

Editorials are written by or approved by members of the Capital Press Editorial Board.

All other commentary pieces are the opinions of the authors but not necessarily this newspaper.

Opinion

Editorial Board

Publisher
John Perry

Editor
Joe Beach

Managing Editor
Carl Sampson

opinions@capitalpress.com

Online: www.capitalpress.com/opinion

OUR VIEW



Mateusz Perkowski/Capital Press File

A container stacker operated by a longshoreman works at the Port of Portland's container terminal in this file photo. The container terminal has ceased operations but managers hope to attract another carrier or find another role the facility can play to help shippers.

Port weighs container traffic options

There may be hope yet for the Port of Portland's container operation, which has been in mothballs for two years.

The demise of Terminal 6 is attributable to several important factors. The trans-Pacific shipping industry overexpanded in recent years, meaning most companies were financially stressed. The Port of Portland is 100 miles upstream from the Pacific Ocean and the largest container ships could not call there while fully loaded. The International Longshore Workers Union made a career of creating as much havoc as it could, picking fights with the terminal operator and other unions and slowing down container traffic to a trickle.

That toxic combination spelled doom for the port's container operation. If and when a container shipper will return to Terminal 6 is anyone's guess.

For agricultural exporters, that's bad news. Containers of hay, straw, produce and other commodities now must be trucked to Tacoma or Seattle to be loaded onto ships for the trip overseas, adding to the time and cost of doing business.

But there's hope the port can play another role that would benefit exporters. At a recent meeting of the port's board, managers suggested that the port's rail link could be used to take containers from Portland to the Puget Sound ports. That would take truck traffic off

Interstate 5 and, presumably, save exporters money. If the cost savings are real, such a service would be worthwhile.

In the meantime, the port is trying to land another container shipper. With the location of the port, that will take some doing. Keeping the Columbia River dredged to accommodate larger container ships, maintaining a truce with the ILWU and finding an operator for the facility now that ICTSI Oregon Inc. is gone are all tall orders.

We hope it can be done. Fingers crossed.

But in the meantime, a rail shuttle or other possibilities for helping agricultural exporters in the region will be much appreciated.

Keep Washington on top when it comes to trade

By NICOLE BERG
For the Capital Press

Guest comment
Nicole Berg



The recent changes in the "other" Washington have made trade and exports a very hot topic among ranchers, farmers and growers this winter.

With so much competition for our export commodities — especially wheat — we cannot afford to lose focus on the regulatory and infrastructure issues that have helped make Washington a global competitor.

Recently, I had the opportunity to learn more about a group that is working to enhance our trade-based economy. Keep Washington Competitive — known by the initials KWC — is a coalition of labor, business, agriculture and other trade organizations united to promote policies that support trade in Washington as well as protect trade from the negative impacts of overbearing regulations.

Now, normally, you don't always see groups like labor and the business community in agreement with one another. It's not uncommon for many of these groups to be on opposite sides of an issue. That's what's so compelling about KWC. They are steadfastly united around trade and what it means for our state, and are bringing diverse groups together to offer support to policy makers who seek to improve the regulatory climate in the state.

A lot of what KWC does is educate people about what it means to be a global trade and export leader. That means advocating for transportation — for ports and rail — as key to the infrastructure that is needed to move all kinds of commodities from your fields to ports far and wide. KWC members focus on policies — like how long it takes to permit a project — which directly impacts private investment in things like rail lines or export facilities.

I don't need to remind you that Washington state is the

most trade-dependent state in the nation. You know the key stats: one in four jobs is tied to trade. We export almost 90 percent of our wheat each year, and we're the fifth biggest exporter of wheat in the nation. Trade matters, and it matters in every corner of our state.

Those of us in the agriculture industry live this reality every day. But those outside our world need reminders. That's the value of KWC: They bring diverse groups together to help policymakers, elected officials, the media and, really, the general public, make the connection between the wheat you grow and the quality of life we all enjoy here in Washington.

That's why groups like Keep Washington Competitive are so critical: They keep trade and the policies that affect it on the front-burner for policymakers in Olympia. By encouraging investment in Washington's trade industries, KWC works to make sure we are positioned to thrive in the increasingly competitive national and international marketplace.

Trade and exports are a vital piece of our economy, an economy that must grow and thrive beyond just the Puget Sound region. It's something we all share in, and need to do our best to support.

Check out Keep Washington Competitive online at www.keepwashingtoncompetitive.org and consider joining the coalition to help others understand what you already know: Trade matters for all of Washington state but perhaps to no industry more than us in the agriculture sector.

Nicole Berg is chairwoman of the Washington Association of Wheat Growers national committee and a farmer in Paterson, Wash.

7 predictions for the wood products market

By TYLER FRERES
For the Capital Press

Guest comment
Tyler Freres



The first quarter of 2017 has surprised the wood products industry already; after a year where log prices increased dramatically and finished wood product prices remained subdued at best.

Good markets and bad markets can be distinguished by very slight marginal shifts in supply. We are in a glass half full market at the moment and it has given little optimism for the rest of the year.

- Substantial increase in demand: Housing starts are projected to be up 11 percent in 2017 and by another 11 percent in 2018. Wood products producers rarely take third-party forecasts as gospel, but, if true, there should be a substantial increase in demand in 2017. Increased industrial and commercial uses for veneer-based panels, as well as substitution of plywood for oriented strand board (OSB), could lead to much brighter plywood panel markets this year.

- Decreased panel supply: A major provider in the Pacific Northwest wood products market closed early this year. OMAK Forest Products recently shut down all operations, which has taken a significant producer of sheathing and panels off the market.

- Market turbulence with trade: The Canada-U.S. softwood lumber dispute, one of the largest and most enduring trade disputes between both nations, enters unknowns after the Softwood Lumber Agreement expired in 2015. With a new administration in the White House, there is buzz about potential import tariffs, which could increase uncertainty in

wood products markets and affect the volume of panels entering the U.S.

- Wood product commodities challenged: U.S. commodity wood products will continue to be adversely affected by increased imports due to the strong U.S. dollar, but will North American demand be enough to overcome downward price pressure? U.S. companies have tried to compete head-to-head against cheap imports but it has proven too painful. I think we will see additional product development in 2017 as U.S. companies try to realize the highest value out of expensive resources.

- Conflict over resources: Oregon's Elliott Forest debate is an indication of potential future conflicts regarding the responsible use of our nation's resources. While Gov. Kate Brown's plan called for assuming more state debt to buy part of the forest, would issuing \$100 million in bonds really solve the problem? The State Land Board just ruled 2-1 to proceed with the sale for \$220 million, because the state has a legal responsibility to generate revenue for the state's school children.

Linn County is pursuing a class-action lawsuit against the state of Oregon alleging breach of contract for failing to maximize the long-term benefit to timber counties. They estimate that the value of foregone timber harvest is around \$1.4 billion. Can the state afford to pay the counties back for the lost revenue resulting from lack of timber harvests?

- Restrictive legislation hampers Oregon manufacturers: Manufacturers have suffered greatly at the hands of the Oregon legislature. Minimum wage and paid sick leave have left employers scrambling to put in place policies that meet the letter and spirit of the laws while also trying to maintain a manufacturing environment.

Predictive scheduling, under the guise of providing predictability, will rob employers and employees of opportunity for overtime and the flexibility to compete during the rigors of an unpredictable marketplace. New overtime rules limit opportunity for our employees to earn a higher paycheck, and limit the company's ability to compete globally.

- Promising opportunities with mass timber: Mass Timber Construction has the potential to revitalize the wood products industry. Freres Lumber is excited to be part of this promising movement by developing its own proprietary mass timber panel, the Mass Plywood Panel, or MPP. By the end of 2017, we intend to have a new production facility completed that can produce veneer-based panels 12 feet wide by 48 feet long by up to 24 inches thick. There is not a producer in the world that can produce a panel like what we are envisioning. We have high hopes that we have developed an advanced engineered wood product that can compete globally and realize the full potential of our local renewable resources.

Tyler Freres is vice president of sales for Freres Lumber Co., with plants in Lyons and Mill City, Ore. Visit www.frereslumber.com or call 503-859-2121.

Readers' views

E. Oregon copes with disaster

Out of sight, out of mind.

For us that phrase describes our failure to focus on the devastation our farming and ranching families in Eastern Oregon are currently experiencing. Excessive snow, ice and extreme winter temperatures have culminated in a literal disaster. And we urge our state's major newspapers and broadcast media to give this catastrophe the coverage it deserves.

Damages and costs are still being assessed, but full recovery could take up to three years, and cost over \$100 million. Regardless of which side of the Cascades you call home, it's critical we are all aware of and actively support our fellow Oregonians through the near insurmountable difficulties they're facing from the terrible effects of this past winter. Because we are one Oregon.

The onion industry, which contributes about \$143 million annually to the state economy, was hardest hit. Current estimates place total commodity loss at 150 million pounds, or the equivalent of four 10-pound bags for every man, woman, and child in Oregon. To date, at least 50 onion storage and packing facilities have collapsed from snow and ice accumulation, leaving insufficient infrastructure for the 2017 harvest. Insurance coverage is projected to only cover 0-70 percent of replacement costs. Many Ore-

gon growers are considering relocating and rebuilding in Idaho, taking a good share of those \$143 million in revenues with them.

Livestock suffered from the severe weather. At least 1,000 mother cows are lost and assumed dead. Calf births are down 30 percent so far this year. Livestock weight gains are down 40-50 percent versus typical years.

There is also significant expense to infrastructure. Damage to roads and buildings is considerable. County and city budget reserves were depleted to fund snow removal. Flooding remains a very real concern.

Those affected are hard-working farming and ranching families whose businesses are vital to Oregon agriculture and the state economy. The recent area visit by Governor Brown, Senator Ferrioli and Representative Bentz, and initial efforts to bring emergency aid to these communities should be applauded, but more is needed to restore and maintain a vibrant agricultural community that contributes so much to Oregon's economic health.

Oregonians are urged to support House Bill 2012, the Eastern Oregon Border Economic Development Act, designating Ontario, Vale, Nyssa and the immediate surrounding area as the "Eastern Oregon Border Economic Development Region. HB 2012 would use \$10 million in borrowed economic development funds from the Oregon lottery; the money would be repaid over time. HB 2012

would create a new seven-member board run by locals to promote workforce and economic growth in the area, with the ability to award economy-boosting grants and loans.

Please stand with us to support Eastern Oregon families and businesses that have suffered so much in recent months. Let's give this disaster the attention it deserves to ensure a vibrant future for farming and ranching families and businesses that comprise the heart of this historic and unique part of Oregon. Because we are one Oregon.

*Sen. Ted Ferrioli
John Day, Ore.
Sen. Bill Hansell
Athena, Ore.*

Letters policy

Write to us: Capital Press welcomes letters to the editor on issues of interest to farmers, ranchers and the agribusiness community.

Letters policy: Please limit letters to 300 words and include your home address and a daytime telephone number with your submission. Longer pieces, 500-750 words, may be considered as guest commentary pieces for use on the opinion pages. Guest commentary submissions should also include a photograph of the author.

Send letters via email to opinions@capitalpress.com. Emailed letters are preferred and require less time to process, which could result in quicker publication. Letters also may be sent to P.O. Box 2048, Salem, OR 97308; or by fax to 503-370-4383.