

Port troubles threaten county hay exports

By MIKE JOHNSTON senior writer | Posted: Wednesday, November 12, 2014 1:50 pm

Kittitas Valley hay processors and exporters are considering temporary shutdowns of operations if a labor dispute at West Coast ports isn't resolved by the end of this week.

Company officials said the slowdown at the ports of Seattle and Tacoma have halted hay shipments by truck from the Ellensburg area and threaten to stop work at their Kittitas Valley facilities.

Some firms have already significantly reduced hay processing, or have had days of no operations, as a result of a longshoreman slowdown in moving cargo at the ports that began Nov. 1 and has continued into this week.

"It's bringing everything to a grand, screeching halt," Jeff Calaway, president of Calaway Trading Co., said Tuesday about hay and oceangoing containers moving between Ellensburg and the ports. "We're hearing there might not be an agreement worked out before Thanksgiving. That's going to be a disaster."

Calaway said if a new contract isn't worked out between the International Longshore and Warehouse Union and the Pacific Maritime Association by the end of this week, his company in Ellensburg and Oregon will have to completely shutdown and wait, affecting more than 100 employees.

He said that means employees won't be paid for the waiting time, and there's the potential for loss of overseas hay orders.

"When we run out of space to store hay and don't have any more containers to fill, and can't take our full containers to the port, well that's it," Calaway said.

Hit and miss

Some types of cargo in containers are getting through for loading on ships, "but what gets loaded is really spotty, very hit and miss," Calaway said.

What's moving onto the ships is mostly high-value exports like frozen vegetables and fruits in refrigerated containers, he said.

"But hay movement has stopped; it's been completely stopped for over a week," Calaway said.

Growing and exporting Kittitas Valley timothy hay is Kittitas County's single-largest agricultural industry, with an annual farm-gate value to growers of more than \$40 million by some estimates.

The local hay industry, which includes alfalfa and other hays and baled grasses, must have dependable port and overseas shipping services to fill orders on a timely basis from Japan, South Korea, China and other Pacific Rim countries, in addition to the Middle East.

Rollie Bernth, president of Ward Rugh Inc., said his company is facing the same restraints and is quickly running out of room to store compressed hay and those containers being filled with hay.

“We’re at that point, too,” Bernth said about a temporary, operational shutdown if no union settlement is reached.

Local effects

A local shutdown would affect truck drivers, loaders, hay compressors and other employees, more than 40 at Ward Rugh Inc., Bernth said.

A temporary halt in work can have an economic ripple effect on fuel sales, mechanic services, the purchase of supplies and causing smaller paychecks for employees, local hay company officials said.

The labor dispute relates to the longshoremen’s contract ending July 1 without a new pact.

Negotiations were ongoing between the Pacific Maritime Association, which represents the shipping lines, and the longshoremen union when additional disputes broke out at the West Coast’s largest ports in Los Angeles and Long Beach.

The work slowdown then spread to the 27 other West Coast ports.

More than 60 employees connected to Wesco International Inc. could be hurt by a temporary work stoppage, said Wesco President Don Schilling.

“This situation can turn dramatically worse in a short time, or it can start to improve quickly (with a labor settlement),” Schilling said Tuesday.

Potential disaster

Even if a labor agreement is reached, Schilling said it would still take weeks for hay shipments to catch up.

“This has the potential to be an unmitigated disaster,” Schilling said. “This is more than serious; people are going to lose work over this.”

A wide variety of Washington state agriculture exports are being hurt by the slowdown, including apples, pears, potatoes, wheat and others.

“This (labor contract dispute) isn’t about the longshoremen fighting for a fair, living wage,” Schilling said. “Longshoremen are probably the most highly paid blue-collar workers in the United States.”

A 10-day West Coast port shutdown in 2002 over a similar labor conflict was ended by President George W. Bush who enforced the federal Taft-Hartley Act that aims to protect the general welfare of the public when a protracted labor conflict threatens the nation’s widespread economic well-being.

Schilling said if there’s no sign the present dispute will be settled, then the federal government should

consider stepping in.

He said the port slowdown also is seriously hurting the unloading of ships with imported goods ordered by retailers for this year's holiday sales season.