

Small apple growers disappear as industry grows

Costs, labor, regulations take their toll

By DAN WHEAT
Capital Press

GRANDVIEW, Wash. — Concord grapes, part of his family's farm for 75 years, grow on one side of his driveway, but on the other they've been replaced with a year-old planting of the new state apple, Cosmic Crisp, which Frank Lyall sees as an investment in the future.

"The ConCORDS go to Welch's. They're hardly a high value crop anymore. People are taking them out," says Lyall, 60, who farms in the Lower Yakima Valley, where in 1915 his great grandfather began with prunes, hay and cattle.

There was a time when the Lyalls' operation, which now includes 450 acres near Grandview and Mattawa, would have been considered large. Today, it's small, and like so many other small growers in central Washington, Lyall looks at the mounting pressures that have knocked some of them out of business and wonders how long they will survive.

There's the shortage of labor and its increasing cost. The cost of mechanization. The growth of government regulations. Then there's the cost of replanting with new apple varieties, usually around \$30,000 per acre. Combined, they make the viability of small-scale tree fruit farms daunting.

Orchards shrink

The numbers are equally daunting. In 1925, 46,240 Washington state farms grew apples. By 2012, only 2,839 remained, according to the U.S. Census of Agriculture.

Lyall, who is president of the Yakima County Farm Bureau, believes some of the region's large tree fruit companies, which grow, pack and sell their own fruit in addition



Frank Lyall

Like many growers, Frank Lyall is investing in the new state apple, hoping for good returns.

to fruit from small independent growers like himself, would be just as happy if more small growers disappeared.

Some people share that view. Others dispute it.

"It's been said that yesterday's 60-acre grower is today's 600-acre grower and tomorrow's 6,000-acre grower," Lyall said.

Ever-thinning profit margins contribute to 4.3 percent fewer principal farm operators in the U.S. between the last two U.S. agricultural censuses of 2007 and 2012. The shrinkage was greater for Washington apple growers, whose ranks dropped 7 percent during that time.

"It's remarkable to me how many farmers have hundreds of acres or smaller and are going concerns but don't seem to have anyone in their families who want to take over when they retire," he said. He doesn't plan to retire. His brother, Charles Lyall, runs the farm in Mattawa. His nephew, Jim Lyall, works with him in Grandview.

Some 120 miles to the north in East Wenatchee, Susan Droz Rankin, 71, and her brother Paul Marker, 68, sold their small orchards, totaling about 16 acres, a few months ago because they wanted to retire, no one in their families wanted to farm and regulations, costs and a shortage of labor continued to erode profits.

"In 2005, we had people stopping in looking for work. In recent years, no one has. It's been a real struggle to find people, and we even increased our wages to higher than H-2A (foreign guestworker) piece and hourly rates," Rankin said.

Food safety paperwork is "overwhelming" and mechanization and variety replacement is too costly, she said. New pesticides that are softer on the environment have to be applied more often, adding more costs, she said.

"Farming used to be a lot of fun. The whole family got out and worked from dawn to dusk and enjoyed it, especially at harvest," Rankin said. "Now all these issues have taken some of the fun out of it."

About 135 miles farther north, near the U.S.-Canadian border town of Oroville, Dave Taber, owner-operator of 275 acres of tree fruit, said he has been questioning his survival for years, largely due to less labor availability and higher costs.

"Small growers have been in decline in most commodities. Lack of capital to modernize and the burden of regulations hits them hardest and discourages their children from taking over," said Desmond O'Rourke, a retired Washington State University agricultural economist.

'It's been said that yesterday's 60-acre grower is today's 600-acre grower and tomorrow's 6,000-acre grower.'

Frank Lyall,
farmer in the Lower Yakima Valley

"There are specialized niches where small growers can shine if they can get the capital. They can't make it on low-priced mainstream varieties," he said.

small family farmer and the co-op (grower-owned packing cooperative) model," Lyall said.

A different era

"It used to be a farm family was a basic unit of labor or production in a tree fruit operation. A man and wife and kids could run 30 to 60 acres and do most of the work themselves, hire help at harvest and make a living. It's become increasingly difficult to do that," Lyall said.

"Towns, once prosperous middle class communities on tree fruit, are now less than that. They're reliant on government assistance programs. There's a general decline in the social health of communities as we see more crime and social dysfunction. That's been the tragedy of the whole thing," he said.

The shift has impacted whole communities, he said.

"It use to be Wenatchee was the Apple Capital of the World and was a very attractive small city on the banks of the Columbia, a desirable place to live," Lyall said. "I would say the apple capital now is Mattawa, but no one wants to move to Mattawa. It's a town significantly below average income and socioeconomic levels."

Consolidation of retailers has forced the consolidation of the tree fruit industry and the new model is about a dozen large companies controlling around 80 percent of production and sales. Large companies are better equipped to deal with labor, mechanization and replanting costs and government regulations, but "it's coming at a large socio-economic

cost to the farming communities of Central Washington and it's a subject no one wants to touch with a 10-foot pole," Lyall said.

Regulations have always been the bane of small growers because they take the focus away from growing fruit and reduce nimbleness, he said.

Larger retailers favor food safety regulations but aren't willing to pass increased costs on to consumers, he said.

He credits President Donald Trump with rolling back regulations that, he says, grew the most under presidents Barack Obama and George W. Bush.

It's also ironic that big companies complain about outside investors driving up land prices even as they partner with them to buy more land and plant more trees to have enough fruit volume for new packing lines, making land unaffordable, causing overproduction and consolidation, he said.

Will small survive?

Will small apple growers someday be gone and a few large companies grow, pack and sell all the fruit?

Lyall says it's hard to know, and that it depends on what government and large buyers want, since they created the current economic model.

Michael Butler, CEO of Cascadia Capital, a Seattle investment bank, believes most small growers will eventually die out and six to eight large companies will remain. A few small growers will survive if they have a niche product and link up with a large company that can distribute their fruit, he said.

The best model, he said, is the large company growing, packing and selling mostly its own fruit with the remainder from small growers.

"We find a lot of mid-sized companies filling 30 percent of their volume with their own fruit and 70 percent with fruit of small growers. These companies are in the danger zone," Butler said.

Pilot House Distilling fined for not verifying age

The Daily Astorian

Astoria's Pilot House Distilling was fined by the Oregon Liquor Control Commis-

sion for failing to verify the age of a minor before allowing them to buy or be served an alcoholic beverage.

Pilot House will pay a

fine of \$1,485 or serve a nine-day liquor license suspension. The distillery is licensed to Lawrence Cary and Todd Shelton.

DEATHS

Feb. 22, 2018

JOHNSON, Marvin Leroy, 84, of Astoria, died in Wheeler. Caldwell's Luce-Layton Mor-

tuary of Astoria is in charge of the arrangements.

Feb. 18, 2018

LUPER, Kathy I., 64, of

Astoria, died in Astoria. Caldwell's Luce-Layton Mortuary of Astoria is in charge of the arrangements.

CORRECTIONS

Affiliation incorrect — Kirk Wintermute, an Astoria attorney, is the president of the local chapter of the National Alliance on Mental Illness. NAMI Oregon says Richard Elfering, who wrote a guest column that appeared on 4A on Wednesday, is not formally affiliated with the group.

Woman chef — Alec

Evans, the executive chef at Astoria Coffeehouse & Bistro, was runner-up in the 2017 Readers' Choice Best Chef category. In Coast Weekend on Thursday, The Mouth of the Columbia — the food and restaurant critic — incorrectly wrote that none of the winners were women.

Group omitted — The

Sunset Empire Transportation District voted to opt out of a \$1.4 billion timber lawsuit brought by Linn County against the state. A story on 7A Wednesday omitted the group.

Name misspelled — Lawrence Cary runs Pilot House Distilling in Astoria. His last name was misspelled as Carry in a 1A story on Feb. 14.

PUBLIC MEETINGS

MONDAY

Clatsop Care Health District Board, noon, 646 16th St.
Knappa School Board, 5:30 p.m., Knappa High School library, 41535 Old U.S. Highway 30.

LOTTERIES

OREGON

Thursday's Pick 4:

1 p.m.: 4-7-1-5

4 p.m.: 2-9-9-1

7 p.m.: 7-9-3-7

10 p.m.: 6-2-6-6

Thursday's Lucky Lines: 01-06-

11-14-20-24-25-29

Estimated jackpot: \$37,000

WASHINGTON

Thursday's Daily Game:

1-5-0

Thursday's Keno: 05-06-16-17-

19-20-21-23-28-29-33-38-42-

56-57-60-69-73-75-77

Thursday's Match 4: 03-09-

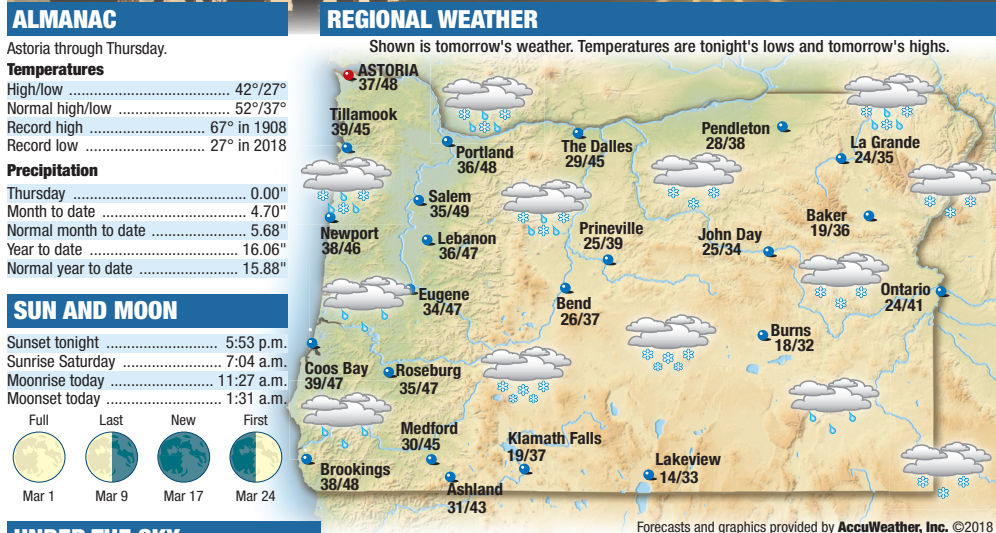
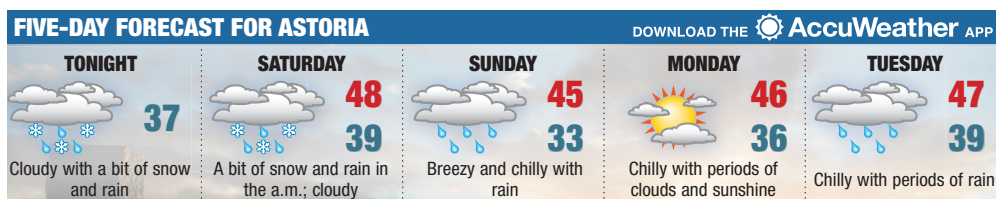
10-18

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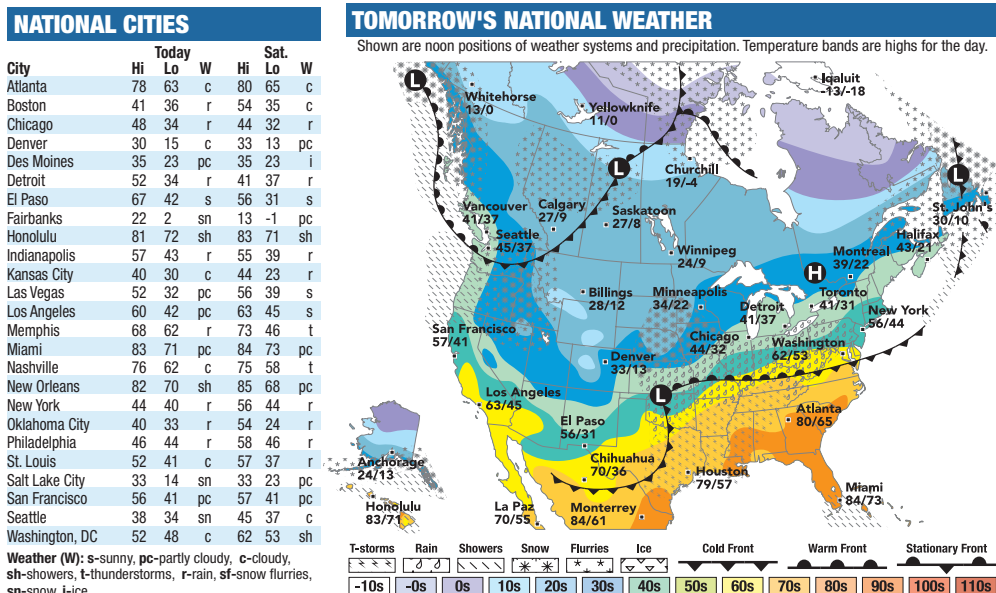


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| City | Today Hi | Today Lo | W | Sat. Hi | Sat. Lo | W |
|---------------|----------|----------|----|---------|---------|----|
| Baker City | 32 | 19 | pc | 36 | 21 | sn |
| Bend | 34 | 26 | pc | 37 | 28 | sn |
| Brookings | 48 | 38 | pc | 48 | 40 | sh |
| Eugene | 43 | 34 | pc | 47 | 37 | sn |
| Ilwaco | 45 | 40 | sh | 47 | 41 | c |
| Klamath Falls | 36 | 19 | pc | 37 | 19 | sf |
| Medford | 42 | 30 | pc | 45 | 31 | c |
| Newberg | 40 | 37 | sn | 48 | 40 | sn |
| Newport | 43 | 38 | sn | 46 | 39 | sf |
| North Bend | 47 | 39 | s | 48 | 41 | sf |
| Olympia | 37 | 32 | c | 46 | 35 | c |
| Pendleton | 36 | 28 | pc | 38 | 33 | sn |
| Portland | 40 | 36 | sn | 48 | 39 | sn |
| Roseburg | 44 | 35 | s | 47 | 39 | sh |
| Salem | 43 | 35 | pc | 49 | 39 | sn |
| Seaside | 45 | 40 | sn | 47 | 41 | c |
| Spokane | 28 | 23 | sn | 34 | 24 | sn |
| Springfield | 43 | 36 | pc | 46 | 39 | sn |
| Vancouver | 39 | 36 | sn | 47 | 41 | sn |
| Yakima | 39 | 25 | pc | 42 | 29 | c |

TOMORROW'S NATIONAL WEATHER

Shown are noon positions of weather systems and precipitation. Temperature bands are highs for the day.



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