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Opinion

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Our View

Taylor is good choice to lead USDA trade effort

When Alexis Taylor was appointed director of the Oregon Department of Agriculture in 2016, we suspected that the next Democrat in the White House would ask the former head of USDA's Farm and Foreign Agricultural Services branch back to serve in Washington.

Last week, President Biden nominated Taylor to be USDA's undersecretary for trade and foreign agriculture affairs, the department's top trade official. He has made a fine choice.

Alexis Taylor

In her new role, Taylor will be responsible for overseeing international negotiations related to agricultural trade, developing USDA's trade policy, facilitating foreign market access and promoting U.S. agriculture.

Taylor grew up on her family's farm in Iowa. After a stint in the Army, Taylor worked as a congressional staffer who specialized in farm policy. At USDA, she spent years traveling the world in that role, looking for ways to open new markets and improve the competitive position of U.S. farm goods in the global marketplace.

When she first came to Oregon, some in the ag community were anxious to see how an Iowan raised in corn and soybean country would acclimate to the state's diverse and specialized farm and ranch industry. Quite well, it turned out.

She made a point during her first year to get to every county and see the width and breadth of Oregon agriculture first hand. She built a lot of bridges and won over many with her commonsense approach to the issues.

So much of what is grown here is destined to be consumed elsewhere. With that in mind, Taylor has been a tireless advocate for Oregon farm products abroad.

Farmers and ranchers throughout the Pacific Northwest will benefit from having someone familiar with the broad range of crops produced in the region in the top USDA trade job. We are sure that Taylor will do an excellent job in that role.

Our View

Getty Images

The Surface Transportation Board is requiring railroads to come up with recovery plans because of their poor performance.

Railroads need to do better

It's been a rough couple of years for ag shippers. Truck and driver shortages, port delays in the U.S. and Asia and spotty service from railroads. The list goes on.

Except for one thing. While the supply chain has always been subject to longshore union slowdowns or other factors, the ability of railroads to provide adequate, on-time and consistent service had been suspect long before the COVID pandemic or other supply chain problems happened.

This year, an American Farm Bureau analysis showed the seven Class I railroads, which handle 94% of the nation's freight, had 137,000 unfilled orders for grain cars in the first three months of this year.

This is not an isolated incident. In the first three months of last year, 93,000 orders were unfilled and other orders were 11 or more days overdue, resulting in lost contracts, flour and feed mill closures and other fallout, according to the analysis.

That's not all. The railroads' performance is so inconsistent that some customers can count on them only to be late.

"If our expectation is that they're 10 days late, but they're consistently 10 days late, we can plan," Paul Katovich, general manager of Highline Grain Growers in Waterville, Wash., told Capital Press reporter Matthew Weaver. "If we think it's going to be 10 days late, but then it's 40 days late, that's a big problem."

You bet it is.

Berkshire Hathaway, a rich conglomerate that owns PacifiCorp, Geico Insurance and a bushel basket of other corporations, bought BNSF Railway — then known as Burlington Northern Santa Fe Corp. — in 2009 for $44 billion. At the time, it was Berkshire's largest acquisition, but within five years the railroad's profits had more than covered the cost of the purchase, according to a Business Insider article headlined, "Warren Buffett Made A Deal In 2009 That Was So Good You Could Say He Stole It."

Berkshire is managed by Buffett, one of the richest men on the planet. Early on, he spoke at length about investing billions of dollars in BNSF to improve it.

However, in his annual letter to Berkshire shareholders in 2018, he conceded that he and his managers had come up short.

"During the year, BNSF disappointed many of its customers," the Berkshire CEO wrote. "These shippers depend on us, and service failures can badly hurt their businesses."

Now, four years later, it's the same old story, even as BNSF continues to rack up profits as one of Berkshire's cash cows.

Last year, BNSF had net income of almost $6 billion. To its credit, BNSF plans to spend $3.55 billion this year on maintenance and upgrades.

But what about other railroads? Union Pacific also serves much of the West. A publicly traded company, Union Pacific reported net revenue last year of $6.5 billion. It also spent $7.3 billion to buy back shares from investors, according to Zacks Equity Research.

At the same time, railroads have cut their payrolls "to the barebones in order to reduce costs," according to Martin Oberman, chairman of the Surface Transportation Board, the federal agency investigating the performance of the nation's railroads. That's 45,000 employees laid off in the past four years, or 29% of the total workforce.

While both BNSF and Union Pacific have been investing in improvements, they still fall short of providing adequate, on-time service.

The Surface Transportation Board, which oversees railroads, has a big job on its hands.

It not only has to coax well-heeled railroads to do a better job serving their customers, but it has to make up for the years in the past the board itself let service deteriorate.

At stake is the U.S. economy as a whole — and the financial well-being of every farmer, rancher and food processor in the nation.

READERS' VIEW

There's more to wolf stories

Recent coverage on the wolf/cattle situation in Wallowa County, Ore., omitted significant facts.

It failed to mention that taxpayers compensate ranchers for confirmed and probable losses at full fall market value, and for confirmed and probable injuries.

It failed to mention that taxpayers pay ranchers for extra work in protecting their stock. This year some ranchers will be paid directly to do their own range-riding, but taxpayers also pay for hired range-riders. Last year one rancher received $11,713 from taxpayers for extra work and was the primary beneficiary of $5,000 paid by a conservation group for range-riders. Oregonians also pony up for nonlethal tools and equipment, including ATVs.

Oregon wolves are not a non-native species and were not introduced to Oregon. They came on their own from Idaho and are the same species as those exterminated in Oregon.

There's an ethical side to the wolf issue. Thousands of wolves were shot, trapped, poisoned, strangled, and bludgeoned by livestock producers and their agents until extinct in Oregon. This savagery lasted 100 years and continues today. The landscape was denuded of an apex predator and cattle proliferated at great cost to the environment.

The cattle are bred for weight and lack horns and the physical agility for defense against predators. They are wolf bait. Especially on public land, common breeds should be replaced by horned, agile cattle such as Corrientes, a successful commercial breed. Putting wolf bait out on public land and then killing wolves for eating it is a crime.

Wolves are due thousands of cows (and sheep) in compensation for the thousands of slaughtered wolves. In expiation of their sin, livestock producers should themselves bear the cost of compensation. The Oregon and national cattlemen's associations should collect funds from their own members for their own compensation fund. Taxpayers should not be responsible.

Wally Sykes
Joseph, Ore.

SEC overreach could put family farms at risk

Over 2 million farms dot our nation's landscape, across all 50 states and in territories like Puerto Rico. You can find farmers and ranchers raising nearly every type of crop and livestock to keep our nation fed. You can find us serving our neighbors and communities and employing the latest innovations to improve sustainability.

But there's one place you will not find us, and that is on Wall Street. So why is the Securities and Exchange Commission about to grant itself authority to functionally regulate our family farms and ranches, when in fact we have never been under the SEC's authority? It's an alarming question, and one we are facing head-on right now.

GUEST VIEW

Zippy Duvall

A little background here — recently the SEC proposed a new rule, "The Enhancement and Standardization of Climate Related Disclosures for Investors," which would require publicly traded companies to provide climate-related information from their entire value chain in their filings and annual reports. This would mean that businesses not owned or controlled by the public company would fall under these extensive reporting requirements. As farmers and ranchers know, there are few products in the supply chain that don't trace their beginnings back to a farm or ranch. And those farm and ranch products already face extensive regulations at the local, state and federal level. With this rule, it is likely the reporting requirements would pile on farms and ranches of all sizes and could even force farmers and ranchers to disclose personal information and farm business data.

This is overreach — plain and simple — by a federal agency that was never designed or intended to regulate farms. What's more the entire action lacked transparency and oversight. The SEC released its proposed rule, all 510 pages of it, with initially just 39 days for public review and comment. The American Farm Bureau joined with 119 other agriculture organizations in calling the SEC to extend its comment period to allow time for meaningful public review and input. Just recently, the SEC announced an extension for public comment until June 17.

The fact that the SEC budged at all on the comment period is a testament to the importance of standing together across the agriculture community to make our voices heard.

It is difficult to fully grasp the far-reaching impact of this rule, but it will no doubt place many American farms and ranches at risk — 98% of which are family businesses. Unlike the large corporations currently regulated by the SEC, family farms and ranches don't have teams of compliance officers. Onerous reporting requirements could disqualify small, family-owned farms from doing business with public companies, or companies that supply those value chains.

The SEC's rule could place a greater strain on our food system at a critical time and lead to further consolidation of agriculture as family farms and ranches lack the resources to meet requirements designed for major corporations.

Finally, the rule undermines decades of sustainability efforts and achievements by America's farmers and ranchers who have led the world in reducing agricultural emissions and adopting practices that improve soil health and water quality.

Farm Bureau and our partners across agriculture will continue to engage with the SEC, and our representatives on Capitol Hill, to urge the agency to take into account the burden they are placing on farmers and ranchers, who are critical to the value chain, our economy and our nation's food security.

We also encourage you to join in making your voices heard on how this rule will affect your farm or ranch. Together, we can stand strong to protect our nation's sustainable food, fiber and renewable fuel supply.

Zippy Duvall is president of the American Farm Bureau Federation.