

Union Pacific closes big shipping center that handled Malheur County onions

■ Wallula facility shutdown raises questions about shipping options

By Les Zaitz

Malheur Enterprise via AP StoryShare

VALE — Union Pacific Railroad on Friday shut down its specialty rail shipping facility in Wallula, Washington, that has been a key resource for Malheur County onion producers.

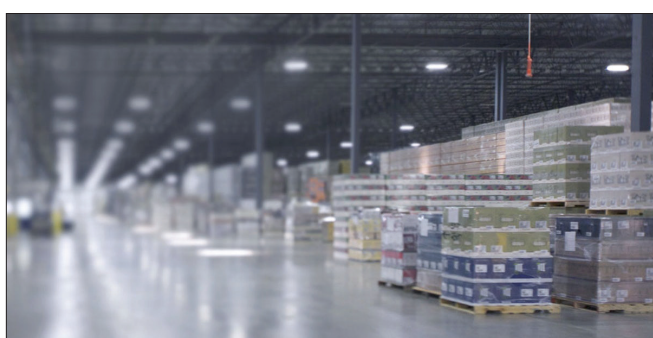
The closure could have implications for plans for the Treasure Valley Reload Center, a local shipping project planned for Nyssa. Malheur County officials had justified the center by saying onion producers could save nearly \$2 million a year in shipping costs by dropping their use of the Cold Connect service in Wallula.

The Nyssa reload center, however, is at least two years away from coming on line. That means the 4,000 truckloads of onions that go from the Treasure Valley area to the Washington site will have to be shipped another way. Local producers have long complained that Union Pacific's local service had been unreliable because specialized rail cars were in short supply.

The onion industry already is taking a battering because of the pandemic as the market has eroded for the large onions grown locally favored by the restaurant and food service industries.

Union Pacific officials confirmed the Wallula shutdown in an email Saturday to the Malheur Enterprise.

"With COVID-19 impacting volume and truck prices, it is no longer sustainable to continue



Union Pacific photo

Union Pacific is shutting down this massive warehouse and shipping center in Wallula, Washington, reducing how Malheur County growers got their onions to market.

operations," wrote Kristen South, Union Pacific senior director of corporate communications.

She said employees were notified Friday that the closure is permanent. She said the railroad wouldn't provide any additional information about its decision or how many employees are losing their jobs.

"Customers also were notified that Friday was the last day we accepted inbound orders," Smith said. "Our intention is to deliver on all product in transit, until it meets its final destination. A reduced staff will temporarily remain in position to execute these final commitments."

Customers were notified by email Friday from two Union Pacific vice presidents.

"The decision to shut down this segment did not come easily," wrote Kari Kirchoefer and Brad Thrasher, the vice presidents. "We understand that this may cause hardship to your supply chain."

The massive Washington complex featured two miles of track to handle specialized trains that could get fruit and produce to eastern markets in just days. Union Pacific bought the Wallula site, which is southeast of the

tion isn't expected to start on land just north of downtown Nyssa until next year.

Malheur County officials won access to the state money by convincing the agency that there was a strong market for a new shipping center and that it would operate profitably.

Making that case relied heavily on the Wallula site.

The county said in its October 2017 submission to the state that 86% percent of onions shipped out of the Treasure Valley by truck.

The business for Nyssa would come from taking all the onion business away from Wallula.

The projections, the county said in its submission, "assumes that the entire volume of 'new' onion shipments is shifted from Wallula."

That assumption was the foundation for two financial claims by the county. By making that shift, local onion producers would save about \$1.8 million by not trucking onions to Wallula. The county also presented calculations there would be a "public benefit" of about \$1 million from a Nyssa operation — from reduced wear on highways, fewer truck-involved crashes and fewer injuries.

Tri-Cities, in January 2017 as well as sites in Delano, California, and Rotterdam, New York.

Movement of onions out of the Treasure Valley has been the motivation for the Nyssa center. The area ships about 490,000 tons of onions, primarily to markets in the east.

The Legislature in 2017 gave the Oregon Transportation Department \$26 million to fund the Nyssa center. The project has fallen behind schedule, but county officials say Union Pacific has agreed to serve the new Nyssa project and Americold, another billion-dollar national company, is negotiating to manage Treasure Valley Reload Center. Construc-



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OCA recommends changes to reporting

EO Media Group

SALEM — The Oregon Cattlemen's Association reported its board of directors voted to support a concept called "30/14" to require a minimum 30% of each packer processing plant's weekly volume of beef slaughter to come as a result of purchases made on the open market, defined under a Negotiated Purchase Agreement.

"Four of the largest packing companies in the United States, Tyson Foods, JBS, Cargill and National Beef, have owned more than 80% of the packing capabilities in our country," the association stated in a news release. "This monopolistic percentage has gained and continues to gain unprecedented control of cash markets, flow

of cattle, and the retail beef pricing structures."

The beef processor has been enjoying higher and higher profits, according to the OCA, while the rest of the cattle industry hurts for revenue and has no opportunity for leverage.

"This has led to wild market volatility," the association continued.

The OCA wrote a letter to U.S. Department of Agriculture officials recommending 30/14 to encourage fair, competitive and transparent markets.

The Livestock Mandatory Reporting Program is due for legislative reauthorization Sept. 30.

To learn more about the association's recommendations for market changes, read the letter at www.oregancattle.com.

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