Inflation:

Continued from Page 11

"The cost of everything has gone up," said Todd Nash, a Wallowa County rancher and president of the Oregon Cattlemen's Association. "It is going to be a really challenging year for guys that have cattle and raise hay with those escalating costs. Others may have to go out and purchase hay."

Hay and grain prices have seen an increase, but Nash said cattle prices have not enjoyed the same bump. He said many ranchers have already been running as lean as they can for several years and are making tough choices on their feed for their most productive cattle.

Nash said one solution is to try to extend grazing season, but that can be a challenge in Wallowa County and other areas where snow can arrive early in the fall at higher elevations.

Commodity prices can help ease producers' concerns

Despite high prices for fuel, fertilizer and other petroleum products, some local farmers and ranchers remain cautiously optimistic.

"As long as wheat prices stay up, I'm OK with high inputs," said Tim Leber, a wheat and cattle rancher from Umapine. "Where I get nervous is if wheat crashes, while we're stuck with high inputs, as happened in 2008 to 2010."

In 2008, soft white wheat prices were almost as high as 2022. The recent surge is still holding up. Soft white wheat at Portland averaged $11.21 per bushel on June 22, up from $8.50 a year earlier.

Wheat pulled back from its May high nationally, however. Wheat futures peaked at $13.49 at the Chicago Mercantile Exchange on May 17, then fell to $9.51 on June 24, by which time harvest had begun in Kansas.

During the pandemic, live cattle prices crashed from $1.27 per pound on the CME on Jan. 6, 2020, to 86 cents on April 20. They then climbed to $1.44 on April 18, 2022, before pulling back to $1.32 on May 23. They reached $1.38 on June 13, but fell to $1.36 on the 22nd. The price of livestock feed of course has gone up with grain.

Leber top-dressed fertilizer on his fields this year, to take advantage of the spring rains. A further jump in wheat price as India banned export of the staple cereal, due to its heat wave, helped.

Leber noted that major wheat exporter Ukraine is managing to plant, despite the war.

"Even with the ports closed, they'll find a way to get it out," he predicted.

Still, looking ahead to his likely fertilizer bill in the fall is worrisome.

"We're paying 50 cents per pound more than last fall, but that's as of now," he said during an interview in May. "Fertilizer could keep going up."

Supply chain challenges

Production costs isn't the only thing plaguing farmers and ranchers this year.

Equipment breaking is a part of their everyday life, but the supply chain issues that began with the pandemic are still evident. Getting needed parts to fix breaks is no guarantee and neither is obtaining new equipment.

"I talked to a guy that ordered a new tractor and he has been waiting a year and a half for it," Nash said. "They are telling him it could be another half of a year before he gets the tractor."

Mark Butterfield, chairman of the Wallowa County Hay Growers, pre-buys his fuel and fertilizer so he has avoided a significant economic sting, but said it was still expensive.

Butterfield grows alfalfa, timothy grass and wheat and knows that one of his biggest costs will be transporting his product to Boardman before it is sent to Japan.

Butterfield said he has been able to get the parts he needs — particularly for the baler — to keep his operation running, but he knows that will only last so long.

"We have all learned to pre-buy and keep our parts shelves filled," he said. "Eventually we will have to refill them."

It's not only parts that are in short supply, said Clair Pickard, a cattle rancher in Keating Valley east of Baker City.

Finding someone to install those parts — or figure out a way to get a busted machine running again — can be a fruitless search, he said.

"We don't have any mechanics to work on this equipment," Pickard said.

Walenta said shipments of supplies and parts that used to take a few days to arrive are now taking weeks or months to get to farms and ranches.

Some companies are now adding a gas surcharge to the bill, which is an additional cost that farmers and ranchers have to absorb, he said.

Weishaar said he is keeping more parts on hand than usual because of shipment times.

Weishaar said many farm equipment manufacturers are back ordered and new

See Inflation, Page 23