

Fields of Turmoil



by Doug Brede, Ph.D.

Three farmers clad in plaid flannel shirts filed quietly into the conference room at Jacklin Seed and sat across the table from four fidgety Jacklin field reps. These were no ordinary farmers. They owned one of the largest grass seed farms in Washington State's Columbia basin, where the majority of America's Kentucky bluegrass seed is grown.

"I know we signed a three-year contract for growing grass seed for you folks," began the farm's CEO in unapologetic tone. "And I know a contract is a contract..."

They waited as he paused.

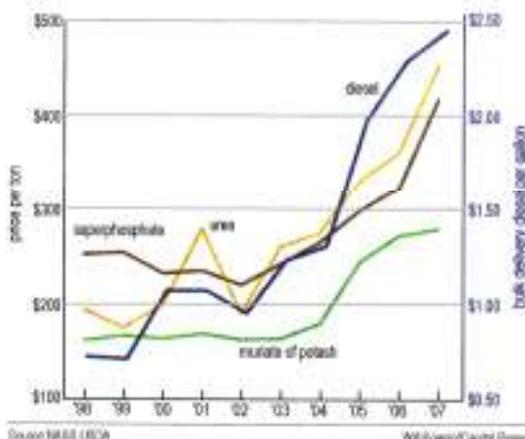
"But prices are up. Prices are up all over," he said. "So I'd like to revisit our pricing structure once again."

The field reps knew exactly what he meant: The price of grass seed was about to take another jump upward, regardless of what the "contract" said. Pricing pressure from crops such as corn, wheat, and soy made it rather pointless to argue.

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Rising costs

Annual April prices for selected fertilizers and fuel



Agricultural input costs have spiked sharply in recent years, spurred on by worldwide demand, escalating oil prices, a dropping dollar, and the ethanol boom. April 2008 figures, to be released shortly by US DANAASS, will show nearly a doubling of these numbers from 2007.

Alpha, T-1 Awarded Utility Patents

The US Patent and Trademark office recently signaled the approval of utility patents for Jacklin Seed's popular creeping bentgrasses, **Alpha** and **T-1**. A utility patent is unlike a plant-variety protection (PVP) certificate in that every part of the plant is owned by the inventor. The 1985 legal decision known as Ex Parte Hibberd declared that utility patents, available to inventors since 1790, could be applied to plants. There is no exemption for farmers or plant breeders to use materials protected by a utility patent.



"Competitors cannot use pollen or seed of **T-1** or **Alpha** in their breeding of new varieties, or it is a direct violation of the patent," says Doug Brede, developer of both varieties. PVPs protect varieties from unauthorized seed production but do little to prevent breeders from using part of a variety in their future creations.

T-1 and **Alpha** were introduced to the marketplace four years ago and each year have quickly sold out due to demand. "Every year we boost acreage and every year we sell out," says Chris Claypool, general manager for Jacklin Seed.

Doug Brede, Jacklin Seed's bluegrass and bentgrass breeder, inspects a newly created hybrid at the company's research farm near Post Falls, ID.

In other plant protection news, Jacklin's #1 Kentucky bluegrass variety, **Nu Destiny**, has been approved for a PVP. **Nu Destiny's** top performance stems from its incredible resistance to summer patch and other diseases. The PVP office agreed that **Nu Destiny** was unique and novel and awarded exclusive ownership to Jacklin Seed. The varieties **Perfection** and **Awesome**, developed by Brede, were also approved.



Turmoil, continued

All over the Pacific Northwest conversations like this are taking place.

Wheat prices are going thorough the ceiling, spurred by a worldwide wheat shortage and record demand for fertilizers and land. In Oregon's Willamette Valley, winter wheat acreage has soared to 130,000 – a 400 percent increase from the 27,000 acres in wheat production last year.

“For the first time in history, growers are considering wheat even in the place of potatoes,” says Dave Johnson, Jacklin Seed Washington field representative. Traditionally, spuds have been one of the most profitable crops to growers. “This year I have never seen so much old equipment pulled off rock patches and out of fence lines getting ready to plant wheat,” says Johnson.

Down go grass seed acres

As a result of escalating commodities, grass seed has been dropping in status among farm crops. Perennial ryegrass seed acres in the Willamette Valley are down a whopping 25 percent from a year ago, as growers look to reap dividends from record-high wheat, reports Mitch Lies of the Capital Press.

According to the Oregon State University Extension Service, growers are expected to produce ryegrass on only about 115,000 acres this year. That's the lowest production acreage for perennial ryegrass seed since 1992 when growers produced the seed on just 107,000 acres.

Whenever there is decreasing supply, prices generally increase.

“We're looking at somewhere in the 80s on perennial,” says Ralph Fisher, executive director of the Perennial Ryegrass Bargaining Association. Last year growers received 68 cents a pound for certified perennial ryegrass seed. Fisher hopes to lock in a final price May 15, when the Perennial Ryegrass Bargaining Council next meets.

Spud advice on raising prices

Lately ryegrass farmers have been taking lessons from their potato-growing neighbors on how to boost pricing. Buzz Shahan, chief operating officer of United Potato Growers of America (UPGA), has been holding discussions with the Perennial Ryegrass Bargaining Association, giving them tips on how to raise prices. UPGA is the wildly successful bargaining association for potatoes. The group has grown annually since its formation in 2005. Today it includes about 70 percent of the nation's potato growers, Shahan says. In addition, he said, the vast majority of the 30 percent not in the organization adhere to the organization's calls for acreage reductions.

The UPGA, by banding together to reduce acreage, has increased potato prices nearly 200 percent. A hundredweight of potatoes between 2002 and 2004 averaged \$3.50. The association helped boost prices for its members to an average of \$6.75 the past two years, according to the Capital Press. Ryegrass growers at the meeting were paying close attention.

Burn ban flip flop

Field burning of bluegrass fields in Northern Idaho has been banned for the past two years, due to a federal appeals court ruling that found the annual fall farm ritual illegal under the federal Clean Air Act. Last month, farmers, public health activists and state environmental officials worked out final details of a new statute and set of regulations governing the burn program, as reported in the March 8th Seattle Times.

With the aid of a mediator, the parties crafted a compromise that allows burning to resume, but under guidelines more restrictive than those enforced by the EPA and rules that lend special protection to schools, hospitals and elderly care facilities.

Leaders in the Idaho House and Senate suspended rules to speed the bill's approval so the state Board of Environmental Quality can quickly approve a new set of air quality rules. Those rules must then be approved by the US Environmental Protection Agency before farmers can begin seeking burn permits for the fall season.

Before signing the bill, Gov. C.L. “Butch” Otter said the agreement sends a signal that traditional economic livelihoods rooted in natural resources and agriculture can survive with a generation of health-conscious newcomers who have made Idaho the fourth-fastest-growing state in the nation.

Grass seed farmers on the Rathdrum Prairie were the focus of much of the controversy. They traditionally have burned their fields annually to spur a new crop. But smoke from the burning posed problems for those with respiratory issues and led to multiple lawsuits.

Grass acreage on the Rathdrum Prairie has plummeted in recent years to fewer than 2000 acres, from a high of 15,000 acres in the 1990s. The reduction was

partly a result of the ban, but mainly caused by farmers selling their land to builders and developers. 🏠



Scenes like this of fields ablaze are becoming a thing of the past on Idaho's Rathdrum Prairie. At one time, the fields surrounding Jacklin Seed were one of the country's largest bluegrass seed production areas. Today, it is the home to a half million residents within a 50-mile radius.