

Bill: ‘I don’t see how Oregon can avoid this’

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hours per week in 2024.

Rep. Andrea Salinas, D-Lake Oswego, said that “everybody thought the bill was dead” but she proposed the amendment to provide justice for farm workers while alleviating the economic burden on their employers.

“It won’t make them whole by any stretch but it will help them transition,” she said during a June 16 legislative hearing.

The \$100 million would be overseen by the Oregon Business Development Department, which would pay eligible farmers for 80% of the amount they spent on overtime in 2022, 2023 and 2024. Prior-

ity would go to farmers who paid the highest proportion of their net income in overtime and who employed fewer than 25 workers per year.

Requiring farmers to pay overtime wages may cause a shift to mechanization or drive some crops out-of-state but it’s ultimately what’s fair to workers, Salinas said.

With the neighboring

states of Washington and Californian ending the agricultural overtime exemption, “I don’t see how Oregon can avoid this,” she said.

Rep. Daniel Bonham, R-The Dalles, said there is “broad recognition that something should be done” about the agricultural overtime exemption, but he would prefer that a task force issue rec-

ommendations for change later this year.

For example, farm workers could be paid overtime wages after 40 hours per week except for the harvest periods for specific labor-intensive crops, he said. “Something like that could be a compromise solution.”

Establishing a task force is “not an intention to dodge” the

issue but would “deal thoughtfully with the unintended consequences,” said Rep. Christine Drazen, R-Canby.

Farmers must accept market prices for crops and livestock, unlike other industries that can raise prices to compensate for Oregon’s stricter labor regulations, she said. “That isn’t how this industry works.”

Spinach: ‘It’s the constant struggle with Mother Nature’

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Around 2012, they started selling to Central Market, one of six stores in a regional grocery chain, Town & Country Markets Inc.

As the farm grew, the couple wanted to sell to more stores. But delivering the produce seemed daunting.

That’s when Joe Pulicchio, director of produce and floral at Town & Country Markets, introduced the farmers to Pacific Coast Fruit Co., a regional distributor based in Portland, Ore., with a second warehouse in Kent, Wash., near Seattle.

“We didn’t want to be in the trucking business, so it made sense,” said Wailand.

Scroll ahead five years. On May 27, 2021, the crew at the Wailands’ farm harvested a field block of spinach, packaged it in boxes with tracking numbers and stored it.

Even before harvest, the Dharma Ridge farmers had invested time and money in this crop.

Wailand estimates that for a single, 24-count box of spinach, the farm spent \$2.26 on the box; \$8 on labor, 40 cents on fertilizer, crop protection and seed; 10 cents each on fuel and early-season irrigation; and a few dollars, perhaps \$3, on overhead including leases, equipment payments, utilities, insurance and certifications. This adds up to \$13.86 spent per box, or 58 cents per bunch.

DAY TWO Thursday, May 28

Dharma Ridge Organic Farm

Quilcene, Wash.

6:15 a.m.

“Let’s load ‘er up.”

The voice belonged to Martin Rowland, a Pacific Coast truck driver.

Wailand, the farmer, used his forklift to hoist a pallet, Lot No. 8525, into the semi-truck.

Historically, it’s been common in many states to separate the roles of grower, loader, shipper, receiver, distributor and retailer, with each role assigned to a different company or contractor.

But recently, especially in the Pacific Northwest, supply chains have become increasingly consolidated. Now, a farmer might grow, harvest, package and deliver to a distributor. Or, a retailer might own a distribution center and coordinate loading, transport and offloading. Additionally, organic and conventional supply chains — once separate — are merging.

The scene at Dharma Ridge reflected this. Wailand loaded the spinach; Pacific Coast handled the rest.

The morning air was cold and damp, but Rowland, the driver, stood in shorts and a T-shirt, his tattooed arms and legs exposed. He had been making deliveries to retailers through the night and was returning to Pacific Coast’s warehouse in Kent. This backhaul was his final stop.

Pacific Coast managers say they’re lucky to have Rowland when the truck



Sierra Dawn McClain/Capital Press

Jerry Vanisko, Pacific Coast Fruit Co.’s quality assurance manager, checks the temperature and weight of the spinach. He then looks for discoloration, yellowing, limp or flabby pieces.

driver shortage has reached a “crisis level” and freight rates are double or triple the usual cost.

“The driver shortage is getting acute,” said David Nemarnik, CEO of Pacific Coast.

Many companies have raised wages as an incentive, sometimes entering into bidding wars for drivers. These trucking expenses are passed on to consumers.

On the road
6:30 a.m.

Produce loaded, the truck began its two-hour journey.

Rowland drove through battering rain — past hillsides freckled with daisies and mustard-yellow Scotch broom, over the Hood Canal Floating Bridge, toward Seattle’s heart.

This is Rowland’s favorite part of his job: “the beautiful Washington drives.”

Pacific Coast Fruit Co.
Kent, Wash.
9 a.m.

The truck arrived at a receiving dock at Pacific Coast’s 85,000-square-foot facility.

Inside, the warehouse buzzed with activity: specialists grading apricots, employees zipping by on forklifts, produce buyers in reflective vests calling out instructions.

An employee unloaded the pallet of spinach the Capital Press was following, dropping it in a spacious room kept at 34 degrees Fahrenheit — penetrating, finger-numbing cold.

Within minutes, employees had unraveled plastic wrap, documented lot numbers and slapped stickers on the load signifying which slot in the warehouse the produce was destined for.

It was grading time.

Jerry Vanisko, quality assurance manager, opened a software application on his tablet to help him generate a grade, or quality level, for the spinach.

To randomize sampling, Vanisko pulled one box from the stack’s top, one from the middle and one from the bottom.

He opened the first box, letting its content spill out onto a counter: perky bunches of spinach with vibrant, spoon-shaped leaves.

“Beautiful. Would you look at that? Just beautiful,” he said. The corners of his eyes crinkled.

He weighed the spinach, checked its temperature, then



Sierra Dawn McClain/Capital Press

Zach Wailand loads a pallet of spinach and cilantro boxes into a Pacific Coast Fruit Co. truck.

followed software prompts, answering questions about any discoloration, yellowing, limpness, mold or decay. The spinach got a top grade.

He then photographed the spinach: images that could be retrieved later in case of complaints.

Vanisko walks a tightrope every day as he grades. If he’s too strict, he could hurt farmers by throwing out too much product. If he’s too lax, he could upset retailers and consumers.

“When I first started working here, I looked at everything through the produce manager’s eye. I was much pickier,” said Vanisko, who used to work as a retail produce buyer and has been in the industry more than 40 years. “Now, I’ve got multiple customers to please.”

Tom Brugato, Pacific Coast’s president, said the company tries to hire people with industry experience.

“I think our claim to fame has been hiring the right people,” said Brugato.

But food employees in general are hard to find, he said. The labor shortage is a perennial, and intensifying, challenge across the entire food chain.

Pacific Coast’s leaders got into the industry through family. Nemarnik’s father started the company in 1977. Brugato married Nemarnik’s sister, bringing him into the fold.

“Did I choose it or did it choose me? I’m not sure,” said Brugato.

He laughed.

It was time for the pallet of spinach to move to its slot.

At Pacific Coast, produce is organized by atmosphere. Wet produce, such as lettuce, is stored in the “wet” room with a mist machine and the

air temperature near freezing. Each room thereafter is warmer and drier, all the way to the “tropical” room, where fruits such as mangoes are stored. Each room carries its own smells of ripening produce.

Even after produce is settled at its “temporary address,” there’s work to be done, said Jenny Williams, a category produce buyer.

To her left, a man, surrounded by box-towers resembling a city skyline, was ripening bananas.

Everywhere, boxes were stacked on wooden pallets. Several recent events have led to lumber shortages, and in turn, to a 400% increase in pallet costs, according to the United Fresh Produce Association.

But, Williams said, Pacific Coast can’t ditch using pallets. USDA requires pallet use for food safety.

“We pay by the pallet, which translates into us passing on our costs,” said Williams.

By mid-morning, Williams, along with Joe Hanson, Washington division president, were gearing up for the deluge of retail orders expected around 2 p.m.

Williams can generally predict what retailers will order and meet their needs. But sometimes, there isn’t enough supply.

“It’s the constant struggle with Mother Nature,” said Williams. “You try to do the best you can, but you can’t beat her.”

When there’s more demand than supply, Williams sells a smaller portion to each retailer.

The company employs more than 450 people and buys from hundreds of farms across the West, but its lead-



Sierra Dawn McClain/Capital Press

Central Market in Poulsbo, Wash., one of the six Town & Country Market stores in the Greater Seattle Area.



David Nemarnik



Tom Brugato



A.G. Kawamura

ers say they like to keep relationships personal.

“It still feels like a handshake business in many ways,” said Nemarnik, the CEO.

A call comes in, and a buyer writes a purchase order for a \$90,000 load of avocados — no contract, based on trust.

In contrast, national distribution chains are more formalized.

A.G. Kawamura, a third-generation California grower who sells through GEM Pack Berries LLC to national chains including Walmart, Costco, Safeway and Kroger, said in the 1980s, most orders were contract-less, over the phone. Now, he said, most “program orders” are online.

Some workers thrive on logistics.

Williams, the category buyer, said she enjoys the adrenaline of planning. “I’m very OCD,” she said of her attention to detail.

The best feeling, she said, is seeing a “good rotation” — like when there are more orders for onions than cases available, but then an inbound truck drops off more onions in the nick of time.

“It feels good to see the produce go,” she said, “that moment when you think: ‘It’s on its way.’”

DAY THREE Friday, May 29

Pacific Coast Fruit Co.

Kent, Wash.

1 a.m.

Spinach Lot No. 8525 sat in the warehouse the remainder of the day.

The next morning, it moved again. This time, Pacific Coast delivered to Poulsbo, a tourist town on Liberty Bay along Puget Sound.

The spinach had traveled many hours and miles, yet this journey was highly localized compared to many supply chains across the U.S.

Central Market
Poulsbo, Wash.
3:30 a.m.

Inside Central Market,

employees pulled apart boxes, documented the order and put the spinach in the organic section’s wet display case. The price tag:

\$3.98 per bunch.

There are many expenses behind the scenes beyond obvious ones like water and labor, said Joe Pulicchio, director of produce and floral: the overhead for the building, cooler expenses, even cardboard, the cost of which is “off the chart.”

Pulicchio said he’s passionate about helping farmers succeed. But as a retailer, he has to make everyone happy: grower, distributor and consumer. On the one hand, he can’t make a grower or distributor feel underpaid. On the other, he doesn’t want consumers to feel price-gouged.

“You have to please everyone,” he said.

But Pulicchio said he enjoys the challenge. It’s a moving game. No two days are the same.

“One thing’s for sure: I’m never bored.”

After 6 a.m., customers trickled in.

At 6:45, Julie Wuesthoff, the produce manager, arrived for her 7 a.m. shift.

A former chef and food nonprofit leader, she’s worked at Central Market for 15 years.

Eighteen people work in this section: restocking, sweeping, straightening, organizing displays.

“It takes many hands to maintain this,” said Wuesthoff.

On the floor, she set to arranging displays.

Every detail of the display configuration matters, said Wuesthoff. Even a subtle change can impact sales. Everything is calculated and considered: color schemes, spacing between rows, angles, signage, “staple” items versus seasonal impulse buys.

“There’s an art to it,” she said.

Wuesthoff glanced sideways, where a woman was putting the bunch of spinach into her cart.

“Well, there you go,” she said. “There’s more to it than meets the eye.”

Dams: ‘From our perspective, this can only help solve problems in the basin’

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began in 2010 as part of the original Klamath Hydroelectric Settlement Agreement, or KHSA.

At the time, the KHSA was tied to another settlement, the Klamath Basin Restoration Agreement, which would have funded several projects to provide greater irrigation water security for basin farmers and ranchers.

Congress, however, failed to

implement the agreements prior to the Jan. 1, 2016, deadline, despite consensus from federal, state, county, tribal and agricultural partners.

Instead, an amended version of the KHSA went forward in 2016 while the KBRA was left behind. The split has frustrated farmers and ranchers, who remain entangled in legal disputes over water usage and future irrigation allocations.

This year is especially painful,

as extreme drought prompted the Bureau of Reclamation to shut off water to most of the Klamath Project in May.

“If that other settlement was in place right now, our farmers in the Klamath Basin would have well over 300,000 acre-feet of water, instead of no water,” said Dan Keppen, executive director of the Family Farm Alliance. “We got left holding the bag on that.”

The Klamath Water Users

Association, which represents irrigators in the Klamath Project, has no formal position on the amended KHSA.

However, the group expressed concern in a memo last year about whether the return of salmon to upstream habitat could result in new regulatory restrictions that affect water usage, and whether irrigators might bear increased operation costs for the Link River and Keno dams.

“We can hope that this detriment would be overwhelmingly offset by a water supply benefit,” the memo states, “But, it is a strong reason for concern that hope is all that we can have.”

Meurer, with the KRRC, said more fish in the river and improved water quality will ultimately be good for everyone in the basin.

“From our perspective, this can only help solve problems in the basin,” he said.