

Reconstruction of collapsed onion storage buildings begins

Snow, ice caused \$50-\$100 million worth of damage

By SEAN ELLIS
EO Media Group

NYSSA — The snow is gone, but much of the devastation remains.

Many members of the region's vibrant onion industry are rushing to rebuild their storage and packing facilities after four feet of snow and ice crushed the buildings and destroyed the onions and equipment inside.

The damage is extensive — most estimates place the total at \$50 million to \$100 million. That includes about 100 million pounds of onions — about 7 percent of the year's crop — that were lost.

Clock is ticking

The industry must rebuild in time for this fall's 1 billion-pound-plus harvest. Most of the Spanish big bulb onions grown along the border between southwestern Idaho and southeastern Oregon are stored to be marketed later in the year.

About 60 onion storage sheds and packing facilities either collapsed or sustained major damage, according to Stuart Reitz, an Oregon State University Extension cropping systems agent in Malheur County.

Owyhee Produce in Nyssa lost four storage sheds, which had a combined capacity of about 33 million pounds of onions. The company's packing facility was damaged but is still operating.

The shipper lost 22 million pounds of onions, and general manager Shay Myers estimates the company sustained about \$10 million in damage to the buildings.

He said at least three other shippers sustained the same degree of damage.

Demolition of damaged buildings is occurring now and the rebuilding is underway.

Though Owyhee Produce, which had insurance coverage on its buildings, will experience significant financial pain in rebuilding, it will emerge stronger, as will the entire industry, Myers predicted.

"It's forced us to make some changes that, frankly, otherwise we would have taken longer to do," he said.

That includes updates in technology in storage sheds



Sean Ellis/Capital Press

Owyhee Produce General Manager Shay Myers points out the damage done when this large onion storage shed in Nyssa collapsed under the weight of snow and ice. About 60 onion storage sheds and packing facilities in the region collapsed this winter, and the industry is trying to recover in time for the 2017 harvest.



Sean Ellis/Capital Press

An excavator clears debris from an onion shed in Nyssa that collapsed this winter under the weight of snow and ice.

and additional automation in packing facilities.

"I don't mean it's a positive thing that this happened but the end result will be positive for the industry as a whole because it forces updates that otherwise wouldn't have happened," he said.

According to Jay Breidenbach, a National Weather Service meteorologist, the areas where most of the damage occurred were blanketed by unprecedented amounts of snow. No official records exist for snow accumulation in Nyssa, but total accumulation in nearby Ontario, Ore., peaked at 48 inches on Jan. 19.

"That looks like the most snow they have ever had on the ground," he said.

Big question

But the big question is whether the rebuilding will be finished in time for the 2017 harvest, which will start in earnest in September and wrap up by mid-October.

Snake River Produce in Nyssa lost three of its storage sheds, three others that it leased and about 25,000 50-pound bags of onions, said general manager Kay Riley.

The shipper had good insurance coverage and should be fine financially, Riley said, but a lot of the storage sheds that were lost were owned by individual farmers, some of them retired.

It's unknown how many of those structures had adequate insurance and how many will be rebuilt.

"I don't know if building an onion storage is a good retirement scheme or not," Riley said.

He agrees with Myers that the industry will be stronger in the long term because of the modernization that will occur with rebuilding.

Short-term worries

"But in the short-term I'm very ... concerned because I don't think there's enough

"The bureaucracy was bypassed as much as possible, where possible, to allow things to happen in the way that they needed to to make sure that we're in business next year."

— Shay Myers, Owyhee Produce general manager

contractors, time, money and insurance claims to get all of this put back together by this fall," Riley said.

Reitz said it's a major question mark whether there will be enough storage in the region.

"People have to be careful about that," he said. "They have to make sure they have a place to put their crop at the end of the year."

Almost all of the region's lost onion packing capacity will be replaced by this fall, Myers predicted. "I don't think there are long-term ramifications from a production standpoint. Where there may still be some is on the storage side."

John Wong, owner of Champion Produce in Parma, Idaho, which lost one storage shed and part of another, said he has heard that most people plan to be rebuilt in time for this year's harvest.

"I think a lot of people in the industry wonder how likely that is to occur,"

Onion country rebuilding

Nyssa, Ore., in the heart of the nation's largest onion growing region, is recovering from winter storms that dumped unprecedented snowfall in the area. Dozens of onion storage sheds and packing facilities collapsed under the weight of the snow and ice, causing an estimated \$50 million to \$100 million in damage.



Alan Kenaga/Capital Press

he said. "But I wouldn't bet against the American farmer."

Moving time?

Another unknown is how many Oregon shippers that suffered major damage will move to Idaho.

Several industry leaders have told Capital Press in the past year that some shippers are seriously considering relocating in Idaho because of Oregon's much higher minimum wage. Oregon's current non-urban rate of \$9.50 an hour will increase to \$12.50 by 2022. Idaho's minimum wage is \$7.25.

Myers said this winter's catastrophe could well push his company and others to move. Owyhee Produce and several other onion shippers are a few hundred yards from Idaho. The Snake River separates the two states.

"There's a high probability we'll be across the river in a new place," Myers said. He said he knows of at least three other companies that are also seriously considering moving to Idaho.

Burying the debris

The onions that froze or have debris mixed in with them — worth between \$7 million and \$10 million — are no longer good and will be buried in area landfills.

That's to protect the region's reputation for quality, Riley said. The area, which calls itself "Onion Country, USA," is under a federal marketing order and promotes and markets its onions as a region, he said.

"We have a good reputation for quality and if somebody sent something out that had problems it would reflect on all of us," said Riley, the marketing order chairman.

In the meantime, the rest of the region's onion industry, which produces about 25 percent of the nation's big bulb storage onions, wants customers to

know plenty of onions are still available.

"We still have plenty of onions to ship," said Grant Kitamura, general manager of Murakami Produce in Ontario, which did not sustain any weather-related damage. "Most of the onion sheds have their normal supply of onions."

Disaster area

With the region declared a federal disaster area, many businesses are eligible for low-interest loans, which will help the rebuilding process.

Myers and others said Oregon and Idaho officials have done a good job of helping to speed up the recovery by cutting through red tape where possible.

That includes making exceptions that allowed more landfills in the area to accept onions and building debris, and relaxing restrictions that otherwise would have slowed the recovery.

For example, buildings usually can't be burned during demolition but exceptions have been made, Myers said.

"The bureaucracy was bypassed as much as possible, where possible, to allow things to happen in the way that they needed to to make sure that we're in business next year," he said.

Idaho Gov. Butch Otter, a Republican, and Oregon Gov. Kate Brown, a Democrat, toured the region on a National Guard Black Hawk helicopter and saw the damage first-hand.

Oregon farmer Paul Skeen, president of the Malheur County Onion Growers Association, was on the helicopter with them and made sure they understood the magnitude of the damage.

"There's no question they saw the devastation because I was pointing it out to them," he said. "They understand it fuller now. They're seeing our plight."



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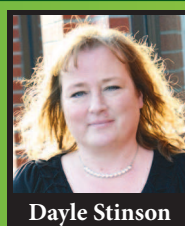
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