

Weather, low prices hamper PGG turnaround

Co-op admits challenges, not in danger of closing

By ERIC MORTENSON
Capital Press

Pendleton Grain Growers has “been through a real challenge” in recent years but is not in danger of going out of business, the company’s general manager said.

Rick Jacobson, responding to community murmurs that bubbled up following what was a poor wheat harvest for some growers, said the co-op is “way ahead of where we were last year,” when PGG lost nearly \$8 million.

The co-op sold or closed several divisions, laid off employees, reduced excess inventory, restructured its debts into a new loan package and obtained a \$20 million line of credit in response to the financial problems. Jacobson said in June that PGG was positioned to make a profit in 2015.

But a lack of moisture and intense heat early in the season “pinched” dryland wheat crops for some PGG growers, resulting in yield reductions of 25 to 30 percent and protein levels higher than exporters prefer. Meanwhile, the price dropped and Gavilon, a grain handling company owned by the Japanese firm Marubeni Corp., opened a truck transfer station in Union County, giving growers another option for selling wheat.

Jacobson acknowledged the combination has complicated PGG’s comeback. He is not sure the co-op will be profitable this year.

“It’s not helpful to have an off crop and it’s not helpful to have another



Eric Mortenson/Capital Press

Extreme heat and a lack of moisture at a critical time reduced yields and quality for some dryland wheat growers in Eastern Oregon, and hampered Pendleton Grain Growers’ economic comeback.

grain company in our backyard, but that’s the life and times of a business,” Jacobson said.

“We’re not going to fold, that’s not going to happen,” he said.

Jacobson said the soft white wheat price is in the range of \$5.75 per bushel this year, compared to \$7 last year.

“Most businesses can’t take those kinds of hits,” he said. “When yields are off and the price it low, it puts a lot of pressure on the grower.”

But Jacobson, a former NORPAC executive recruited out of retirement in 2012 to stabilize PGG, said the co-op is in the best cash flow position it’s been in for a long time. The company recently signed an agreement with McCoy Grain Terminal to do some wheat marketing for PGG, he said.

An industry insider who spoke on background said PGG and neighboring co-op Morrow County Grain Growers face increased competition from grain handlers with deeper pockets and that are looking to expand their territory. In tight years, companies that offer 10 cents more per bushel may attract growers even if those companies don’t offer other services such as fuel and fertilizer, the insider said.

He asked not to be identified because he works with growers and co-ops.

Pendleton Grain Growers “didn’t attend to business as well as they should have” in the past but appears to have made progress, he said.

“I don’t think they’re in danger of going under, they’re better off now,” he said.

Strawberry Lake, campgrounds within three miles of fire lines

By TIM TRAINOR
East Oregonian

The Canyon Creek Complex fire is less than three miles from the Strawberry Lake basin, but Oregon National Guard troops are working to keep it away from an iconic piece of Eastern Oregon’s wilderness.

Stefanie Gatchell, a public information officer for the U.S. Forest Service, said Thursday afternoon that the fire is 2.5 to three miles southeast of Strawberry Lake, its nearby waterfalls and the normally heavily used Strawberry Lake Campground.

Gatchell said guard troops, deployed by Oregon Governor Kate Brown, are stationed on the south and southeast edge of the fire.

“Definitely one of the goals is to protect that basin and that campground,” said Gatchell. “We know what that means to people.”

She said guard troops have cut a fire line and are monitoring the area.

Firefighting on the ground in wilderness areas is heavily restricted. So while skies are relatively clear, crews are doing most of the proactive work from above, Gatchell said. She said there

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— Stefanie Gatchell, public information officer for the U.S. Forest Service

was one small flare up in the basin, but that fire was attacked and put out.

Grant County Sheriff Glenn Palmer confirmed that six structures — cabins that weren’t full-time residences — were destroyed.

Still, a red flag warning is in effect in Grant County. High winds and warm temperatures mean that fires can start to “create their own weather,” said Gatchell, so crews remain on guard.

Winds were blowing south and southeast on Thursday afternoon, a lucky break for now for the often-visited piece of wilderness they are trying to protect.

The campground, which has no permanent buildings except for a pit toilet, is closed because of the fire.

MILTON-FREEWATER Crash sends Weston man to Portland hospital

East Oregonian

A Weston man is in critical condition after he and his motorcycle crashed into a car Monday.

Oregon State Police reported Leslie Smart, 48, was riding his Honda motorcycle north on Highway 11 near milepost 33, north of Milton-Freewater, at about 4:20 p.m. when a Toyota Tercel turned left onto the highway in front of the motorcycle. The two vehicles collided, state police reported, and Smart suffered “substantive injuries.”

Milton-Freewater Rural Ambulance rushed Smart to Providence St. Mary Medical Center, Walla Walla, and then an emergency flight transferred him to Oregon Health & Science University, Portland. OHSU spokeswoman Amanda Gibbs said Thursday afternoon

Smart remained in critical condition.

State Police Sgt. Mark Banks investigated the crash. He said the Toyota’s driver, Leona Brown, 72, of the Milton-Freewater area, was not driving impaired.

“She just pulled out into traffic in front of the motorcycle,” Banks said.

He also said he cited Brown for making a dangerous left turn. She suffered only minor injuries in the wreck.

The Oregon Department of Transportation issued statements at the end of July to encourage motorists to be aware of motorcyclists. Motorcycle crashes in Oregon claimed 32 lives from Jan. 1 through July 23, according to preliminary data from Oregon Department of Transportation, an increase of 18.5 percent from the same period in 2014.

BRIEFLY

Officer heading to police academy

PILOT ROCK — Pilot Rock’s new police officer is headed to Oregon’s basic police training in September instead of early next year thanks to some help.

The city hired Daniel Badal, 23, near the end of July and he started Aug 1. But Badal does not yet have his basic police certification from the Oregon Department of Public Safety Standards and Training. Without that, there is not much he can do on his own.

The department filled its basic police courses this year at the public safety academy in Salem, leaving Badal waiting until January. But city recorder Teri Porter told the city council Tuesday night a call from Umatilla County Sheriff Terry Rowan to the public safety department landed Badal a seat in the September class.

The basic police academy is 16 weeks of intensive course work and training. Once officers complete the course they usually still must work several weeks with a field training officer before going solo.

Porter also told the council there has been some headway in the selection of a new police chief, who would oversee the city’s two officers. She said Pendleton Police Chief Stuart Roberts is making his way through an application packet from one chief candidate, and another candidate should have his packet to the city this week.

Expect delays Sept. 2 at Bingham railroad crossing

GIBBON — The Union Pacific Railroad is planning to work on the Bingham Road crossing on Sept. 2, between 8 a.m. and 4 p.m.

Delays of up to one hour can be expected, but Union Pacific has made provisions for emergency response vehicles if such services need to pass through.

Flagmen will be by the tracks as workers fit concrete crossing pads and raise the tracks to be more level with the road, according to Lee Stevens, Union Pacific track supervisor. The work should provide a less bumpy ride over the crossing at Bingham, where the tracks now dip slightly below the roadway.

Gravel will be used temporarily in the crossing until a contractor is able complete asphaltting in late September or early October, said Stevens.

Veterans advisory committee meeting planned

HERMISTON — The Advisory Committee to the Oregon Department of Veterans Affairs will host its quarterly meeting from 9:30 a.m. to noon Wednesday, Sept. 2 at the Hermiston Conference Center, 415 S. Highway 395.

The public is invited to attend and participate. The nine-member committee is comprised of veterans appointed by the governor to provide counsel to the director of the ODVA.

Registration is encouraged at surveymonkey.com/r/CWNK5SB. Questions for the committee can be emailed to vaac@odva.state.or.us. For more information about the committee and its members, visit oregon.gov/odva/pages/advisory.aspx.

EOU wins grant for low-income students

LA GRANDE — Eastern Oregon University will provide more support to low-income and first-generation college students over the next five years thanks to a \$1.1 million grant from the U.S. Department of Education.

The grant is for administration of a Student Services program that is expected to serve about 160 students a year by helping guide them through the college process and get through their program in four years.

Xavier Romano, vice president for Student Services at EOU, said an award of that size will be “truly transformative” for the university.

“This funding will allow us to better serve and support our increasingly diverse community,”

The grant cycle begins Sept. 1, 2015, and expires Aug. 31, 2020. EOU will then have the opportunity to request additional funding based on student outcomes associated with the project.

More than 450 students from Umatilla and Morrow counties attend Eastern Oregon University.

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