

# Inflation:

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equipment models orders being placed now will not be ready until 2023 or 2024. This means farmers are having to make big financial decisions based on the current crop prices, which could easily change by the time the equipment is available.

“For my chemical needs, I try to plan six months in advance,” Weishaar said. “I’m buying more than I need, rearranging things to store everything. You could almost say I’m hoarding at this point,” he said with a laugh.

“I know it’s cliché, but it’s been the perfect storm,” Walenta said.

Don Wysocki, local Oregon State University Extension soil scientist, said equipment maintenance this past winter was more difficult than usual due to supply chain problems.

“Parts are a problem,” Wysocki said. “Combine repair needed to be done early, before the Midwest soaked up all the spare parts. Distribution and freight cost more, even when supplies are available.”

Older producers have gone through tough times and know how to tighten their belts, he said, but this might be the first time younger

farmers have faced challenges like this.

“Inflation might affect interest rates. If you need to borrow capital to buy land, or for an operating loan, it could cost you more, or you’re simply priced out,” he said.

Kevin Scheibner, 51, who grows wheat and runs a cow-calf operation in upper Wildhorse Creek near Athena, echoed Wysocki’s comments on the effects of inflation.

“Seed costs and any petroleum-based products have gone through the roof,” Scheibner said. “But we make adjustments and carry on. American farmers face whatever the world throws at us, and keep moving forward.”

## High petroleum prices slam local fruit growers

“Orchardists and fruit growers power their wind machines with propane,” said Roger Lemstrom of Los Rocosos Vineyards in Milton-Freewater’s Rocks District. Besides using these giant fans for warming, they still use old-fashioned smudge pots fueled by diesel, he noted.

It’s not just pain at the pump for local farmers and orchardists. High prices for other petroleum products such as agricultural chemicals also squeeze growers’ profits.

“(Inflation) differs by region,” said Corey

Coad, president of agricultural supplies at Orchard & Vineyard Supply, with locations in four states. He’s based in McMinnville, but is familiar with OVS’ business in Milton-Freewater.

“In some areas, fertilizer prices have shot up by 500%,” he said in late May. “In the Pacific Northwest, it’s 50% to 150%. For pesticides, it’s 175% since January of 2021.”

Coad explained the problem isn’t just with supply and demand for hydrocarbons. Shipping containers are in short supply as a result of pandemic-induced interruptions to international trade. Many active ingredients in agricultural chemicals come from overseas.

Crop nutrient prices also rose as a result of sanctions on supplier Belarus, curbs on Chinese fertilizer exports and sanctions on Russia, a big provider to Brazil, according to Reuters in May.

The cost increases, combined with fuel, lubricant and other agricultural chemical cost hikes, mean farmers may have trouble turning a profit even with higher crop prices. Ukraine is a major wheat exporter, so war on the Black Sea has naturally boosted grain prices.

Midwest farmers have adapted by planting more nitrogen-fixing soybeans and less corn, but enduring drought reduces yields for all crops. Northeastern Oregon farmers and

ranchers have fewer options, with the market for peas so much lower than in previous decades. Canola is not a legume.

Wysocki said one option is to grow a nitrogen-fixing cover crop, such as peas. The crop is terminated before its water use threatens grain yield, but still adds some nitrogen to the soil. Cover crops can be planted in the fall or spring, but it’s always a risk in the fall, since producers can’t know how wet the winter will be.

Management practices also can make less fertilizer go farther, such as split applications. Again, growers don’t know how much moisture to expect, so Wysocki recommended applying an average amount in the fall, then top dressing in the spring. With a wet winter and spring, such as this year, farmers can get more crop growth per fertilizer buck by applying when it’s most needed.

Costlier application methods can save on fertilizer. Liquid solutions applied with pesticides in the spring make both agricultural chemicals more efficacious.

“Producers might want to consider whether to bale their straw or not, now that the value of nitrogen has gone up,” Wysocki said.

Wysocki also said the war affected both supply and Black Sea shipping, so he didn’t see change coming abruptly.



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