

Ioka Farms

Annual News

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Production Update

Looking back at past editions of this newsletter, there seems to be a growing trend of seeing more bad than good when it comes to yields and cooperation of mother nature. This year followed suit to many in recent memory with less than ideal growing conditions for grass seed production. Noted in last year's report, the fall of 2022 was very dry, resulting in poor recovery of perennial crops. Our fall planted brassica crops were a complete failure due to lack of moisture, then cold temperatures when the rain finally did arrive. Fine fescue crops, which were already struggling to recover, were further damaged by sod web worm.

Discussions were aplenty throughout the winter and spring within the farm management team on crop health, input prices, and seed movement. It was difficult to decide which fields were too badly damaged to salvage. Some were taken out, even though the stand was only three years old. Cold and wet weather continued through the early spring months and we were anticipating a late start to harvest.

Spring planting of fine fescue went smooth with the cooperation of the weather, however that dry weather we had in May continued, and rain for seed germination was nearly non-existent. Emergence of new seedlings was very spotty and fields that should have been green and growing into the summer were still bare. Fall herbicide was not applied on these newly established fine fescue fields due to the risk of injury to tiny seedlings that were just emerging in September and October. Now we face an upcoming battle with weed grasses infesting these new seedlings since we had no residual control with chemicals.

When the rain stopped in mid-May, our earlier expectations of a late crop were changed drastically. We were in the field with swathers cutting our first fine fescue on June 26th. That same field was cut on July 13th in 2022, almost a 20-day difference. We knew the crop was going to be light, but we did not expect it to be the worst in the history of our farm. David Doerfler has seen many harvests in his 70 plus years of harvesting fine fescue, but he cannot recall a year that has been as dismal as the harvest of 2023. Industry professionals and other growers have made observations that the Silverton Hills area was the hardest hit by the lack of fall 2022 crop recovery and poor seed maturing conditions in the spring of 2023. Growers who had irrigation, and those in different areas of the Willamette Valley seemed to fare a little better on some crops, but overall most growers reported their yields being down over historical average. Seed harvest was completed quickly due to the light crop.

Straw load in the harvested fields was down significantly as well. Many fine fescue and perennial ryegrass fields were chopped back in with the combine straw chopper and flail mower as there wasn't enough straw to make a windrow to bale or even enough to run a fire across for field burning. Perennial ryegrass fields that normally would see 3 to 4 bales to the acre were yielding as low as 1 bale per acre. Carryover of straw for the 2022 crop still sits in the barn, but with the low straw yields every bale made in 2023 is under cover awaiting the currently slow straw export market to pick up.

Hazelnuts didn't seem to be effected by the strange weather pattern of this past season. Yields increased over last year and nut fill seemed to be good. Cleanouts were low on the deliveries from the first picking. Grower pricing once again was set very low with only a slight bump up from the 2022 price. Costs were cut wherever possible and efficiencies were prioritized. One good thing about a lack of late spring rain is that the cover crop grass in the drive rows of our orchards did not require as much mowing. Harvest became a challenge as October rains set in. We did have several dry days in between rains, but mud was an issue along with an overly abundant population of mushrooms. The mushrooms would plug up in the back end of our harvester, not allowing the nuts to make it into the hopper. A great deal of time was spent scraping and raking mushrooms and mud out at the end of each row.

Fall seeded crops are looking great this year, as well as perennial crop recovery. A few brassica crops were planted again into the same fields where they failed last year. Quite a stark contrast from the way they looked a year ago. Full stands thanks to needed fall rains.

We'll do it all again next year and hope for more favorable weather.



Planting fine fescue



Thin rows with record low yield

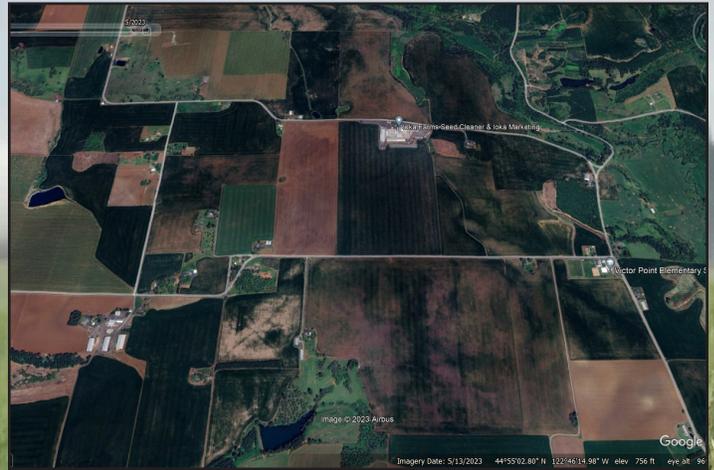
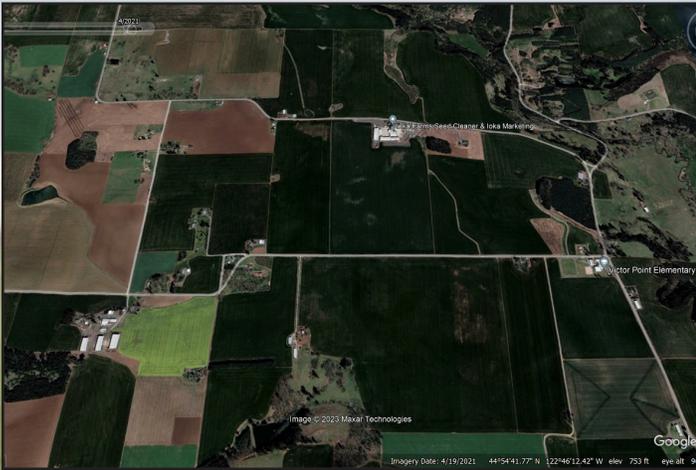


Normal rows with average yield



Wet conditions for hazelnut harvest

Production Update



These two aerial images show a distinct difference in the fine fescue crop recovery. The photo on the left was taken in April of 2021. Notice how most fields have more green color showing. The photo on the right was taken in May of 2023. Fields that should be green during that time of year have large areas that are bare and sparse.

Some 2023 Seed Yields Hit Historic Lows

After 2021, Shedd, Oregon grower Denver Pugh thought he'd seen rock bottom. Then came the summer of 2023. "I honestly didn't think I'd ever see anything as bad as 2021 when we had the drought and the heat dome," Pugh said. "But this is worse."

This summer Pugh said he was harvesting a little over 50 percent of a normal crop in his annual ryegrass and doing worse in other species.

"Orchardgrass was horrible," he said. "We had fields that in hindsight we shouldn't have even harvested. We spent more money getting it in the barn than we'll ever make. It was less than 200 pounds to the acre."



Doug Duerst

In the Silverton hills, Doug Duerst of Ioka Farms characterized the summer of 2023 as a "once in a lifetime event. I think it's a lifetime event that we've never seen before," Duerst said.



Denver Pugh

"The seeds will feed up negatively for us," Duerst said. "I had several fields that were yielding less than a third of expectations. We've got more that we get 200 pounds of seed off an acre."



Doug Duerst

"Some of our year fields aren't as good," he added. "We've lost 20 percent off. But we've got up and getting only about one-third of normal yield on anything that's older than three years old."



Doug Duerst

After talking to his father and others in the area, Duerst believed there's never been a year this bad.



Doug Duerst

"Somebody I've talked to, my dad included, said they've never seen this level of crop," Duerst said.

Doug Duerst

Wagner said, Scott Meyer of Columbia Seeds estimated that original seed yields were off of about 40 percent and irrigated fields were coming in 20 to 25 percent off of normal.



A page from the fall 2023 edition of the Oregon Seed Magazine featuring commentary from Doug Duerst from Ioka Farms. Many growers throughout the valley were interviewed as the low yields of 2023 were newsworthy. You can read the entire magazine online at www.oregonseedcouncil.com

This summer we implemented an annual safety award called "The Smooth Operator Award". All harvest crew employees were eligible and could be nominated by their peers or supervisors. Overall, there were numerous nominations and everyone did a great job staying safe, however, Abigail Anderson and Joey Sessums were the 2023 award winners. Congratulations Abigail and Joey!



All in the family!

It's not uncommon for us to have siblings working on the farm during the summer at Ioka. With the exception of children of Ioka owners, 2023 was the first year that we had three siblings working at the same time! Pictured to the right are Myles and Riley Hamilton, and Abigail Anderson.



Marketing Update

Welcome Emmelia Nightingale



Ioka Marketing is pleased to announce Emmelia Nightingale as our new supply chain administrator.

Emmelia previously worked at Geochron, with experience in supply chain management and inventory control. Prior to Geochron, she worked in numerous industries, from jewelry to technology, always focusing on exceptional customer service.

Emmelia lives in Molalla with her husband, David, and their American Foxhound, Lucy.

Outside of the office you'll find Emmelia painting, learning how to play her cello, or working in the garden.

Emmelia says, "I feel very blessed to have found such a welcoming home here at Ioka, and I'm excited for the many years to come!"

Welcome to the Ioka Team, Emmelia!

2023 has been a year of adaptation for Ioka Marketing. The most noteworthy challenge was handed to us by mother nature. As mentioned in the production report, all of our fall planted brassica crops failed to establish, leaving us with little to no seed available for our customer base. Ioka Marketing is the North American distributor for PGG Wrightson seeds based in New Zealand. Forage brassica production is handled by Ioka's production division and the seed is sold throughout North America by Ioka Marketing. Thankfully, we were able to source the needed seed from New Zealand so our supply chain would not be significantly disrupted. Our team was quick to realize the situation and started to bring seed from across the pond as quickly as possible.

Overall, seed quality suffered with the absence of adequate moisture and proper pollination weather. With seed quality standards being challenged and requirements of germination and purity at an all-time high, we are doing our best to clean the 2023 crop. This requires patience and persistence to ensure what goes into the bag meets the contracting company's specifications. We are finding that many seed companies are requesting seed lots to be re-cleaned more than in the past due to the stringent quality standards put in place. These higher standards are due to the fact that there is no shortage of seed in the pipeline. When seed is short, seed companies tend to be more lenient on quality and purity. Unfortunately, this is affecting all seed growers as each re-clean costs the grower money which really cuts into their bottom line.

Freight and logistical challenges that have frustrated all business sectors over the past couple of years are now being alleviated. Lack of movement and slowing sales of all products are pushing freight prices down. We are frequently being contacted by ocean carriers soliciting for product to ship overseas. Emails and phone calls are being received from nationwide trucking companies offering their services in an attempt to spark freight movement. We expect this trend to continue into the near future.

Currently the markets for most turf seed is sluggish with seed still readily available from the 2022 crop. We have heard that larger retailers like Home Depot and Lowe's currently do not have large inventories of seed on hand. This is typical as not much seed is sold in the winter months, but is a shift from their status a year ago when they had more inventory to sell before requesting restocks from the seed companies we contract with. Improvement in consumer confidence, housing markets, and global commerce will need to improve dramatically before we see our industry thriving again.

Forage seed markets continue to remain stable. This is more of a predictable market since animals still need to be fed with good quality forage materials that we can provide to the end user. With the short crop of 2023 we should sell out of our forage inventory. We rely on production from New Zealand for several of our forage seed offerings. Their harvest will commence in the next month and we will bring in many of the highly sought after PGG Wrightson cultivars from their production.

Our team worked hard throughout the year. Travelling to meet with clientele, attending industry meetings, and revamping processes and policies within our operation kept everyone busy. *(Continued on next page)*



Marketing Update

Brandon Bishop spent a week travelling throughout the mid-west over the summer, meeting with existing and potential customers whom we usually only speak with via phone and email. We believe having a face to face conversation with our clientele is very important to keep our relationships strong.

Rob, Jennifer, and Brandon attended the annual Western Seed Association meeting in Kansas City, Missouri in November. They were able to meet with numerous national and global business associates to discuss customer needs. This meeting offers our team a great opportunity for networking and the potential to sell our products into new markets.

With the addition of Emmelia Nightingale to our team, not only has our efficiency in the office improved, it also has out in the warehouse. Emmelia has improved communication efficiencies by implementing text messaging procedures and two-way radio communication with the warehouse staff. Organization has improved and the cohesiveness with our entire crew is better than ever.

We are looking to close the year out strong with our seed being loaded on containers for export to Korea and Japan. We are excited for the coming year as we will continue to ship seed throughout the United States as well as globally into Canada, Brazil, Japan, and Korea. We are hopeful that 2024 will be positive and productive as crops are looking good coming out of the fall months, showing signs of good growth and recovery. As the crops strengthen, so does our business, showing resiliency due to our strong foundation of products, people, and infrastructure.

New Year, New Office Look

Our Marketing office was lightly renovated over this past year to emphasize the story of our seed from start to finish. Two signs now hang near the entrance of the office, one is a restored original from Alexander Doerfler, and the other showcases the meaning of the Ioka name. A fresh coat of paint, employee provided canvas photos, as well as old and new symbols of Ioka help highlight the hard work and dedication put in every day by all of our Ioka team.



OSA Board Appointment

This past summer Brandon Bishop of Ioka Farms was elected to serve on the Oregon Seed Association Board. The OSA's mission is to represent and promote the interest and importance of the Oregon seed industry, fostering cooperation and communication among members, suppliers, customers and regulators through the state, the nation, and the world. Congratulations Brandon!



For decades, the sign below has been standing at the entrance of the Ioka Farms seed processing plant on Riches Road. Mother nature had taken its toll on the sign. Luckily, one of our staff members at the warehouse is a talented artist. Fernando Bravo was able to bring the sign back to glory, making it even better than new!



Before



After

Generation 2-Bruce Duerst

Over the past 10 years we've introduced to you many of the family members and owners of Ioka Farms. As we move into generation 2, we start by featuring Bruce Duerst.

Bruce Duerst, VP of processing for Ioka Farms, is the oldest son of John and Shirley Duerst. Like all of the Duerst and Doerflers of his generation, Bruce spent much of his childhood helping out around the farm. Things were much different at Ioka 50 to 60 years ago than they are today. Turkeys were a big part of the business when Bruce was growing up. After school he would help his grandfather Alex gather eggs, feed, and put the turkeys into roost at night in the winter time.

At the age of 7, Bruce started operating swathers and combines in the summer. He continued through his school years being actively involved with the farm when not in school. Upon graduation from Silverton High School in 1976, Bruce attended Oregon State University with intentions to major in agriculture engineering technology. Unfortunately, after one and a half years of attendance Bruce came down with a serious case of mono which left him unable to attend school for a prolonged period of time. While he was away from college, Bruce made the decision to stay back from school and focus his efforts on opportunities close to home. Those opportunities proved to be plentiful, as Bruce entered into many ventures and discovered a multitude of interests over the last four decades.

In 1979, Bruce and his brother Doug ventured into the Ski Doo snowmobile dealership business. Something that you would never see happen today, the brothers set up shop at Ioka's production location and ran their business B&D Ski Doo until 1989.

Bruce married Karen in 1981. She lived just a ½ mile to the east of the Doerfler home place where Bruce grew up. They have four boys, Trevor, Cody, Casey, and Dillon, all who have been introduced in past editions of this newsletter. Bruce and Karen now have six grandchildren and they reside in the original Doerfler home located on the farm. An article about the Doerfler home was written by Bruce and can be found in the 2020 edition of the Ioka newsletter.

Bruce's fascination with all things transportation started at a young age. In 1970 Bruce and his brother Doug bought a new Honda Trail 90 from Adams Honda in Salem and to this day Bruce is still an avid motorcycle fan. Bruce recounts a funny story after he purchased his first motorcycle at the age of 12. His grandfather came down to his house, pointed to a picture of Bruce hanging on the wall and said to Bruce's mother Shirley, "You see that picture of your son on the wall? You'd better take a really good look at it because it may be the last time you see that son of yours now that he has a motorcycle!" Bruce currently has four motorcycles in the garage, which all require some frequent "tinkering" to be in top operating shape.



Duerst Chiropractic opens office

SILVERTON — The Water Wheel Restaurant is no longer vacant and no longer a restaurant. Dr. Bruce M. Duerst, and his wife, Karen, have remodeled and opened the Duerst Chiropractic Office there.

Remodeling began in mid-September by Pfeifer Construction. The large, open building has been converted into a professional clinic that offers several treatment rooms, X-ray equipment and more.

Duerst says he is excited about the chiropractic profession and where it is going. He believes chiropractic is a system of natural health care that emphasizes preventative measures and corrective care to restore the body back to health.

Duerst graduated from Western States Chiropractic College in March of 1988, and worked at the Keizer Chiropractic Clinic office of Drs. Herbert and Michael Freeman. When the internship ended, he came to Silverton to begin his practice here.

Both Duerst and his wife's family are located in the Victor Point area. Duerst graduated from Silverton



The Duerst Chiropractic Office is now open in what was formerly the Water Wheel Restaurant. Pictured are Dr. Bruce and Karen Duerst, and their children, Trevor, 5, and Cody, 3. Photo by Randy Henry

high in 1976. He married Karen in 1981, and has two children, Trevor, 5, and Cody, 3. Karen helped Bruce set up the office and is now working with him.

Bruce's career path did not end with farming. In 1984 Bruce made the decision go back to school, but this time not for a career in agriculture. If you met Bruce today, you would never guess it but he is a Doctor! From 1984 through 1988 Bruce attended Western States Chiropractic College, and in 1989 he and Karen opened their very own practice in Silverton. They purchased the "Water Wheel" building on C street and treated patients for their ailments in town until 2000. After 10 years of working inside a building, Bruce realized that his true passion was to get back to agriculture and help his brothers and cousins grow the family business. Bruce and Karen were fortunate to find a buyer for their practice and sold it to Daniel Cote, who still treats patients in Silverton.

During his tenure as a Chiropractor, Bruce was able to have time to serve the community in a way that he may not have been able to if he were a full-time farmer. Prior to unification of the outlying schools into the Silver Falls School District, Bruce served on the Victor Point School Board from 1989-1996. During his time on the school board he had an instrumental role in getting the original Victor Point school house onto the National Historic Registry. A lengthy document was compiled by Bruce and several other members of the community to maintain the (Continued on next page)

Generation 2-Bruce Duerst

historic legacy of the old Victor Point school.

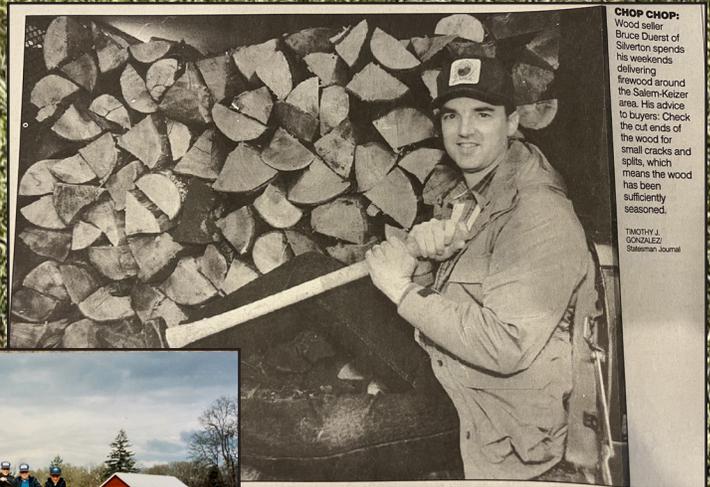
When Bruce returned to the farm again, he became the swather crew leader and mechanic. He also transitioned from the production division over to the seed cleaner where you can find him today managing the seed cleaner operations. One of Bruce's notable accomplishments shortly after he returned to the farm was procuring a large fleet of unique Freightliner trucks. In 2003 Ioka was looking to upgrade and modernize some of our older semi-trucks. The Fred Meyer Distribution Company was selling off their fleet of 1992 set-back front axle cab-over Freightliners. Bruce made a deal to buy these trucks for \$3,500 per unit. When we went to bring them home Bruce said, "You'll be both pleasantly surprised and terrified when you see them!" They were ugly, but they were good solid trucks. We bought 10 of them and they are still serving us well in many different capacities.

Bruce isn't much for taking vacations or going out for a night on the town. His true passion is right at home and on the farm. Taking care of his yard, mowing lots of grass with his stand-up mower, driving all over in his Kubota RTV trapping gophers and moles, blowing off the driveway, and trimming limbs. If you drive by Bruce's house on a weekend it's likely you'll see him outside doing some type of chore wearing his blue coveralls.

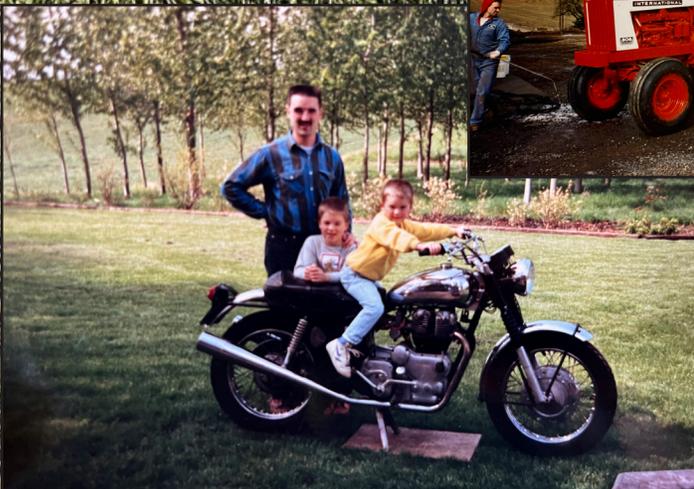
At 65 Bruce is still loving what he does and retirement is likely still many years away. When he does decide to slow down, we all know he will still be tooting around in his Kubota and working hard until his body no longer allows it!



Bruce and his Russian made Ural sidecar motorcycle with five of his six grandchildren-Wesleigh, Claire, Easton, Hazel, and Ainsley.



CHOP CHOP:
Wood seller Bruce Duerst of Silverton spends his weekends delivering firewood around the Salem-Keizer area. His advice to buyers: Check the cut ends of the wood for small cracks and splits, which means the wood has been sufficiently seasoned.
TIMOTHY J. GONZALEZ/
Statesman Journal





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