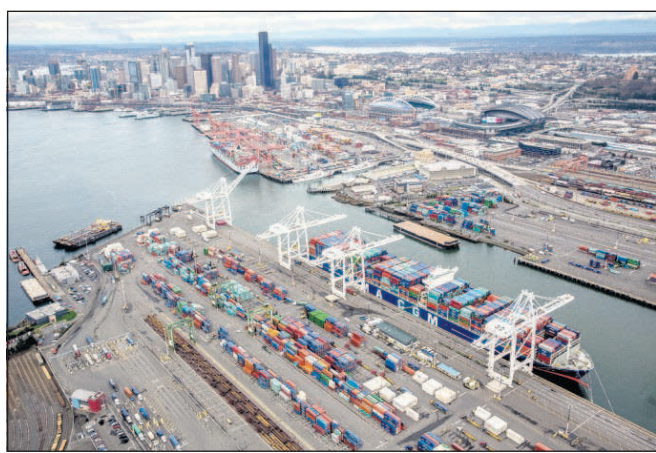


Washington

Maritime group: Wash. ports need money, not red tape

By DON JENKINS
Capital Press



Don Wilson/Port of Seattle

The container ship Benjamin Franklin calls at Terminal 18 of the Port of Seattle. A new report found that Washington state ports need more financial support from the state and less regulatory red tape.

A report commissioned by the Washington Maritime Federation makes a plea for more public money and less hostility toward port projects related to coal and oil.

The study, led by former U.S. maritime administrator Dave Matsuda, outlines broad policy goals, but largely does not offer detailed proposals.

The report does assert that Washington ports are in danger of losing business, particularly to the ports of Vancouver and Prince Rupert in British Columbia, and the ports of Long Beach and Los Angeles in Southern California.

The state's two largest ports, Seattle and Tacoma, already have seen their share of North America's container market decline to 10 percent from 15 percent since the turn of the century, according to

exported from Washington are agricultural goods: soybeans, wheat, corn, apples and processed potatoes, according to the report.

One specific idea in the paper, allowing state gasoline taxes to be spent on port projects, would require amending the state constitution.

"We heard that might be a politically tough battle," Matsuda said.

Other recommendations in the report include:

- State funding set aside solely for ports. The report did not propose a revenue source, though it did hold up Florida as a model. The Sunshine State has a law guaranteeing at least \$25 million will be spent annually on port projects. "If it's a priority, you have to make room for it in the budget," Matsuda said.
- Tax incentives to encourage private investment. In the conference call, Matsuda suggested looking at capping

taxes on port properties.

- Establish a committee to investigate delays in issuing permits and recommend ways to speed up decisions. The report highlighted that a proposal to build a coal export terminal on the Columbia River at Longview has been under review since Feb. 22, 2012. "Somebody has to be empowered to collect data and make recommendations to make changes to how decisions are made," Matsuda said.

The report noted that the Washington Department of Ecology has estimated the coal terminal's effect on greenhouse gas emissions worldwide, not just in Washington. Ecology has called on the company, Millennium Bulk Terminals, to slash the projected carbon output by half.

"It is disconcerting that only port infrastructure has been singled out for such treatment," the report states.

"This unprecedented decision has now set a practice that has the potential to seriously hurt Washington's competitiveness."

The report also cited two high-profile disputes in Seattle as examples of shaky support for ports.

City officials last year objected to Foss Maritime leasing space at the Port of Seattle to Royal Dutch Shell. Concerned about climate change, Mayor Ed Murray said it was "time to turn the page on things like coal trains, oil trains and oil drilling rigs." The oil company later dropped plans to drill offshore in Alaska and use Seattle as a base for storing and maintaining equipment.

This year, the city council by one vote defeated a proposal to build a sports arena in a port industrial district. The port and International Longshore and Warehouse Union opposed the arena.

the report.

Projects that could create jobs face years of government review and opposition based on climate change concerns, threatening to cause some companies to look elsewhere to build, the report warns.

"There are some pretty

demanding challenges facing Washington," Matsuda said in a conference call with reporters.

The federation is an association of shipping, economic development and business organizations.

Five of the top 10 products



Dan Wheat/Capital Press

Mike Hajny is shown at the Wesco International shipping yard, Ellensburg, Wash., in January 2015. He's now started his own hay export company after 19 years of working for others.

Ellensburg gains another hay exporter

By DAN WHEAT
Capital Press

ELLENSBURG, Wash. — It's been a tough couple of years for hay exporters, not exactly the climate for industry startups.

That probably puts Mike Hajny in a class by himself, or close to it.

"I've always liked a challenge," Hajny said in explaining his start of Hajny Trading LLC, the eighth and newest of Ellensburg's hay exporters. He said he knows of no one else getting into the business right now.

Hajny — pronounced Hay-Knee — 45, left the vice presidency of Wesco International, another Ellensburg hay exporter, in May to start his own company. Neither he nor Don Schilling, president of Wesco, would comment on why that happened.

But Schilling said it costs so much to get started and the market is so competitive "that it's hard to find examples of guys getting into it and surviving in the past 10 years."

"It's capital intensive and more and more market is looking for bigger players and more stability," he said.

Hajny said he agrees with that assessment but is banking

on his experience and connections. He said he has very little overhead and isn't stuck with large inventories accumulated at higher prices that larger companies may have.

Hajny was vice president of Wesco for seven years and was operations manager of Calaway Trading Inc., another Ellensburg hay exporter, for 12 years before that.

The West Coast port slowdown in 2014 and 2015 crippled hay exporters, causing them to lose overseas customers that they haven't fully regained. By December 2015, some exporters were cutting employee hours.

Today, large inventories of hay and low milk prices are keeping prices down and domestic and export sales sluggish. Some producers say the bottom has been reached while others say prices may still go lower.

Hajny and Schilling both say things could get tougher. Hajny said the last two years have been the toughest in the industry's history.

Supreme alfalfa has been at \$185 per ton through the summer, according to the USDA, and feeder hay has been \$130.

In 2014 supreme and premium alfalfa was in the upper

\$200s and reached \$300 and \$370 per ton in California, driven by a hay shortage before the port slowdown. Feeder hay was \$220 to \$240.

Hajny has contracted with Stone Wings II Import Export Inc. in Ellensburg to store and press his hay. He said he has exported about 25,000 tons of hay since May and has sold 10,000 to 15,000 tons domestically.

The largest West Coast exporters sold in the 700,000-ton range prior to 2014 while many handled around 100,000 tons apiece. Total hay exports from West Coast ports reached 4.5 million tons in 2013 before falling to just under 4 million in 2014 and rebounding to 4.2 million in 2015, according to University of California Cooperative Extension.

"My philosophy has always been to get in at the bottom and work up," Hajny said.

He's exporting mainly to Japan, as are Wesco and others. He also breeds and sells registered Black Angus bulls and replacement heifers through Hajny Land & Livestock.

State ag directors laud WSDA's public outreach on gypsy moths

By DON JENKINS
Capital Press



Hector Castro

Washington State Department of Agriculture spokesman Hector Castro has received national recognition for spearheading a campaign this year to assure the public that spraying pesticides over urban areas would eradicate gypsy moths while not exposing the public to dangerous chemicals.

The campaign disarmed objections and raised public support for WSDA's aggressive stance against gypsy moths, according to the National Association of State Departments of Agriculture.

Castro received the Honor Award for Communications on

Saturday at the organization's annual meeting in Lincoln, Neb.

WSDA last spring sprayed more than 10,500 acres at seven sites, including Seattle's densely populated Capitol Hill neighborhood.

neighbored.

In 2000 and 2006, aerial spraying for gypsy moths in Seattle provoked street protests and court challenges.

This year, WSDA mailed postcards to more than 38,000 addresses, hosted open houses and used social media to publicize its reasons to spray and inform the public about the type

of pesticide that would be used. WSDA officials, including Castro, were on the ground during early-morning sprayings to answer questions from the media and public.

The Oregon Department of Agriculture conducted a similar campaign in Portland. Both states reported hearing only slight opposition to the spraying.

Washington and Oregon sprayed gypsy moth caterpillars with bacillus thuringiensis kurstaki, a naturally occurring bacteria used in organic agriculture. WSDA responded on social media to internet sites that described the chemical as a "GMO poison" or "GMO bacterial weapon."

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