

Agriculture Transportation Coalition

"The principal voice of agriculture in U.S. transportation policy"

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Impact of West Coast Port Disruption on U.S. Exports

West Coast port disruption is wreaking havoc on U.S. agriculture and forest products. The AgTC is marshalling farmer, grower, packer, and Congressional pressure on the International Longshore and Warehouse Union (ILWU) and their employers the terminal operators represented by the Pacific Maritime Alliance (PMA) to resolve their six month impasse and get the ports functioning again.

This packet includes resources summarizing the current situation and providing anecdotes from U.S. ag exporters on the severe economic injury the disruption and congestion has created.

For more information, and interview availability, please contact:

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Summarizing the Crisis:

- 61 agriculture associations' Letter to the President (Press Release and Letter)

Agriculture Exporter Testimony

- AgTC specific examples of economic injury
- US Forage Export Council letter of economic impact
- Anecdotes from cotton and tree nut growers

Congressional Letters to the ILWU/PMA

- West Coast Representatives Letters to ILWU and PMA
- West Coast Senators Letter to ILWU and PMA

Press Coverage (comprehensive inventory available at www.agtrans.org)

- PoliticoPro: Port labor dispute takes toll on apple, hay growers
- Bloomberg: Washington apples languishing amid slowdown at West Coast ports
- Seattle Times: Editorial- As contract negotiations drag on, get ports back to full speed
- Fox News: Why is this mountain of apples rotting away in Eastern Washington?

PRESS RELEASE

November 18, 2014

Agriculture Transportation Coalition

www.agtrans.org

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61 Agriculture Organizations Sign Letter to the President

[Click here to read the letter](#)

The impact of West Coast port disruption is becoming increasingly dire for U.S. agriculture and forest products exporters. Christmas trees that are not exported will miss the holiday season in Asia completely. Potatoes that are not exported will likely be a painful loss for the farmers whose entire year is dependent upon current shipments. The same for apples and other U.S. exports. Foreign customers are already canceling orders and turning to other countries to satisfy their needs.

The consequences are being felt throughout the country. The railroads are unable to bring agriculture products from the Midwest to Pacific Northwest ports because of the labor slowdown at the ports. At the same time, the ocean carriers are passing on their increased cost by imposing draconian congestion surcharge fees on the U.S. exporter, who cannot pass them on to the customer. It is rendering our agriculture and forest products non-competitive in the global marketplace. It is destroying the President's National Export Initiative. It could take years for our agriculture to recover lost foreign markets.

[Please click on this link](#) to read the letter sent by 61 national and regional agriculture organizations, to the President as well as to the Senate and House of Representatives. It is time for the White House to step in. It has tools to do so; we ask the President to intervene personally in order to get the longshore labor back to work, end the slow downs, and compel the terminal operators and the ILWU to complete work on their contract, which expired at the end of June.

The damage to the U.S. economy is profound as agriculture is now the largest export from the United States, and one of the primary areas in which the U.S. is globally preeminent. But that preeminence is now threatened, both immediately, and for some sectors, permanently.

Agriculture Transportation Coalition Executive Director Peter Friedmann is currently traveling around the country, meeting with agriculture growers and producers. He is best reached by cell at 202-329-7040. Inquiries may be directed to Abigail Struxness, AgTC Program Manager at 202-783-3333.

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The Agriculture Transportation Coalition's membership includes companies that represent virtually all agriculture and forest products exported from the United States. These products are grown, raised, processed, packaged and shipped from all regions of the U.S., to markets worldwide, where they typically face competition from similar products sourced elsewhere.

November 17, 2014

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

The undersigned associations representing United States agriculture and forest products producers—including farmers, food processors, exporters, and transportation and logistics providers—are writing to inform you of the disastrous impact West Coast port disruption is having on U.S. exports and to request your immediate action to resolve this critical situation.

As you know, the International Longshore and Warehouse Union (ILWU) and Pacific Maritime Association (PMA) have been engaged in protracted labor contract negotiations that are now contributing to a number of problems at West Coast ports, including congestion, slowdowns, and terminal closures. We are asking you to consider using all of the tools available to the federal government to help resolve this situation. The situation is a direct threat to your own National Export Initiative.

Agriculture and forest products constitute some of our nation's most critical exports. We are guided by this fact:

“There is nothing that we produce in this country in agriculture and forest products, that cannot be sourced somewhere else in the world. We can grow the best in the world, but if we can't deliver our products affordably and dependably, the customer will go somewhere else... and may never come back.”

Transportation constitutes a substantial component of the total landed cost of U.S. agriculture and forest products, and thus plays a critical role in determining the competitiveness of our U.S. exports in foreign markets. As the examples below demonstrate, the current disruption at the ports has already caused millions of dollars in economic injury at precisely the busiest time for agriculture exports. The disruption is a result of marine terminals closing due to labor stoppage, ships being forced to skip port calls or to re-route, and truckers limited by endless lines at port gates. Agriculture products have a limited shelf-life. If shipments are delayed at the ports, the exporter risks losing the value of his entire shipment. And if products cannot be delivered on time to the foreign customer, the customer will source from other countries such as Brazil, Australia, Chile, or Argentina.

Below are specific examples of economic injury occurring right now to U.S. agriculture and forest products exporters:

- **Potato Exporter:** “I have potatoes I am shipping to many countries. If this continues, my buyers would be forced to buy from another country because they need stable supply. I grew our potatoes on contract for them, so when I miss these sales, I do not get them back.”
- **Fruit Exporter:** “We have been holding \$66,668.00 of product that is supposed to ship in two containers on a carrier all week. These products all need to make the voyage to South American markets in time for their holidays. If they do not ship we will lose the sales entirely as my customers cannot sell what they do not have and no one gets a second swing at fresh produce, unlike durable goods.”

- **Potato Processor/Exporter:** “This is turning into a disaster. We have recently secured new export business in the millions of pounds in Australia and Korea. If we cannot supply as to the Pacific Rim as we have assured over recent months, we will lose volume and confidence of these newly established customers. We are not only risking trade with our foreign partners, but forcing the shutdown of production facilities as we have nowhere to go with our finished goods. Man hours lost for all of our processing facilities, supporting services, and communities.”
- **Perishables Exporter:** “Freight is a critical component to a healthy agriculture economy. It is in its most fragile state we have seen in over 20 years. If we cannot deliver our product to our customers in a timeframe they have requested we have missed our opportunity to sell to them. Business lost during this time will not be regained if and when the port opens and is operating normally.”
- **Hay Exporter:** “Hay movement has stopped; it’s been completely stopped for over a week. 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.”
- **Beef, Pork, and Poultry Shipper:** “We ship 300-400 40’ containers a week of fresh and frozen meats, from the West Coast to various parts of the world. This ongoing port disruption which has just recently hit crisis levels has caused us to divert cargo that would normally ship from the West Coast to other ports. However, most of our containers must still transit through the West Coast. There will be long-term negative consequences for U.S. meat packers if we become viewed by our foreign customers as an unreliable supplier.”
- **Rice Exporter:** “Rice mills in California are supposed to be shipping 1000+ containers from CA mills to Korea presently, which we are 2-plus weeks behind schedule due to the port disruptions and delays. Korea has severe non-performance penalties which can affect current and future sales to this large CA rice buyer. Also, all other export sales are at risk of non-performance as well.”
- **Chemical Shippers:** “We are key suppliers of crop protection chemicals to Southern Hemisphere agricultural producers that are just now entering their planting periods. Inability to provide the contracted product at the time it is needed will lose the sales opportunity for the entire crop year and force buyers to find the product from other countries, which will probably result in years of declining sales.”

We urge you to reach out to the ILWU and PMA to insist that they immediately restore the ports to full operation while they continue negotiations. We also ask you to use whatever means you have at your disposal, including bringing in a federal mediator to help resolve the contract negotiations. As you know, federal mediators have been very helpful in past port contract disputes.

Finally, should a strike or lockout occur, we encourage you to invoke the Taft-Hartley Act in order to keep exports moving and protect the U.S. economy. Our largest export sector, agriculture and forest products, and your own National Export Initiative will depend upon your prompt action.

Sincerely,

Agriculture Transportation Coalition
 Agri-Business Council of Oregon

American Cotton Shippers Association
AMCOT
American Farm Bureau Federation
American Frozen Food Institute
American Meat Institute
American Pistachio Growers
California Farm Bureau Federation
California Rice Commission
California Trucking Association
California Walnut Commission
Columbia River Customs Brokers & Forwarders Association
Customs Brokers & International Freight Forwarders of Washington State
Customs Brokers and Forwarders Association of Northern California
Idaho Potato Commission
Indiana State Poultry Association
International Dairy Foods Association
Kansas Livestock Association
Leather Industries of America
Los Angeles Customs Brokers and Freight Forwarders Association
Meat Importers Council of America
Midwest Shippers Association
Minnesota Soybean Growers Association
Mississippi Poultry Association
National Cattlemen's Beef Association
National Chicken Council
National Corn Growers Association
National Cotton Council
National Oilseed Processors Association
National Pork Producers Council
National Potato Council
National Turkey Federation
North American Meat Association
Northwest Food Processors Association
Oregon Department of Agriculture
Oregon Export Straw Association

Oregon Farm Bureau
Oregon Potato Commission
Oregon Seed Association
Oregon Women for Agriculture
Organic Trade Association
Pacific Coast Council of Customs Brokers and Freight Forwarders Association
Pacific Northwest Asia Shippers Association
Potato Growers of Idaho
Produce Marketing Association
San Diego Customs Brokers Association
Southern California Shippers Association
Specialty Crop Trade Council
Texas Cotton Association
United Fresh Produce Association
USA Poultry & Egg Export Council
U.S. Apple Association
U.S. Forage Export Council
U.S. Hide, Skin and Leather Association
U.S. Meat Export Federation
U.S. Shippers Association
Washington State Hay Growers Association
Washington State Potato Commission
Wine and Spirits Shippers Association
Wisconsin Soybean Growers Association

cc:

Senator Debbie Stabenow, Chairwoman, Senate Committee on Agriculture, Nutrition, and Forestry
Senator Thad Cochran, Ranking Member, Senate Committee on Agriculture, Nutrition, and Forestry
Representative Frank Lucas, Chairman, House Committee on Agriculture
Representative Collin C. Peterson, Ranking Member, House Committee on Agriculture

The Honorable Jerry Brown, Governor of California
The Honorable Jay Inslee, Governor of Washington
The Honorable John Kitzhaber, Governor of Oregon



PRESS RELEASE

November 4, 2014

Contact: Peter Friedmann, executivedirector@agtrans.org or info@agtrans.org

Specific Example of Economic Injury to the US Economy Due to West Coast Labor Dispute

Since its inception in 1987, the Agriculture Transportation Coalition has been guided by this measure:

“There is nothing that we produce in this country in agriculture, that cannot be sourced somewhere else in the world. We can grow the best in the world, but if we can’t deliver affordably and dependably, the customer will go somewhere else... and may never come back”.

And now, as the West Coast ports melt down, terminals closing, ships skipping port calls or re-routing, chassis unavailable, truckers limited by endless lines at gates and unreasonable Hours of Service restrictions, we see this is having very real, very immediate injury to the US economy and US agriculture, our most important export.

Here from a potato farmer in the Pacific Northwest, we hope that West Coast labor and management read this, understand the injury they are imposing on the US economy; we hope that the President pays attention and takes action, for the long term threat to US standing in the world is every bit as great as those forces we are fighting overseas.

“I am not sure if you have heard about the port issues we as potato growers are facing here in the Pacific Northwest. But there is supposedly a new round of labor negotiations coming up for the dock workers at the ports. Labor has been "slow working" this week, setting the stage for tough wage and benefit negotiations at the port.

They have chosen Peak Export refrigerated cargo as the season to start putting fear into the shipping lines, terminals, exporters, and truckers. Tacoma labor has essentially been working very slow at the docks this week and yesterday the terminals sent them home because they were not productive at all. Today in talking with the shipping lines, they are anticipating a "Labor Lock Out" at the port during peak refrigerated cargo shipping season from Tacoma and in effect Seattle will follow and probably Portland.

As it stands right now, I have potatoes I am shipping to many countries (nearly 50 containers just this week alone). So far I have shipped about 6 containers and may not have any more than 3 to 5 more containers shipped this week. If this continues or if there is a labor lock out, my buyers would be forced to buy from another country because they would need stable supply. I grew our potatoes on contract for them, so when I miss these sales, I do not get them back. So every day and every week is to us - very detrimental that we get labor working and the ports servicing the national best interest which is to help agricultural goods continue to expand and be exported from a quality growing area like Washington.

If there is any political pressure at all that can be put on the ports and labor to resume talks and quickly settle any labor disputes so we can have some shipping stability, that would be hugely beneficial and welcome from exporters and shippers throughout the West Coast. We hope for any help on this to prevent a lock out and to get our ports working for us instead of holding our peak season cargo hostage to help settle their labor disputes.”

The AgTC is providing its members (any agriculture or forest products exporters -- or trucker, cold storage, forwarder and similar service provider) with access to “Real Time West Coast Port Disruption Monitor”, at www.agtrans.org.



PRESS RELEASE

November 6, 2014

Contact: Peter Friedmann, executivedirector@agtrans.org or info@agtrans.org

U.S. Agriculture Exports Being Decimated by Port Shutdowns: More Specific Examples

Here are two more examples of severe economic injury caused to U.S. agriculture exporters due to the port shutdowns on the West Coast.

The following comes from a family owned, Washington State fruit export company:

“Is there anything my Washington State congressional representatives or the President (who has said he wants to promote exports) can do to help get my \$148,856.50 in Washington State products onto boats that can take them to market?”

We have been holding \$66,668.00 of product that is supposed to ship in two containers on a carrier and \$82,188.50 of product for three containers on another carrier all week. These products all need to make the voyage to South American markets in time for their holidays. If they do not ship we will lose the sales entirely as my customers cannot sell what they do not have and no one gets a second swing at fresh produce, unlike durable goods.

The trucks have been trying to get the empty containers out of the pier since early Monday morning and were told to come back Tuesday. Then on Tuesday they came back and were turned away again. On Wednesday the piers were shut down entirely.

When the ILWU contract with the port operators expired July 1st, everyone agreed to continue negotiating in good faith and resolve differences at the bargaining table. The ILWU has refused to agree to a temporary contract extension as it has in past negotiations because an extension would make everyone subject to the well-established grievance procedures that include jointly-appointed arbitrators who have continually found slowdowns on the waterfront to be impermissible.

Export sales are difficult enough to obtain in this period due to the relatively strong currency rates the dollar is trading at and to fairly high product prices. When we can arrange good sales such as these to paying customers, small businesses like mine are impacted severely.

Thanks for anything you can do.”

Another example from a Washington State potato exporter:

“This is turning into a disaster. We have recently secured new export business in the millions of pounds in Australia and Korea. Additional business gains in Philippines and China are all now at risk. We see our containers backing up at the ports, and, on the heels of harvest completion in the PNW, frozen storage space is at capacity. If we cannot supply as to the Pacific Rim as we have assured over recent months, we will lose volume and confidence of these newly established customers. The PNW will lose its credibility as a region with capacity and capability to assure supply. We will open the door for multiple suppliers, from multiple regions if our ability to assure supply is lost.

U.S. Agriculture Exports Being Decimated by Port Shutdowns: More Specific Examples, continued.

Shipping in excess of 17,000 FCL's off the West Coast annually, we are not only risking trade with our foreign partners, but forcing the shutdown of production facilities in the PNW as we have nowhere to go with our finished goods. Man hours lost for all of our Northwest processing facilities, supporting services, and communities.

This issue has gone on long enough (mid-summer to now). Good faith negotiations should be able to bring this to resolution. Holding the rest of our industry (and economy at large) hostage as bargaining chips is a practice that should not be tolerated. At what point can Taft-Hartley be invoked?

To go for months without resolution and play this card on the threshold of the peak holiday season is clearly leverage which should not be allowed to be used. Our government should step in **NOW** before they too become victims of the eminent fallout for our industry and all commerce tied to import/export trade; fallout that will take months and millions to rectify if not resolved now."

The AgTC is providing its members (any agriculture or forest products exporters -- or trucker, cold storage, forwarder and similar service provider can join) with access to "Real Time West Coast Port Disruption Monitor," at www.agtrans.org.



PRESS RELEASE

November 6, 2014

Contact: Peter Friedmann, executivedirector@agtrans.org or info@agtrans.org

More Agriculture Exports Severely Impacted by Port Shutdowns: Example from Exporter of Perishables

Here is another example of the crippling economic injury caused to U.S. agriculture exporters due to the port shutdowns on the West Coast.

From a West Coast exporter of perishable products:

“The current ILWU slowdown at the Seattle and Tacoma ports is severely affecting our ability to do business. Here are some facts regarding how we are being impacted as an individual company:

- We ship 45-70 containers a week through the Seattle/Tacoma port system. This currently represents on average about 25% of our business. The value of each container at dock Seattle/Tacoma is on average \$10,000. If you add the ocean freight to customer, the average value is \$14,000-16,000 CIF.
- This week we have had to cancel/postpone about 30 containers. We have had 2 containers returned to us. We have incurred inland transit trucking charges for container freight that could not be delivered to the port and had to be returned to our facilities.
- Trucks are waiting for equipment at the port, only to be told after hours and hours of wait time that equipment is not available.
- Trucks are waiting to drop loaded containers to the port, only to be told after hours of wait time that they will not be taking any more in for the day.
- Charges to us the shipper/grower (from the truckers) can be an additional \$1000 per container due to congestions resulting from the slowdown.
- We are having difficulty finding truck companies willing to deal with the hassles of the ports. They can use their equipment and drivers to run more profitable corridors.
- The product has been inspected and prepared for export, there is cost associated with transitioning this inventory to other domestic customers and replacing it when the export orders can and do ship. Costs can run up to \$500 a container depending on the product being shipped. Some products are packed specifically for export customers.
- We are now hearing that some vessels are skipping Seattle/Tacoma this and next week. We have also heard that some vessels are departing without their cargo.

The ports are an important tool for all sectors of Washington state agriculture. This current situation comes on the heels of a system that has been deteriorating for a while. Over the past few years, we have seen an increased impediment to our export business as a result of issues at the port. These

More Agriculture Exports Severely Impacted by Port Shutdowns: Example from Exporter of Perishables, continued.

include difficulties and delays in getting equipment, difficulties getting truckers to collect and drop off equipment and increased costs as a result of the delays and wait times. In addition, throughput at the ports has slowed down over the years and increased our dock-to-dock transit times by over 20%. What once was a 12-13 day transit to our Japanese customers is now over 16 days, with the increased time being spent at the docks in the Seattle/Tacoma ports.

Freight is a critical component to a healthy Washington state agriculture economy. It is in its most fragile state we have seen in over 20 years. The lack of an export or offshore shipment option for our product will seriously affect FOB costs and our ability to sell all of our products this year. Timing is of essence. Orders missed as result of the port issues do not just get pushed off, if we cannot deliver our product to our customers in a timeframe they have requested we have missed our opportunity to sell to them. Business lost during this time will not be regained if and when the port opens and is operating normally. First off the congestion will take weeks if not months to clean up and secondly and most importantly the 30 containers we missed during this week will not be added to next week's order – it is a lost opportunity. It is vital that we get the ports back to doing business as normal – and soon.”

The AgTC is providing its members (any agriculture or forest products exporters -- or trucker, cold storage, forwarder and similar service provider can join) with access to “Real Time West Coast Port Disruption Monitor,” at www.agtrans.org.

U.S. Forage Export Council

safe feed for the world



USFEC MEMBERS

ACX Pacific Northwest, Inc.
Agrex Inc.
Border Valley Trading Ltd.
Bossco Trading, LLC
Bounds Hay
Calaway Trading, Inc.
Eckenberg Farms, Inc.
Eight Star Commodities
El Toro Export, LLC
GFI Hay Processing
Golden Valley Farms, LLC
HayDay Farms, Inc.
Kuhn Hay Co.
Larsen Farms Hay Terminal, LLC
No. 9 Hay LLC
Oregon Hay Products, Inc.
OR/PAC Feed and Forage, Ltd.
Quality Trading Co., LLC
Sage Hill Northwest, Inc.
Standlee Hay Company, Inc.
Steffen Hay Inc.
Sunrise Trading Inc.
Superior Export Co., LLC
Triple I Press, LLC
Valley Hay Co., LLC
Ward Rugh, Inc.
Wesco International, Inc.
Whitby Ag Enterprises LLC
Wilbur-Ellis Company
Zen-Noh Hay, Inc.

CONTACT

John Szczepanski
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Portland, OR 97239 USA
john@usfec.org

December 5, 2014

Dear ,

We are writing to ask your help in resolving the disruption at West Coast ports to enable the free flow of U.S. exports so vital to our country's economy.

The U.S. Forage Export Council (USFEC) is a subcommittee of the National Hay Association, established in 1895. USFEC has thirty members who represent over \$1 billion in forage exports, sourced from communities in Washington, Oregon, California, Idaho, Arizona, Nevada and Utah. Each year, about 250,000 TEU's (twenty-foot equivalent units) are shipped from West Coast ports, bound for customers around the world.

Unfortunately, the West Coast ports are rife with congestion, slowdowns, and terminal closures, resulting from the drawn-out contract dispute between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA).

The impact on our industry is significant: USFEC estimates that in the month beginning November 3rd, 2014, members have experienced \$25,678,000 in lost sales, representing 7,365 TEU's, through delayed shipments, rolled bookings and cancelled containers. Truckloads of product traveling hours from rural communities are trapped at ports, waiting for word whether their containers can be loaded, then told to "come back tomorrow" to try again.

Simply put, we cannot tell our overseas customers to "come back tomorrow." The orders we lose due to the port disruption will not be recovered as foreign buyers seek supply that is more reliable. There is a long-term impact to this crisis that demands immediate attention.



Your help is needed in three areas:

1) Insist that the ILWU and the PMA enter a binding contract to resume full operations at all West Coast Ports. We are aware of letters sent by members of Congress on November 12th to both Mr. McKenna and Mr. McEllrath. Additional support from your office, in stronger language, can keep the pressure up on both sides to reach agreement.

2) Encourage our President to order a Federal Mediator to expedite a contract settlement. White House spokesman, Frank Benanati, erroneously stated: "Just last year, there was a long negotiation at the East and Gulf Coast ports. And just as the two sides in that case were able to resolve their differences through the time-tested process of collective bargaining, we're confident that management and labor at the West coast ports can do the same." Note, however, that a federal mediator was indeed brought in during the 2012-13 negotiations to enable the International Longshoremens' Association and the United States Maritime Alliance to agree on a coast-wide contract and avert a threatened strike.

3) Upon settlement of the PMA/ILWU contract, we ask your help to reform labor laws to include U.S. ports under the 1934 Railroad Labor Act (RLA), which governs railroads and airlines. Ports are currently governed by the National Labor Relations Act (NLRA), which permits the delays and work slow-downs that hamper U.S. trade and damage our country's reputation. As a critical component of U.S. infrastructure, our ports should fall under the same rules of rail and air. (Please see attached document)

In this competitive global marketplace, one fact is certain: There is nothing that we produce in this country – including forage – that cannot be sourced somewhere else in the world. We can produce the best agricultural products in the world, but if we can't deliver our cargo affordably and dependably, the customer will go somewhere else...and may never come back.

Members of the U.S. Forage Export Council, who are totally dependent on a port system that is reliable and effective, ask for your support.

Sincerely,



Greg Jackson
President
U.S. Forage Export Council
National Hay Association



Summary of Port Issues in 2014 – Cotton and Tree Nut Shippers

Denair, CA – Almond Processor/Shipper

I just forwarded an email to you with the most recent port update that we have. For the moment, the surcharge has been put on hold until after Thanksgiving. However, the congestion has made it really challenging to get equipment in and/or out of the port and has created a lot of issues for our logistics team. So many vessels have been delayed, or have changed LRD without noticed that it has our customers very frustrated... Also, the trucking companies are quite frustrated because there are some days they have trucks in line all day, only to learn that the terminals have shut down early. No container = no revenue for them... I am glad you are involved. CA ag may have to seek other ports if this continues.

Dixon, CA – Walnut Processor/Shipper

We are feeling the effects of the port issues. The ongoing issues with the port are putting a stick in the spokes of our logistics here. We are having problems securing containers for outbound loads so our product is backing up in our warehouse. When we do get containers, we load them promptly in order to free up space to keep everyone working and then the containers sits in our yard for a week. We have worked pretty hard to implement a "just in time" system in order to get product in and out quickly and it is, to put it mildly, unfortunate that the tens of thousands of dollars that we have invested this last year in order to increase efficiency will not likely reach the potential that we have forecasted. Growers want their money, customers want their product and trucking companies want to maximize their efficiencies by dropping empty containers and picking loaded ones to take back to the port, unlike the current situation where they sit at the port all day only to be turned around with nothing. As a matter of fact, it's Monday morning and I am waiting for a container that was supposed to be here last Thursday. We also have three loaded containers waiting to be picked up. So much for efficiency.

Manteca, CA – Walnut Processor/Shipper

The port seems to be an ongoing yearly problem. Just last week, I shut down for 1 day due to port problems (the day they decided not to show up for work). The shipping lines have had to readjust schedules many times. I had 2 loads that were scheduled to be packed and shipped on Thursday. I found out on Wednesday that the shipping line delayed the departure by two weeks due to "port congestion". For that reason I decided to not work on Thursday, because if I had, I wouldn't have been able to ship those loads out of my warehouse for 2 weeks. Shutting down for the day cost my hourly employees 1 day of work that week. I have had a few (2-4) trucks that have tried to deliver containers to the port to find out that the vessel was delayed and therefore the port refused to accept them costing me an extra delivery charge. Overall I would say the port issues are costing hourly employees and truck drivers the most headaches. I know the trucking company I use, Stockton Ag Transport, had many trucks that went to the Port last Thursday only to find out when they got there that the port was closed for the day.

Chico, CA – Walnut Processor/Shipper

Yes the port of Oakland is a disaster as far as I know most shipping lines have postponed their congestion fee of \$1000 per container for now. But what the problem is the longshoreman union i.e ILWU has been renegotiating their contract since May of this year so most terminals are not working at full speed because the workers take long breaks and there has been several days they went to lunch and never came back. Because of this it is taking 3 times as long to get containers picked up or delivered to the port because the truckers are having to wait in lines for hours and sometimes they will wait in line for 4 to 6 hours and then get turned away because they decided to close. Also this work slowdown is worse in Long Beach and in Long Beach it is taking ships 1- 2 weeks to get in and out of Long Beach so then it delays the ship coming up to Oakland which in turn changes when we can deliver our containers to the port. There has been several times I shipped a container out not knowing the vessel was delayed

and I had to store the container in my trucker's yard for a week. The cost of that is \$100 stop off fee plus \$25 per day storage and then if they have a rented chassis then it is an additional charge of \$50 per day for the chassis. I have had to do this a couple times where the container sat in their yard for almost a week because when the vessel gets delayed it is not for a day or two it is usually for a week to 10 days. I have a German customer where I was shipping him 3 to 4 loads a week for Holiday supermarket business and every container I shipped to the port of Oakland from 10/31 to 11/17 never got put on any of the ships because the ships were overbooked and the Shipping line just kept rolling them to the next vessel and did not inform me or our German client. I had 36 loads sitting at the port of Oakland for almost a month before they got on a ship and my client is out of walnuts so he decided to spend twice the money and rail loads to Montreal and get put on ship in Montreal. To say the least it is a disaster and the government needs to step in and break the union. The Terminal and shipping line owners are wanting to do more automation so they can be more efficient and turn trucks around faster but the ILWU is fighting it because then that would be less jobs.

Hope this helps if we don't do something there will not be any truckers left to deliver these loads to the port. We have shifted more of our business to domestic clients because of the cost of freight to the port. It is costing around \$1000/ container to ship to the port of Oakland and when I do a domestic load it costs me zero because it is the clients responsibility to pick the load up from my facility.

Turlock, CA – Almond Processor/Shipper

We have yet to receive any additional fees due to terminal congestion. Those fees were to be effective on 11/17/14, I received notices from some major carriers but not all.... What I am noticing and am sure that most everyone is- the turnaround time at the terminal and the issues with returning full containers- with the vessel delays it is almost impossible to keep up with all the changes. We have incurred additional chassis fees and per diem/demurrage charges due to the vessel delays. The carriers are also imposing impossible documentation cuts. They are wanting "ALL" information prior to being able to pull equipment.

Chowchilla, CA – Almond Processor/Shipper

It is definitely impacting us with rolled loads and storage fees. The good news that I heard from EFI on Friday was that the \$1000 fee is only going to affect the imports, not exports. I am out tomorrow but I will jump on this Tuesday. Unless something has changed.

Tulare, CA – Pistachio Processor/Shipper

We have been experiencing delays and equipment shortages for the past few weeks. We expect port congestion surcharges ranging between \$250 - \$1000 to come our way next week. Ocean carriers tried to charge 2 weeks ago but they withdrew. This time they will stick. We are rolling numerous loads and further delays will result in customers canceling contract. We have already had 1 customer threaten to cancel 5 loads if there are any further delays. This would mean a loss of about \$1 million in sales.

Bakersfield, CA – Cotton/Almond Shipper

Yes...it's a massive mess. Worst we have seen in a very long time and we have been in business for 71 yrs. The ports continue to reject shipments, push back shipments, roll shipments...all at their own discretion. We cannot count on or rely on anything. Vessel sailing dates mean nothing. We are all held hostage. The truckers are jacking the rates up because they don't want to deal with the port nightmares and tying up all their trucks. We are forced to pay pier pass on many shpts. Many customers have bought product that has to arrive in their country prior Christmas or they LOSE their import quotas. With the ports purposely delaying, postponing and rolling shipments, you can imagine the headaches this is causing the exporters and our overseas customers. IT'S VERY SERIOUS! We have bookings that have rolled or been delayed by weeks. This creates a huge problem, especially when the sales are guaranteed delivery by a certain date. We have bookings that containers have been

pulled and loaded only to be told when cargo arrives at port that they will not accept the containers and will advise when they will. We are also experiencing a couple of situations now where the complete shipment has been turned in at the terminal and the vessel has sailed. The shipping company is telling us all the containers did not load on the ship and we cannot get docs. They are showing wrong container numbers on the bookings and it is a complete mess.

In addition to the problems of logistics, the expense is catastrophic. Chassis charges, per diem, pier pass, and the threat of congestion surcharges from the shipping companies are only part of the expense. So many companies and people are being held hostage by this and the longer it continues, the worse it will be.

Escalon, CA – Walnut Processor/Shipper

At this point most shipping lines have postponed the port congestion surcharge until further notice. The issue that seems to be recurring is rescheduling, some as much as a week later due to vessel delays.

Stockton, CA – Produce/Walnut Processor/Shipper

Hi Roger, I met with our production team this morning to discuss your email. I would like to thank you for including us in this. I am going to forward you a few emails in regards to problems we have dealt with in regards to this issue. (see emails)

Terra Bella, CA – Pistachio Processor/Shipper

Roger, the port delays continue, and are more related to the NYK line than anything else. The situation continues to affect ALL shipping lines with the congestion in the bay, and the congestion at the port. As for the fees, please see attached e-mail concerning this. They have delayed indefinitely the implementation of these fees for now (the fees varied depending on the type of container, and whether it was inbound or outbound) and suspended any existing fees. To all, further details, delays have been anywhere from 1 week to 4 weeks for outbound loads (this is the experience we have seen with our outbound pistachios loads).

Hughson, CA – Almond Processor/Shipper

Order#9641-02 They changed receiving terminals without notice. We are going to be charged \$80.00 by Rocha for having to go to two different terminals.

Order#9645-02 They had to wait in line 2hrs 45min to get container. We only get 2hrs from Rocha. So we are going to be charged \$52.50 for the extra time.

Order#9661-01 They had to wait 6hours in line to get an empty container. We will be charged for 4hrs extra time of waiting. \$280.00

Order#9645-01 (Itochu) This was supposed to be returned Monday 11/24 by 4pm. Rocha was in line to deliver and the terminal just decided to stop receiving any export before 2pm. Rocha failed to notify us of this and just took it to their yard in Oakland. The freight forwarder asked me this morning why the container wasn't returned so that is when I asked Zach from Rocha what was going on and he told me he forgot to notify us about trying to get a late gate. They didn't tell us anything Monday afternoon or yesterday so now it's too late to return it...we are going to have to get it rolled to the next vessel...so we are most likely going to have an upset customer and extra charges for having the container too many days.

Bakersfield- Cotton Shipper

Some of the smaller problems have been vessel delays where the first delivery of containers was changed without notice. The trucker had already sent the containers to the warehouse for loading and was unable to turn them in so we incurred additional costs for yard storage.

We recently had a large shipment which has to arrive in China by 12/26. Typically we would be able to deliver and load as many as 200 containers for one vessel. Because of the port congestion we have had to split this over three vessels vessel schedules have all been delayed and getting containers through the terminal was slow so we were not able to get all 200 delivered on the first vessel. The week we started to move the cotton the Teamsters set up pickets at the terminal and disrupted the flow of trucks for three days. K Line allowed us to deliver more containers for two days past the cut-off but because of the congestion and long wait time the truckers were not able to get everything delivered again. We had 12 containers remaining to ship which we decided to load on a Cosco vessel that was scheduled to sail on 11/30 and arrive in China on 12/26. As of today the vessel is still being loaded and will not sail until 12/6 and may not make it to China in time to meet our customers import quota. If this is the case our customer will not take delivery and we will incur storage costs in China and have to resell the cotton.

Our logistics costs to deliver the cotton for this sale were higher than expected. We had to use multiple carriers and transload facilities in hopes of increasing the volume we could ship in the narrow delivery window we had.

The uncertain vessel schedules are making it difficult to guarantee the timely arrival of cotton to our customers in other countries as well. A few of our customers have been waiting for the new crop to arrive.

Modesto – Transportation

Right now, I would say about 4/day or 20/week between all 3 facilities. The terminals are short on union labor every day and the ones that show up are not the quickest. That is causing the terminals to close sections of the yard, close down early or take up to 6 hours to process a truck in and out. The trucks can then only do half the work as usual causing loads to fall behind and start rolling into the next day and it keeps cascading down the schedule. That is why even though we don't have 4/day on the schedule next week, I can't add loads for Monday – Wednesday because I will have to carry over orders from this week into next week. It is important to get the load info sent over as early as possible, even if it is still on hold.

California- Cotton Seller

We have a customer in China who is going to default on a Pima contract because the vessel was delayed and is now arriving after their quota expiry (Dec 31st).

Corcoran- Cotton Shipper

Congestion at the ports of Los Angeles and Long Beach has been very bad for the past couple of months. Here are some of the things that have caused problems for shipping J G Boswell Cotton:

- Long lines at the terminal gates
- Truckers have spent as much as 7 hours at the terminal to return a full load and pick up an empty container
- Equipment not available
- Vessel schedules are so unpredictable

- We operate with letters of credit that have strict latest ship dates. Many LC's have had to be amended several times because vessels do not leave port on time.
- Cannot accurately plan our trucking schedule due to late arrival and departure of vessels
- We are not able to guarantee arrival dates to customers who have a deadline due to import quotas or product resale
- We are incurring a very large amount of additional charges for chassis rental and container demurrage plus storage fees since we cannot return the loads as originally scheduled due to vessels being delayed
- Shipping line is unable to give us new vessel arrival dates until after we have loaded the containers

This is all creating a logistics nightmare for everyone that exports. Off dock container storage yards are full and we have nowhere to hold the containers once they have been loaded.

Transportation/Labor- Central Valley

- I had a friend tell me that her son was laid off because he works for someone who imports into our country and could get nothing out of port. This goes to show it is not just affecting exporters.
- Local trucking company told me today that they sent a truck to the port who waited for 7 hours to drop off a container and pick up an empty. He got the empty in and was turned away without an empty.

Producer- Kerman

We have had three container loads delayed and have been informed by one of the transport companies we work with that they are now charging "port congestion" fee's. While our customers understand the issues are beyond our control it does not help our cash flow situation. The longer we have to wait for the loads to ship, the longer we have to wait for payment.

Almond Processor/Shipper- Kerman

We are getting Vessel delays on a daily basis.

Transportation- Manteca

This truck arrived in line at 0648 and as of 1117 he was still .4 miles from the entrance to the terminal. He has moved .9 miles in approximately 4.5 hours. Sadly, this is becoming the norm rather than the exception. This is just to get inside the terminal, where once inside delays persist. Delays upwards of 5 hours inside the terminal, only to be told at the end of the day the terminal is closing and will not give the driver their container happen every afternoon.

Because of this, we are increasing our Congestion Surcharge at the Port of Oakland from \$150/container to \$300/container until the situation improves. This increased Congestion Surcharge will be effective tomorrow for both SSA and Ports America Terminals in Oakland. All other terms/conditions for other terminals remain as they are today. Stop off and storage charges due to vessel delays, closures, etc... also will remain the same. As mentioned during our initial Congestion Surcharge email below, if you have a different contract rate agreement with us, we will honor the contract rate and applicable surcharges.

We hate to be in this situation, we would rather have our fleet moving your goods in a timely manner. Unfortunately, that is not possible at the Port of Oakland these days. The media will tell you

the Ports of LA and Long Beach are worse, but the reality is the two consistently worst terminals in California are located in Oakland.

Walnut Producer/Sheller – Gerber

We, like pretty much everyone, have been having issues with the Oakland port for more than 6 weeks now. Pretty much the same issues the e-mail talks about. Bookings first receiving dates are being changed with little or no notice, sometimes even after we have picked up a container, meaning it has to be stored days or a week or more before the terminals will accept it again. However, my trucker is still being charged for keeping a container and chassis too long, even if they were allowed to pull it but not allowed to return it within the allowed time. First receiving dates are now often the same days as documentation cuts, so you have no wiggle room in shipments like you used to. My trucker has also waited in line for hours to be turned away. He has often spent the night at the port, for no extra pay, in order to be first in line the next morning, still waiting for hours the next day.

It's ironic that the port workers are protesting labor rights when truck drivers are working around the clock to do their job for no pay because of the port workers actions. It seems the port employees have no respect for other people's jobs, only their own. That is the most frustrating part for our driver. Our drivers rely on this busy time of the year to make money and they cannot make money when this stuff is happening.

Congress of the United States
Washington, DC 20515

December 10, 2014

The President
The White House
Washington, D.C. 20500

Dear Mr. President,

We urge you to encourage the International Longshoremen Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) to use a federal mediator in resolving their current contract negotiations. As members who represent areas which depend on ports, we are concerned about the length of these negotiations and the resulting impact on our constituents.

As these negotiations continue, our ports are losing business we know will not return. This is detrimental to our ports, those who work at the ports and communities across the state. This significantly impacts the economy of the Pacific Northwest and the country as a whole. Each day, we are contacted by our constituents who are feeling the real impact of these negotiations on port operations. Efficient movement of goods is critical for all industries, including agriculture and manufacturing. Our specialty crop producers, who depend on international markets, are unable to export their products and meet customer demands which could lead to long-term or even permanent loss of market share. Our manufacturers face similar challenges of higher costs, lost sales, and delayed production. Across the globe, Pacific Northwest products are in demand, but our businesses are facing significant challenges in reaching these consumers.

We recognize the serious task before the parties. However, after over six months of negotiations, we strongly believe a federal mediator has become necessary. Moreover, we are increasingly concerned that there could be a shutdown at the ports as occurred in 2002. It is estimated that the previous shutdown cost our economy over a billion dollars a day. We cannot afford to let this happen.

To follow up on the requests made by our constituents, the Ports of Seattle and Tacoma, and numerous Pacific Northwest businesses, we strongly believe that a federal mediator is needed to bring a swift resolution to these contract negotiations.

Sincerely,


DAVE REICHERT
Member of Congress


KURT SCHRADER
Member of Congress



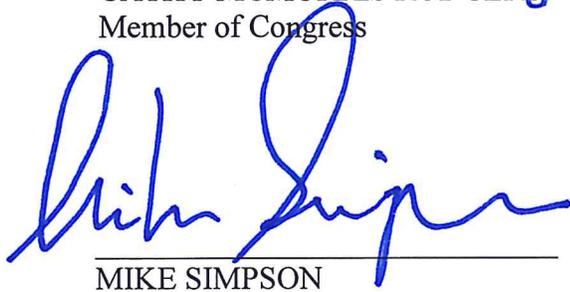
DOC HASTINGS
Member of Congress



CATHY MCMORRIS RODGERS
Member of Congress



JAIME HERRERA BEUTLER
Member of Congress



MIKE SIMPSON
Member of Congress



GREG WALDEN
Member of Congress

Congress of the United States
Washington, DC 20515

November 12, 2014

Mr. Robert McEllrath
President
International Longshore Warehouse Union
1188 Franklin Street, Fourth Floor
San Francisco, California 94109

Mr. James McKenna
Chairman and CEO
Pacific Maritime Association
555 Market Street, Third Floor
San Francisco, California 94105

Dear Mr. McEllrath and Mr. McKenna,

As representatives of communities which depend on strong and thriving ports, we strongly urge a swift resolution to the current contract negotiations. With exports and imports comprising thirty percent of our nation's gross domestic product, a swift resolution is vital for the economy of the Pacific Northwest and our country as a whole.

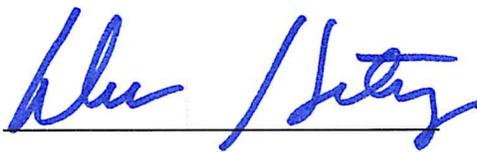
As you know, in the economy of the Pacific Northwest, specialty crop producers play a significant role. As such, they rely on ports to export their products to countries around the world where they have built reputations as reliable providers. Any interruption in terminal operations negatively impacts their customer relationships, export sales, and packing operations. And the exports are significant. Last year, over nineteen billion dollars' worth of agricultural goods went through Washington's ports. This statistic highlights the importance of trade to our economy and emphasizes how heavily we rely on our ports, which serve as a gateway to Asia. Because of this proximity to Asia, our ports support and drive economic activity far beyond our immediate borders.

We recognize the challenges before you and urge you to come to a swift resolution, because our workers, farmers, consumers, businesses and families all depend on it.

Sincerely,



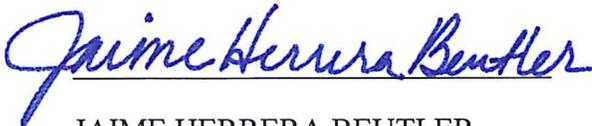
DAVE REICHERT
Member of Congress



DOC HASTINGS
Member of Congress



CATHY MCMORRIS RODGERS
Member of Congress



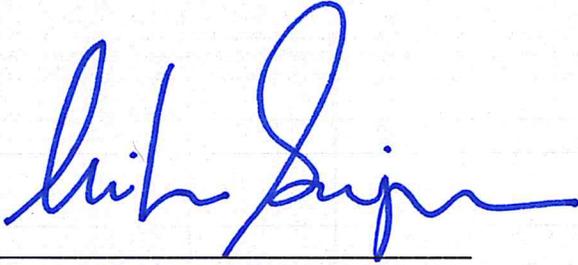
JAIME HERRERA BEUTLER
Member of Congress



KURT SCHRADER
Member of Congress



GREG WALDEN
Member of Congress



MIKE SIMPSON
Member of Congress

United States Senate

WASHINGTON, DC 20510

November 12, 2014

Mr. Robert McEllrath
President
International Longshore and Warehouse Union
1188 Franklin Street, Fourth Floor
San Francisco, California 94109

Mr. James C. McKenna
President & CEO
Pacific Maritime Association
555 Market Street, Third Floor
San Francisco, California 94105

Dear Mr. McEllrath and Mr. McKenna:

We write to urge you to continue negotiations to reach a fair and amicable settlement on the proposed collective bargaining agreement between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA). As you well know, an agreement is imperative to the health of the West Coast economy and to the nation's as a whole.

The ILWU and members of the PMA have a decades-long relationship that has created a successful structure to support international trade, the competitiveness of West Coast ports, and good-paying middle-class jobs. This collective bargaining agreement is important for the health, safety and economic well-being of the 13,600 longshore, clerk, and foreman workers at 29 ports from California to Washington, as well as for companies large and small, agriculture producers, ports, and international buyers around the world. We strongly urge both the PMA and the ILWU to continue negotiating in good faith to resolve the remaining issues and to swiftly move toward a final contract agreeable to both parties.

Sincerely,



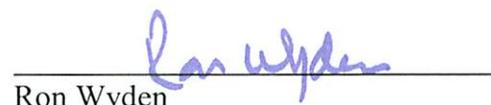
Dianne Feinstein
United States Senator



Barbara Boxer
United States Senator



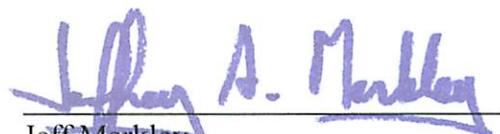
Patty Murray
United States Senator



Ron Wyden
United States Senator



Maria Cantwell
United States Senator



Jeff Merkley
United States Senator

Port labor dispute takes toll on apple, hay growers

By Bill Tomson

POLITICOPro

12/5/14 6:52 PM EST

Grandma's apple pie may be cheaper to make this holiday season as a dispute with longshoremen and the group that manages West Coast ports is preventing millions of dollars of exports, while simultaneously creating a glut of Red Delicious and many other kinds of apples that need to be sold more cheaply.

As contract negotiations between the 20,000 member International Longshore and Warehouse Union and the Pacific Maritime Association drags into its sixth month, large amounts of hay, pears, apples and even frozen food are reportedly having a hard time getting on boats destined for Asia, the Middle East, South America and elsewhere.

The longshoremen in seven international container ports — including those in Long Beach, Calif., Seattle and Tacoma, Wash. — are arguing for safer working conditions, protection from outsourcing and a cost-of-living increase for wages following the expiration of their earlier contract on July 1. ILWU blames the port authority for, among other things, failing to deal with increasing congestion from ever-growing ships.

Meanwhile, farm and export groups claim the union is behind a massive work slowdown to influence the negotiations and, as a result, as many as 400,000 40-pound boxes of apples per week are not being shipped to overseas customers, based on the latest estimate by the Washington State Apple Commission. Those apples have to go somewhere, either to domestic buyers, Canada or Mexico — and often at discounted prices, said Jon DeVaney, executive director of the Washington State Tree Fruit Association.

Regardless of who is to blame, apple exporters are losing as much as \$20 million in sales contracts per week, DeVaney said.

Of course it's not just apples feeling the bite of the slower ports. Producers of potatoes, pears and other commodities are also suffering as they try to get their products to lucrative overseas markets. But the shipping snarl is happening at the worst possible time for Washington apple farmers. The producers are coming off a record-breaking harvest from September through November of roughly 150 million 40-pound boxes — beating the previous record crop of 128 million in 2012, said Robert Kershaw, president of Washington state's largest apple farming, packing and exporting company, Domex Superfresh Growers.

"We've had the largest apple crop we've ever had this year and that's a lot of supply to start with, and so also losing access to export markets ... is having a downward price pressure," he said.

Wholesalers in the U.S. are taking advantage of the burgeoning glut by offering below-market prices, DeVaney said. Even the importers who do get the apples they ordered could demand to pay less because of missed deadlines and the eroding quality of the fruit that sat in transit for so long, the apple producers fear.

But lost sales are worse, said Kershaw, as customers who don't get their orders might stay away permanently.

"We're not going to make up those sales. It's not like they're going to all send 30 new vessels, load them fast and get all caught up," he said. "Every week that goes by we're digging ourselves deeper and deeper into a hole as an industry."

Washington state's hay farmers — who export roughly 80 to 90 percent of their product — are also suffering. They've lost about \$26 million in sales since the slowdown began in late June, according to Peter Friedmann, executive director of the Agriculture Transportation Coalition.

Rodney Van Orman, operations manager for the Anderson Hay and Grain Co., in Ellensburg, Wash., buys alfalfa and other kinds of hay from hundreds of U.S. farmers and sells it to customers in countries like Japan, South Korea and even the United Arab Emirates, where the forage products are fed to the countries' dairy herds, race horses and even camels.

In a normal year, his company would export about 400 containers of hay and alfalfa weekly through Seattle, Tacoma and other West Coast ports — each one packed with 52,000 pounds of the products, he estimated. But because of the port worker slowdown, that amount has been cut in half.

It's an unacceptable situation, Van Orman said. His clients need to feed their animals every day and therefore need a steady supply of feed, and he is certain many are already looking to divert their business to producers in Australia.

"If we're not going to be a reliable supplier for them, then they start looking to other countries."

Like the apple shippers, Van Orman said he's going to be forced to sell much of his hay and alfalfa on the domestic market at a sharp discount from what he can get overseas.

And it's not just the loss in revenue from export sales that's hitting U.S. companies, Friedmann said. Farmers and packers have to get their products to the ports, and what was previously a simple part of the shipping process now "includes dramatically increased trucking costs as trucks wait hours, sometimes days, to get into the terminal gate, as operations have slowed to almost a standstill."

The loss of sales revenue and increased costs of doing business are hurting badly, said Van Orman, who is anguished over having to slash the hours and salaries of his workers during the

holiday season. The Anderson Hay and Grain Co. hasn't had to let any employees go yet, he said, but many have had their hours cut back by 30 percent.

All of this, with no end in sight, has prompted groups like the Agriculture Transportation Coalition to appeal to President Barack Obama for help in bringing an end to the union slowdown.

"We urge you to reach out to the ILWU and PMA to insist that they immediately restore the ports to full operation while they continue negotiations," the coalition, representing 61 U.S. agriculture groups, requests in a [letter sent on Nov. 17 to the White House](#). "We also ask you to use whatever means you have at your disposal, including bringing in a federal mediator, to help resolve the contract negotiations. As you know, federal mediators have been very helpful in past port contract disputes."

Kershaw, who said he's not optimistic about help from the administration, vented his frustration: "Today we're not getting any help from anyone and it's just killing our industry if it doesn't end pretty soon. I cannot believe the lack of help we're getting from our government. I don't think they have any appreciation for what it's doing to industries that export."

Craig Merrilees, an ILWU spokesman, told POLITICO Friday that progress is being made in the negotiations, which he said will go through the weekend.

Washington Apples Languishing Amid Slowdown at West Coast Ports

By Peter Robison - Nov 26, 2014

William Bloxom spent years courting a grocery chain in Buenaventura, [Colombia](#), to buy Washington apples, only to see much of the sale disappear in a labor dispute at West Coast ports.

A salesperson from his Seattle produce company, [F.C. Bloxom Co.](#), made four trips to Colombia to win a \$148,000 order for five containers of fruit, he said. After a dockworker slowdown began on Halloween, Bloxom could find berths for only three containers by Nov. 17. The buyer canceled the rest of the shipment, costing Bloxom \$60,000, because the apples wouldn't arrive in time for Christmas, he said.

U.S. exporters of apples, hay, potatoes and other agricultural products are losing hundreds of millions of dollars because of the slowdown, said Peter Friedmann, executive director of the Agriculture Transportation Coalition, a nationwide industry group.

“If we can't be depended upon to deliver on time what we've promised, those foreign customers will go somewhere else, and they'll never come back,” he said yesterday at a press briefing in [Seattle](#).

About 20,000 members of the [International Longshore and Warehouse Union](#) in 29 ports from [San Diego](#) to the Canadian border have been working without a contract since July 1.

To put pressure on terminal operators and shipping lines, represented by the Pacific Maritime Association, crews have slowed container handling by half in Seattle and Tacoma, walked out mid-shift in Oakland and been unavailable to run cranes in [Los Angeles](#) and [Long Beach](#).

Ships Waiting

In Seattle, the slowdown has left [container ships](#) anchored in Elliott Bay, waiting to unload, while containers stack up in rail yards. Truckers who used to make 10 or 12 trips a day to pick up or drop off containers are now making as few as one, said Gary Gieser, vice president of sales at MacMillan-Piper, which operates container loading stations in Seattle and Tacoma.

“We're laying people off every day now,” he said.

Bob Haberman, co-owner of No. 9 Hay Trading Co. in Ellensburg, [Washington](#), said drivers are hauling containers full of feed two hours to the ports, only to bring them back when no berth can be found. Last week, the company shipped 20 of 70 containers bound for overseas, costing it about \$480,000 in sales, he said.

For some farmers, including growers of holiday evergreens and apples, Christmas is a critical window.

Apples are a traditional part of the holiday in Central America, according to the [Washington Apple Commission](#), which says the port slowdown is hampering exports of a record crop this year. Washington is the country's largest apple producer.

"You can't sell fresh fruit if you don't have it," Bloxom said.

The Agriculture Transportation Coalition last week asked President [Barack Obama](#) to step in and return the ports to full operations. A White House spokesman said the president was monitoring the situation and didn't plan to force a resolution.

To contact the reporter on this story: Peter Robison in Seattle at robison@bloomberg.net

To contact the editors responsible for this story: Stephen Merelman at smerelman@bloomberg.net
Pete Young, Theo Mullen

The Seattle Times

Winner of Nine Pulitzer Prizes

Editorials

Originally published Friday, November 28, 2014 at 4:04 PM

Editorial: As contract negotiations drag on, get ports back to full speed

Union dock workers have a right to bargain for a new contract, but slowing down the port hurts businesses and consumers.

Seattle Times Editorial

CARGO headed to Alaska from the Port of Tacoma is moving out without disruptions even while a dockworker slowdown continues to stall other containers of goods at the ports of Seattle and Tacoma.

Leaders of the International Longshore and Warehouse Union realized that slowing down shipments to Alaska would cause major problems for that remote state. The Port of Tacoma handles 70 percent of goods sent there by ship.

“We understand how time-sensitive operations are in terms of groceries,” Dean McGrath, president of ILWU Local 23, told The Seattle Times’ reporter Carol Garnick.

The unions should spread that concern around. Those concerns about time sensitivity also should apply to the Christmas trees destined for Asia, apple shipments from this year’s bumper crop and holiday gifts sitting unloaded in Puget Sound.

For a month now, shipping containers have been moving at less than half of the regular rate while the ILWU and the Pacific Maritime Association, a group of employers, hash out a new six-year labor contract for close to 20,000 dock workers at 29 ports **along the West Coast**.

The slowdown is causing major delays for hundreds of logistics companies, food producers, truck drivers and retailers waiting to stock shelves.

The slowdown started around Halloween in Seattle and Tacoma and later reached the ports of Los Angeles and Long Beach, Calif. Dock workers have been working without a contract since July 1.

Negotiations, which started in May, are on hold for a union-requested 12-day break. They are scheduled to resume Tuesday.

In a trade-focused state like Washington, the lag is more than an inconvenience to some businesses. It threatens to cripple the trade industry, which generates about 40 percent of the state’s jobs.

Union leaders and supporters say slowing down shipments is the only way workers can put pressure on employers now that contract negotiations have stretched on for seven months.

Union workers have the right to bargain for their best interests, but the slowdown harms companies and consumers who have nothing to do with the contract negotiations. Washington Gov. Jay Inslee has largely been silent publicly on the issue. He and U.S. Sens. Patty Murray and

Maria Cantwell, along with their counterparts from California and Oregon, should increase the pressure to end the slowdown.

This slowdown is hurting the entire state unnecessarily. Employers and union leaders are both responsible for finalizing a contract as soon as possible.

It's well past time to get ports operating at full speed.

Editorial board members are editorial page editor Kate Riley, Frank A. Blethen, Ryan Blethen, Jonathan Martin, Thanh Tan, Blanca Torres, Robert J. Vickers, William K. Blethen (emeritus) and Robert C. Blethen (emeritus).



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Why is this mountain of apples rotting away in eastern Washington?

Q13 FOX – SEATTLE

POSTED 4:48 PM, DECEMBER 10, 2014, BY [HANA KIM](#). UPDATED AT 07:27PM, DECEMBER 10, 2014

SEATTLE — Distributors say the backup at the Port of Seattle and the Port of Tacoma are causing an economic mess for Washington.



rotting away in the fields of Eastern Washington.

If they are not being left to rot, they end up sitting inside shipment containers going nowhere.

“We’ve got a pier that’s moving three containers an hour and we know they can move up to 20 safely,” Bloxom said.

The Longshoremen Workers Union is still in contract talks with Pacific Maritime Association which represents all the West Coast port operators. PMA says union workers are slowing down deliberately.

When you are in the business of exporting goods overseas, time is money.

“If the products don’t get there to market for the holiday season the sale won’t be replaced,” F.C Bloxom Company co-owner Bill Bloxom said.

Bloxom buys everything from apples to onions from Washington growers and ships them through the ports to other countries.

“This has been the worst year in my career,” employee Cecilia Rojas said.

Exporters are blaming the port slowdown for the mountain of apples

“These slowdown tactics are part of the ILWU playbook and they are simply done to influence negotiations,” PMA spokesperson Steve Getzug said.

The union denies a deliberate slow down saying the problem is a sharp increase in volumes of shipment and a shortage of chassis and other equipment.

“Those jobs used to be on the docks, they used to be good paying jobs \$25 to \$35 an hour and now those companies are looking for cheaper ways to get that work done,” ILWU spokesperson Craig Merilees said.

They have been in contract talks for months with no sign of a resolution.

“I put blame on both of them they are tying up a port that’s a public resource,” Bloxom said.

So far they’ve missed out on shipping 50 containers of produce losing about half a million dollars in revenue.

“While it may not immediately affect the person watching the news it will ultimately result in lower economic return for the entire economy,” Bloxom said.

He is now calling on the president to send in a federal mediator. Both sides are not revealing a lot about contract talks happening behind closed doors. But exporters say the union has been fighting efforts to automate for years.