

Business & Ag

Albertsons bids on local Haggen

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Of the 95 Haggen stores for sale at auction in Arizona, California, Nevada, Oregon, and Washington, Albertsons (Albertsons, LLC) submitted bids for 36 Haggen stores, including four located in Oregon—Ashland, Baker City, Eugene and Springfield.

Of the four, the property in Baker City received the largest baseline bid, \$300,000, followed by Ashland and Eugene, both at \$200,000, and Springfield at mere \$1.

Baker County lists the Baker City building’s value at \$2.8 million, \$3.4 million including the land on which it sits.

On January 30, AB Acquisition, LLC, the owner of Albertsons, LLC, merged with Safeway, Inc., acquiring all of Safeway’s outstanding shares. As a condition of the \$9.2 billion merger, the Federal Trade Commission (FTC) ordered Albertsons and Safeway to sell 168 stores (146 acquired by Haggen) in eight states, in order to avoid violating antitrust regulations by creating monopolies in 130 different markets, including Baker City.

This was the largest

FTC-ordered supermarket divestiture to date, according to the agency.

Haggen acquired the former Baker City Albertsons, converted it, and opened for business in mid-May this year. In all, Haggen grew from 18 stores with 16 pharmacies to 164 stores with 106 pharmacies, and from 2,000 employees to more than 10,000.

Albertsons sued Haggen for more than \$41 million in damages on July 17, 2015, claiming that Haggen owed Albertsons for unpaid inventory, and, in response, Haggen sued Albertsons for more than \$1 billion in damages on September 1, 2015, claiming that Albertsons engaged in efforts to eliminate competition, and made false representations to Haggen and the FTC.

That Albertsons has been allowed to purchase the local Haggen store has caused some confusion, since the FTC had originally ordered Albertsons to sell the store to Haggen, in order to break up what the agency saw as a monopoly with merged Albertsons and Safeway, which still resides directly across Campbell Street from the current Haggen store).

“I think it’s a really unfortunate circumstance that the federal government (Federal Trade Commission, FTC) has, in typical form, decided we couldn’t have a monopoly with two stores, so, now, we have one (Safeway). The public will suffer with that. Lack of competition is not a good thing, and, Baker’s right on the cusp of being big enough to support two or more, or, maybe not. But, then, the economy here is pretty soft,” said Greg Sackos, who owns the ground where the building sits, but in a contract arrangement, leases the building to Haggen through a company he manages, BTI II, LLC.

“I think that the FTC was in error when they made them—I don’t think they thought about—you know, if you get rid of four grocery stores in Las Vegas, Nevada, that’s a whole lot different than getting rid of a store in Baker City, Oregon. La Grande supports two very well. I would hate to see our people have to go to La Grande for buying food, basic items. I think that Haggen (Haggen Holdings, LLC), who’s controlled by Comvest (Comvest Haggen Holdings III, LLC, Comvest

Haggen Holdings IV, LLC, and HHI Corp.), had this thing set up for failure. I think it’s inappropriate that Haggen has some of their entities in bankruptcy on the operating side, and they’ve got some of their companies on the property ownership side not into bankruptcy. It makes me wonder how that can even be.”

Sackos made a reference to bankruptcy documents which indicate, for example, that Haggen, Inc., Haggen Opco North, LLC, and Haggen Opco South, LLC are all listed as co-debtors, and Haggen Property South, LLC and Haggen Property North, LLC are listed as creditors, at the same Bellingham, Washington address.

“I’m angry about what’s happening. I think it’s horrible, and, I hope that ultimately, they discover who is profiting by this. So, you can thank Albertsons, in part. I think they’re complicit in this, as well. They went along with the program, and, who knows,” Sackos said.

Haggen is slated for closure sometime this month. Areas of the store, such as the periodicals and pharmacy have already closed down within the store.

— WEEKLY HAY REPORT —

Friday, November 6, 2015 — Eastern Oregon

Prices trended generally steady compared to week ago prices. Export sales have picked up slightly. Retail/Stable demand for all types of hay from Crook, Deschutes, Jefferson, Wasco counties continues to be good. Many producers have decided to hold on to their hay for now, in hopes for higher prices. Snow has hit some of the hay producing areas.

Tons	Price Range	Wtd Avg
Alfalfa — Large Square, Supreme	100 235.00-235.00	235.00
Alfalfa — Small Square, Premium	50 215.00-215.00	215.00
Alfalfa / Orchard Mix — Small Square, Premium	50 215.00-215.00	215.00
Alfalfa / Orchard Mix — Small Square, Premium	40 200.00-200.00	200.00

USDA Market News Service—AMS.USDA.gov

— CATTLE MARKET REPORT —

Wednesday, November 4, 2015
Vale, Oregon

Cattle sold through the auction: 1,676

Steer Calves	
300-400#	Bulk 274.00 - 306.00 Top 315.00
400-500#	Bulk 203.00 - 258.00 Top 265.00
500-600#	Bulk 188.00 - 217.00 Top 218.50
Heifer Calves	
300-400#	Bulk 221.00 - 254.00 Top 263.00
400-500#	Bulk 173.00 - 196.00 Top 199.00
500-600#	Bulk 171.00 - 194.00 Top 195.00
Yearling Steers	
600-700#	Bulk 161.00 - 190.00 Top 193.50
700-800#	Bulk 151.00 - 179.00 Top 183.50
800-900#	Bulk 151.00 - 163.00 Top 164.00
900-1,000#	Bulk 143.00 - 150.00 Top 152.00

Yearling Heifers	
600-700#	Bulk 159.00 - 179.00 Top 183.75
700-800#	Bulk 153.00 - 172.00 Top 176.00
800-900#	Bulk 141.00 - 150.00 Top 152.00
900-1,000#	Bulk 129.00 - 147.00 Top 148.00

Thin Shelly Cows	40.00 - 64.00
Butcher Cows	66.00 - 75.00
Butcher Bulls	78.00 - 94.00
Stock Cows Yng.	1375.00 - 1625.00
Younger Hfrts.	112.00 - 138.00
Stock Cows Older.	980.00 - 1375.00

ProducersLivestock.com
541-473-3136

— LOG PRICE REPORT —

Price per 1,000 board feet: Northeast Oregon

Doug Fir is	\$415.00/mbf
White fir is	\$365.00/mbf
Ponderosa Pine is brought sold on diameter splits	
6 to 11 inch dib	\$300 to \$310/MBF
12 to 17 inch dib	\$350 to \$375/MBF
18 to 23 inch dib	\$400 to \$430/MBF
24 inch plus dib	\$450 to \$500/MBF
DIB is diameter inside bark at small end of log.	
MBF is thousand board feet lumber, net scale.	
People interested in selling logs should call and get specific quotes from saw mills.	

Courtesy of Arvid Andersen, Andersen Forestry Consulting

— PRECIOUS METALS REPORT —

Price per ounce, USD
Gold: \$1,087.60
Silver: \$14.37
Platinum: \$900.80
Palladium: \$598.50
Bloomberg.com

— AG COMMODITIES —

Corn: \$359.00/bu/USD
Wheat: \$490.75/bu/USD
Soybeans: \$855.50/bu/USD
Oats: \$226.50 bu/USD
Rough Rice: \$11.88/cwt/USD
Canola: \$468.00 CAD/mwt
Live Cattle: \$129.30/lb./USD
Feeder Cattle: \$164.15/lb./USD
Lean Hogs: \$53.93/lb./USD
Bloomberg.com

USFS

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Harvey introduced Montoya, who explained, “We’re here to talk about the draft forest plan for the Blue Mountains Forest. That includes the Wallowa-Whitman National Forest, of course.”

He said that, while many were concerned about access, as Southworth explained, access wasn’t the sole focus of the meeting.

Montoya said, “It’s an umbrella document (the Forest Plan Revision) that guides how we’re going to move forward with management. It’s a vision of where we want desired conditions for resources out there, and helps to guide those site-specific projects that many of you are probably most concerned about... Our plan is from 1990, so, 25 years has gone past. So, it’s a little outdated... I hope you all agree that now’s the time to move on with our forest plan, and build something that works for you all, the public.”

Montoya went on to explain that he seeks solutions from the public regarding a better revision process, including better scientific data, and to put together a plan that works for everyone.

“I don’t always agree with the way road density is used, I’ll be honest with you,” Montoya said, addressing a topic that he said has caused concern among many individuals.

He stated conflicts with analyzing road densities and resources, and he said it oftentimes doesn’t make sense to him.

Addressing another issue, he’s heard the forest discussed as either in an “open” or “closed” state, and said, “Personally, I don’t think that kind of language paints the right

picture, folks. Your national forests have always been open.” Though, he said there will be continuing debate and issues regarding access for multiple uses.

On the topic of multiple uses, he said that handicapped access is also very important to him, but, “Legally speaking, an ATV is not a wheelchair, so, we simply cannot open every square mile of the national forests for ATVs, for disabled use.”

Montoya’s heard strong opposition to the requirement of designated routes, but, he has to follow guidelines he can’t himself change, he said.

He’s impressed with the passion individuals have shown at previous meetings, for the love of the forest system, and for the stewardship that’s also been displayed, he said.

Southworth handed the microphone to Wallowa County Commissioner Paul Castilleja. He said, “I think it’s important for all of us to know, that our forests are in bad shape... I think it’s time that we really take a really great look at what changes we want to have made, and, to make this happen...” He spoke about minimizing the time it takes to accomplish goals, about the devastation from wildfires and disease, and said, “I can honestly say that, everybody here is taking a stand. Now, I’m going to be asking the Forest Service, that it’s time for you to take a stand.”

Castilleja’s comments were followed by applause, which was to be repeated throughout the meeting, after each speaker.

Chuck Chase, Executive Director for the Eastern Oregon Mining Association (EOMA), said, “It’s a very key ingredient (open roads, including to mining resources). There’ve been too many closed roads in the Wallowa-Whitman. I’ve watched over the years—for the last 24 years—almost a

reverse of the open policy of public land...” He said, without process, arbitrary road closings have been implemented, followed by a “Here, here,” by an attendee.

Bobbie Danser, EOMA Treasurer, said, “I’d like to know, under that statute (unclear at the time), where does that enable you to designate routes, reduce road densities, obliterate roads, deny public access in any form, be it grazing, logging, mining, or other resource use. Give us the statute that you draw your authority from, for these heinous, anti-public actions that are being proposed.”

Montoya responded that, under the Travel Management Rule of 2005, the USFS isn’t required to close roads, but rather, designate routes, depending upon the different needs and uses. Danser said, “Rules are not statutes.”

Christina Witham, with the local off-road 4x4 group Locked & Loaded, spoke about the economic benefits regarding road access to the forest.

Baker County Commissioner and rancher Mark Bennett said, “We need to protect our working landscape, for multiple use. Not protect the landscape, but the working landscape. There’s a big difference there, if you think about that for a moment. We need to really value the community’s values, the customs of forest use, the culture, access, recreation. This puts together economic stability...It’s really said, when you look at what happened on Dooley Mountain...” Paraphrasing explorer John Wesley Powell’s report to the U.S. Congress, Bennett said, “The most important decision on the landscape will be made by the local population.”

Former Oregon Cattleman’s Association (OCA) President and land owner John Hayes said, “You can waste all the ink you want

to, push all the papers you want to, get everything going you want to do, but, until you get control of people like Oregon Natural Desert (Association, or ONDA)...and creeps like that, that are out to do nothing more than kill the food chain of America, and, they’ve done a good job.” He said he lost his Burnt River area ranch in 2005 because of lack of USFS support, issues with claimed Canadian lynx habitat, and Environmental Protection Agency (EPA) litigation.

Ron Carpenter mentioned in all the years he’s traveled throughout the forest system, he hasn’t seen USFS personnel pick up any road trash, stating, “As far as I’m concerned, you guys have got a long way to go to get my vote.”

Jan Alexander, EOMA Minerals Director, voiced issues with the USFS’s lack of partnership with Baker, Grant, Union, and Wallowa counties. She said, “We count. We’re important. But we sure don’t feel like it.”

Ken Alexander, EOMA President, talked about the history of the 1897 Organic Act and the 1905 Forest Transfer Act. He said, “...the decisions were supposed to be made by the local people, and the forest was supposed to be used, and not just locked away. It’s absolutely for the use and benefit of grazing, mining and logging, of the local people.”

Leo Castillo, radio host and member of the Baker County Chapter of Oathkeepers, while explaining he had no animosity toward USFS personnel, discussed issues with sustainability of the national forests, the positive effects of the defeat of the Travel Management Plan in 2012, and waking up and assuming control of local lands again, because federal control doesn’t work.

SEE USFS MEETING
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