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Opinion

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Our View

Overtime mandates ignore economic realities

When the Oregon Legislature meets next month, the question of ending the overtime exemption for farmworkers will again be on the agenda.

In a perfect world, it would be difficult to argue that the hours worked in the field shouldn't be treated the same as those worked in the factory. But the imperfect truth is that differences exist and mandating farmworker overtime after 40 hours will inevitably lead to fewer farmworkers.

The Fair Labor Standards Act, passed by Congress in 1938, established a federal minimum wage and provided for overtime pay for work over 40 hours. The act also provided 19 job classifications, including farmworkers, that are exempt from the overtime rule.



Mateusz Perkowski/Capital Press File
Workers load Christmas trees onto a truck. The Oregon Legislature is taking up whether farm workers should be paid overtime.

Critics now argue that the exemption was the product of racism and pandering to the needs of special interests — big, “corporate” farming concerns. Farmers of all sizes note that farm work is distinct from factory production. The nature of most farm work makes it difficult to schedule in eight-

hour days and 40-hour work weeks.

There's no doubt that the world is a different place than it was in 1938. The state has raised the minimum wage and has mandated a host of protections for farmworkers. To many, an end to the overtime exemption seems like the next step.

But one aspect of agricultural economics has not changed since 1938. Most farmers are still price takers, not price makers. Outside of the few who sell directly to consumers, they cannot simply pass along higher labor costs the way retailers and manufacturers, though limited by the impacts of competition, can.

This is a frustrating reality that farmers struggle to make those outside of agriculture understand.

Many who perform farm labor understand the economics better than

the legislators and advocates who are pressing the case for overtime. They know that farmers facing tight margins will cut the workforce or move to less labor-intensive field crops that can be tended and harvested by machine.

They also know that innovators are busy designing machines that can do intricate and delicate work such as picking fruit and pruning trees. Higher labor costs hasten that effort.

We think everyone performing farm work should be paid as much as business conditions allow. But we know that mandating overtime won't change the basic economics.

Someone will eventually profit from an end to the overtime exemption for agriculture, but in the long run it won't be farmworkers. Our bet is on the engineers and machinery manufacturers.

Our View



Port of Los Angeles

Container ships a quarter-mile long clog some ports and are too big for other ports to handle.

Shipping industry needs to rethink its strategy

It's no secret that trans-Pacific shippers face steep obstacles these days.

Problems range from a limited number of available containers to oversized vessels that have created chokepoints along the West Coast.

This is a statement of the obvious, but if port operators, shippers and ship owners had been on the ball in the past we wouldn't be mired in today's traffic jam. This isn't so much about the impacts of the COVID pandemic as it is a lack of planning.

A handful of major ports are plugged with huge ships, many of which are three times larger than the ports were originally designed to handle.

In Los Angeles and Long Beach, Calif., which handle 40% of all containers entering the U.S., as many as 100 ships were anchored offshore at any given time last fall. Some waited nearly two months to be unloaded.

Before the pandemic, that backlog averaged 17 ships — still a major problem.

A key problem is the size of the ships. There's a big difference between an older ship that carried 7,000 containers and one that carries more than 21,000 containers and is a quarter-mile long. The channels are not deep enough — the Port of Portland, for example, can't handle the largest ships — and other ports require massive dredging projects that cost hundreds of millions of dollars.

That alone has put a huge burden on port facilities. Add the fact that truck chassis are in short supply and warehouses are full, and you have a monumental snarl.

It has also made obtaining and loading containers for the westbound trip to Asian markets difficult. Too often containers return to China and other destinations empty. This leaves many agricultural shippers scrambling to find containers

and book them on a ship.

The problem is akin to that facing the airline industry a few years ago. Airlines had bought massive planes that could carry between 500 and 800 passengers at a time. They flew them only to major hub airports, where passengers had to catch other flights to their final destinations.

What they found was they were swamping the hub airports and forcing passengers to take two or three flights to reach their destinations.

Once airline managers figured out that flying more but smaller planes directly to destinations was cheaper and more efficient, many switched away from relying solely on jumbo jets for long-haul flights.

Airports were less crowded and passengers reached their destinations quicker.

In container shipping, the 10 largest companies handle 80% of the traffic. They need to figure out that they are swamping ports with their massive ships. When they supplement their fleets with smaller, more efficient ships that can call at smaller ports, bottlenecks at the large ports will ease.

Ports such as Portland, Coos Bay and others along the West Coast will be able to accommodate a significant number of ships.

But that will take time.

What's needed is for port managers, shippers, vessel owners, truckers and longshore workers to sit down and discuss how to get past the current bottleneck at West Coast ports.

Then they need to discuss what they can do to prevent ports from getting swamped in the future.

Once they do that, they will quickly discover they are all on the same boat. And that boat will be smaller.

Biden trade strategy must unlock new access for U.S. dairy

GREEN BAY, Wis. — In early October, we finally got a glimpse into the Biden administration's approach to trade when USTR Ambassador Katherine Tai outlined a “New Approach to the U.S.-China Trade Relationship.”

Tai made clear the intention to maintain several policies from the previous administration, including keeping hold of tariffs and zeroing in on enforcement. The stated difference in the new approach is to simultaneously build out more collaborative efforts with our allies.

This all sounded fine. But when pressed on whether the U.S. will move toward engaging in comprehensive trade negotiations, whether through a China Phase 2 agreement or with other partners, disappointingly there was no firm commitment. This has been reiterated time and again through the administration's actions with trading partners over the past several months.

Most recently, the administration has been engaging with partners throughout the Indo-Pacific region, structuring what has been touted as an “economic framework.” While that might appear to be an approach to re-engage with our former Trans-Pacific Partnership partners, it has been made clear that the end goal is not a trade deal.

This is disheartening, to say the least, for the U.S. dairy industry and farmers like me who are hoping for sustainable farm businesses that survive and thrive long-term for our families. Engagement in the global market has long been recognized as key for the health and vitality of our industry and rural communities.

According to the U.S. Department of Agriculture, each dollar of exports stimulates \$1.14 in economic activity. In 2020, Wisconsin alone exported more than \$490 million worth of dairy products, contributing another \$560 million in economic activity across the U.S.

But this isn't just about dollars and cents. Good, comprehensive trade deals make markets fairer and more competitive. For U.S. dairy, this means ensuring that our partners don't put in place restrictive barriers that reduce competition and aren't based on science.

GUEST
VIEW
Brody
Stapel



Ambassador Tai has also said that part of the administration's new approach to trade would not be in the traditional sense, that is, not necessarily focused on market access.

In the dairy industry, we understand fully the importance of taking new approaches; our product innovation has been a success story, particularly in the global marketplace. But at the same time, the U.S. should not overlook what is currently working and consider how we can maintain momentum.

Greater market access for dairy exports means more for the industry now than ever. Exports are essential for balance of the U.S. milk supply and demand, growth of the industry and, at the end of the day, dairy farmers' milk checks. The expanding global demand for dairy products, notably across Asia, makes an exports push even more opportune.

While we understand the administration's focus remains on the domestic industry as we emerge from the pandemic — stating that the key to our global competitiveness begins at home — we must also recognize that new trade agreements can support those efforts. When done right, such agreements not only help open new markets for U.S. products, but they also create a business-friendly environment that attracts greater investment, fosters innovation and stimulates economic growth.

So as the Biden administration continues to engage in economic dialogue with our partners, it is the hope of our dairy farmers and processors — for the sake of the industry and rural America — that the administration embraces the value of expanding market access and finally begins real, good-faith negotiations.

Brody Stapel is a dairy farmer in Wisconsin and president of Edge Dairy Farmer Cooperative, which represents farmers throughout the Upper Midwest and is one of the top dairy co-ops in the country based on milk volume.

READERS' VIEW

We need more dams, not fewer

Common sense isn't so common these days. I read all of the opinions on dam removal and the great cost

it would impose on the taxpayer.

Now consider the talk about climate change, mega-droughts and dooms day all of the time.

Seems to me we should be building more dams and water storage to capture and save all the

water we can during good snow-pack years.

I think the real endangered species in this country is a man trying to make a living.

Randy Burns
Vale, Ore.