Meadowfoam growers bring processing in-house

By MATEUSZ PERKOWSKI
Capital Press

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Meadowfoam grows in Oregon's Willamette Valley. Growers have invested in a new meadowfoam processing facility.

Mateusz Perkowski/Capital Press

Charles Ortiz, field operations manager for the Oregon Meadfoam Growers cooperative, with bags of meadfoam oilseeds that are ready for processing.

SALEM — Oregon meadowfoam growers have begun extracting oil from the seed crop themselves with a new processing facility that's intended to make them more self-sufficient.

"Eventually, we got to the scale where there's money to be made by bringing manufacturing in-house," said Mike Martinez, CEO of the Oregon Meadowfoam Growers cooperative. "It's the next logical step."

The cooperative has already moved into the new 15,000-square-foot facility in Salem, Ore., and expects to fully complete the $2.5 million project before the new meadowfoam crop is harvested this summer.

Farmers in the cooperative have outsourced processing of meadowfoam seeds, whose oil is used in cosmetics, since the organization formed in the 1980s.

"Everything historically was contracted out," Martinez said.

However, that approach was risky because the meadowfoam seeds were handled by food processors who typically extract oil from crops at a much larger scale.

When the entire Oregon meadowfoam crop is processed in a few days by large machinery, any malfunction has the potential to damage a substantial portion of the state's output, Martinez said.

"It's a lot less risky from our perspective to have a fixed asset where we're processing three-quarters of the year," he said.

Under the previous out-sourcing approach, the cooperative was unable to finish processing the crop until early in the year following harvest, he said. It took time to consolidate and ship the meadowfoam seeds to a facility in California.

Now, the cooperative expects that it will begin processing soon after farmers deliver meadowfoam seeds in late July, which also reduces the time they spend waiting for payment.

"You can get cash cycled back to the grower faster," Martinez said.

Last year, the cooperative's marketing arm, Natural Plant Products, saw its sales grow 25% over the previous year due to increased spending on cosmetics during the coronavirus pandemic, which reduced spending on services, he said.

That upward growth trajectory won't likely remain as steep but the cooperative expects to keep the customers it gained in 2021, Martinez said. "You don't land a whale every year."

Meadowfoam seeds will fetch 70 cents per pound for the 2022 crop, up from 65 cents per pound last year, he said. The price has remained largely flat for the past decade but yields have risen from roughly 700 pounds to 1,000 pounds per acre as farmers refined agronomic practices.

Acreage has likewise been stable at about 5,000 to 6,000 acres in Oregon's Willamette Valley in recent years, though the cooperative bumped up production to 7,000 acres last year to build an inventory for the change in manufacturing methods.

While meadowfoam prices haven't been enough for farmers to "drool over," the crop generates a profit and serves as a valuable rotation for grass seed, Martinez said.

Due to reduced costs for fertilizer and chemicals, meadowfoam is also a low-input crop for grass seed farmers, said Charles Ortiz, the cooperative's field operations manager.

"It's a simple crop to grow," he said.

A big advantage is that meadowfoam is a broadleaf crop, which expands options for herbicides, he said. Grass weeds can be controlled in it with older chemistry that is less expensive.

"There are some chronic grass weeds that meadowfoam helps break the cycle of," Ortiz said. "You have to break the biological cycle for them."

Killing grass weeds within grass seed crops requires specialized herbicide formulations that are costlier than those that work in a broadleaf crop such as meadowfoam, he said.

"New means expensive in the chemical world because somebody's got to make their money back for the research," Ortiz said.

The cooperative has recently seen its fortunes improve after experiencing economic volatility in the early 2000s, when an oversupply brought acreage down to nominal levels.

A distributor for meadowfoam oil over-contracted for the crop in the late 1990s, placing much larger orders than the demand would justify. The resulting oversupply prompted the cooperative to largely cease growing the crop aside from research purposes between 2000 and 2006.

"It was way out of balance," Martinez said.

Mateusz Perkowski/Capital Press

Carissa Cook, development director for Willamette Valley Vineyards, enjoys a glass of wine at the company's new restaurant in Lake Oswego, Ore.

Oregon winery expands into restaurant business

By MATEUSZ PERKOWSKI
Capital Press

LAKE OSWEGO, Ore. — Wine is often intended to enhance the flavor of food, but Willamette Valley Vineyards wants to prove the inverse is also true at its new off-site restaurants.

"The food is there to highlight the wine and showcase the wine," said Carissa Cook, the Oregon-based company's development director. "The food will be a support to the wine."

The company recently opened the first restaurant in Lake Oswego, Ore., and plans to open two more this year, in Vancouver, Wash., and Happy Valley, Ore. A fourth restaurant is planned for next year in Bend, Ore.

Jim Bernau, the winery's president and CEO, does not plan to stop there, ultimately aiming for 50 locations, Cook said. "He wants them all over the country eventually."

Food is already served at a full restaurant at the company's headquarters near Salem, Ore., where its impact was big enough to help spur the broader investment in offsite eateries.

"We found the customers stay a little longer and spend a little more when there's a food component," Cook said. "They're doing that because they form a connection with this wine."

Memorable food experiences while people sip Willamette Valley Vineyards wines are expected to strengthen the company's brand, but the restaurants are meant to substantially boost its revenue as well.

Each location is projected to generate more than $2 million in wine and food sales, including the bottles that customers buy to take home.

Last year, the publicly traded company had nearly $32 million in revenues, so if the four initial restaurants perform as planned, they'd increase sales by roughly 25%.

"We definitely expect significant bottle sales through here," Cook said. "We expect to be hitting revenue with the restaurants."

Restaurant visits are also expected to provide a longer-term sales lift, with each location projected to generate 600 wine club memberships a year. Club members are generally more loyal to the brand and buy more wine.

The restaurants will also feature a selection of beers and cocktails for non-wine drinkers, but will only sell wines produced by Willamette Valley Vineyards, seasonally highlighting varietals from across the state.

"It's a chance to showcase the wines' full potential," Cook said. "This is really trying to create a brand experience."

To emphasize wine sales, the restaurants will charge for glasses and bottles at the same price point as at the winery.

A glass of wine typically costs about four times more when purchased at a restaurant, so the savings for customers will be considerable, Cook said.

"We're not doing a restaurant markup," she said, noting that higher restaurant prices can discourage wine consumption with restaurant meals. "It's hard when you know you can go to the grocery store and get the wine cheaper."

Wine club members get 20% off the price of wines, while the company's shareholders get a 25% discount. Both are given priority for reservations.

"Owners get the top echelon of perks," Cook said. "We want to be sure they feel good about their investment."

The restaurant locations were influenced by where the company's shareholders live and the level of interest in food and wine experiences in the neighborhoods, she said.

R-CALF loses case over eartags

By CAROL RYAN DUMAS
Capital Press

RFID ear tags on a cow.

Ranchers have lost their appeal in a case against USDA that alleges the agency violated the Federal Advisory Committee Act, or FACA, in its effort to mandate radio frequency identification eartags.

Identification is required on all adult cattle and bison entering into interstate commerce. But current law gives producers flexibility in deciding which type of identification to use, including low-cost metal eartags.

R-CALF USA has strongly opposed a mandate for the exclusive use of RFID, saying it would be costly and burdensome to producers and a case of government overreach to benefit RFID eartag manufacturers.

The 10th U.S. Circuit Court of Appeals in Wyoming on Friday ruled against R-CALF and four independent ranchers in their appeal of a federal judge's dismissal of their amended lawsuit in May 2021.

The amended lawsuit sought to prohibit USDA Animal and Plant Health Inspection Service from using the work product of two committees allegedly formed in violation of the advisory committee act should the agency proceed with future efforts to mandate RFID tags.

R-CALF contended the committees consisted of RFID manufacturers and other advocates and alleged they pursued the precise agenda dictated to them by APHIS.

In her 2021 dismissal, U.S. District Judge Nancy Freudenthal ruled APHIS did not form or select the membership of the Cattle Traceability Working Group and the Producer Traceability Council and did not exercise management or control over the operations of either. Therefore, APHIS is free to use whatever work product it obtained from the committees.

The appeals court last week agreed.

"We agree with the district court that there is no basis to conclude that defendants either established or utilized the (working group or the council) within the meaning of FACA," the court said in its decision.

APHIS employees supposedly calling for the creation of an industry-led task force does not prove defendants actually established either group. The evidence in the record quite clearly indicates that both groups were formed and composed of industry leaders, the court said.

"Consequently, we reject plaintiffs' requests to direct the entry of judgment in their favor. Instead we affirm the district court's decision in its entirety," the court said.

"We are disappointed but not surprised that the appellate court would not rein in the USDA's action of establishing and utilizing handpicked committees to assist it in crafting public policy outside the public's view," said Bill Bullard, R-CALF CEO.

R-CALF has litigated the case for nearly three years, but it is over and R-CALF is now focusing on the USDA's new RFID rulemaking effort. USDA has submitted a proposed mandatory RFID rule to the White House Office of Management and Budget, he said.

Fish and Game gains ground on crop depredation in south-central Idaho

By BRAD CARLSON
Capital Press

Idaho Department of Fish and Game staffers say crop destruction by elk, as reflected in depredation claim spending, has dropped substantially in the south-central region.

Claims paid to landowners in the region last summer totaled about $215,000, the lowest in six years, compared to $543,000 in the summer of 2020, said Terry Thompson, a regional spokesman for the department. Claims totaled 11 last summer, down from 16.

Managers aim to build on the success by honing techniques developed in the past few years.

John Guthrie, regional habitat biologist and former longtime landowner-sportsman coordinator, led a field study of depredation-reduction tactics in 2018 and 2019.

"We have been implementing these in a management sense," he said. "We are starting to see success."

Recently, more elk stayed out of fields where Fish and Game used a tall, temporary version of electric fencing. They also stayed away or left in response to propane cannons or shotgun shells that fire a noisy, firecracker-like projectile. Radio collar data help managers track movement.

Guthrie said the study proved the electric fencing effective at creating "more of a psychological barrier for elk" but was not immediately embraced by landowners. The approach has gained acceptance in the last two years among landowners.

The electric fence is installed on top of typical rangeland pasture fence posts. Polyvinyl chloride tubes, equipped with electrified wire, are then slid over the top of fence posts, making them 2 to 3 feet taller. He said the PVC is quick and easy to install and remove.

"The lift has really been by private landowners being willing to accept and engage in those tools," Guthrie said.

Mike McDonald, regional wildlife manager in Twin Falls, said about 40% of the region's damage claims involve elk getting into corn. The region is a major corn producer, and the depredation claims can be expensive.

"One issue we continue to wrestle with is elk in standing corn," he said.

Guthrie said the number of corn-related claims has stayed about steady in the region since 2017, but locations have varied as landowners and wildlife managers reduce depredation in one area, and then see new pressure in another.

Crop depredation by elk is more common south of Interstate 84 and the Snake River, he said.

"Those new depredations are probably occurring because we have slightly growing elk populations in those areas, but I would venture to say they are as much or more based on changes in ag practices" like growing more corn, Guthrie said.

Aside from deterrence, hazing and other non-lethal methods, the department can lethally remove the animals using public depredation hunts and landowner kill permits.

Guthrie said the Fish and Game Commission has been proactive in adjusting public hunting seasons and tag allocations to the region's elk population where it is higher than the landscape can support.

Thompson said that in the Pioneer and Smoky-Bennett zones, which encompass several big-game management units, more tags were issued for antlerless elk in 2019-20, resulting in elk populations falling to within management targets.