

Idaho's ag industry wage increases outpace national rate

By SEAN ELLIS
Capital Press

BOISE — The average private sector wage in Idaho is increasing at twice the national rate and the state's average farm industry wage is growing even faster.

The state's average private sector weekly wage grew by \$30 to \$743, a 4.2 percent gain, between the second quarters of 2015 and 2016, according to the Idaho Department of Labor.

That's twice the national rate and fourth fastest in the nation.

During that same period, the average weekly wage for the state's agricultural sector grew by 5.1 percent, or \$30, to \$622. That sector includes 25,217 jobs involved in crop and animal production as well as forestry.

Going back to the second quarter of 2013, the average weekly private wage in Idaho has grown 9.4 percent while the average weekly wage for



Sean Ellis/Capital Press File

Dry beans are harvested in a field near Nampa, Idaho, in September. Idaho's overall private sector weekly wage is increasing at twice the national rate and the state's average ag industry wage is growing even faster.

agriculture has grown 12.9 percent.

IDL economist Bob Uhlenkott said the overall state wage increase is a result of more pressure on wages resulting from a tight labor market.

"Now it appears we're

starting to really see that demand for skilled talent is putting upper pressure on wages," he said. "You're going to have to pay your employees more to keep them at this point."

Idaho's unemployment rate was 3.8 percent in No-

vember and the state's population grew by 1.8 percent between mid-2015 and mid-2016, the third highest percentage increase in the nation.

The wage report is good news for workers in Idaho but not so much for the state's farming industry, which is seeing wages rise at a time when most farm commodities have decreased significantly.

"It's going to put more cost pressure on farmers at a time when prices are not that good," said University of Idaho Agricultural Economist Garth Taylor. "With the commodity price outlook, it is going to put (farmers) in a further squeeze."

Idaho farmers are already having to pay more to attract and keep workers, said Meridian farmer Richard Durrant.

He had two nephews leave for better-paying agribusiness jobs in the past year and is having to pay \$15 an hour for general labor, up \$3-4 an hour from what he was paying a few years ago.



Dan Wheat/Capital Press

Roxanna Galvez packs a tray of Fuji apples at Roche Fruit in Yakima, Wash., on Nov. 16. The export of Fuji, Red Delicious and other varieties to Indonesia is expected to increase next year following a World Trade Organization ruling.

WTO ruling helps U.S. ag exports to Indonesia

By DAN WHEAT
Capital Press

YAKIMA, Wash. — Exports of many U.S. agricultural products, including Washington apples, may increase soon because of a recent ruling by the World Trade Organization.

The Office of the U.S. Trade Representative issued a news release Dec. 22 stating a WTO panel found in favor of the U.S. and New Zealand in 18 claims that Indonesia has been applying import restrictions and prohibitions that are inconsistent with WTO rules.

The restrictions cost about \$115 million in U.S. agricultural exports to Indonesia in 2015, including \$28 million worth of apples and more than \$29 million worth of grapes, the USTR stated.

"This took a long time, was frustrating, not simple and (USTR) Ambassador (Michael) Froman and his team, to their credit, took it on and did exemplary work," said Mark Powers, executive vice president of the Northwest Horticultural Council in Yakima.

Indonesia could appeal the ruling but if it does the WTO will decide that within 90 days.

Previous to restrictions begun in 2012, Indonesia was a 2.7 million-box-per-year Washington apple market, Powers said.

Since then, it's 1 million boxes lower but could grow that back and expand in the future with restrictions lifted, he said.

One million, 40-pound boxes of apples are worth roughly \$20 million.

"We think it has incredible potential. It has a large population. They enjoy Red Delicious and other varieties,

like higher-value products and don't have their own supply," Powers said.

China, New Zealand, Chile and other apple exporters have also been hindered by the same restrictions but will now be out from under them, making the market competitive, he said.

Todd Fryhover, president of the Washington Apple Commission in Wenatchee, said Indonesia was a 4 million-box market in 1996 and should easily reach 2.5 million to 3 million without the restrictions. Indonesians like smaller apples, which helps Washington exports but the opportunity will be determined by Washington's varietal mix, he said.

Besides apples, grapes, oranges, potatoes, onions, shallots, dried fruits and vegetables, flowers, juices, cattle, beef, poultry and other animal products have been harmed, USTR said.

"This major victory is the fourth WTO win announced by USTR this year," Froman said in the news release.

He noted the Obama administration has won all of its trade enforcement challenges decided to date and that Indonesia is the fourth most populous country in the world.

U.S. Agriculture Secretary Tom Vilsack called it a slam dunk and said Indonesia has maintained an untenable import licensing program harming the U.S. since 2012. He said the findings will discourage Indonesia from substituting new trade distorting approaches.

"Today's announcement is a win for Washington's apple industry and agriculture community," said U.S. Rep. Dave Reichert, R-Wash. Rep. Rick Larsen, D-Wash., also issued a laudatory statement.

Farms' lawsuit against labor regulators revived

By MATEUSZ PERKOWSKI
Capital Press

A lawsuit filed by two farms against California labor regulators has been revived by a federal appeals court, which ruled it's plausible the companies were unfairly targeted.

The dispute relates to law passed by California lawmakers in 2015 that provided some — but not all — farms with safe harbor against certain labor lawsuits.

Farms in the state were facing possible class action litigation after court rulings that piece-rate workers, such as those paid based on harvest amounts, must be paid the minimum wage even for breaks, meals and other "non-productive" periods.

Before those rulings, farmers simply ensured that the total amount paid to piece-rate workers for a period of time exceeded the amount they'd be paid by the minimum wage.

In response, California lawmakers passed Assembly Bill 1513, which shields growers from liability as long as they correct "minimum wage deficiencies" that occurred between mid-2012 and the end of 2015.

However, several provisions effectively excluded three farms, Fowler Packing Co., Gerawan Farming and Delano Farms Co., from the safe harbor law.

Specifically, companies ac-

cused of labor law violations in lawsuits filed before certain dates weren't protected under AB 1513 — conditions that only applied to those three operations.

A lawsuit filed by two of the three farms, Fowler and Gerawan, alleges that lawmakers created those "carve-out" provisions to appease the United Farm Workers union and get the bill passed. The UFW had lawsuits pending against the three companies.



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