



Don Jenkins/Capital Press File

A Foster Farms processing plant.

Foster Farms has 'no plans' to reopen Oregon chicken plant

By **GEORGE PLAVEN**
Capital Press

CRESWELL, Ore. — Officials at Foster Farms say the poultry company has no plans to reopen its shuttered chicken processing plant here, despite applying with state regulators to renew the facility's wastewater management permit.

The Oregon Department of Environmental Quality intends to reissue the permit, which was last issued in 2015. It allows the plant to discharge treated wastewater into an unnamed tributary of Camas Swale Creek in the Willamette River watershed.

However, Foster Farms has not operated the 35,000-square-foot plant since 2006 and has "no plans to do so in the immediate future," according to a company statement.

Jason Gentemann, Pacific Northwest Division manager for Foster Farms, said the permit outlines what practices and improvements to infrastructure would be needed to maintain environmental compliance if the plant ever does reopen.

"Having an operation that, even though it is old and shut down, you're probably going to choose to at least keep it permitted and make sure on paper it's compliant and up to snuff," Gentemann explained.

The permit renewal also coincides with three new proposed chicken farms in the Mid-Willamette Valley that would raise millions of birds every year for Foster Farms. Opponents are fighting the projects, arguing they will endanger public health and safety in local communities.

Gentemann said there is no correlation between those developments and the Creswell permit.

"This is a completely separate situation," he said. "It has no connection whatsoever to the fact that we're building new chicken barns in the state of Oregon. It just happened to be coincidental timing."

Creswell plant

At its peak, the Creswell plant processed roughly 7 million broiler chickens per year, producing 29.5 million pounds of meat.

Foster Farms bought the site in 1987, and for over a decade it was the primary processor for all of the company's chickens raised in Oregon, Gentemann said.

Then in 1998, Foster Farms built a newer,

HOW TO COMMENT

Comments for the proposed water quality permit renewal at Foster Farms' Creswell processing plant may be submitted by mail, fax or email to Trinh Hansen, DEQ water quality permit coordinator, at 4026 Fairview Industrial Drive SE, Salem, OR 97302, or trinh.hansen@deq.oregon.gov.

The deadline for comments is 5 p.m. Thursday, Aug. 4.

larger chicken processing plant in Kelso, Wash. The Creswell plant continued to operate at a reduced capacity until 2006, when the decision was made to shut it down and send everything to Kelso, Gentemann said.

The DEQ water quality permit allows the plant to discharge wastewater between Nov. 1 and April 30. During the summer, wastewater would be used for sprinkler irrigation.

The permit regulates several pollutants, including E. coli, chlorine, pH, oil, grease and total suspended solids left over from processing.

Before operations at the plant could resume, Foster Farms would be required to submit an updated engineering report evaluating the facility's wastewater infrastructure.

"The study must systematically evaluate the entire wastewater system and the ability to operate as designed and not create nuisance conditions or odor problems, while consistently meeting the required waste discharge limits," the permit states.

Foster Farms would also have to develop a wastewater irrigation plan, approved by DEQ.

A public comment period for the Creswell facility's permit is now underway, ending Aug. 4. DEQ says it will schedule a public hearing if it receives written requests from at least 10 people, or from an organization representing at least 10 people.

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9th Circuit rejects arguments against farming in Klamath wildlife refuges

By **MATEUSZ PERKOWSKI**
Capital Press

A federal appeals court has rejected claims that irrigation, pesticides and grazing in several Klamath Basin national wildlife refuges are managed in violation of environmental laws.

The 9th U.S. Circuit Court of Appeals has also dismissed arguments by farm representatives that agriculture is too strictly regulated in the Klamath Basin National Wildlife Refuge Complex.

Last year, a federal judge threw out multiple lawsuits filed in 2017 against a "comprehensive conservation plan" for five refuges within the complex, which straddles the Oregon-California border.

A unanimous panel of three 9th Circuit judges has now upheld that decision, ruling that the Fish and Wildlife Service's plan complies with all the laws governing the 200,000-acre refuge complex.

"Given the extensive evidence in the record supporting the choices made by the Service, the panel saw nothing that authorized us, as the reviewing court, to make different choices," the 9th Circuit said.

More than 20,000 acres in two of the refuges are leased for crop cultivation, which environmental advocates complained is prioritized over wildlife habitat.

The 9th Circuit has disagreed with that argument, ruling that the Fish and Wildlife Service's plan struck the appropriate balance between agriculture and wildfowl management as required by refuge management statutes.

Environmental advocates also claimed the federal government violated



Holly Dilleuth/For the Capital Press

Standing grain is left for migrating birds in the Klamath Basin National Wildlife Refuge Complex. The 9th U.S. Circuit Court of Appeals has rejected several lawsuits over farming in the refuge complex.

the National Environmental Policy Act by failing to consider scaling back agricultural leases on refuge lands.

However, the agency properly explained that it didn't consider this option because farming helps waterfowl populations by providing them with food, the 9th Circuit said.

Also, reducing farmed acreage in the refuges would not make more water available for wetlands, since it would instead go to more senior irrigators elsewhere, the ruling said.

In developing the management plan, the Fish and Wildlife Service was "constrained by a complex system of water rights that is largely beyond its control," the 9th Circuit said.

The government's rules for pesticide spraying also came under fire from environmental advocates, who claimed the govern-

ment should have evaluated heightened chemical restrictions.

The 9th Circuit has found that argument "unavailing," since the Fish and Wildlife Service reasonably decided that further restricting pesticide usage wasn't feasible, the 9th Circuit said.

"FWS adequately explained that some amount of pesticide use was necessary on the Refuges to ensure sufficient crop production, on which Refuge waterfowl now depend," the ruling said.

Similarly, the government didn't have to evaluate livestock curtailments in one of the refuges, since it considers grazing necessary to control weed species and promote sage grouse habitat, the 9th Circuit said.

"Overall, FWS concluded that the negative effects of the limited, managed grazing program on sage-grouse

were outweighed by the positive effects of the program," the ruling said.

While most objections to the refuge management plan centered on environmental concerns, restrictions on crop production were also challenged by several farms and agricultural organizations.

These plaintiffs claimed the management plan violated federal laws by increasing the acreage devoted to wetlands and unharvested grain, among other requirements.

The 9th Circuit disagreed that farming is "automatically consistent" with proper waterfowl management and thus limits on agriculture are unauthorized.

Federal refuge management statutes "unambiguously prioritize" wildlife over agriculture, which must be consistent with waterfowl objectives, the ruling said.

CoBank: Supply chains still fractured

By **CAROL RYAN DUMAS**
Capital Press

While easing of supply-chain bottlenecks and overall improvements in U.S. logistics have grabbed headlines over the last quarter, CoBank analysts are less impressed with the progress made to date.

"Supply-chain improvements have been much more modest than the headlines suggest. And there is no fast lane ahead," said Dan Kowalski, vice president of CoBank's Knowledge Exchange.

"While commodity prices have declined meaningfully and lineups at California ports have shortened, supply chains are broadly still mired in dysfunction," he said in the latest "CoBank Quarterly" report.

Various metrics indicate supply-chain performance has improved, both domestically and globally. But that improvement is due to fewer and faster export shipments from China due to COVID lockdowns there and slightly lower transportation price inflation, he said.

"The latest data show that warehouse and inventory costs are still rising at near-peak levels, and transportation costs are still rising at a much higher rate than before the pandemic," he said.

Agricultural supply chains reflect this marginal and inconsistent improvement as well. Grain rail car availability was at a multi-year low and prices were at highs in Q2 and improved only recently. But those recent savings in rail rates

have been partially offset by a dramatic increase in fuel surcharges, he said.

Grain export vessel rates are also flirting with multi-year highs. And despite efforts to improve agriculture's access to vessels returning to Asia from California, the share of vessels leaving port empty was still 70% in Q1, the latest available data, he said.

Truck rates have shown the most consistent decline, but are still far above pre-pandemic levels. Truck availability, however, is markedly improved, he said.

"We do expect that as consumer purchases of goods continues to soften, supply chains will slowly recover," he said.

If the oncoming recession in Europe is a harbinger of things to come in the U.S.,

the decline in demand for goods will accelerate, further enabling supply chains to heal. But labor constraints will continue to hamper the recovery either way, making the return to an efficient supply chain agonizingly slow, he said.

Despite financial markets' all-consuming focus on inflation, the U.S. economy continues to advance. Labor markets are strong and consumers are still spending. Price inflation is still raging but a sag in commodity prices is raising hopes of smaller price increases, he said.

For now, though, the Federal Reserve is poised to raise rates until it believes inflation has been tamed. The Fed is now singularly focused on price stability, and that is elevating the

risk to economic growth, he said.

"The drop in commodity prices and recent bond yield inversions are sending up red flags about slowing economic activity and a potential oncoming recession," he said.

Monetary policy is not a perfect science and the "softish" landing that the Fed desires will be a difficult needle to thread. Most economists are now projecting a better-than-even chance that the U.S. will be in recession by mid-2023, he said.

"We echo those projections, and while agriculture and energy are likely to continue performing well due to the Ukraine conflict, several other sectors will slow in coming months, just as the Fed intends," he said.

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