



Delivering the goods

BY PETER SZYMCAK

Transporting nearly a billion-dollars' worth of Oregon-grown plant material takes trucks and trains — and lots of them. Drove of railroad cars, dry and refrigerated (refer) vans are needed to move shipments of plants across the state and to faraway places across the continent.

Growers ship their plants to market with the help of transportation companies that specialize in navigating the complex maze of shippers on one end, carriers in the middle, and consignees on the receiving end. The costs associated with transporting horticulture commodities through so many sets of hands can account for 30 percent or more of plant value.

That means every extra cent spent on shipping expenses can make a big difference to the grower's bottom line.

With fuel, labor and tax increases all looming around the corner and into the future, plus new shipping regulations that go into effect in early 2018, the nursery industry is feeling the pinch on all sides.

Spring forward

Debra Frederick of K&M Distribution Inc. is a transportation broker based in Rogue River, Oregon. For the past 27 years, her company has special-

ized in moving plant material across the country, filling full truckloads as well as consolidating partial loads, year-round.

"Everyone is looking for the easiest load with the best price," Frederick said.

But one thing plant material is not, is easy to ship.

"Commodity-wise, it's not a set deal," Frederick said. "Plants are not boxes or cubes — there's a lot of variety on product types. This is an industry where things are hand-loaded. It's time-consuming on the load end. But having done it for so long, we have an idea what our customers need."

What growers need is ample carrier availability come springtime, ahead of peak gardening season, when the majority of the year's plant material needs to get to eager markets. Unpredictable springtime weather can hamper best-laid shipping plans, as this past spring proved.

"Oregon was ready to ship, but the East Coast hadn't defrosted yet," Frederick recalled. "Everybody wanted to ship at once."

When carrier availability is especially hard to come by, Frederick stressed the importance of communication. "Everybody is on the phones, constantly making calls.

We roll with the tide and try to accommodate. We're all in this together."

Shipping requires give and take on both sides. Although with a wave of cost increases coming down the pike, it's easy to understand if growers feel like more is being taken from them than is being given in exchange.

Rising costs and regulations

In July 2017, the Oregon Legislature and Gov. Kate Brown approved a \$5.3-billion transportation package designed to target congestion, public transportation, crumbling roads and decaying bridges.

The project list includes widening Highway 217 through Tigard and Beaverton, widening I-5 through the Rose Quarter, widening a section of I-205 through East Portland.

All of these improvements will help freight move more efficiently, reduce congestion, and make roads and bridges safer. Eventually.

Everyone along the shipping chain must start paying today for tomorrow's infrastructure improvements. Funding measures include a higher gas tax, higher vehicle registration fees, new taxes on bicycle and car sales, and a payroll tax ➤

Transportation: Delivering the goods

Previous page: A forklift operator at A & R Spada Farms in St. Paul, Oregon moves a pallet of arborvitae for shipment. Once the pallet is inside the truck, workers will move the plants onto the floor of the truck in such a way that maximizes the use of space and weight capacity. PHOTO BY CURT KIPP

to fund expanded transit. “Grocery bills are about 18 percent more today than just a couple years ago, and all because of transportation,” said Thomas Hawker of Johanson Transportation Service, where he’s worked since 1989.

As director of transportation, Hawker manages freight traveling across the Pacific Northwest, including dry and temperature-controlled trucks, full and partial loads, air and ocean freight, rail, intermodal shipping, and customized, import/export solutions. Agriculture accounts for 35–40 percent of the goods Johanson ships.

“A lot of manufacturers who ship inbound to Oregon call on us. We try to load these carriers with our commodities going back into the Northeast or wherever, and the cycle continues,” Hawker said. “We need constant flow — it’s a two-way

‘Try to ship as much as you can early in the season to avoid crunch time. Ship early on railroad — that can save time and money, because capacity isn’t tight yet. For those who wait, loads going out have to share with another nursery, which means multiple picks and drops.’

**— THOMAS HAWKER,
JOHANSON TRANSPORTATION SERVICE**

street. At certain times of the year it’s easy, but right now it’s getting tight. There are more loads than there are trucks.”

During the late summer, when grass seed is in season, demand for shipments takes place during an intense 8–12-week period, whereas nurseries experience congested shipping lanes every spring. “We

make sure we have equipment for our regular shippers,” Hawker said. “Those who are desperate, we try to help out.”

Hawker said the earlier growers can get plants ready, the better rates and equipment availability will be to come by.

His advice to growers who want to save time and money? “Try to ship as

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much as you can early in the season to avoid crunch time," he said. "Ship early on railroad — that can save time and money, because capacity isn't tight yet. For those who wait, loads going out have to share with another nursery, which means multiple picks and drops."

New regulations are likely to impede availability. New rules from the Federal Motor Carrier Safety Administration are slated to take effect in December 2017. From then on, every truck on the road must have an electronic logging device that tracks driving hours, replacing the paper logbook system that's been the norm for years.

"We think there will be [truck] shortages come January 2018, because carriers don't want to invest more money into trucks," Hawker said.

Margins are tight for everyone. So to maintain the viability of the interconnected businesses along the supply chain, relationships are important.

"It's a funny business," Hawker said. "We're floating hundreds of thousands of dollars to make 5–7 percent profit. But as long as you have that relationship, it seems to work out."

Rail versus road

Shipping via rail can result in substantial cost savings, but the downsides are slow transport times and low temperatures. Nursery product can take 10 days or more to get from Oregon to New Jersey, during which time a load can be damaged by freezing temperatures.

"A lot of nurseries gamble by shipping rail, but you have to plan ahead. Everybody watches the weather," Hawker said, adding that rail transit times have become faster, and are not that far off from trucks.

"Add 20–25 percent in time, save 20–25 percent in money," Hawker said. "And our highways are crowded enough and getting worse."

Shipping by truck has its downsides, too — and they're growing.

Fuel prices have risen — diesel is up about 50 cents a gallon this year alone >>

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— and Hawker expects gas prices to continue rising. “As China and India become more developed countries and can afford to buy cars, there will be more demand for fuel, so our prices at the gas pump over the next two to seven years are going to go up,” he said.

Integrity Logistics, based in Wilsonville, Oregon, gives fuel for thought when deciding between rail and road. The freight transportation services company offers an innovative “foil liner” solution for rail car shipments.

“It prevents plants from dying along five to six days of travel across the country,” explained Terry Wolff, freight porter at Integrity for over 28 years. “Since plant material is temperature and time sensitive, the faster they can get them dug and put into container or burlap ball and onto the trailer, the better.”

The company also ships over the road, mostly refer. “Rail cuts costs and also capacity,” Wolff said. “A lot of product is moving in refer units, but capacity in spring has a lot of competition. Rail is a viable option.”

Regardless of whether you ship via road or rail, shipping takes a lot of pieces: a pickup carrier, a rail or trucking carrier, and a delivery carrier.

“Getting set up with a carrier service is the most important thing,” Wolff said. “It takes a system. A lot of nursery people want to find someone who will do all that for them.”

And also be available. That’s where relationships come into play.

“Honesty is always the best policy,” Wolff said. “Nursery people put their trust in someone else to get their plant material to market.”

Oregon growers can grow billions of dollars’ worth of the best plant material, but if it doesn’t get to market in the best condition, all that work is for nothing. ©

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