



Mateusz Perkowski/Capital Press

Logs are stacked in preparation for processing at the Freres Lumber plywood mill in Lyons, Ore.

# SOUTHERN TIMBER STEALS NORTHWEST THUNDER

By MATEUSZ PERKOWSKI  
Capital Press

**R**OSEBURG, Ore. — The timber industry may be synonymous with the Northwest in the popular imagination, but the economic reality is the industry's center of gravity has quietly shifted to the South. The region's wood products manufacturing sector has been losing market share to the U.S. Southeast for years and it's not expected to recover its momentum in the foreseeable future. Its thunder has been stolen by the South's abundant timber supplies and looser environmental regulations, which have fueled a boom in new production facilities.



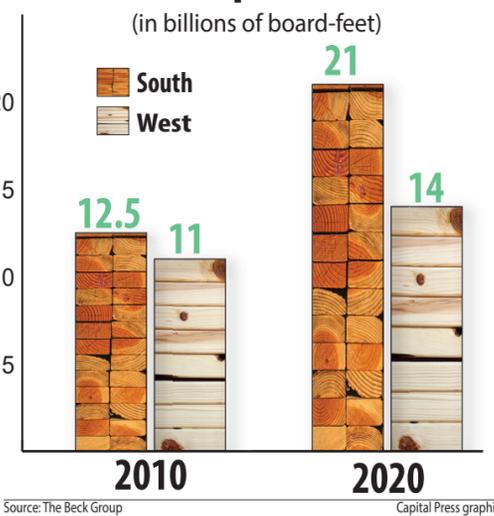
Eric Geyer

“If you know the demand is in the Southeast and the supply is in the Southeast, it's logical that's where you'd build your capacity,” said Eric Geyer, strategic business development director for Roseburg Forest Products. “Without any more fiber supply, the Northwest's growth is stagnant or declining slightly. It will mirror the available fiber.” Roseburg Forest Products was founded in Oregon more than 85 years ago but five of its 13 mills

are now in the Southeast, where it began investing about 15 years ago. The company bought most of those facilities, as well as 200,000 acres of forestland, in just the past five years. “There's a value in diversification, both in products and in geography,” Geyer said. “Our customers are nationwide, so our facilities should be in all those locations.” The South has increased its lumber milling capacity by about 30% in five years, or about 5.5 billion board-feet, mostly by building new facilities but also by renovating older ones, according to the Beck Group, a timber industry consulting firm.

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## Lumber production



# Criminal background checks impede Oregon hemp planting



By MATEUSZ PERKOWSKI  
Capital Press

**C**ORVALLIS, Ore. — Criminal background checks have delayed hemp planting approvals in Oregon because state farm regulators haven't yet been able to fully access federal records. To obtain hemp-growing licenses, farmers must now undergo criminal history checks as part of the Oregon Department of Agriculture's new USDA-approved plan to regulate the crop. However, the agency is still wait-

ing for permission from the Federal Bureau of Investigation to tap into nationwide criminal records with the help of state police officials. Oregon farm regulators had expected the FBI to approve the request after 4-5 months, before this year's growing season began, said Lauren Henderson, ODA's deputy director. Instead, the process is still ongoing after about 9-10 months, which is now impeding farmers from getting their licenses and timely planting hemp, he said. “That's a big problem. We're in a

place where those who are trying to do the right thing are having a hard time doing the right thing,” Henderson said May 5 at the Oregon Board of Agriculture meeting in Corvallis, Ore. State police officials have access to the federal criminal database, which can retrieve nationwide records based on personal information as well as fingerprints, but they must obtain the FBI's permission to share it with the ODA, he said. The delay has convinced the ODA not to wait for the FBI's “gold standard” reports and to instead con-

duct state-level criminal background checks, he said. For federal data, the agency will rely on the USDA, which can access records but cannot run searches based on fingerprints. “Given the urgency for growers to plant, the ODA can no longer wait for full FBI approval,” Henderson said. Criminal background checks were not required for state hemp licenses before 2022 because the ODA was operating under an earlier federal program in which hemp was grown for research purposes. See Hemp, Page 11

# Nitrogen prices hit ceiling, drop on wholesale market

By MATEUSZ PERKOWSKI  
Capital Press

The unprecedented spike in nitrogen fertilizer prices that followed Russia's invasion of Ukraine appears to have hit its limit, but costs are expected to remain elevated. After reaching the record-breaking level of \$940 per short ton in late March, the price of urea has fallen to roughly \$650 per short ton in the U.S. wholesale market along the Gulf of Mexico.

That wholesale plunge hasn't done much good for Northwest farmers, since the product isn't reaching them due to railroad transportation problems, said Tom Wimmer, chief operating officer at Marion Ag Service, an Oregon farm supplier. “It hasn't affected us on the West Coast yet,” Wimmer said. “The price is still inflated over here.” Nitrogen prices have probably hit their ceiling, at least for now, but it's unlikely farmers will be eager to replenish their inventories with costs

still so high, he said. They're more likely to operate “hand-to-mouth” and buy only what they need, Wimmer said. “I think it's going to be a wait-and-see game.” In Oregon's Willamette Valley, demand for nitrogen is seasonally declining in grass seed — a large acreage crop — while the wet spring across the U.S. has dampened demand for urea, said Doug Kuenzi, agronomy division manager for the Pratum



Mateusz Perkowski/Capital Press  
Tom Wimmer, chief operating officer at Marion Ag Service, an Oregon farm supplier.

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