

What's more expensive in farming this year? 'Everything'

Cost of diesel, in particular, eating away at growers' potential gains from a wet spring

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Frederick Phillips can tick off the items he needs to run his cattle ranch near Baker City that cost much more now than they did a year ago.

The list is a long one.

But Phillips can also explain the situation much more succinctly, with a single word.

"Everything."

The rampant inflation that has pushed prices higher in almost every sector of the economy — even dollar stores in some cases have added two bits to their titular price — is having a significant effect on ranchers and farmers.

The central problem, Phillips said, is fuel.

Diesel in particular, which rose to record levels, above \$6 per gallon, during June.

"Everything runs off diesel," said Phillips, whose ranch is in the Keating Valley about 20 miles east of Baker City.

And with hay to be cut, producers hardly have the option, as some drivers do, to curb their mileage.

And of course you can't bale alfalfa with a bicycle.

"We burn a lot of fuel this time of year," Phillips said on June 29, in the midst of the first cutting of alfalfa, which was pushed back a couple weeks due to the cool, damp spring.

M.T. Anderson, who, with his wife Cori, owns and operates the High Desert Cattle Co. in Izee



Eric Mortenson, Capital Press, File

Operating wheat combines and other farm equipment is much more expensive in 2022 due to inflation pushing fuel to record highs.

BY THE NUMBERS

According to the USDA's National Agricultural Statistics Service, farmers in April 2022 compared to April 2021 paid:

- 29% more for livestock feed
- 71% more for fertilizer
- 16% more for chemicals
- 62% more for fuel
- 21% more for machinery

southwest of John Day, concurs with Phillips' assessment.

"We burn a lot of fuel," Anderson said, "and it's a huge cost."

According to the U.S. Energy Information Administration, the average price for diesel climbed to over \$5.70 a gallon in June — a 74% increase from two years earlier.

Darrin Walenta, an agronomist with the Oregon State University Extension Service in Union County, said the record high fuel prices are cutting into producers' bottom lines.

"When we finally start seeing

modest prices for the crops, cost of production increases and interrupts the good year," Walenta said.

Nathan Weishaar, owner of NW Farms in La Grande, agreed that diesel prices have become a major consideration for farmers. He said that farmers will need to consider the pros and cons of using different methods to save fuel. For example, he said, some farmers might opt to spray crops with herbicide rather than using rod weeders pushed by heavy diesel-using tractors. The sprayers cover ground faster and use less fuel, but are not as thor-

ough as the rod weeders.

"Fellow farmers are going to have to weigh the options," Weishaar said.

When fuel prices crashed at the beginning of the pandemic, Weishaar said he bought bulk farm diesel for 83 cents a gallon. In comparison, the price of bulk diesel this spring was \$3.24 per gallon, and when Weishaar received a quote at the end of June, the price had risen to \$5.10.

Anderson said the rising fuel costs weigh heavily on how he and his wife are running their ranch.

"It's one of those things where we are going to have to change how we operate," Anderson said, "but the problem is the rest of the world is not changing; (fuel) costs just keep going up, but the price of calves aren't."

The calves, he said, are not worth more right now than when diesel was \$2.50 or \$3 a gallon.

He said fuel costs crept up steadily this past year and then exploded.

Anderson said the high fuel cost has made them more mindful of what they do at their ranch. "We don't just jump in a diesel pickup and go 200 miles on a whim anymore."

Anderson said the high fuel cost was one of the reasons why he decided to have a full-time employee on one of his Forest Service cattle grazing allotments this year.

While there were other reasons to have someone at the allotment full-time, eliminating the number of trips between their ranch in Izee and the allotment was one of the overriding factors.

Anderson said this is one of the best grass crops he's seen in nearly two decades.

"(Grass) is absolutely incredible this year," Anderson said.

He said the ample forage should boost weights for his cattle in the fall, and he's anticipating high yields from his hay fields.

Yet even those positive aspects can't offset the negative effects of the significant increase in fuel costs, Anderson said.

"But there is still \$6 (a gallon) diesel," he said.

Fuel prices not the only challenge

The cost of refilling tanks in everything from pickup trucks to tractors to swathers is far from the only financial blow that inflation is

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— M.T. Anderson, Grant County cattle rancher