

Sherman County farmer prepares for retirement, volunteer work

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Richard Read, The Oregonian

By

Sherman County farmer Tom McCoy, a Harvard grad with a Stanford economics doctorate, stepped from his combine Wednesday for the last time after 34 years growing wheat and barley.

McCoy, 65, is retiring after hoeing one of agriculture's toughest rows, that of a dryland wheat farmer. Years ago the Wasco-area native left a career as a professor at prestigious Williams College to return to the family farm.

On Thursday after a thinking man's jog, he shared insights gleaned from life, labor and economics texts dry as his soil. Questions and answers have been edited for clarity and brevity.

Q: How does it feel to end your last harvest?

A: I haven't had a chance to fully come to terms with it all yet. I started farming with my father in 1975. He had started farming nearby after the second world war. My uncle first farmed the family ground after he got out of the service in World War II.

It's a summer-fallow farm. We're up too high to pull water from the river. We grow a crop every other year because it's so dry.

The rotation is that we harvest half our acreage and let the wheat stubble stand over the winter to absorb moisture. We kill the weeds so they don't suck moisture out. Then we plant the following fall and harvest in July of that second summer.

I've enjoyed it. I've been farming about 3,000 acres. That was a normal-size farm when I started. But consolidation has been constant. There's less than half as many farmers in the county than there was when I started.

Q: What are you going to do now?

A: I stay plenty active. I was appointed to a National Farm Bureau task force on the federal deficit, and went to Washington, D.C. once a month for the whole spring.

I was very surprised. I thought the deficit situation would revolve around the retirement of the baby boomers. It turns out the long-term federal deficit is primarily due to rising medical costs, given government financing of

Medicare and Medicaid. So that's gotten me into how to control medical costs.

Medical costs have been rising slightly less than 3 percent faster than inflation, on average, for the last 30 years. Average medical costs for a family of four are \$16,000, out of a median income of about \$60,000. So something has to be done. The federal deficit is very dangerous.

Unfortunately an awful lot of the reform in Congress right now isn't addressing the main problem. They're trying to get universal access, which is something I believe we need to do, but that's going to make the cost problem worse in the short run.

Q: Where's the economy going?

A: We'll recover, but it's going to be a slow process. We were spending more than our income as a country. It's made the adjustment more difficult, plus the big financial crisis.

We need to export more as a country and dramatically reduce our trade deficit. The dollar will decline and that's going to stimulate exports.

The wheat price is about \$5 a bushel, which is certainly a lot better than it was 10 years ago. You can make money, although it's not as good as it was a year or so ago.

Q: Do you expect inflation as the recession ends?

A: There's certainly a danger. With the enormous increase in the money supply, we're going to have a difficult balancing act.

The Fed is not going to want to raise interest rates too much, but they're going to have to take some strong action to prevent inflation. Ben Bernanke's doing a very good job. He had the best background possible for the situation. His great expertise was in the Depression.

Q: You can make economic prescriptions, but how do you avoid the temptation of telling your successor on the farm what to do?

A: I have an employee, Bryce Coelsch, who's worked for me since 1994, and he's going to take over the farm as a sharecropper.

I told him yesterday that he was in charge now, and that the summer fallow looked good. And then I just shut up real quick.

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Farmer
economist near
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Member:

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Served on:

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Advisors, 1991-
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Past posts:

President,
Oregon Wheat
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Family: Wife,

Nancy. Two daughters, three granddaughters

Home: "We'll stay on the farm. We've got high-speed Internet, so it's not too hard to stay connected. I'm always very happy when I cross the Sandy River and get out of traffic."