Chickpeas Sit In Silos As Trump's Trade Wars Wage On

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Snow-covered farm fields roll out outside Kendrick, Idaho. Farmers are stumped on what to plant this coming spring, as many of their traditional dryland crops are priced below the cost of production right now.

Anna King/Northwest News Network

On a recent rainy day, farmer Allen Druffel stands outside a silo shuffling his feet in the gravel. This co-op bin is where he stores his dried garbanzo beans in the tiny town of Colton, Wash. The place should be busy; trucks should be loading and hauling this year's crop to markets and international ports. But midafternoon, there's just the rain.

Since farmers like Druffel brought in this year's crops, hardly any garbanzos — or chickpeas — have moved.

"Thirty to 40 percent of our total revenue is in the bin," Druffel says. "And we're not sure what we want to do with it."

And it's bad times for lentils and peas, too. In the agriculture industry, these are all called pulse crops. The largest importers of U.S. pulse crops have slapped tariffs on them, and they've been sitting in silos ever since.

Allen Druffel, 34, of Colton, Wash., stands in front of the co-op silos that hold his unsold chickpeas. Last year he was getting 50 cents a pound for his pulse crop. Now, the going price is 18 cents a pound — well below his cost of production.

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Bitter bumper

The real trouble started early this year, with the U.S. pulling out of the Trans-Pacific Partnership. Then came President Trump's steel and aluminum tariffs. China and India are the two largest buyers of American garbanzos, peas and lentils, and those exports have all but stopped. Other countries are holding off on buying them, too, while the prices are unstable.

Druffel saw the market drop only when it was too late — after he had already planted the crop in the spring, and then again after harvest.

"It was a bit of a roller coaster," Druffel says. "It was one of the best crops we've ever harvested. And then to see the pricing take a 40 to 60 percent fall is really unfortunate. If you're talking real numbers, in February of 2018 I sold chickpeas for 50 cents a pound — and today they're trading at 18 cents a pound."

Dirk Hammond is an honest-to-goodness bean counter. He does the accounting at <u>George F. Brocke & Sons</u>, a pulse crop exporter in Kendrick, Idaho.

"I tell people this year, I feel like I'm the Grinch because of the prices," Hammond says. "And it's, you know, nothing that we as a company, or any grower or landlord has done — it's just a circumstance of global politics and global trade."

Dry garbanzo beans spill between Phil Hinrichs' fingers. Hinrichs Trading Co. readies chickpeas for hundreds of products on domestic store shelves and exports the commodity in bulk across the globe.

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At Brocke & Sons, high-tech systems sift through the harvest, sorting out the chaff and debris and packaging the pulse crops for shipment around the world. In the deafening facility, robots whiz and whirl, stacking hefty bags of garbanzo beans on wooden pallets.

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Hammond says this year's pulse crops were nearly busting out of the bins. Farmers had plenty of moisture for their dryland or nonirrigated crops. So they had really great quality and yields. And across the nation, farmers planted more garbanzos than ever before — increasing the acres grown from about 600,000 acres to 800,000.

"Real catastrophe"

Down the road in Moscow, Idaho, Tim McGreevy is the head of the <u>American Pulse</u> Association. He represents pulse crop growers across the country.

In the near 25 years he has held the job, McGreevy says he has never seen such a tough market. He estimates his pulse growers have lost \$500 million so far.

"To describe this as a bad year for export markets is a gross understatement — this has been a real catastrophe," McGreevy says.

And if markets don't reopen real soon, it is going to get a lot worse for farmers and processors.

So far, pulse farmers haven't been awarded much in the way of government payments or help. There are federal loans — and some farmers will have to take them to keep operating as they hold on to their crops, hoping for better prices by spring.

In January and February it's the bankers who will largely decide farmers' fates. Most farms have to borrow operating cash for each coming year to buy things like fuel, seeds and chemical fertilizer.

Right now, it's a question of what to plant to make those costs back. Not much in dryland is making money right now. Prices are at or below cost of production in this area for wheat, barley, rapeseed, lentils, garbs and peas.

"There's not a lot to run right now, that is the absolute truth," McGreevy says.

McGreevy says older farmers might decide to just quit before the next go-round. But young farmers might be giving up the keys to the farm if things don't turn around in a matter of months.

"Young farmers generally have a lot more debt that they are assuming as they are just starting off in their careers," he says. "If they are purchasing any property, with prices that we are seeing right now, it's very difficult to cash flow that."

On farmer Allen Druffel's remote spread, the dirty-white sky is indistinguishable from the earth. Just a 5 o'clock shadow of wheat stubble bristles out of the snow. Druffel tries to brush off this year's disappointment and his family's risk.

"No, it doesn't bother me," Druffel says in a low voice. "It's the game we chose to play. I do it 'cause I love it."

Pressed a bit more, Druffel smiles. Through welling tears, he reluctantly admits:

"Oh, it hits home."