

▲ DOW 34,133.03 +19.80	▼ NASDAQ 13,633.50 -261.61	▼ S&P 500 4,164.66 -28.00	▼ 30-YR T-BOND 2.28% -01	▲ CRUDE OIL \$65.69 +1.20	▼ GOLD \$1,775.80 -15.60	▼ SILVER \$26.54 -0.40	▼ EURO \$1.2010 -0057
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BRIEFING

U.S. trade deficit hits record \$74.4B

The U.S. trade deficit surged to a record \$74.4 billion in March. The deficit was 5.6% greater than the February gap of \$70.5 billion, the Commerce Department reported Tuesday.

The politically sensitive trade deficit with China rose 11.6% to \$27.7 billion which, as usual, was the largest deficit with any single country.

The United States recorded a deficit for all of 2020 of \$681 billion, the largest gap since 2008 as the coronavirus disrupted global commerce and co-founded then-President Donald Trump's "America First" policies.

The U.S. economy is recovering much faster than the rest of the world. Americans are starting to spend again, while U.S. exporters are facing sluggish overseas demand in nations slower to recover.

Trump's efforts failed to alter trade imbalances and angered U.S. allies along with competitors. So far, however, the Biden administration has not rolled back the Trump policies.

Pfizer posts \$4.9B quarter-one profit

Selling vaccines during a pandemic has boosted Pfizer's bottom line and proven that a strategy it embarked upon over a decade ago is now paying off handsomely.

The New York-based pharmaceutical giant reported Tuesday that it earned \$4.9 billion in the first three months of the year and it dramatically raised its profit forecast for all of 2021 thanks to strong demand for its COVID-19 vaccine. The company, along with its German partner BioNTech, anticipates strong revenue from the vaccine and booster shots for the next three years.

Pfizer on Tuesday almost doubled its sales projections for the COVID-19 vaccine this year, from \$15 billion to roughly \$26 billion.

Hyundai recalls over 390K vehicles

Hyundai is recalling more than 390,000 vehicles in the U.S. and Canada for two problems that can cause engine fires. In one recall, owners are being told to park their vehicles outdoors until repairs are made.

The largest recall covers more than 203,000 Santa Fe Sport SUVs from 2013 through 2015. Some are being recalled a second time. Brake fluid can leak into the anti-lock brake computer, causing an electrical short that can lead to fires. Owners should park outdoors and away from structures until the problem is fixed, according to the U.S. National Highway Traffic Safety Administration.

The problem has caused 18 fires in the U.S., but no injuries, according to documents.

Hyundai says the recall "enhances the remedy" from one issued in September of 2020.

The other recall covers nearly 187,000 2019 and 2020 Elantras, and 2019 through 2021 Konas and Velosters. All have 2-liter engines.

The piston rings may not have been properly heat-treated, which can cause engine damage, oil leaks and possible fires.

— Bulletin wire reports

Laird Superfoods buys Picky Bars for \$12M

Both companies are based in Central Oregon, have shared values in health foods sector

BY MICHAEL KOHN

The Bulletin

Bend-based Picky Bars, founded by triathletes and a favorite snack among active people craving a burst of carbs, has been sold to Laird Superfoods, the Sisters-based company that produces plant-based creamers.

Laird Superfoods, founded by big wave surfer Laird Hamilton, paid \$12 million for Picky Bars, according to a release. Shares of Laird Superfoods (NYSE: LSF) rose to \$37.50 on Tuesday, a 1.5% gain compared to Monday's close.

The merger shines a spotlight on Central Oregon as an emerging producer of healthy foods and snacks. The area is also home to beverage maker Humm Kombucha, cookie maker Red Plate Foods, and granola maker Bird Seed

Food Co.

Laird Superfoods and Picky Bars maintain similar values, promoting natural ingredients and nutrition for people with an active lifestyle. And with the pair both located in Central Oregon, uprooting operations won't be necessary.

"They have a shared vision, they are good people, they are invested in the Central Oregon community — it couldn't be any better," said Lauren Fleshman, a co-founder of Picky Bars.

Mike Quinones, senior vice president of growth and marketing for Laird Superfoods, said in an email he anticipates getting Picky Bars onto shelves in more than 7,000 retail stores across the country. Picky Bars could appear in convenience stores and drug stores, he said.

"We believe these incredible

products will resonate particularly well with our existing and loyal customer base," said Quinones.

That growth should provide Picky Bars more resources to create new products, said Picky Bars chief executive Jesse Thomas

The company increased its sales by 40% in 2020 compared to the previous year, said Thomas, helped mainly by growth in online sales. Even with the growth, Thomas said the timing to sell was good.

"We could have hung onto it and sold it for more later. We were growing a lot but when it came down to it, enough was enough," he said. "We didn't want to pass up the opportunity to have all these synergies with this partner."

Thomas, who was born in Bend and graduated from Mountain View High School, said he will remain with the company as a vice president

of Picky Bars and guest of the Laird Superfood Executive Leadership Team.

Fleshman, who is married to Thomas, will be a strategic advisor for the company and take a seat on the Laird Superfoods Environmental, Social, and Governance Committee. A third founder, Steph Bruce, will also remain with the company as an advisor.

Fleshman said the founders could have kept the company as revenue was increasing annually, but felt that Laird Superfoods ticked all the boxes for a great partner.

"The scenario under which we entertained selling was such a narrow set of qualities, Laird Superfoods has them all," she said.

The \$12 million sale of the company was a long way from the early 2010s when the founders were making Picky bars in a house in Springfield.

Now Fleshman and Thomas

have two young children, aged 3 and 7, and the pressures of running the business have been lifted with the sale.

"Owning a business with your spouse has challenges; owning a business period has its peaks and valleys," said Fleshman. "We started thinking a couple of years ago what it might look like to sell one day, just a different variation where (the business) wasn't all on us at the end of the day. And so that is what we are doing."

Both Fleshman and Thomas said they don't have any grand plans of how to invest the money they've earned from the sale, but their 7-year-old has some ideas.

"We might add a third room to our house," Thomas said, laughing. "Our older son is complaining about having to share a room with his sister."

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Hemp prices 'race to the BOTTOM'

BY MATEUSZ PERKOWSKI • Capital Press

Hemp plants dry on a farm east of Joseph in this 2019 photo. Bill Bradshaw/Wallowa County Chieftain file

Stockpiles of unsold hemp are weighing down prices for the crop and souring enthusiasm among farmers who'd until recently hoped for a lucrative new market. In a dynamic that's not uncommon in agriculture, hemp production has overshot demand, which was once thought to be expansive, said Barry Cook, a hemp seed grower in Boring.

"The consumer component of it was assumed, a bit like the Field of Dreams: Grow it and you will sell it," he said.

That assumption turned out to be overly optimistic, as some growers are still sitting on dried hemp inventory from 2019, when the fervor to plant the crop was at its highest, Cook said.

Farmers are now being offered \$1 per pound or less for dry hemp biomass, which is roughly half as much as it costs to produce it, even among the most efficient growers, he said.

In Oregon, a frontrunner in the hemp industry, acreage soared after the crop was legalized at the national level in 2018. Growers planted nearly 64,000 acres in 2019, up from 11,500 acres the year before. The economic problems facing hemp production became widely apparent that autumn, when many farmers weren't able to access enough harvesting and processing equipment.

Oregon's production in 2020 dropped to 28,500 acres and appears to be further declining in 2021, with only 3,800 acres currently registered for planting — down roughly 50% from this time last year, according to the Oregon Department of Agriculture.

"There's a lot of biomass still out there, and growers aren't getting paid for it," said Ken Iverson, a hemp farmer and processor in Woodburn.

The hemp industry overestimated the appetite for cannabidiol, or CBD, a compound considered to have anti-inflammatory and other healthful properties, Iverson said.

Nationwide, farmers planted more than 500,000 acres of hemp while only about 20,000 acres were sufficient to satisfy the CBD market, he said. "It's still way out of balance."

A survey of hemp farmers by Whitney Economics in 2019 found that 65%

didn't have a buyer for their crop, while a similar survey in 2020 determined 54% of processors also did not, said Beau Whitney, an economist who founded the firm and studies the industry.

Oregon and other states that jumped into hemp early have pulled back on acreage, but that didn't cause a major national contraction in 2020 because other states ramped up their production, Whitney said.

Though the nationwide hemp industry is likely to decrease acreage in 2021, some distressed farmers and processors are trying to salvage their investment by selling below the cost of production — resulting in a "race to the bottom" in prices, he said.

"That's scaring away people," Whitney said.

There's been a "domino effect" of plummeting demand through the hemp supply chain, all the way to seed

production, said Jerry Norton, an industry consultant in Salem.

Despite the economic turmoil, Norton said he's hopeful that other uses for hemp — such as livestock feed and biodegradable plastic — will firm up the crop's market over time.

"There are a lot of other things we can do," he said.

By 2030, demand for such hemp products may spur the crop to 9 million acres at the national level, with only 3% dedicated to CBD production, said Whitney, the economist. Currently, about 82% of the 500,000 hemp acres in the U.S. are intended for CBD.

The demand for CBD will strengthen if the U.S. Food and Drug Administration decides to allow the compound to be marketed as a dietary supplement, rather than strictly a pharmaceutical, said Seth Crawford, a hemp seed breeder near Monmouth.

OSU-fueled firm advances in water-desalination race

BY JIM DAY

Albany Democrat-Herald

A company with Oregon State University ties has advanced to the final eight of a lucrative competition to desalinate water using solar power.

Espiku, with scientists and researchers at the Corvallis campus and at the Cascades campus in Bend, received \$250,000 in cash and a \$100,000 voucher to continue its work.

Advancing to the next round would yield \$750,000 and an-

other \$100K voucher, with the ultimate winner taking home \$1 million.

"We are honored and thrilled to be one of the eight semifinalists," said Bahman Abbasi, an assistant professor of mechanical, industrial and manufacturing engineering (a field known as MIME for short) at OSU's Cascades campus. "The project aims to design and build a pilot plant to clean oil/gas wastewater and produce clean water with zero liquid discharge."

Abbasi, who formed Espiku last October, is leading a team that includes 15 people: a full-time engineer, two postdoctoral researchers, seven graduate students and five undergrad research assistants. The postdocs and grad students are based in Corvallis, with the rest of the team in Bend. The project also is being constructed in Bend. Despite the distance, Abbasi said the work is moving forward well.

"OSU's College of Engineering, and particularly MIME,

has an extraordinary culture of collaboration and empowering research and innovation," he said. "(Everyone) has been tremendously supportive of our research."

More support is needed, however.

"The prize is a great help to enable further development. However, much more funding is needed to design and build the pilot unit," Abbasi said. "We are working with state agencies and looking at opportunities within

the federal government to augment the prize and continue our work. We are working hard to bridge the infamous 'valley of death' which nascent technologies encounter."

Investopedia says a startup company's "death valley curve" is the span of time from its initial capital contribution until it finally begins generating revenue.

The competition is being funded by the federal Department of Energy.