



Capital Notes

Washington State Council of Farmer Cooperatives * 9103 Chestnut Hill Lane SE * Olympia, WA 98513

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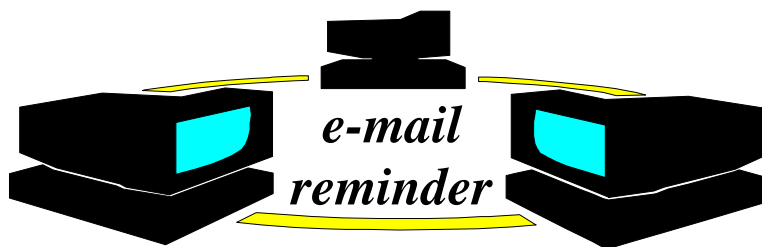
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Special Session in Olympia

Governor Gary Locke called the Legislature into Special Session on Friday, March 10th, the day following adjournment of the Regular Session. Unfinished legislative business includes supplemental operating, capital, and transportation budgets.

Nearly two weeks into the Special Session, there is renewed hope of a resolution to the budget issues. House Democrats and Republicans worked last weekend to resolve many of their budget differences. An agreed to House budget could be sent to the Senate by mid-week. Then it will be up to the Senate to adopt the House budget or to initiate negotiations with the other body.

Meanwhile, if you have questions about legislative issues, call the WSCFC office at (360) 786-8180, or e-mail us at wscfc@wscfc.org.



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\$2.3 million will boost WSU plant oils research

Pullman, Wash., (March 15, 2000) – An innovative new research alliance involving Washington State University could lead to scientific breakthroughs that will allow oil from crops to replace some petroleum fuels and lubricants, and petroleum-based chemicals in the production of many plastics.

The Dow Chemical Company and Dow AgroSciences LLC has committed more than \$10 million to fund research at Michigan State University, Miami University, Washington State University and the Department of Energy's Brookhaven National Laboratory. The partnership represents the second largest public/private consortium ever created for agricultural biotechnology research.

WSU will receive approximately \$2.3 million to fund its portion of the research.

Funds will support five post doctoral scientists in the WSU Institute of Biological Chemistry for research aimed at the creation of new industrial products from agricultural plants and to improve the nutritional content for certain plant oils.

Scientists will pool their expertise to improve specific oils and fatty acid traits of soybeans, canola, sunflower and other crops. The new technology that will be created may also lead to cheaper or better-performing oils for human consumption, such as cooking oils, margarine and other food products.

If successful, the research would create new markets for regional crops and provide a boost for the agricultural economy.

"I am very excited to be helping to launch this new initiative in oilseed engineering," said John Browse, who will direct the work in WSU's Institute of Biological Chemistry. "The generous resources provided by The Dow Chemical Company and Dow AgroSciences will complement and extend our current research on the synthesis of vegetable oils in plants and take this research to a new level of understanding and practicality."

"I look forward to the day when we can provide, on the one hand healthier food oils and on the other hand alternative, environmentally friendly ways to produce plastics, resins and other chemical products that enhance people's lives." WSU researchers have a well-established track record in biotechnology research, said Norman Lewis, IBC director. "We are pleased that WSU has been recognized as having the capabilities to be a major player in this groundbreaking research."

USDA agencies seek input on 2002 Farm Bill

Spokane, Wash., (March 14, 2000) – Washington State Directors for USDA's Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA), announced today their plans for seven Public Listening Sessions scheduled throughout the state of Washington. The purpose of the sessions is to gather farm owner and operator input on the future of agriculture policy in the United States, particularly farm safety net and conservation programs within the 2002 Farm Bill.

The format of the Public Listening Session is one that allows for prepared testimony, as well as remarks by those who wish to address specific programs FSA, NRCS, and RMA administer. The Western Washington meetings will be held in cooperation with WA Dairy Federation; Central Washington meetings with the WA Horticulture Association and the Eastern Washington meetings with the WA Association of Wheat Growers.

<i>Scheduled Listing Sessions throughout Washington State</i>	
April 17, 2000 Colfax, WA 7:00 – 9:00 a.m. Public Service Building, 310 N Main Street	April 17, 2000 Waterville, WA 9:30 a.m. – Noon Douglas County Fairgrounds
April 17, 2000 Walla Walla, WA 1:00 – 3:00 p.m. Pioneer Methodist Church, 209 E. Birch	April 17, 2000 Yakima, WA 4:00 – 6:30 p.m. Davis H.S. KIVA Room, 212 So. 6 th Avenue
April 17, 2000 Kennewick, WA 6:30 – 8:30 p.m. Benton Co. PUD Auditorium, 2721 W 10 th Avenue	April 18, 2000 Mt. Vernon, WA 10:30 a.m. – 12:30 p.m. WSU Research Center, 1468 Memorial Hwy.
April 19, 2000 Chehalis, WA 10:30 a.m. – 12:30 p.m. First Baptist Church, 1866 So. Market Street	

To submit statement for the record: Producers who are unable to testify at a field hearing may instead submit written testimony for the official record. Testimonies must include their name, address, phone number, and forwarded to USDA-FSA, Chris Bieker, 316 W. Boone, Suite 568, Spokane, WA 99201 by **May 1, 2000**.

Salmon Recovery Funding Board grants \$13.34 million for salmon recovery projects.

The Salmon Recovery Funding Board approved funding for over \$13 million in salmon recovery grants around the state at its March 16 and 17 Board meeting in Wenatchee.

Salmon Recovery Funding Board Chair William Ruckelshaus said, "This first funding cycle will provide money to projects that will provide positive benefits to help restore salmon in the state. The watershed groups – or Lead Entities as they are called - did an excellent job of providing the Board with a good list of projects from which to choose."

Funds were distributed to 84 individual projects in 45 of the 62 watershed areas in the state. Of the 84 projects: 19 involve acquisition of key salmon habitat, 47 focus on in-stream work such as fish screens, 14 support riparian habitat improvements (including vegetation plantings for stream shading), and 4 focus on upland habitat changes.

The grants are the result of a call for proposals by the Salmon Recovery Funding Board (SRFB) earlier this year. The Board received 245 grant applications requesting a total of \$42 million. The Board established expert Review Panels to review the local methods used in identifying and bringing forward projects for funding.

Projects were proposed by a wide range of interest groups including local governments, nonprofit organizations, and tribes. In each watershed, the projects were reviewed by a technical committee of scientists and ranked by a citizen committee. These groups were established under the authority granted by the legislature to help focus local efforts in salmon recovery, including prioritizing local watershed improvement projects. For this round of the SRFB's work, 20 different watersheds participated in the application process.

The SRFB is planning another grant round toward the end of 2000 following a comprehensive evaluation of this first process.

The SRFB was established in July 1999 by the state legislature, to help oversee the investment of state and federal funds for salmon recovery. William Ruckelshaus, Madrona Investment Group of Seattle chairs the Board. Other members include Frank "Larry" Cassidy, Vancouver, Brenda McMurray, Yakima, John Roskelley, Spokane, and James Peters, Olympia. Five state agency directors also serve as ex-officio members.

Co-op clips...

Spokane, Wash. – Northwest Farm Credit Services today announced another year of strong financial performance with earnings of \$46.8 million and growth of loan volume owned and serviced of 7.0 percent for 1999. Total capital in the association increased 12.9 percent during the year to \$405.1 million at year-end 1999.

President and Chief Executive Officer Jay Penick said, “We’re pleased with the continue strong financial performance of the association which enables Farm Credit to effectively serve its customer base through agriculture’s current downturn. Congressional action this past fall provided relief to many Northwest ag producers which allowed those producers to continue to meet their financial obligations and move forward with their production plans for 2000.” Penick explained, “Most of our customers are in solid financial shape and are in a good position to deal with continued adversity in the coming year. We will also continue to work closely with those customers who may be experiencing difficulties by extending and/or restructuring payments and providing time for producers to change their program, if necessary.”

Rooster.com to be new web marketplace for farmers. Dealers, co-ops and manufacturers under one virtual roof (March 1, 2000) – Cenex Harvest States Cooperatives, Cargill and DuPont have signed a letter of intent to create Rooster.com, a comprehensive Web-based marketplace to include local farm retailers, cooperatives and manufacturers. Financial terms of the agreement were not disclosed.

Rooster.com is designed to make it easier for farmers to do business on the Internet. It will be a two-way virtual electronic mall for the agriculture industry with three initial anchor tenants and scores of other retailers that will be open 24 hours a day, seven days a week. Here, farmers will be able to market their crops and buy fertilizer, crop protection products, other farm supplies and equipment – all through the same business they work with now. The site is scheduled to be launched by May 1. A management team is being formed and will be announced soon.

Country Energy signs letter of intent to purchase Williams’ wholesale propane business (February 29, 2000) – Country Energy, L.L.C. announced today it has signed a letter of intent to purchase the wholesale propane marketing business from Williams Energy Services’ marketing and trading unit. In addition, Williams will become the sole marketer to Williams’ terminals.

Country Energy is an alliance of the farmer-owned cooperatives, Farmland Industries and Cenex Harvest States. Williams wholesale propane business primarily markets propane to wholesale and retail dealers in the central and eastern portions of the United States.

For the member cooperatives of Farmland and Cenex Harvest States, the agreement is expected to provide reliable physical supply of product without capital investment and generate savings as it will eliminate significant investments in inventories and storage costs.

Washington State Council of Farmer Cooperatives

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1999-2000 Officers

The Washington State Council of Farmer Cooperatives is a trade association representing agricultural cooperatives. The council's primary goals are to represent its members before the legislature and agencies of government and to provide cooperative education for its members.

Capital Notes is produced by the Council to inform its members about issues of interest to cooperatives.

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