

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