Ag exports to gain from Portland's renewed weekly ocean shipping

SM Line adds Port of Portland's Terminal 6 to weekly rotation

By MATEUSZ PERKOWSKI
Capital Press

Capital Press File

A container ship is loaded at the Port of Portland's Terminal 6. Weekly ocean carrier shipping from the container terminal will resume in January.

Oregon's agricultural exporters will soon gain a more accessible link to Asian markets with the resumption of weekly container ship service at the Port of Portland.

Ocean carriers stopped calling on the port's container terminal in 2015 and 2016 due to productivity slowdowns associated with a labor dispute.

The end of direct weekly shipping from Terminal 6 meant that Oregon producers of straw, hay, seed and other farm goods were forced to truck containers to more distant ports along Washington's Puget Sound.

Now that South Korean ocean carrier SM Line has added Portland to the rotation of ports it serves along the Pacific Rim, agricultural exporters are expected to benefit from the more cost-effective transportation option.

"It's the most efficient way to move products out of Oregon," said Dave Dillon, executive vice president of the Oregon Farm Bureau.

Ocean shipping is less expensive due to the large volume of containers that can be moved with a relatively modest amount of fuel and labor, he said. Having a local access point to weekly container shipping helps Oregon's farmers be more competitive.

"For agriculture, it's really an encouraging step forward," Dillon said.

SM Line is expected to begin calling on Terminal 6 in January, adding Portland to the rotation of five Asian ports and two North American ports that it serves.

The Oregon Shipping Group, which advocates for transportation investment, believes "the more options we have open to Oregon shippers, the better," said Kevin Mannix, its executive director.

However, the maritime operations at Terminal 6 should not detract the state government from investing in truck-to-rail intermodal facilities or a possible expansion of the Port of Coos Bay, Mannix said.

"It does not mean we should close our eyes to more alternatives to expand our shipping capability," he said.

Last year, a report commissioned by the Port of Portland found that Terminal 6 would have to move about 200,000 containers a year to break even, which is higher than the peak levels it reached before losing ocean carrier service.

H-2A minimum wage likely to jump

By DAN WHEAT
Capital Press

Dan Wheat/Capital Press File

Antonio de Jesus Bailon, an H-2A-visa foreign guestworker, picks Gala apples at Griggs Orchards in Orondo, Wash. A survey indicates the wage for guestworkers will significantly increase again next year.

The minimum wage for H-2A-visa foreign guestworkers in Washington and Oregon likely will increase from $15.03 to $15.83 per hour in 2020.

That's an increase of 5.32% and still will be the highest in the nation.

The national average likely will be $13.99 per hour, up 5.58%, according to a 2019 survey of prevailing wages of field and livestock workers released by USDA National Agricultural Statistics Service on Nov. 21.

"This is unacceptable. The farm economy in the Pacific Northwest is in a deep recession and charging farmers who do the right thing even more is poor public policy that needs to change," said Dan Fazio, executive director of the farm labor association Wafla in Olympia, Wash. Wafla is the largest H-2A provider in the West, filling more than 16,000 H-2A positions in 2019 with 90% or more in Washington, mostly in tree fruit.

The NASS calculations usually are adopted in December by the U.S. Department of Labor as the Adverse Effect Wage Rates — called AEWRs — for the coming year. The AEWR is above state minimum wages and is intended to prevent wages of domestic workers from being adversely affected by the importation of foreign workers.

In Washington, many H-2A workers in tree fruit are paid piece rates that typically are higher than the AEWR. Growers who employ H-2A workers have to use the AEWR as the minimum for all their workers. They say it tends to push all wages up because growers not using H-2A have to pay more to attract workers.

The NASS survey rate for Idaho, Montana and Wyoming is $13.62, up $1.85 or 1.03%, from $13.48. It took a 15.9% jump in 2019.

California goes from $13.92 to $14.77, a gain of 6.1%.

Nevada, Colorado and Utah goes from $13.13 to $14.26, an 8.6% increase. Arizona and New Mexico goes from $12 to $12.91, a 7.5% boost.

"This is another increase in costs that farmers can't afford," said Michael Marsh, president and CEO of National Council for Agricultural Employers in Washington, D.C.

"I think it will force some folks out of business and probably fewer crops will be fully harvested," Marsh said. "If you have marginal fruit or crops you might decide not to harvest. It also makes foreign products much more competitive in the U.S. because labor costs here are much higher."

Joel Anderson, executive director of Snake River Farmers Association in Heyburn, Idaho, called year-over-year AEWR increases "very troubling" and "unsustainable."

The association assists 615 grower members in obtaining more than 4,000 H-2A workers annually, mostly in the Mountain West.

"I know several growers who will no longer be able to use the H-2A program if these increases are implemented," Anderson said.

They will try to find local workers or quit farming, and either hurts U.S. workers, he said.

Olson's Greenhouse Gardens in Salem, Utah, grows bedding plants and flowers in Utah, Colorado and Idaho for big box stores. It hires 400 to 450 H-2A workers annually and 200 on regular immigration visas and only a few domestic workers because they are hard to find.

Jordon Rolfe, Olson's chief operating officer, said the likely 2020 AWER increase perpetuates a trend that is "devastating to agriculture" and will force Olson's to absorb wage increases of $2 million in two years — more than 30% compared with the national average of 5 to 6% in the same period.

Oregon senators weigh in on USDA interim hemp rule

By GEORGE PLAVEN
Capital Press

WASHINGTON, D.C. — Oregon's two U.S. senators are probing the USDA over what they describe as "unintended and potentially harmful effects" of the agency's interim hemp rule, released last month.

In a letter sent Nov. 20 to Secretary of Agriculture Sonny Perdue, Sens. Ron Wyden and Jeff Merkley outlined concerns raised by farmers, researchers and regulators that could impact industrial hemp production in Oregon and across the country.

Hemp was fully legalized in the 2018 Farm Bill and defined as an agricultural commodity. Lawmakers ordered the USDA to come up with regulations for growing and testing the versatile crop.

By definition, hemp cannot contain more than 0.3% tetrahydrocannabinol, or THC, the psychoactive component in cannabis that gets users high.

The USDA rule allows hemp growers to access federal programs that were previously off limits, such as crop insurance and farm loans. But the program also contains stricter requirements for growing hemp than the Oregon Department of Agriculture's pilot program, which has worried local producers.

Wyden and Merkley, both Democrats, are outspoken advocates of hemp. They worked across the aisle with Senate Majority Leader Mitch McConnell, R-Ky., to pass the Hemp Farming Act of 2018, removing hemp from the list of Schedule I drugs.

Legalization prompted an explosion of the crop across Oregon in 2019, with more than 63,000 registered acres statewide compared to 11,754 acres in 2018. The senators are now asking the USDA to modify several provisions in the interim guidelines to avoid hampering the hemp industry.

Under the rule, growers are required to test hemp plants for THC levels within 15 days of anticipated harvest. Wyden and Merkley wrote they are very concerned that does not provide enough time for farms, and encouraged the USDA to adopt Oregon's standard for crop testing within 28 days of harvest.

The senators also asked the USDA drop its requirement that all hemp testing be done solely at labs registered by the U.S. Drug Enforcement Administration, which they wrote could cause "tremendous bottlenecks and unnecessary delays" for producers.

A major issue for growers centers on the specific methods for testing THC levels in hemp. In Oregon, testing has been done for "delta-9" THC alone under the 0.3% limit. However, the USDA wants to change the standard to measuring "total THC," taking into account another compound known as tetrahydrocannabinolic acid — or THCA — that converts into mind-altering delta-9 THC when applied to heat.

Most Oregon Measure 49 properties remain undeveloped

Counties appear reluctant to adopt development transfer programs

By MATEUSZ PERKOWSKI
Capital Press

SALEM — Most of the farm and forest properties made available for development in Oregon under a decade-old ballot initiative haven't yet been subdivided, according to state land use regulators.

Meanwhile, county governments and affected landowners don't appear eager to take advantage of a program that would steer home-building away from more valuable natural resource lands.

Of the properties that have been subdivided under Measure 49, a property rights law passed in 2007, about 62% are in agricultural zones, 16% are in forest zones and 11% are in mixed farm and forest zones, according to the Department of Land Conservation and Development. The remainder are in rural residential zones.

"The farmland seems to be getting developed at a faster rate than the other categories," said Sarah Marvin, a senior planner with DLCD, during a Nov. 20 hearing before the House Agriculture and Land Use Committee.

Oregon voters passed Measure 49 to amend another ballot initiative approved three years earlier, Measure 37, which allowed landowners to seek waivers of land use regulations imposed on their properties.

Landowners could also seek compensation for lost property values under Measure 37, but most counties could not afford to pay those claims and instead opted to waive restrictions on development — stoking fears of major new subdivisions that would interfere with agriculture and forestry.

Under Measure 49, those development rights were scaled back so that most landowners could only build three homes per property, or up to 10 homes if they could sufficiently prove that regulations reduced their property values. Roughly 4,200 new parcels were approved by Oregon land use regulators under Measure 49, but only 1,700 parcels were actually created — leaving about 2,500 new parcels that could be created in the future, according to DLCD.

In areas such as Southern Oregon, the possibility of development occurring outside urban growth boundaries may raise the chances that newly built homes will be prone to wildfire hazards, said Marvin. "A lot of Measure 49 homes sites are going into extreme fire risk areas."

To mitigate the risks from such home-building, DLCD enacted rules in 2014 under which landowners in farm and forest zones can transfer their development rights to rural residential zones or areas that have already been largely subdivided.