

Ocean Carriers Continue to Move Record Cargo Volumes

2021 Agricultural Exports Shatter Records

The supply chain remains under duress due to pandemic-driven record U.S. demand for imported goods, coupled with COVID- caused disruptions, that have overwhelmed ports and the logistics workforce. U.S. marine terminals continue to be inundated by import containers, taking up precious space needed to access cargo and to load and unload ships. This has resulted in backups outside ports of ships carrying hundreds of thousands of containers filled with goods bound for U.S. consumers, businesses and store shelves.

The landside import congestion is also causing export challenges. U.S. exporters including farmers are trying to get their hands on the same containers, chassis, and truckers — all of which are in short supply due to the ongoing import congestion — to move their goods from their businesses and farms to ports for export. Despite these challenges, record levels of cargo moved in 2021, including record-smashing increases in U.S. agricultural exports, with the 2022 outlook “optimistic for continued growth of agricultural exports.”



Despite supply chain challenges, farmers benefit from record export growth in 2021

- Secretary of Agriculture Tom Vilsack [announced](#) the American agricultural industry posted its highest annual export levels ever recorded in 2021.
- Exports of U.S. farm and wood products to the world totaled \$177 billion, topping the 2020 total by 18 percent, and eclipsing the previous record, set in 2014, by 14.6 percent.
- The United States’ top 10 export markets all saw gains in 2021, with six of the 10 – China, Mexico, Canada, South Korea, the Philippines and Colombia – setting new records.
- Worldwide exports of many U.S. products including soybeans and corn, as well as commodities that export almost exclusively in containers like beef, pork, and dairy, reached [all-time highs](#).
 - Beef exports are up 13.8% to a record \$77.9 Billion
 - Port exports are up 38.5% to a record \$10.5 Billion
 - Dairy exports are up 18.8% to a record \$7.6 Billion
 - Tree nuts are up 5.7% to a near-record \$8.8 Billion
- Secretary of Agriculture Tom Vilsack said farm income is “as good as it’s been in the last eight years that we’ve had record exports.”



Ocean carriers are committed to partnering with American agriculture on export solutions

- What our experience over the past two years has made crystal clear is that no segment of the global supply chain works in isolation. Each impacts the other, from ship to port to train to warehouse to delivery truck – to the businesses and customers sending and receiving goods.
- That’s why ocean carriers are committed to working with all partners in the global supply chain – and in particular, America’s farmers – to find solutions to the challenges they face in getting their goods to global markets.

- For example, several container shipping companies [recently joined](#) the International Dairy Foods Association and the Port of Los Angeles in the creation of a Dairy Exports Working Group, which will focus on identifying and addressing supply chain issues hampering U.S. dairy product exports.
- Multiple ocean carriers have grown their export liftings through the pandemic, even as all parties have faced frustrating delays, and ocean carriers have deployed all available ships and containers.



Favoring one industry or customer in the exports market would be a mistake

- Even with a record year for farm exports, some policymakers have argued that exports should be guaranteed preferential treatment over imports. That would be a mistake. Although it is understandable that all shippers would prefer to have a favored position in the market, it is not possible to arbitrarily favor one group of customers without disrupting the functioning of the entire transportation system, to the detriment of all.
- Recent U.S. House-passed legislation, H.R. 4996, would do just that – allowing government regulators to interfere with private service contracts between carriers and their customers and determine how ships are loaded.
- Delays would increase, service would be reduced, and bottlenecks would grow worse if this legislative proposal were made into law.



An interconnected network: Everybody's cargo moves, or nobody's cargo moves

- The containerized ocean transportation system is not two disconnected import and export systems. It is one system comprised of a single network employing the same ships and containers in continuous service loops, and that network must be managed to keep all types of cargo moving. Everybody's cargo moves, or nobody's cargo moves.
- There are twice as many import containers than export containers in U.S. trades, and this results in an excess of empty containers in the U.S. that need to be repositioned to overseas locations to be filled with U.S. import cargo.
- If empty containers are allowed to pile up in ports, the resulting congestion slows down the system for everyone – importers and exporters. Indeed, the Biden Administration and port authorities are demanding that ocean carriers remove empty containers from ports, but those authorities are demanding at the same time that empty containers be left on the dock in favor of exports. The House bill (H.R. 4996) makes the same impossible demand – move all empties and all exports simultaneously even when vessels cannot get into and out of ports fast enough to handle the demand because of port congestion. Legislating the impossible and penalizing those that fail to do the impossible is not sound policy – and it will harm U.S. businesses and consumers and make supply chain congestion worse, not better.



No winners and losers. Instead, a careful, targeted approach that benefits all players

- Instead of knocking down a system that is already running at maximum capacity, let's find ways to make each part of the supply chain more efficient and resilient with communication, innovation, and collaboration across sectors.
- Lawmakers should encourage the Federal Maritime Commission (FMC) to continue to set appropriate regulatory guardrails and punish bad behavior if it arises.
- We urge the Senate to take a careful and targeted approach to the international ocean transportation system that carries 90 percent of all trade and undergirds both the U.S. and global economy.
- Taking this comprehensive, forward-looking view of the supply chain will benefit exporters and importers alike.