

Farmers report drastically reduced hemp surplus

By **MATEUSZ PERKOWSKI**
Capital Press

Hemp farmers have rapidly off-loaded a vast majority of the crop surplus that's been weighing down the industry's fortunes, according to a new survey.

Prices for raw hemp have already begun rising due to the lower inventory, though regulatory uncertainty may delay a broader industry rebound, according to the economic firm that compiled the data.

"It's finally bottomed out. You're finally seeing increased biomass prices," said Beau Whitney, chief economist at Whitney Economics, which tracks the hemp industry. "Because there's such a massive reduction in inventory, it makes sense the price has stabilized."

The nationwide unsold hemp inventory plummeted roughly 70%, from about 200 million pounds to 60 million pounds, between 2020 and

2021, Whitney said.

The remaining biomass is held by larger farmers who can afford to carry it, while smaller growers don't have much left, he said. "That tells me there's not a lot of slush in the market right now."

Hemp prices topped \$32 per pound of biomass during the 2019 boom, after it was legalized at the federal level, but plunged after that year's harvest, according to Whitney Economics.

A pound of biomass averaged about \$1.20 in the autumn of 2021. Since then, the price has risen to \$1.50 per pound and in some cases hemp is fetching \$2 per pound, Whitney said.

"That's starting to become the norm," he said.

The consumption of delta-8 THC by the public, a psychoactive compound derived from hemp, has been a double-edged sword for the industry.

The substance is similar to the delta-9 THC that's found



Bill Bradshaw/EO Media Group

Hemp plants dry after harvest. A surplus of hemp drove down prices and reduced acreage of the crop, but the inventory has been drastically reduced in the past year.

in marijuana, a related cannabis crop that's illegal under federal law.

While hemp must contain less than 0.3% delta-9 THC, some processors extracted and marketed the delta-8 cannabinoid, which has milder psychoactive properties.

Excess supplies of hemp were funneled into delta-8

production, using up a lot of the crop surplus but also raising alarms about children accessing psychoactive products, Whitney said.

It's unlikely that delta-8 production will continue to play a major role in the hemp industry now that crop prices are increasing again, he said. "I think delta-8 was a bit of a

one-hit wonder that saved a lot of farmers. It has its evils but it saved a lot of farmers and processors."

The downside of the delta-8 controversy is that it's made hemp easier to demonize as a drug crop, prolonging the regulatory uncertainty that's prevented the industry from finding its legs, Whitney said.

In reality, the hemp industry stands to gain a lot more from fiber and grain products than from cannabinoids, or the compounds extracted from its flowers, he said. Cannabidiol, or CBD, is a major cannabinoid touted for its healthful properties, for example.

CBD and other cannabinoids accounted for about 82% of the hemp planted nationwide in 2020, but that proportion dropped to 60% in 2021, Whitney said. By 2030, he expects cannabinoids to account only 2.5% of total acreage.

Bioplastics, textiles, building materials, livestock

feed and other hemp applications will eventually dwarf the cannabinoid market, he said. "This is right at the doorstep of hemp. They just need some support from state and federal regulators."

A lack of clarity about federal hemp policy has state governments adopting a patchwork of different laws, which currently serves as a barrier to business transactions, he said.

"Nobody knows if it will be legal to ship from Oregon to Colorado or from Colorado to Kansas," Whitney said.

Those ambiguities will hopefully be cleared up by the 2023 Farm Bill, which is likely to contain better-defined federal policies for hemp, he said.

Hemp farmers can also do themselves a favor by improving their business practices: Specifically, by waiting to grow the crop until they have a market for it, he said.

Fed report: Stopping natural gas pipelines yields tiny carbon cut

By **DON JENKINS**
Capital Press

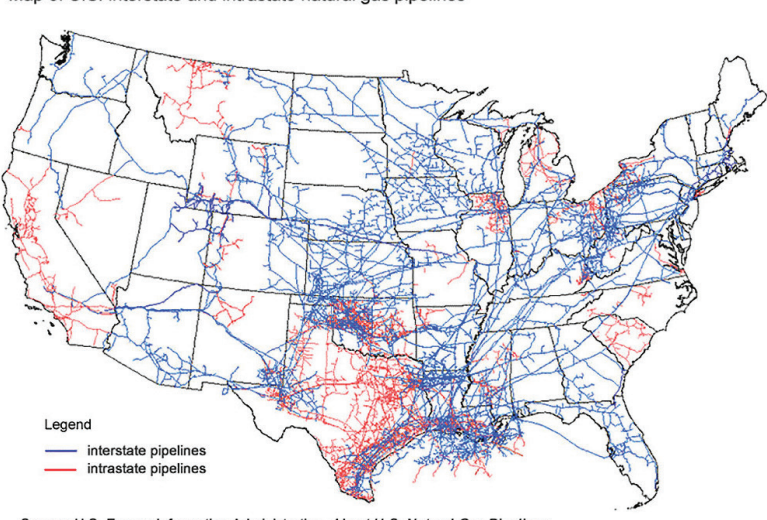
U.S. greenhouse gases from the energy sector would drop by less than 1% by 2050 if the nation stops building interstate gas pipelines, according to the U.S. Energy Information Administration.

While carbon emissions from natural gas would decrease 4.4%, total emissions would go down by only 0.7% as energy producers burned more coal to offset reduced natural gas supplies, according to a new EIA analysis.

"The relatively small effect on CO2 emissions ... is due to our forecast of increased coal-fired power generation, which would be more carbon intensive than the natural gas-fired generation it displaces," the EIA posted on its website Monday.

The EIA, a federal agency, reported in March that based on current laws, and economic and demographic trends U.S. natu-

Map of U.S. interstate and intrastate natural gas pipelines



Source: U.S. Energy Information Administration, About U.S. Natural Gas Pipelines

If the U.S. stops building interstate natural gas pipelines, natural gas prices will rise, but greenhouse gases from the energy sector will decrease by less than 1% as energy producers burn more coal, according to the U.S. Energy Information Administration.

ral gas production will grow by almost 24% by 2050.

The agency, however, noted that the Federal Energy Regula-

tory Commission announced in March that it will consider climate change in approving future interstate pipelines.

Interstate natural gas pipeline capacity grew considerably between 1990 and 2020, but several large lines have been canceled in recent years following legal and public opposition, according to the EIA.

If the U.S. adopts a permanent moratorium on new pipelines beginning in 2024, natural gas spot prices will be 11% higher in 2050 than the baseline forecast, the EIA estimated.

Natural gas is a key ingredient in manufacturing nitrogen fertilizer. Fertilizer prices spiked in late 2021 alongside rising natural gas prices, according to the USDA Economic Research Service.

The cost of ammonia more than doubled between 2000 and 2006 as the price of natural gas trended upward, according to the USDA.

Under a moratorium, natural gas production would decline 4.6% by 2050, and consumption would fall 4.3% as more elec-

tricity was generated by renewable resources, nuclear plants and coal, the EIA projected.

Greenhouse gases from energy-related fuel sources would fall by 34 million metric tons, the EIA estimated. The reduction would equal about one-third of Washington's carbon output.

Under current laws and trends, natural gas production in the U.S. will exceed domestic demand by 25% by 2050, the EIA projects. Much of the excess production probably would be exported as liquified natural gas, the agency reported.

The U.S. became Europe's top natural gas supplier in 2021, moving past Qatar and Russia, according to the EIA. The U.S. supplied 26% of Europe's imported natural gas compared to 24% from Qatar and 20% from Russia.

A majority of Europe's liquified natural gas imports in January came from the U.S., the agency said.

USDA planting report: Northwest farmers add 60,000 acres of wheat

By **MATTHEW WEAVER**
Capital Press

Pacific Northwest farmers added 190,000 acres of winter wheat this year compared to 2021 but reduced spring wheat acreage by 130,000 acres, according to USDA.

USDA's March 31 prospective plantings report said winter wheat will increase:

- 11.3% in Idaho, from 710,000 acres in 2021 to 790,000 acres.
- 5.7% in Washington, from 1.75 million acres last year to 1.85 million acres.
- 1.4% in Oregon, from 720,000 acres to 730,000 acres.
- 1.7% in the U.S., from 33.6 million acres to 34.2 million acres.

USDA expects spring wheat will:

- Decline 7.8% in Idaho, dropping from 510,000 acres last year to 470,000 acres.
- Decline 15.5% in Washington, from 580,000 acres to 490,000 acres.
- Decline nearly 2% in the U.S., from 11.4 million acres to 11.2 million acres.

Total U.S. wheat plantings will increase 1.4%, from 46.7 million acres to nearly 47.4 million acres.

Acreage is up, but not dramatically, said Glen Squires, CEO of the Washington Grain Commission. He attributes the increase in acreage to higher wheat prices last fall, long before prices shot up more recently due to impacts on the world market from the Russia-Ukraine conflict.

"Often, that's what we see — higher prices tend to increase acreage," Squires said. "Who knows what production's going to be? We're still in a drought. We're still in need of moisture." Input costs are "balloon-

ing" and a "challenge," he said.

USDA's grain stocks report indicates a decrease of nearly 22% nationwide from last year, from 1.31 billion bushels to 1.02 billion bushels.

Stocks dropped 52% in Oregon, from 29.1 million bushels to 13.8 million bushels.

Stocks in Washington dropped 43%, from 99.5 million bushels to 56.6 million bushels.

Stocks in Idaho fell 31%, from 53.3 million bushels to 36.7 million bushels.

"I think that's just a sign that there's just not a lot

of wheat," Squires said. "We had a very short crop last year, demand is down, there's been less wheat to sell."

Major markets like Japan and the Philippines are down slightly, but holding fairly well, Squires said. Less white wheat is going for use as animal feed, he noted.

"Hopefully the increased winter wheat acres will give a little boost to production and output," Squires said.

Winter wheat tends to have higher yields compared to spring wheat. But production depends on timely rains, Squires said.

He pointed to early predictions that the region won't experience the same extreme heat as last year.

"I hope that's the case," he said.



Glen Squires

BOISE PROJECT BOARD OF CONTROL

Start of 2022 Irrigation Season for the Boise Project Board of Control

The Boise Project Board of Control serves nearly 167,000 acres. Starting on April 18th, 2022, the Project will activate over 460 canals and laterals in Ada and Canyon Counties. Irrigation delivery service to our patrons will begin no earlier than April 22nd, 2022, after the canals have risen to allowable elevations and the water is ready to be delivered. Southern Idaho is experiencing drought conditions for the second year in a row. As a result, the snowpack in the Boise River basin is substantially lower-than-normal and reservoir elevations are also lower than normal. Based on the current water availability projections, the Boise Project Board of Control has set the water allotment at this time at 1.20 acre-feet of water per acre. This allotment amount is subject to change due to unknown variables in the weather, future precipitation, and snowmelt runoff.

For more detailed information, please visit our website at:

www.boiseproject.net

This press release is to further serve as notice to parents and children alike of the approaching hazards of water in the irrigation canals.

If you have any questions, please contact Bob Carter, Project Manager, at (208) 344-1141.

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