S. hens were cage-free. In 2021, 30% were.

"To be honest, no one (among our retail members) seems to be talking about eggs," said Rose, of the grocery association. "Pork has kind of been the sticking point."

Sumner, the economist, agreed.

"I'm not saying Proposition 12 is easy on egg operations, but compared to pork, this just isn't that big a stretch for the industry," said Sumner.

Sumner predicts that eventually, cage-free eggs — once a specialty product — will no longer get a higher markup because the category will become standard.

Court delays enforcement of part of Proposition 12

By SIERRA DAWN McCLAIN
Capital Press

SACRAMENTO, Calif. — A Superior Court judge in Sacramento County has delayed enforcement of a key part of Proposition 12 for 180 days after the proposition's final rules go into effect.

Proposition 12, an animal welfare measure approved by state voters in 2018 that requires specific animal confinement standards, went into effect Jan. 1, but part of the law will not yet be enforced as a result of the court decision.

Under Proposition 12, restaurants, retailers and other companies in California are not allowed to sell pork from animals raised in certain types of confinement barns, and companies that violate this by selling such meat could be penalized.

Under this week's decision, however, this will not be enforced yet.

Judge James Arguelles ruled Monday that grocers, restaurants and retailers would not be subject to enforcement of the new restrictions on whole pork meat sales until 180 days, roughly six months, after the state enacts final regulations.

The ruling was welcomed by petitioners, including a meat processing operation, the California Grocers Association and various business associations whose members sell pork in California.

According to public court records, petitioners in the case — California Hispanic Chambers Of Commerce vs. Karen Ross — had contended that they and their members should not be exposed to Proposition 12's sanctions until the California Department of Food and Agriculture and the state Department of Public Health write the final regulations.

The CDFA is more than two years late in finalizing regulations outlining what is expected of pork producers under the proposition, and petitioners argue that it's hard to comply with rules that are still incomplete and unclear.

Meat industry leaders and farm groups praised the decision.

The decision "recognizes the complexity of the pork supply chain and the burdensome and costly provisions of Prop 12,"



Pork Checkoff/TownNews.com Content Exchange
Pigs feeding in a barn. California Proposition 12 has been delayed for pork because the state has not finished writing the rules, a judge ruled.

Julie Anna Potts, president and CEO of the North American Meat Institute, said in a statement. "To enforce the law without final regulations leaves the industry unsure of how to comply or what significant changes must be made to provide pork to this critical market."

The North American Meat Institute and its members are broadly opposed to Prop 12 and had urged the state to delay implementing the law until CDFA creates the final regulations to minimize risk of businesses facing criminal sanctions and civil litigation for non-compliance.

Petitioners didn't get everything they had requested in the lawsuit. They had asked for a 28-month delay in enforcement after CDFA issues final regulations. The court granted a 180-day delay.

"In the court's view, the Jan. 1, 2022, date was calculated at least in part to allow producers to construct new enclosures after the act took effect. Consequently, although the court agrees that petitioners are entitled to a delay that extends past the date on which regulations are enacted, it disagrees that 28 months are required," according to the ruling.

Although petitioners didn't get all they had asked for, grocery and other business associations say 180 days is better than nothing.

Proposition 12's egg-laying hen provision, which ensures eggs sold in California come from cage-free operations, remains in effect because it was not an issue in this week's lawsuit.



Gray wolf

Idaho wolf population steady despite new hunting law

By BRAD CARLSON
Capital Press

Idaho's wolf population is holding steady even after state legislators passed a new law allowing more hunting of the predators.

Shane Roberts, Department of Fish and Game wildlife research manager, told the Fish and Game Commission Jan. 27 that the state had a peak population of 1,543 wolves on Aug. 1. That compares to 1,556 in 2020 and 1,566 in 2019.

Fish and Game produced the estimates using photos and analytics. Some 533 cameras are deployed statewide.

Environmental groups have challenged the method, saying it overestimates the wolf population.

Department Director Ed Schriever said the method, developed by researchers in the department and at the University of Montana, is based on accepted science and has produced consistent results.

The department estimates the population when it is near its annual peak. Biologists then monitor hunting, trapping and other wolf mortality through the rest of the year.

The minimum wolf population, in early spring before pups are born, is estimated at about 900, the department said in a release.

The commission in 2021 expanded wolf seasons, and hunting and trapping methods, to help reduce wolf depredation of livestock and elk herds. The legislature passed a law, effective last July 1, substantially increasing the allowed harvest.

The commission intends to manage wolves for a pop-

ulation below the current level, Schriever said in the release.

The goal is to reduce conflicts with livestock and manage a balance between wolves and their prey, which the department said is primarily elk.

The U.S. Fish and Wildlife Service's 2009 de-listing rule called for about 1,100 wolves in the Northern Rocky Mountains. It said a region-wide population of 1,500 would slowly reduce wild prey and lead to high livestock depredation.

Public Information Officer Roger Phillips told Capital Press the stable summer population provides a good baseline to help guide management decisions, but also "shows that if there is going to be change, it's going to be incremental. And if we need to go back in another direction, we can do that."

Cameron Mulrony, Idaho Cattle Association executive vice president, said consistent summer estimates "are telling us that the population is healthy" and able to replace losses despite recent drought.

"We can see that our take has to kind of remain where it's at to keep the population stagnant, because there is an abundance of food supply if wolves want to move into the urban interface," he said.

U.S. Fish and Wildlife in September began reviewing Western wolves for potential re-listing under the Endangered Species Act, which would shift wolf management from the state to the federal government.

"We need consistent management of the population, and the state is best suited to manage the wolf population," Mulrony said.

Ag Expo participants mostly optimistic about year ahead

By BRAD CARLSON
Capital Press

CALDWELL, Idaho — Solid demand for equipment and services is expected to continue as 2022 unfolds, several Western Idaho Ag Expo exhibitors said.

Brian Tollefson, who owns Precision Grain Systems in Fargo, N.D., participated in the Jan. 25-26 event in Caldwell, Idaho. The company provides grain storage and handling equipment.

Last year's high commodity and steel prices drove record-high sales, he said. Steel prices, which spiked in the summer, led to buying promptly rather than waiting. And high commodity prices meant more farmers could afford to add on-site storage.

"When corn gets above \$5 (per bushel), grain bins pen-

cil out a lot better," Tollefson said.

He said a grower may use on-site storage to hang onto grain in hopes of capturing the best price.

"It's staying steady," Tollefson said Jan. 25 of sales. "There is no drop-off in sight," partly because most commodity prices remain high.

Aden Johnston, a sales and design specialist with Agri-Lines in Parma, Idaho, said he expects demand this year to be as good as it was in 2021. Center-pivot sprinkler systems are among the company's offerings.

He said growers, many of whom had a good 2021 that left them with money to put back into their operations, remain optimistic overall.

Center-pivot sprinklers, remote monitoring and other systems can help growers

realize labor and water savings. Johnston said sales increased about 20% last year, but higher supply costs cut into profits. He expects supply-chain challenges to continue.

Last season's drought led some to pursue repairs and upgrades they might ignore in a normal water-supply year, he said.

Caldwell-based R&M Steel Co. manufactures steel buildings, including hay barns and farm and ranch shops. President Rob Roberts said 2021 demand for ag-related buildings was higher than usual.

"Drought was a concern," he said.

For example, tight hay supplies and high hay prices drove additional demand to move a fresh cutting inside a building as soon as possible — to get the crop out

of the weather, and to guard against losing mass from the top and bottom of the stack, Roberts said. R&M sold hay buildings as far away as Montana and Western Oregon.

He said he expects similarly strong demand for on-farm steel buildings this year.

"I hope the steel mills are able to get back on track," Roberts said. Steel prices, which recently leveled, saw threefold and fourfold increases last year.

Twin Falls-based Justin Leavens, a commercial agriculture sales specialist with Perfect Blend Biotic Fertilizer, said the company paid more last year for inputs ranging from labor and transportation to propane, which is used to dry chicken manure, which also cost more.

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