

WASHINGTON STATE

TRADE STORIES



TRADE POLICY MATTERS TO WASHINGTON STATE

Washington state is the most trade-supported economy in the nation, meaning that global trade policy impacts our state more than any other. We need policies and investments at the local, state and federal level to help our companies, especially small businesses like those profiled in this booklet, excel and improve their international competitiveness, creating jobs and prosperity for all our state's residents.

DISTRICT 1 TRADE STORIES

HILLEBERG THE TENTMAKER

“Hilleberg sells approximately 30% of its products internationally, and has retailers or distributors in 10 countries.”

Hilleberg the Tentmaker was founded in 1971 by Bo Hilleberg, a Swedish adventurer at heart. His daughter, Petra, brought Hilleberg’s famous tunnel tents to the United States, right here in Redmond, where they now handle all sales outside of Europe. From Redmond they export approximately 30% of sales, and have retailers or distributors in 10 countries including Korea, Japan, Hong Kong, Australia and India; in addition, they sell to many other countries via direct sales channels. Seeing a recent surge in demand from the Asia-Pacific region, Hilleberg just opened a distributor in China. In Redmond, Hilleberg has nine full-time employees and estimates that three of those jobs have been created by international demand. Petra Hilleberg stresses the importance of trade, and how making it easier for small businesses to export internationally adds volume and jobs to our local economy.



HILLEBERG
THE TENTMAKER

COLDSTREAM FARMS

“If given the chance through more favorable trade environments, U.S. dairies would be the most competitive in the world.”

Jeff and Vickie Rainey started Coldstream Farms in 1978, and today their enterprise has grown to be a 1200 acre farm with 1250 cows. Located in Deming, the dairy farm is part of the Darigold co-op, which handles the export of their products. Jeff firmly believes that if given the chance through more favorable trade environments, U.S. dairies would be the most competitive in the world. The U.S. dairy industry already exports 15% of their product, and that number could be much higher if trade barriers were reduced, especially in emerging markets. As the middle class grows in developing economies, more and more people are demanding high quality protein sources, such as dairy and consumer products made from dairy like whey protein. U.S. dairies can meet this demand if given fair access to those markets through new, high-standard free trade agreements like the Trans-Pacific Partnership.



DISTRICT 2 TRADE STORIES

VISTA CLARA

“Since 2008, 44% of Vista Clara’s sales (approximately \$2.5M) have been exports.”

Located in Mukilteo, Vista Clara develops, manufactures, and provides services for groundwater detection instruments. The company began exporting in 2008 and, with help from the Export Finance Assistance Center of Washington and Ex-Im Bank, now exports to Germany, Denmark, Australia, Canada, China and India. Since 2008, 44% of sales (approximately \$2.5M) have been exports. Over the past three years they have hired six full-time employees, now supporting a total of eight full-time and three part-time Washington employees. Dave Walsh, President and Founder of Vista Clara Inc., says that selling internationally has also sparked interest from the U.S market.



ELECTROIMPACT

“Thanks to international sales, the company has grown to over 700 employees, 80% of which are engineers.”

Electroimpact, a manufacturing company based in Mukilteo, builds turnkey automation and tooling systems for aircraft assembly. Thanks to international sales, the company has grown to over 700 employees, 80% of which are engineers. In recent years the company has delivered 80% of their sales to overseas customers, mostly in Asia and Europe. Currently Electroimpact has 20 projects underway all over the globe. Since some of their largest customers are in Asia and Europe, both the Trans-Pacific Partnership and Transatlantic Trade & Investment Partnership could strengthen their business in these markets if the agreements successfully knock down trade barriers. Ben Hempstead, Chief of Staff at Electroimpact, also feels that the Export-Import Bank is an invisible but key piece of their international competitiveness. “If overseas customers can continue to receive reliable financing to buy U.S. exports like they can get from other countries, they are able to buy more American products.”



DISTRICT 3 TRADE STORIES

NEIL JONES FOOD COMPANY

“Employees have been able to work more hours and earn more, thanks in part to export sales growth.”

Neil Jones Food Company, based in Vancouver, Washington, has been processing and packaging tomato and fruit products for several decades. In the past few years, the company has put more emphasis on exporting their products. The company now exports to five different continents; in fact, due to export sales growth of double digits, the company is looking to new markets in the Middle East, Vietnam and Mexico. Bahman Dejbod, import and export director at Neil Jones, has hired new employees since the company began exporting to manage the influx of international and domestic business. In addition, other employees have also been able to work more hours and earn more thanks partly to export sales growth. However, high tariffs and burdensome regulations in countries like Malaysia and Vietnam make it difficult for Neil Jones Food Company’s sales to grow as much as they could. The Trans-Pacific Partnership could dismantle these barriers, allowing the company to reach its full potential.



COLUMBIA MACHINE

“We are actively doing business with 11 of the 12 countries in the TPP, and if the rules were the same, it would be easier for us to compete.”

Columbia Machine, located in Vancouver, Washington, began exporting their concrete manufacturing technology in the 1950s and has since exported to over 100 countries worldwide. The 500-person company prides itself in being a leader in developing machines that help their customers automate their manufacturing processes. Columbia Machine not only exports individual machines, but also entire factories that control the manufacturing process for concrete blocks, retaining walls, paving stones and other dry cast concrete products, from raw materials to finished products. As a result, their products are especially marketable in developing countries where widespread infrastructure and housing projects are underway, such as India, Mexico and Brazil. Columbia’s customers play an important part in making the building materials used to construct schools, hospitals, roads and ports around the world. Exports vary month by month, but range between 25 to 75% of their sales.



Columbia Machine’s CEO, Rick Goode, feels that the top benefit of future global trade agreements would be consistent global trade rules. “We are actively doing business with 11 of the 12 countries in the TPP, and if the rules were the same, it would be easier for us to compete and would take unfair advantages away from our competitors.” The company also supports reauthorization of the Export-Import Bank, which he says helps U.S. exporters compete globally in the face of foreign competitors that receive much stronger export support from their own governments.



CUBCRAFTERS, INC.

“Though CubCrafters has only been exporting for two years, international business has led to employment growth.”

Yakima-based CubCrafters designs, prototypes, tests, certifies and manufactures aircraft. They consider an international reach a natural extension to their domestic business since their products are just as desirable on other continents as they are here at home. The company currently exports to Canada, China, Australia, European Union and Brazil. Though CubCrafters has only been exporting for two years, international business has led to employment growth, specifically in the engineering department, which works to achieve certification in international markets. Currently exports are only 5 percent of overall sales, so there is room for growth. Since aviation is a heavily regulated industry, CubCrafters must satisfy the requirements for each international agency, which can be costly and time consuming. Fortunately, in some cases, the Federal Aviation Administration (FAA) has agreed to reciprocal standards for certain classes of aircraft, easing the time and expense of entering new markets.



MILNE FRUIT

“Right now our products face an 18% tariff in Japan, but we compete with Chilean products that face zero tariffs due to their trade agreement.”

Milne Fruit, an industrial supplier of fruit and vegetable ingredients, has been operating in Prosser since the 1950s. The company sources the majority of ingredients for their fruit and vegetable juices, purees and powders from Washington state. Export sales, which now account for 30% of their revenue, have helped grow the company to 120 employees. Milne Fruit has exported to Japan for 40 years, and recently has seen growth in other Asia-Pacific markets. For example, the recent U.S.-Korea Free Trade Agreement enabled Milne Fruit to increase their sales in the Korean market. Michael Sorenson, President and General Manager at Milne Fruit, urges Congress to pass new trade agreements that will put U.S. exporters on equal footing with foreign competitors. “Right now our products face an 18% tariff in Japan, but we compete with Chilean products that face zero tariffs due to their trade agreement. In fact, Chile has free trade agreements with numerous Asian and European countries, making it difficult for us to compete since the U.S. is not party to these agreements.” If trade barriers were wiped out through the TPP and TTIP in some of Milne Fruit’s key markets, they could continue to grow sales and local jobs.



DISTRICT 5 TRADE STORIES

SCHWEITZER ENGINEERING LABORATORIES

“Much of SEL’s growth is due to its ability to sell its products internationally to markets with a growing need for more reliable electric power.”

Schweitzer Engineering Laboratories (SEL), headquartered in Pullman, partners with customers around the world to ensure safe, reliable, and economical delivery of electric power. SEL designs, manufactures, and supports a complete line of products and services ranging from generator and transmission protection to distribution automation and control systems. The company is 100% employee owned and has 4,000 employees. Much of SEL’s growth is due to its ability to sell products internationally to markets with a growing need for safer, more reliable electric power.



SEL has designed solutions for critical infrastructure in more than 147 countries. Burdensome tariffs SEL often faces in foreign markets prevent it from being as competitive as it could be, but trade agreements can help it compete by promoting free, flat, fair and open markets. Trade agreements would be particularly beneficial to the growing company. SEL’s Government Affairs Representative, Larry Camm, says “SEL currently operates in countries around the world including Australia, Canada, Mexico, Singapore and Vietnam. Having increased access to these markets and others in the Asia-Pacific region would help the company to continue to grow.”



SPOKANE SEED

“The company has found great success in selling their products globally, and new trade agreements are vitally important to their ability to compete.”

Spokane Seed, located in the Palouse region of Eastern Washington, is a globally-recognized leader in growing, processing and marketing dry peas, lentils and chickpeas. The company has been family owned and operated for four generations. Between their Spokane and Colfax facilities, Spokane Seed employs 55 Washington residents. The company has found great success in selling their products globally, and according to Andrew Fontaine, Spokane Seed’s General Manager, new trade agreements are vitally important to the company’s ability to compete. “Any time we are operating at a disadvantage to our competitors, we really struggle. We typically provide better quality, but it is difficult to access foreign markets if we have a price disadvantage and a trade barrier. If the trade barrier is removed, we can position our product in the market, and once they understand our quality difference, we gain market share and grow the sales volume.” Spokane Seed has used past free trade agreements to access foreign markets in the past – once the free trade agreement with Peru was passed, their exports grew in that market.



DISTRICT 6 TRADE STORIES

PANELTECH

“Support from the Ex-Im Bank has allowed Paneltech to export their sustainable Washington-made products to Canada, France, Italy, Mexico and Chile.”

Nine years ago the Hoquiam company began exporting their composite surface materials to Canada. Since then, sales and employees have continued to increase. Paneltech has a team of 40 employees, with more than half the employees hired since exporting began. Export sales continue to grow each year, reaching \$6.4 million in 2013. According to Scott Olmstead, Paneltech Business Manager, approximately 56% of company sales are foreign. Support from the Ex-Im Bank has allowed Paneltech to export their sustainable Washington-made products to Canada, France, Italy, Mexico and Chile.



SAFE BOATS INTERNATIONAL

“Exports have driven much of the company's growth, and now account for approximately 40% of their sales.”

From its humble beginnings in a garage 20 years ago, SAFE Boats has boomed into a globally recognized manufacturer of military and law enforcement vessels with 300 employees in Washington state. The company is based in Bremerton and Tacoma and sells its products in over 50 countries. Some of their top markets include Mexico, Chile, Colombia, Tunisia and Israel. Scott Peterson, the co-founder & chairman, says that exports have driven much of their growth, and now account for approximately 40% of their sales. Mr. Peterson applauds Congress for passing Trade Promotion Authority so that the U.S. can finalize new free trade agreements that can break down trade barriers that reduce the competitiveness of U.S. companies. SAFE Boats has seen firsthand how prohibitive barriers and regulations can prevent the company from entering lucrative markets such as India and Brazil. “Any time barriers come down, it's good for all parties. In such a global and competitive environment, removal of barriers drives economic growth for all countries involved,” says Mr. Peterson.



DISTRICT 7 TRADE STORIES

ENPRECIS

“Thanks in part to assistance from trade organizations, Enprecis has seen a 35% increase in exports over the past few years.”

Globally focused since launching in 2006, Enprecis is an advanced technology company in Seattle that measures vehicle quality and customer satisfaction in the global marketplace. The company exports services to major automobile manufacturers operating in the UK, France, Italy, China, Russia, Australia, Japan, and most recently, Germany. Thanks in part to assistance from trade organizations, Enprecis has seen a 35% increase in exports over the past few years. This success in the global marketplace has allowed the company to grow its Washington-based office by about 30%, supporting several new employees.



GM NAMEPLATE

“GM Nameplate stresses that trade agreements such as the TPP and TTIP are crucial because they would help local businesses expand their customer base and diversify revenue streams.”

Founded in 1954, Seattle-based GM Nameplate has become a leading international manufacturer of product identification components such as custom-design nameplates, decals, and labels. Today the company employs 1,100 people worldwide in offices ranging from Seattle, Washington, to Singapore and China. GM Nameplate exports globally to markets such as the UK, Italy and France. Japan and Korea have also shown particular strength as export markets. Carlo Mears, VP of the Aerospace Division, estimates that on average, his division regularly exports to 10 countries. He estimates 7% of employees are tied directly to export sales, or around 80 jobs. The Export-Import Bank has helped increase international sales by allowing GM Nameplate to charge more competitive rates for international exports, enabling the company to see a 12% increase in revenue growth over the past few years. GM Nameplate stresses that trade agreements such as the TPP and TTIP are crucial because they would help local businesses expand their customer base and diversify revenue streams. Increased foreign sales would provide a growing number of good quality manufacturing jobs to Washington state residents.



CALAWAY TRADING

“Founded in 1987, Calaway has become one of the ten largest exporters of hay from the western United States.”

Calaway Trading, Inc. is an international exporter of agricultural commodity products. Founded in 1987, Calaway has become one of the ten largest exporters of hay from the western United States to markets including Korea, Japan, China, Taiwan and the United Arab Emirates. Headquartered in Ellensburg, Calaway has over 100 full-time employees across offices in Washington, California and Oregon. In 2011, Calaway Trading acquired Cascade Ag Trading, which enabled them to offer diverse commodities such as cotton seed, corn, soybeans, DDGS, grain, sorghum, soybean meal and rice. Shipping to over 16 countries, Calaway’s export sales have grown by approximately 5% per year overall. By providing high quality products and services across the globe, Calaway Trading continues to grow and expand their reach each year.



STEMILT GROWERS LLC

“Stemilt Growers contributes to the industry growth by exporting to 26 different countries around the world.”

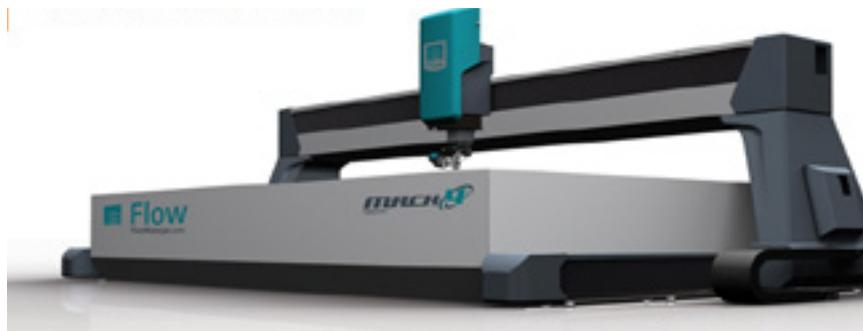
Stemilt Growers, headquartered in Wenatchee, is a leading tree fruit company that grows, packs, ships and markets fresh apples, pears, cherries, peaches, nectarines and apricots to stores worldwide. Stemilt is proud to be a leading organic fruit supplier and the largest sweet cherry shipper in the nation. Over the past ten years agriculture industry exports have increased by 10%. Stemilt Growers contributes to that industry growth by exporting to 26 different countries around the world.



FLOW INTERNATIONAL

“Since 1974, Flow has delivered over 10,000 waterjet and abrasive waterjet systems to customers in more than 100 countries.”

Flow International provides technologically advanced, environmentally sound solutions to the manufacturing and industrial cleaning sectors. The company is the leader in the design and manufacture of ultrahigh-pressure (UHP) waterjet technology, particularly waterjet industrial cutting tools and robotics. Since 1974, Flow has delivered over 10,000 waterjet and abrasive waterjet systems to customers in more than 100 countries. Today, Flow’s core markets have grown to include aerospace, automotive, machine shops, paper, food processing, architecture, industrial cleaning, surface preparation, and other specialty applications. From their corporate headquarters in Kent, Washington, Flow employs 600 employees in offices in Indiana, Canada, Brazil, Germany, UK, Spain, Italy, France, Taiwan, Japan and China.



PACIFIC VALLEY FOODS

“Today exports make up a whopping 90% of their sales...The recent free trade agreements with Colombia and Korea have made it easier for Pacific Valley Foods to compete in these markets.”

Pacific Valley Foods began in 1975 when Scott and Lynn Hannah began selling frozen vegetables and potatoes in the U.S. and internationally out of their Bellevue home. Nearly 40 years ago, they were one of the first companies to export these products to Japan. Since then, the company has grown to include canned foods, fruit juices and concentrates, frozen breakfast foods, frozen appetizers, and dried peas and popcorn in their product portfolio and has branched out to 25 countries all over the world. Today exports make up a whopping 90% of their sales. Their largest markets are in Asia, and they also have seen growing sales in New Zealand, Australia, the Middle East, Colombia and Chile. The recent free trade agreements with Colombia and Korea have made it easier for Pacific Valley Foods to compete in these markets, especially against European producers who faced lower tariffs. Vice President Susan Hannah says that anything that helps get their products on a more level playing field is hugely beneficial to their business. “Policies that open up markets for exports especially help small businesses in Washington state like ours since our state is the third largest exporting state, and the majority of exporters are small businesses. We’re in a much more competitive global market than we were twenty years ago, so we need Congress to pass new trade agreements that lower our trade barriers and establish consistent, non-discriminatory global trade rules.” Susan points out that their contracts and orders also support jobs at many other producers and processors in Washington.



NUTRIOM LLC

“Exports support approximately 10% of Nutriom’s sales, and they expect that number to continue to grow if new free trade agreements are passed that break down barriers in foreign markets.”

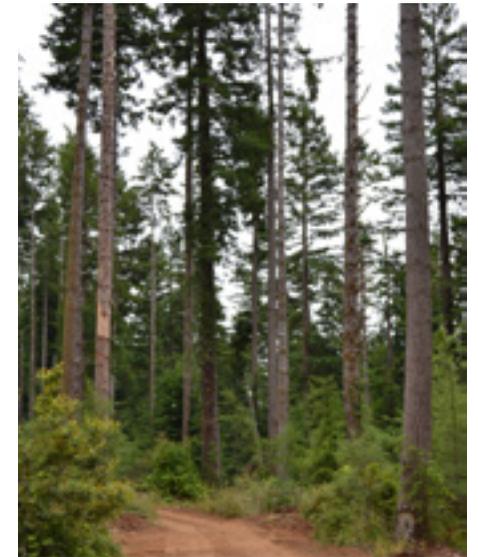
Located in Olympia, Nutriom produces high-quality, shelf-stable dehydrated egg products, including OvaEasy egg products. Since their products are so easy to ship and store, exporting has become a large part of their business. Currently Nutriom exports to Mexico, Europe and the Middle East, but they hope to expand to new markets over the next few years. Exports support approximately 10% of the company’s sales, and they expect that number to continue to grow if new free trade agreements are passed that break down barriers in foreign markets. The company has grown to 25 employees, 10% of which handle the export sales.



PORT BLAKELY TREE FARMS

“Approximately 30-40% of the volume Port Blakely Tree Farms grows is sold into export markets in Asia...allowing them to grow the Tumwater staff to 35.”

Port Blakely Tree Farms, located in Tumwater, is a family-owned, 150-year-old-company that owns and manages healthy forestlands throughout western Washington and Oregon. The company provides sustainable forest products, protects wildlife habitat and water resources, and supports the local communities in which it operates. Approximately 30-40% of the volume they grow is sold into export markets in Asia, which often pay premiums for high quality logs. These export markets, as well as the strength of the domestic market, have allowed Port Blakely Tree Farms to grow the staff in Tumwater to 35 permanent, full-time positions. Port Blakely Tree Farms sees potential for even more growth in Japan if the Trans-Pacific Partnership could be passed, which could lower or eliminate tariffs on their forest products.



WASHINGTON STATE TRADE BY THE NUMBERS



Washington state exported **\$90.6 billion** worth of goods and **\$26 billion** in services in 2014.

40% of Washington jobs are tied to trade.



\$62 billion in Washington state exports were supported by the Ex-Im Bank 2011 – 2013.

Combined, the export and import of goods to and from Washington state supports more than **1.1 million** direct and indirect jobs.



A total of **12,510** companies exported from Washington in 2010. Over **90%** were small and medium-sized businesses.

WCIT WORKS TO:

- **Evaluate** and share objective data on the impact of trade policies on Washington's economy
- **Educate** our local, state and federal elected officials about the benefits of strong international trade policies and investments to Washington employers and residents
- **Engage** diverse stakeholders from across the state to drive policy changes that help them succeed in the global marketplace

WHY WCIT?

WCIT is the only organization dedicated to protecting and growing the 40% of jobs in our state tied to international trade by advocating for policies and investments that increase Washington's global competitiveness.

OUR MEMBERS:

WCIT members – manufacturers, retailers, farmers and service providers – reflect a diversity of industries and include small, medium and large employers from across the state of Washington who invest in WCIT as an advocate on trade policy priorities that increase their success in the global economy.

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