February 6th , 2026

To: Governor Bob Ferguson

Derek Sandison, Director of Agriculture

Representative Laurie Jinkins, Speaker

Representative Drew Stokesbary, Minority leader

Representatives Reeves, Morgan, Dent, Stonier, Wylie, Schmick, Dye

Senator Jaime Peterson, Majority Leader

Senator John Braun, Minority Leader

Senators Shewmake, Chapman, Muzzall, Warnick, Short, Cleveland, Schoessler, Dozier

We write to bring urgent attention to serious and concerning economic trends in Washington state agriculture. A *Capital Press* article[1], a regional agriculture newspaper, drawing from 2024 USDA data, revealed that Washington agriculture now ranks 50th in net farm revenue (profitability)[2]. Washington farm income was negative $294.632 million in 2024. This is a staggering decline of over $1.2 billion in lost farm revenue from 2023 to 2024.

It is incomprehensible and alarming that our state, so blessed with natural advantages in climate, soils, water supply and export infrastructure, now sees these unprecedented losses. Only one other state saw negative returns to farmers, Alaska had negative $10 million in farm losses.

Additionally, since 2023, Washington has experienced multiple closures of food and agricultural processing facilities. These closures have disrupted farm markets, eliminated jobs, weakened rural economies, impacted farms, farmers and farm workers. The loss of this critical infrastructure erodes local and export oriented agricultural production and undermines workforce hiring as well as local and state revenues from agribusiness.

We are asking you to consider identifying –

>Why are we losing these essential, strategic businesses?

>Why are we seeing a troubling decline in net farm income?

>How do we change these trends?

Processing infrastructure is fundamental to agricultural viability. Without local processors, farms lose access to markets, workers lose jobs, and rural communities lose economic stability. We

[1] https://capitalpress.com/2025/12/04/washington-ranks-last-in-farmer-take-home-pay-in-2024/
[2] https://data.ers.usda.gov/reports.aspx?ID=4032#P28aa1ecb5d614370a65ba44ac4cf5969_2_96iT0R0x47

strongly encourage consideration of incentives or policies that promote reinvestment in existing facilities and encourage the development of new ones.

Processing companies and businesses typically plan capital investments on a 10-to-20-year timeline. The loss of these food and feed processors indicates a growing reluctance to reinvest in Washington State. Companies are not upgrading older facilities nor investing in new processing capacity, they are quietly leaving.

While we would like data to confirm our suspicions, the following is anecdotal evidence suggesting why agricultural business may be leaving our state.

Food processing and farming requires relatively large amounts of seasonal labor and energy to heat, freeze, dry, boil, steam, cool and package food or feed in addition to the need for fuel for transportation to consumers at market. Washington state has excellent ports and favorable access to Pacific Rim markets, but our farm products must be competitively priced against competitors in the U.S. and Internationally. We see our trade dependent, energy intensive businesses leaving when, instead, we would like to see policies to keep them here and help them be competitive in our markets in the US and around the globe.

The Climate Commitment Act is a system designed to raise the cost of non-renewable or fossil fuels. The prices in Washington for gas, diesel and natural gas from fossil sources have increased commensurate with the quarterly carbon auctions since its inception.

- Washington State CCA only grants a set amount of "free" carbon allowances to large Emission Intensive Trade Exposed (EITE) industries through 2034 (over 25,000 MTe), after 2034 the policy picture is unclear and unknown. (see https://ecology.wa.gov/air-climate/climate-commitment-act/cap-and-invest/emissions-intensive-trade-exposed-industries
- It is likely smaller trade exposed business (under the 25,000 metric tons) are paying carbon fees on their energy through their suppliers. We are not sure if these smaller processing businesses (that are in fact EITE) are making decisions based on current energy fees expenses or a concern about the future business climate in Washington state (or both).
- The high cost of carbon in the past two years in Washington state has increased fuel prices. Natural gas costs have increased approximately $2.65/MMbtu and diesel has increased in cost at least 60 cents per gallon.
- Fossil based natural gas has no current viable replacement available on the market. Food processing in many cases requires significant energy inputs such as natural gas.
- The annual carbon reduction targets in the Washington CCA are aggressive as compared to California. The laws of supply, demand and price are borne out when comparing our recent CCA auction prices of over $60/ton with California's recent price of $32.81/ton[3].
- Higher fuel prices impacts costs and competitiveness of food production and processing.

[3] https://ww2.arb.ca.gov/sites/default/files/2025-11/nc-nov_2025_summary_results_report.pdf

Respectfully, we believe all of the above creates an economic environment that makes it difficult for business planning or decisions about long-term capital investments in Washington agriculture.

Additional factors described in the Capital Press and a recent Seattle Times article[4i] include high labor costs compared to our competitors and uncertainty in foreign markets due to trade policy. While there is little that can be done about trade policy, we have seen the growing impact on farms and businesses from labor policy changes. Washington state median farm worker wages, range from $18.35 for crop workers to $21.55 for farm and ranch workers[5] – among the highest in the nation. Additionally, Labor and Industries[6][7] rules mandate that salaried employees must earn at least $80,168 this year (2026) and over $93,392 annually by 2028 or the employer must pay overtime to salaried employees. This generates further costs and expenses, adding to farm revenue losses and reduced competitiveness of farms and agricultural food, feed, fiber production and processing businesses. These labor policies make it difficult for our farmers, and the businesses they rely on, to purchase and process food and feed and then compete in the market against farms and businesses in neighboring states or foreign countries.

We see a concerning trend: keystone agricultural businesses – including processors that anchor entire regional economies – are ***quietly quitting and leaving*** the state. Farmers, farm workers and their families, along with supporting businesses and their employees and communities are suffering the consequences of these closures and the dramatic decline in net farm revenue.

We welcome your thoughts and suggestions as we look for potential solutions. We are glad to discuss this further with you or your staff.

Washington Farm Bureau

Washington State Dairy Federation

Yakima Klickitat Farm Association

Yakima County Cattlemen's Association

Washington Winegrowers Association

Washington State Water Resources Association

Washington Association of Wheat Growers

Washington Growers League

Worker and Farmer Labor Association

Washington Cattle Feeders Association

Washington State Tree Fruit Association

Whatcom Family Farmers

WA Friends of Farms and Forests

NW Agricultural Cooperative Council

Washington State Hay Growers Association

Washington Cattlemen's Association

Washington Potato and Onion Association

Save Family Farming

---

[4] https://www.seattletimes.com/business/agriculture/3700-wa-farms-shut-down-in-5-years-why/

[5] https://esd.wa.gov/jobs-and-training/labor-market-information/employment-and-wages/occupational-employment-and-wage-statistics-oews

[6] https://www.lni.wa.gov/forms-publications/f700-207-000.pdf

Appendix: Specific Recent Closures

September 2026 – Del Monte Pear Cannery, Yakima

- Closure of pear cannery and warehouses.
- 51 full-time and 448 seasonal jobs lost.
- Thousands of tons of pears left unharvested; growers left without a market.
- Multiyear orchard investments now at risk.
  Link: https://www.wenatcheeworld.com/news/local/del-monte-closure-leaves-wenatchee-valley-pear-growers-with-historic-losses-uncertain-future/article_b34f14a4-370b-4333-9915-e7572db85645.html

June 2025 – Great Western Malting, Vancouver (Port of Vancouver)

- Facility closed, after operating since 1934. Consolidated operation into Idaho.
- No barley contracts offered in 2025 in Oregon and Washington.
- Loss of 60–80 jobs and **~60,000 acres** of contracted barley.
- Estimated **$30 million** in lost farm income.
  Link: https://www.greatwesternmalting.com/our-company/our-history/

September 2024 – Lamb Weston, Connell

- Shutdown eliminated **375 jobs** in a town of 3,000.
- Loss of a market for **~10,000 acres** of potatoes.
  Link: https://www.tricitiesbusinessnews.com/articles/lamb-weston-connell#:~:text=Lamb%20Weston%20announced%20the%20closure

October 2024 – Cargill Feed Plant, Ferndale

- Closure of livestock feed processing facility.
- Permanent loss of regional feed manufacturing capacity in Northwest Washington.
  Link: https://www.bellinghamherald.com/news/business/article294720904.html

June 2023 – Skagit Malting, Port of Skagit

- 18 jobs lost.
- Up to **2,700 acres** of barley contracts lost.
- Estimated **$1.5 million** in annual local farm revenue lost.
  Link: https://www.bellinghamherald.com/news/business/article294720904.html

April 2024 – Del Monte, Vegetable processing plant, Toppenish

- 127 direct jobs lost.
- Unknown acres and farm jobs affected.
  Links:
  https://www.yakimaherald.com/news/local/business/closure-of-del-monte-in-yakima-leaves-pear-

growers-in-a-tough-position/article_c0f81601-e161-4c15-9850-e34cdd66ef2a.html
https://www.powderbulksolids.com/food-beverage/del-monte-to-close-2-canning-plants

November 2025 – Anderson Hay Company, Ellensburg (in Bankruptcy)

- Declining international demand and global price pressures.
- Rising labor, machinery, and fuel costs worsening financial strain.
  Link: https://www.opb.org/article/2025/12/07/how-a-huge-northwest-hay-exporter-got-into-trouble/