



DECEMBER 2023

Partial Tallies

We note that the National Retail Federation’s collaboration with Global Port Tracker (NRF/GPT) yielded a January 7 press release stating that the thirteen major U.S. ports it monitors would see the arrival of 1.93 million TEUs in December. That, according to NRF/GPT metrics, would represent a 11.5% year-over-year jump in containerized import traffic.

But here’s what we know from our sources about how things went in December down along the waterfront.

As usual, we start in Southern California, where the nation’s two busiest container ports announced huge year-over-year increases in December, albeit over a relatively slow month for inbound loads last year.

The **Port of Los Angeles** posted a 3.6% year-over-year gain in inbound loads to 364,661 in December. Still,

that was down 2.4% from December 2019. For all of 2023, inbound loads added up to 4,441,330, down 5.8% from 2019. Outbound loads in December jumped by 26.0% from a year earlier but were nonetheless 6.6% below December 2019. For the year, outbound loads (1,291,997) were down 26.4% from 2019. Overall container traffic (loads and empties) last year totaled 8,629,682, down by 7.6% from 2019.

Next door at the **Port of Long Beach**, inbound loads in December (333,329) surged by 37.9% over the previous December and exceeded December 2019’s volume by 3.1%. Inbound loads YTD (3,804,356) topped the number of inbound loads in 2019 by 1.2%. Outbound loads in December (103,688) were down 10.4% from a year earlier and off by 17.3% from December 2019. Total container traffic

through the port in 2023 (8,018,668) was up by 5.1% from 2019.

Together, the two San Pedro Bay ports handled 16,648,349 loads and empties in 2023, 1.9% below the total volume the ports handled in 2019. Inbound loads (8,250,503) in 2023 were down 2.6% from 2019, while outbound loads were off by 20.3%.

At the **Port of Oakland**, inbound loads (76,347) in December were up 16.4% y/y but still 6.1% below December of 2019. YTD, inbound loads (838,231) were down 14.0% from 2019. Meanwhile, outbound loads in December (65,801) rose 12.9% y/y but were down 11.8% from the last month of 2019. On a YTD basis, outbound loads (736,213) were down 20.9% from 2019. Total container traffic through the Northern California port in 2023 (2,065,709) was down 17.4% from 2019.

We Make Cargo Move



The Port
OF HUENEME





Partial Tallies

Continued

Up in Washington State, the **Northwest Seaport Alliance Ports** (Tacoma and Seattle) saw year-over-year increases in their December container volumes. Inbound loads (88,101) were up 3.4% from a year earlier, while outbound loads soared by 44.6% to 67,622. Even so, the ports finished the year well shy of their 2019 numbers. December's inbound loads were down 16.7% from December 2019, while the 1,078,005 inbound loads that came through the ports in all of 2023 were fewer by 21.3% than 2019's volume. Similarly, outbound loads in December were down 10.9% from the same month in 2019, while the 588,744 outbound loads shipped this year were off 35.5% from 2019.

Collectively, the seven USWC ports we monitor handled 10,354,990 inbound loads in 2023. Outbound loads meanwhile totaled 3,931,983 for the year. Compared to pre-pandemic 2019, those annual totals were down 4.4% and 22.8%, respectively.

Across the border at British Columbia's **Port of Vancouver**, inbound loads in December (144,504) were up 2.8% over December 2019.

However, outbound loads (70,649) were down 18.7% from that last month of 2019. For the entire year, total container traffic (3,125,559) at Canada's largest container port was 8.0% below the volume the port handled in 2019.

The **Port of Prince Rupert** continues to see declining container volumes in December. Inbound loads (32,217) were down y/y by 25.2% and by 47.9% from the last month of 2019. For the entire year, inbound loads (322,170) were 45.6% below 2019. Outbound loads (12,123) in December slipped lower by 1.2% year-over-year but were down 30.1% from December 2019. The port's traffic in outbound loads in 2023 trailed 2019 by 34.8%. Total container trade in 2023 (704,248) was down 41.8% from 2019.

Back East, while the **Port of New York/New Jersey** takes a leisurely approach to posting its latest month's cargo numbers, the **Port of Virginia** reported 121,630 inbound loads in December, a 3.3% fall-off from a year earlier but a 17.3% increase over December 2019. For the year, inbound loads (1,525,900) were down 11.7% year-over-year but up 11.7% from

December 2019. Outbound loads this December (91,758) were up 1.0% from a year earlier but up 17.2% over December 2019. For all of 2023, outbound loads totaled 1,101,620, a 14.0% gain over 2019. Total container traffic through the port this year (3,287,546) represented an increase of 11.9% over 2019.

Further south, the **Port of Charleston** saw a flattening of its overall container traffic. To be sure, December brought 103,556 inbound loads, a 26.6% bump over December 2019. That also gave the South Carolina maritime gateway a full year total of 1,220,384 inbound loads, 14.4% more than the annual volume in inbound loads it had handled in 2019. But outbound traffic was off both y/y and from 2019. So, despite the hubbub about rising container volumes through ports in the Southeastern quadrant of the nation, total traffic of loads and empties (2,482,080) in 2023 was just 1.9% higher than the 2,436,185 the port handled in 2019.

As we go to print, the Georgia Ports Authority has yet to post December's TEU tallies for the **Port of Savannah**.

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FOR THE RECORD

November 2023 TEU Numbers

Exhibits 1-3 provide the details on inbound and outbound loads as well as total container traffic (loads plus empties) through the twenty-one North American ports this newsletter surveys. All of the container numbers are in TEUs.

Exhibit 1 shows that the nineteen U.S. ports we survey report having handled 2,003,771 inbound loads in November, up 6.5% from a year earlier. That figure also represented a 12.4% gain over the 1,781,967 inbound loads the same ports had handled in pre-pandemic November 2019. The seven U.S. West Coast container ports from San Diego to Seattle that we track reported a sharp 23.7% year-over-year jump in inbound loads in November. At the ten Atlantic Coast ports we surveyed, inbound loads in November were down 2.9% from a year earlier, while inbound loads at the two Gulf Coast ports that make their monthly TEU tallies publicly available were off by 14.4% from the previous November.

Comparing this November with the same month four years earlier, inbound loads through U.S. West Coast ports were up 7.9%, while U.S. East Coast ports recorded a 14.5% increase. The two U.S. Gulf Coast ports we follow registered a 32.1% rise in inbound loads over November 2019.

Looking at coastal shares of the inbound trade, 45.6% of November's crop of 2,003,771 inbound loads were discharged at U.S. West Coast

Exhibit 1	November 2023 Inbound Loaded TEUs at Selected Ports				
	Nov 2023	Nov 2022	Nov 2021	Nov 2020	Nov 2019
Los Angeles	384,619	307,080	403,444	464,820	371,350
Long Beach	355,339	259,442	362,394	382,677	293,287
San Pedro Bay Total	739,958	566,522	765,838	847,497	664,637
Oakland	71,258	68,646	83,097	78,048	77,367
NWSA	87,295	86,708	59,341	72,746	94,978
Hueneme	9,886	10,820	9,882	5,276	4,725
San Diego	5,668	6,004	6,062	7,106	5,772
USWC Total	914,065	738,700	924,220	1,010,673	847,479
Boston	11,636	9,892	5,883	10,461	11,538
NYNJ	324,559	349,658	382,074	382,912	301,123
Philadelphia	30,422	28,020	30,096	24,667	19,093
Maryland	42,676	42,058	36,154	47,148	38,915
Virginia	128,419	123,179	141,617	125,214	103,410
South Carolina	98,115	99,380	127,081	93,369	82,785
Georgia	211,056	219,089	236,991	234,583	173,863
Jaxport	26,186	27,694	24,469	27,027	27,390
Port Everglades	26,279	27,560	34,238	26,280	26,959
Miami	42,851	43,593	37,943	45,816	37,763
USEC Total	942,199	970,123	1,056,546	1,017,477	822,839
New Orleans	9,876	7,799	9,361	10,915	10,155
Houston	137,631	164,619	152,508	122,475	101,494
USGC	147,507	172,418	161,869	133,390	111,649
Vancouver	147,684	139,767	125,215	162,436	123,918
Prince Rupert	31,328	37,030	34,423	51,272	58,181
British Columbia Total	179,012	176,797	159,638	213,708	182,099
U.S. Totals	2,003,771	1,881,241	2,142,635	2,161,540	1,781,967

Source Individual Ports



November 2023 TEU Numbers

Continued

ports, a considerable bump from their 39.3% share a year earlier. U.S. East Coast ports meanwhile worked 47.0% of the nation's inbound loads in November, down from a 51.6% share the previous November. Our two U.S. Gulf Coast ports held a 7.4% share of all inbound loads in November, down from their 9.2% share a year earlier but up from a 6.3% share of November 2019's inbound loads.

Although we survey four more ports than the National Retail Federation's Global Port Tracker does, our numbers normally are roughly consistent with theirs. In a January 8 press release, the NRF/GPT reported that November had seen the arrival of 1.89 million TEUs of inbound loads at the thirteen U.S. seaports it monitors. Our tally for November, based on what the ports say, shows those same thirteen ports reporting 1,893,607 inbound loads in November.

Exhibit 2 reveals that 980,773 outbound loads left U.S. ports in November, a year-over-year gain of just 1.8% and a decline of 9.5% from the 1,083,875 outbound loads U.S. ports shipped in November 2019. U.S. East Coast ports accounted for 51.9% of all outbound loads this past November against a 34.3% share for U.S. West Coast ports and an 13.8% share for Gulf Coast ports.

Container Contents Weights and Values

The figures in **Exhibits 4 and 5** represent the USWC shares of the nation's box trade at mainland U.S. ports. We have tweaked the exhibits to provide a broader historical context by showing how the numbers this November

Exhibit 2 November 2023 Outbound Loaded TEUs at Selected Ports

	Nov 2023	Nov 2022	Nov 2021	Nov 2020	Nov 2019
Los Angeles	111,755	90,116	82,741	130,976	138,545
Long Beach	108,798	124,988	109,821	117,283	123,705
San Pedro Bay Totals	220,553	215,104	192,562	248,259	262,250
Oakland	61,390	63,283	72,155	79,667	81,780
NWSA	51,537	48,931	59,341	72,746	73,589
Hueneme	2,594	4,008	3,836	1,318	1,181
San Diego	478	706	652	450	272
USWC Totals	336,552	332,032	328,546	402,440	419,072
Boston	6,313	3,362	4,560	6,298	6,128
NYNJ	111,743	110,111	118,155	118,762	119,422
Philadelphia	6,108	7,588	8,247	5,639	6,406
Maryland	20,349	19,634	19,694	21,032	20,254
Virginia	101,628	92,988	84,002	89,032	77,241
South Carolina	59,397	56,283	67,639	64,447	62,831
Georgia	107,623	108,577	102,508	113,357	119,126
Jaxport	40,230	43,785	46,961	43,814	44,440
Port Everglades	34,229	32,213	31,605	31,476	39,665
Miami	21,110	22,627	37,943	45,816	37,763
USEC Totals	508,730	497,168	521,314	539,673	533,276
New Orleans	19,095	16,008	18,818	22,781	23,600
Houston	116,396	118,187	94,409	102,755	107,927
USGC Totals	135,491	134,195	113,227	125,536	131,527
Vancouver	65,757	66,167	55,702	82,062	91,707
Prince Rupert	10,351	9,263	8,375	12,949	15,250
British Columbia Totals	76,108	75,430	64,077	95,011	106,957
U.S. Totals	980,773	963,395	963,087	1,067,649	1,083,875

Source Individual Ports



Exhibit 3 November 2023 YTD Total TEUs

	Nov 2023	Nov 2022	Nov 2021	Nov 2020	Nov 2019
Los Angeles	7,887,162	9,182,286	9,891,020	8,334,212	8,590,884
Long Beach	7,308,848	8,589,555	8,630,054	7,297,432	6,862,307
NYNJ	7,176,126	8,880,653	8,215,176	6,876,744	6,886,388
Georgia	4,505,367	5,451,374	5,145,213	4,234,732	4,238,344
Houston	3,499,580	3,682,874	3,150,062	2,724,721	2,736,345
Virginia	3,019,439	3,429,266	3,197,305	2,553,014	2,713,061
Vancouver	2,852,236	3,350,283	3,424,335	3,146,221	3,126,993
NWSA	2,711,245	3,152,217	3,482,104	3,018,564	3,490,851
South Carolina	2,272,586	2,572,964	2,505,297	2,100,390	2,248,305
Oakland	1,889,697	2,174,580	2,278,903	2,253,550	2,306,497
Montreal	1,402,608	1,596,749	1,585,465	1,467,501	1,609,901
JaxPort	1,189,496	1,217,060	1,269,568	1,295,289	1,235,362
Maryland	1,028,583	980,181	926,584	961,599	991,781
Miami	997,193	1,090,902	1,133,589	971,032	1,049,363
Port Everglades	921,265	1,002,908	973,677	848,303	949,196
Philadelphia	680,008	701,401	676,373	583,162	549,825
Prince Rupert	646,222	948,877	945,947	1,031,304	1,103,678
New Orleans	444,051	398,260	451,420	523,081	586,218
Hueneme	220,993	244,662	199,937	154,010	109,594
Boston	216,337	155,554	176,717	242,984	277,217
San Diego	138,894	148,586	146,015	136,377	129,504
Portland, Oregon	109,097	156,140	93,075	49,826	26
Everett (WA)	10,920	22,120	17,494	3,517.00	4,753.00

Source Individual Ports

Exhibit 4 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, November 2023

		Nov 2023	Nov 2022	Nov 2019	Nov 2013
Import Tonnage	USWC	37.1%	30.4%	37.7%	44.2%
	LA/LB	27.1%	21.3%	27.2%	32.1%
	OAK.	3.2%	3.4%	3.9%	4.4%
	NWSA	4.4%	4.0%	5.1%	6.1%
Import Value	USWC	41.5%	36.0%	45.8%	52.2%
	LA/LB	32.3%	27.4%	33.7%	41.0%
	OAK.	2.9%	2.7%	3.8%	3.8%
	NWSA	5.3%	4.7%	6.9%	7.6%
Export Tonnage	USWC	35.3%	34.4%	36.6%	43.7%
	LA/LB	21.5%	20.9%	20.2%	27.0%
	OAK.	5.3%	5.9%	6.6%	6.3%
	NWSA	7.5%	6.4%	8.5%	9.3%
Export Value	USWC	28.6%	28.5%	34.1%	38.3%
	LA/LB	18.5%	18.0%	20.4%	25.2%
	OAK.	5.6%	5.7%	8.2%	7.0%
	NWSA	3.5%	3.6%	5.0%	5.5%

Source: U.S. Commerce Department

Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, November 2023

		Nov 2023	Nov 2022	Nov 2019	Nov 2013
Import Tonnage	USWC	55.5%	47.9%	57.2%	68.2%
	LA/LB	44.3%	36.4%	44.0%	51.6%
	OAK.	3.7%	3.7%	4.5%	5.1%
	NWSA	6.7%	6.6%	7.7%	9.7%
Import Value	USWC	61.9%	54.4%	66.3%	75.5%
	LA/LB	49.4%	42.9%	51.3%	59.2%
	OAK.	3.5%	3.1%	4.3%	4.4%
	NWSA	7.9%	7.2%	10.1%	11.0%
Export Tonnage	USWC	55.4%	56.6%	59.2%	66.1%
	LA/LB	35.2%	35.6%	35.0%	43.1%
	OAK.	7.0%	8.3%	9.4%	8.3%
	NWSA	12.2%	11.2%	14.6%	13.7%
Export Value	USWC	58.3%	57.1%	65.3%	70.2%
	LA/LB	38.6%	37.2%	41.3%	48.3%
	OAK.	9.8%	9.8%	13.2%	11.2%
	NWSA	7.9%	8.3%	10.2%	9.8%

Source: U.S. Commerce Department



November 2023 TEU Numbers

Continued

compared with the same month a year earlier as well as in pre-pandemic November 2019 and a decade earlier in November 2013.

Other than the Port of Oakland, the major U.S. West Coast ports saw improvements in their shares of the nation's containerized export tonnage. Compared with November 2019, the share of import tonnage passing through the Ports of Los Angeles and Long Beach was almost identical to their pre-pandemic share.

As **Exhibit 5** shows, the Ports of LA and Long Beach handled slightly higher shares of the nation's containerized import and export tonnage in November than the two ports had handled in November 2019.

Exhibit 6 and Exhibit 7 track overall USWC inbound and outbound shares through the last thirteen months.

Anything Sound Familiar?

"A severe drought in Panama has resulted in lower water levels in the Panama Canal, forcing some shippers to limit the amount of cargo their largest ships carry so they can safely navigate the waterway."

That's what *The New York Times* reported under the headline "What Panama's Worst Drought Means for Its Canal's Future" ... nearly five years ago, on May 17, 2019.

Fourth Coast Traffic

According to a report in *Progressive Farmer*, a new record was set when the *Nordika Desgagnes*, a Canadian-flagged ocean-going vessel (known thereabouts as a "saltie") sailed out of the Port of Duluth on December

Exhibit 6

Major USWC Ports Shares of Recent U.S. Containerized Import Tonnage

Source: U.S. Commerce Department

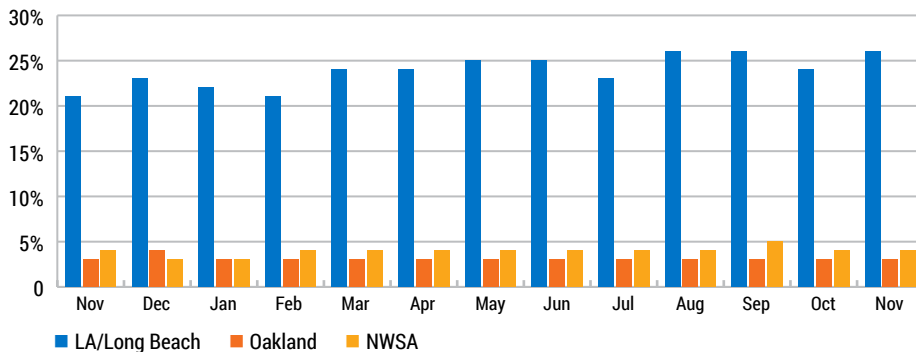
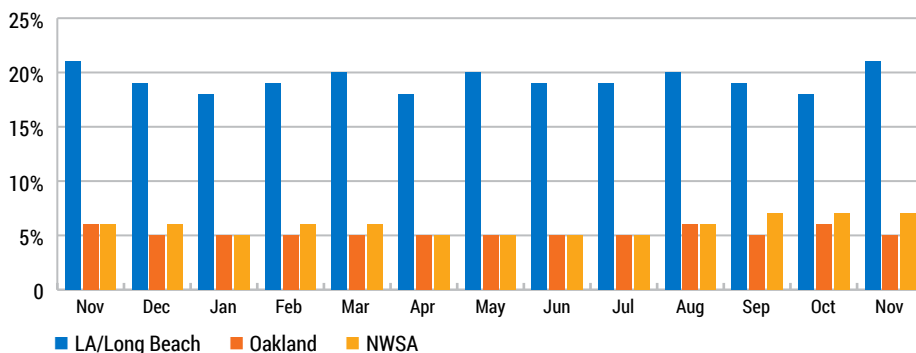


Exhibit 7

Recent Trends in Major USWC Ports' Shares of U.S. Containerized Export Tonnage

Source: U.S. Commerce Department



29. That made it the latest departing vessel to leave the Lake Superior marine terminal before the St. Lawrence Seaway iced up for the winter.

"Combined with the earliest oceangoing arrival in port history—the Federal Dart arrived March 28, 2023—the *Nordika Desgagnes* departure on Dec. 29 will make this navigation season Duluth-Superior's longest ever for international traffic (277 days)," noted Jayson Hron, director of communication and marketing, Duluth Seaway Port Authority, in a press release.

The ship left just in time. In November, St. Lawrence Seaway management approved its latest seasonal closure ever, Jan. 5, 2024. One year earlier, it had been touch-and-go for a saltie that had departed Duluth on December 22 just as a fierce winter storm slowed the ship's progress and fears arose that it would be stranded. Fortunately, conditions eased up, and the vessel was able to deliver its cargo of durum wheat to Bari, Italy. (Ponder that provenance the next time you're buying "genuine" Italian-made pasta.)



November 2023 TEU Numbers

Continued

Alfalfa and Hay Exports

We suppose there are people who know the difference between alfalfa and hay. We are not among them. However, the distinction (if any) came to mind while we were reading a recent *New York Times* article about how Southwestern states like Arizona are adapting to record-high summer temperatures and record-low water supplies. (Last summer, daytime highs reached or exceeded 110 degrees Fahrenheit for 31 straight days in Phoenix, the country's fifth most populous city.)

One step has been to reduce water allocations to farmers growing forage crops used chiefly to feed livestock and, to some lesser extent, thoroughbred horses owned by wealthy racehorse breeders in the Middle East. Saudi Arabia banned growing alfalfa and other green fodder crops within its own borders in 2018 in a bid to relieve pressure on the kingdom's water resources.

The *Times* cited research published in Nature Sustainability claiming

that "70 percent of the water used by farmers to irrigate crops goes to growers of alfalfa, hay, corn silage, and other grasses that are used to fatten up cattle for beef and cows for dairy".

Arizona is moving to terminate a lease held by Saudi-owned Fondomonte Arizona, a major grower of alfalfa. Arizona has been charging the company \$25 per acre for its lease on state land. Like other companies that lease state land in Arizona, Fondomonte can pump unlimited amounts of water from wells at no cost.

Fondomonte is a subsidiary of the Saudi dairy company Almarai, which also grows alfalfa on 3,375 acres of farmland near Blythe, where it pays the Palo Verde Irrigation District a flat rate for Colorado River water to irrigate its alfalfa fields, according to an October 5 report in the *Los Angeles Times*.

A legal confrontation between the State of Arizona and the company is likely to ensue, with major implications not just for foreign companies with investments in America's natural resources but also for the future of agriculture as drought intensifies in the Southwest and cities clamor for rural water reserves.

The Fondomonte controversy is a bit odd, given that over three-quarters of U.S. alfalfa exports go to China, Japan, and South Korea. Last year (that would be 2023 for those slow to turn the pages of the calendar), Saudi Arabia accounted for a 12.5% share of export tonnage. However, a cluster of other Middle Eastern countries

Exhibit 8 Leading Overseas Markets for U.S. Exports of Forage Products

Source: U.S. Commerce Department

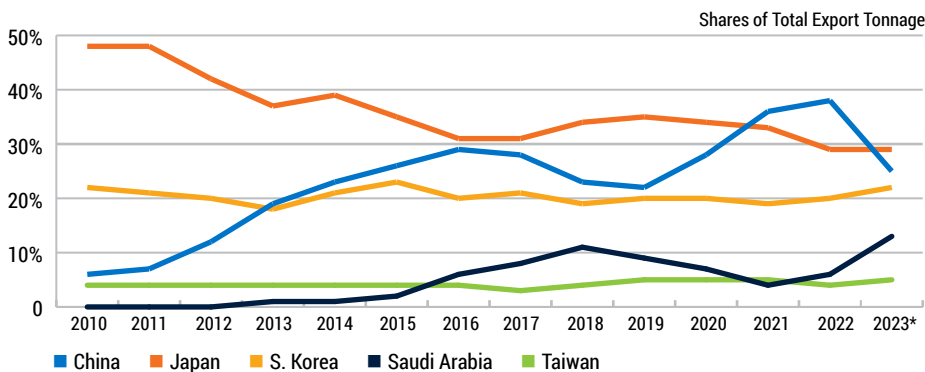
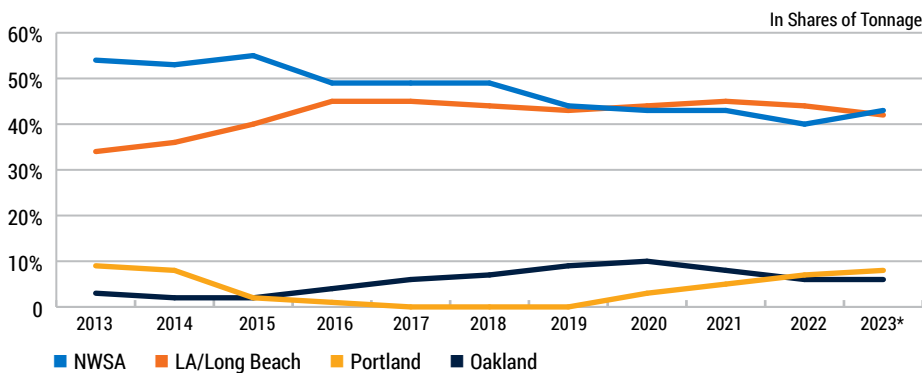


Exhibit 9 Leading U.S. Ports for Containerized Forage Products Exports

Source: U.S. Commerce Department





November 2023 TEU Numbers

Continued

(Qatar, the United Arab Emirates, Oman, Kuwait, and Jordan) held a 6.5% share.

As **Exhibit 9** makes manifest, nearly all of America’s containerized exports of forage products (by tonnage) moves out through U.S. West Coast seaports, with the San Pedro Bay ports contesting the trade with the ports of the Northwest Seaport Alliance. Through November of 2023, the two port complexes handling 84.6% of all export tonnage. The Ports of Oakland and Portland (Oregon) currently handle nearly 15% of the export tonnage.

Finally, The Metacarcinus Magister May Be Getting Its Due

Existing California law designates, among other things, the golden poppy as the official state flower, the California redwood as the official state tree, and the California gray whale as the official state marine mammal. Now, a new bill (Assembly Bill 1797) introduced on January 4 in the State Legislature would establish the Dungeness crab (Metacarcinus Magister) as the official state crustacean.

It’s hard to think how this new honor would affect the public image of something as iconic as the Dungeness crab. It is already Oregon’s state crustacean, and it is annually feted at the Dungeness Crab and Seafood Festival in Port Angeles, Washington. For the record, the crab’s name comes from the Dungeness Spit, which shelters Dungeness Bay in the Dungeness National Wildlife Refuge up in Washington State.

We’ll wait to see if the new bill merits any commentary from the California Department of Fish and Wildlife. For the last five years, the agency has been routinely delaying the start of the commercial harvesting season beyond its historical start on November 15 to protect humpback whales from becoming entangled in fishing gear during their winter migration along the California coast. During the 2015-2016 season, the Center for Biological Diversity sued the state agency on behalf of the whales. That led to a 2019 settlement which has since pushed the effective date of harvesting in California waters past the holidays.



As a result, Californians looking to feature Dungeness crabs on their dinner tables between Thanksgiving and New Year’s must be content with buying months-old frozen crabs or expensive fresh crabs imported from Oregon and Washington State.

Even for a legislative body that has displayed a unique talent for exploiting seemingly mundane issues for partisan advantage, we don’t expect the folks at the State Capitol to get too steamed up about AB 1797. We could be wrong, though.



Speed and Service

Expanding rail and digital infrastructure will improve speed to market.



Port of **LONG BEACH**
THE PORT OF CHOICE



JOCK O'CONNELL'S COMMENTARY

Flux in the Recyclable Export Trade

For all the media attention lavished on containerized imports, especially now when shipping through both the Panama and Suez Canals is under stress, we don't hear nearly as much about what – apart from air – is in the boxes that do sail from our shores. That leaves a lot of room for speculation about containerized exports.

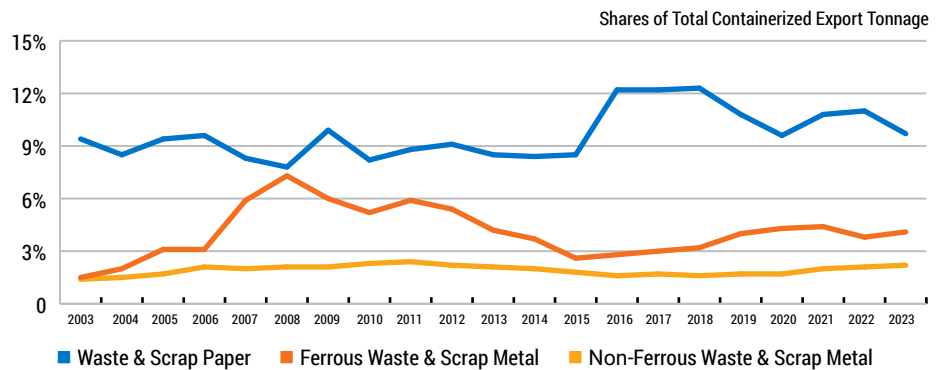
In 2022, some 239,571,000 short tons of merchandise arrived in containers at U.S. ports. There were a lot of consumer products in these boxes as well as capital goods and industrial supplies. By contrast, containerized exports totaled 123,024,629 short tons in 2022. What was in those containers? Readers of my commentaries may recall a piece I wrote several months ago about how much of what we export in containers are items generated by farmyards and junkyards.

So, to start the year, I thought I would delve further, with some help by CalRecycle, the State of California's waste disposal agency, into the solid waste materials U.S. West Coast ports ship abroad in containers.

Nationally, waste and scrap materials account for about one-fifth of the containerized tonnage exported from U.S. seaports. The three most prominent categories of waste and scrap exports have been: Waste & Scrap Paper (HS Code 4707); Ferrous Metal Waste & Scrap (HS 7204); and Non-Ferrous Metal Waste & Scrap (chiefly HS 7602 and HS 7404). Together, their share of the country's oceanborne containerized export trade over the past twenty years has ranged

Exhibit A Scrap in America's Containerized Export Trade

Source: U.S. Commerce Department



from 12.0% in 2004 to a high of 18.0% in 2009. Most recently, it hit 17.2% in 2021 before sliding to 16.0% in the just concluded year of 2023. The next largest category of exported scrap, Worn Clothing (HS 6309), generally accounts for a half percent of U.S. containerized export tonnage.

Until 2023, the nation's leading export commodity by tonnage had been Waste & Scrap Paper. Owing to a 15.4% year-over-year fall-off in export tonnage last year when a 29.5% year-over-year surge in containerized export tonnage of Polymers of Ethylene (HS 3901), scrap paper ceded the top spot to the polymers but still accounted for a 9.7% share of all containerized export tonnage.

While U.S. West Coast (USWC) ports do handle a small portion of the nation's polymer export trade (4.5% last year), Port Houston dominates the trade with a 70.9% share in 2023. That means that Waste & Scrap Paper

continues to loom largest in the containerized exports of California.

Indeed, 14.7% of all containerized export tonnage in 2023 from the Ports of Los Angeles and Long Beach were Waste and Scrap Paper, while Ferrous Metal Waste & Scrap and Non-Ferrous Metal Waste & Scrap held 6.9% and 2.6% shares, respectively. Last year, some 63,335 short tons of Worn Clothing were also shipped from the San Pedro Bay ports, accounting for 0.3% of the ports' containerized export tonnage year and down substantially from the 92,133 short tons of Worn Clothing shipped from the ports in pre-pandemic 2019. Waste Paring & Scrap of Plastics (HS 3915), which amounted to as high as 847,740 short tons in 2014 when it accounted for 3.0% of all contained tonnage leaving the two ports, totaled a mere 23,631 short tons of exports in 2022 and has fallen in the first eleven months of 2023 by 20.7% from the same period in 2022.



Commentary

Continued

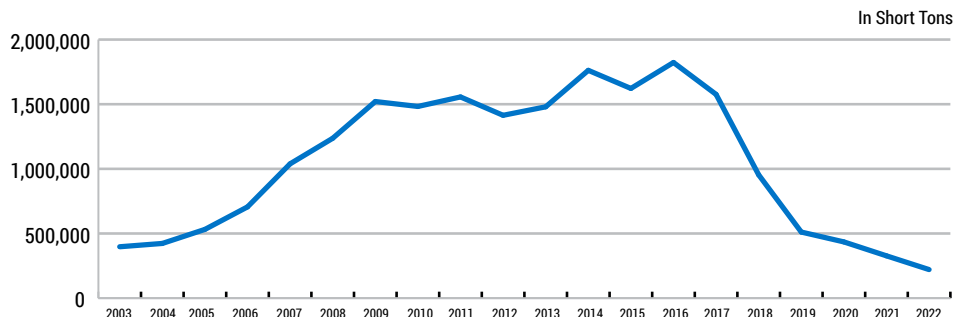
At the Port of Oakland, Waste & Scrap Paper continues to be the largest contributor to the port's containerized export tonnage. In 2023, with a 25.3% share of all outbound tonnage, down slightly from 25.8% the year before, and from a peak of 27.0% in 2018. Ferrous Metal Waste & Scrap jumped to an 8.1% share last year from a 5.9% share in 2022. Non-Ferrous Metal Waste & Scrap shipments held a 2.8% share of Oakland's export tonnage last year, a bit higher than its share in recent years. 19,461 short tons of Worn Clothing were also shipped from the East Bay port in 2023, well below the 29,060 tons exported in pre-pandemic 2019. Containerized exports of plastic waste, which supplied as much as 178,294 short tons of cargo in 2014, plummeted to 6,397 short tons in 2020 and declined by 34.15% through November of 2023.

Up in Washington State, at the Northwest Seaport Alliance Ports of Tacoma and Seattle, waste and scrap goods represent smaller shares of the containerized export trade. Waste & Scrap Paper last year accounted for a 4.8% share, down from 5.4% a year earlier, and from a high of 9.2% in 2017. Ferrous Waste a& Scrap tonnage plunger 64.3% in 2023, leaving it with a slender 0.8% share of the NWSA containerized export tonnage, down from 2.2% the preceding year. Shipments of Non-Ferrous Waste & Scrap held steady with a 2.2% share of the NWSA's containerized export tonnage both this year and in 2022. Exports of Worn Clothing (23,425 short tons) constituted just 0.4% of last year's outbound box trade tonnage. The peak for Worn Clothing exports from the NWSA ports was

Exhibit B

Volatility in Containerized U.S. Exports of Plastic Waste

Source: U.S. Commerce Department



41,939 short tons in 2018. Plastic waste, which yielded 118,901 short tons of containerized exports at the NWSA ports in 2016, last year produced just 1,797 short tons.

Of the three West Coast states, California keeps the sharpest eye on its foreign shipments of recyclable goods. The California Department of Resources Recycling and Recovery (CalRecycle) publishes an annual "State of Disposal and Recycling Report". The latest issue was released in December 2022 and features statistics from 2021. The trade data collected by similar agencies in Oregon and Washington State include shipments of waste to other states in their definitions of exports.

As the following exhibits indicate, it has been a volatile trade driven on the supply side by the unrivaled American propensity for generating waste and resisted by a spreading unwillingness of other countries to accept the waste products we've been stuffing in containers. As a result, volumes of exports are likely to diminish even as destinations shift to markets less squeamish about the contents of the containers they unpack. As we shall

see below, plastic scraps used to be big but are now no longer in high demand abroad.

CalRecycle estimates that California's 39.3 million residents and 1.7 million businesses generated about 76.7 million short tons in 2021. Of that total waste generation, 46 million short tons went to domestic disposal and disposal-related activities, including about 41.5 million short tons sent to landfills. This equates to a statewide per capita disposal rate of 6.4 pounds per person per day. Of the total amount disposed, over 920,000 short tons was debris from disaster areas, up from 160,000 short tons in 2020.

In addition to the about 54% of total materials that were sent to landfills, around 16% were exported as recyclables, an estimated 12% were composted, anaerobically digested, or mulched, and another 12% were locally recycled, or source reduced. The remainder of the material, less than 6%, went to alternative daily cover (ADC), beneficial reuse, transformation, alternative intermediate cover (AIC), waste-tire derived fuel, and engineered municipal solid waste (EMSW).



Commentary

Continued

Perhaps surprisingly, the commercial sector was the source of 48% of disposed material, followed by residential (32%), and then “self-haul” sources (20%). Compared to 2020, disposal decreased in both the commercial and residential sectors. Recent increases in the incidence of wildfires and severe weather conditions have generated a surge in what CalRecycle terms “Disaster Debris”. Based on data CalRecycle has collected through the Recycling and Disposal Reporting System (RDRS), the total amount of disaster debris, including structural debris and hazard trees, disposed of in California totaled over 900,000 tons in 2021, up from less than 200,000 tons in 2020

CalRecycle estimates that ocean-borne export of recyclable materials accounted for about 12.2 million short tons in 2021, a decrease of approximately 1 million short tons from 2020. Despite the decline, sea-borne exports of recyclable materials remained the largest destination for statewide recycling. CalRecycle also has begun estimating the amount of scrap plastics exported via truck and rail to Mexico and Canada, with Mexico in 2021 the largest importer of scrap plastics from California, receiving more than 43,000 short tons via truck and rail.

Based on the 2021 data, 12.2 million short tons of recyclable materials were exported from California ports to international markets. Compared to 2020, the tonnage decreased by 9% in 2021 by over one million short tons. Recyclable materials exported from California ports had a vessel value of about \$5.9 billion. So, despite

Exhibit C USWC Ports Containerized Exports of Recyclable Paper

Source: U.S. Commerce Department

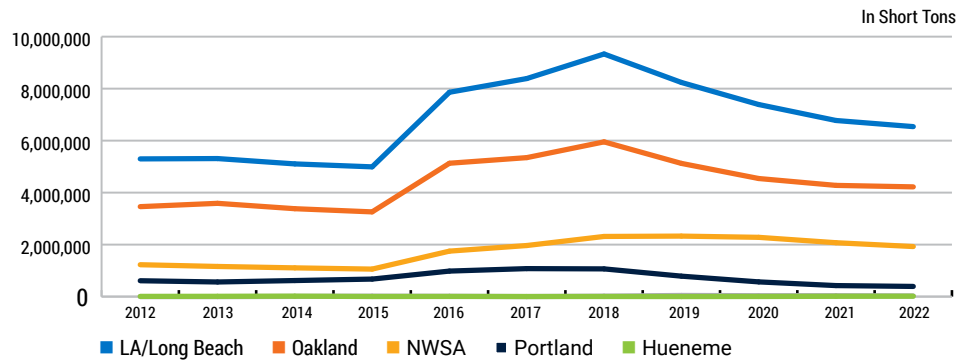


Exhibit D Coastal Shares of Oceanborne Containerized Exports of Recyclable Paper

Source: U.S. Commerce Department

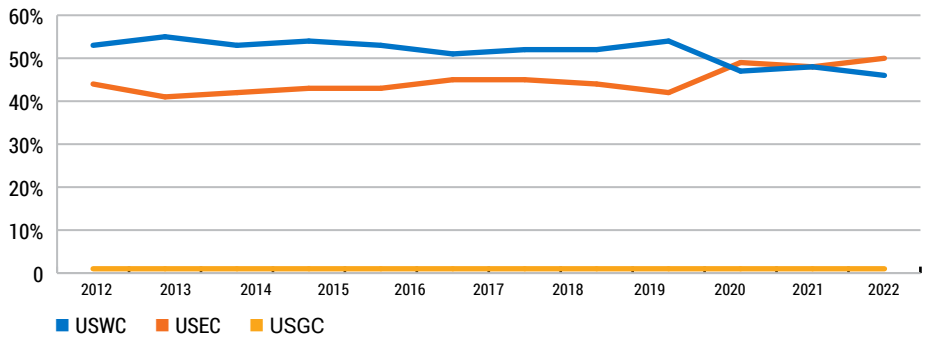
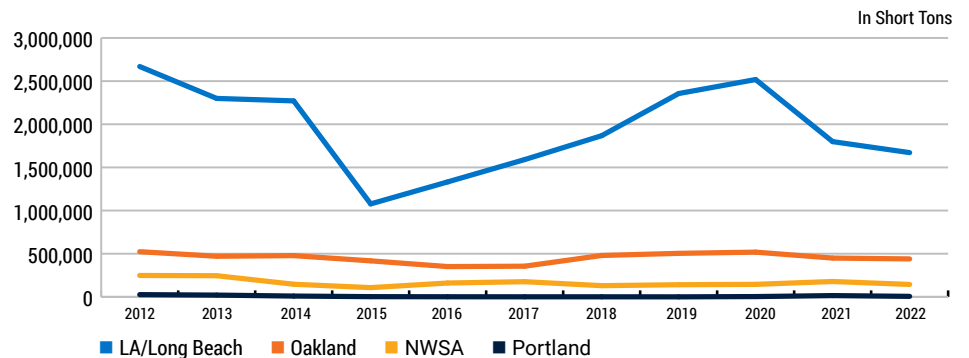


Exhibit E USWC Ports Exports of Containerized Ferrous Metals

Source: U.S. Commerce Department





Commentary

Continued

the reduction in tonnage exported, the total vessel value increased by about \$1.4 billion compared to 2020.

The three countries importing the most recyclable materials from California in 2021 were, in order of greatest tonnage: Taiwan, Vietnam, and Thailand. From 2000 to 2020, China had been the largest importer of California's recyclable materials. But, in 2021, China fell to seventh place among the largest importers. The volume of recyclable materials imported by China has been steadily decreasing since 2011, when China imported about 5% of all seaborne recyclable materials by weight and 15% by vessel value.

CalRecycle devised its own classifications of recyclable materials. The five recyclable material categories with the most weight exported from California in 2021 were OCC (Old Cardboard Containers) and Kraft Paper; Ferrous Metal; Non-Ferrous Metal; Unsorted Mixed Paper; and Other Miscellaneous Paper. The five most valuable exported recyclable material types by vessel value were: Non-Ferrous Metal; Ferrous Metal; OCC and Kraft Paper; Worn Clothing; and Other Miscellaneous Paper. (Kraft paper, by the way, is paper or paperboard, usually light brown in color, that is widely used in packaging.)

International trade and environmental policies influence where waste materials are sent. As countries adopt new policies and restrictions, the movement of California's recyclable materials may shift. Exports of recyclable materials to China have been decreasing for the past decade,

Exhibit F Coastal Shares of Containerized Ferrous Waste Exports

Source: U.S. Commerce Department

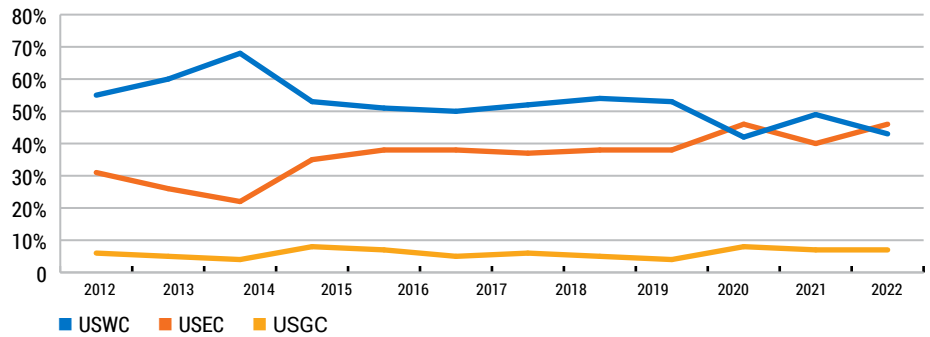


Exhibit G USWC Exports of Containerized Non-Ferrous Metals

Source: U.S. Commerce Department

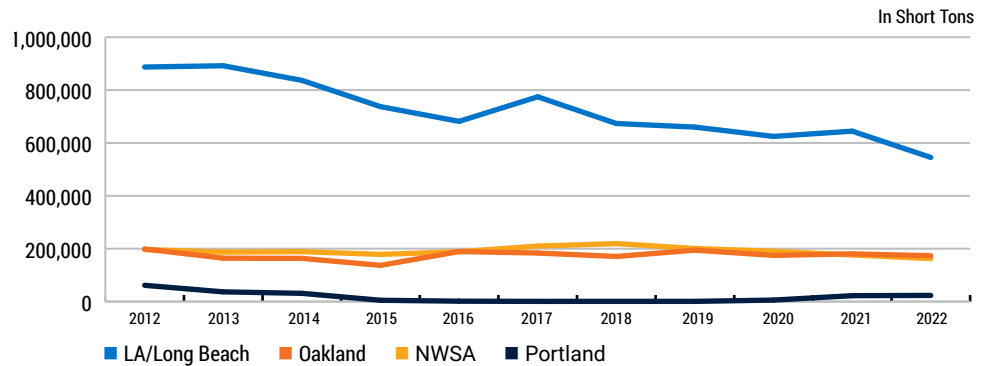
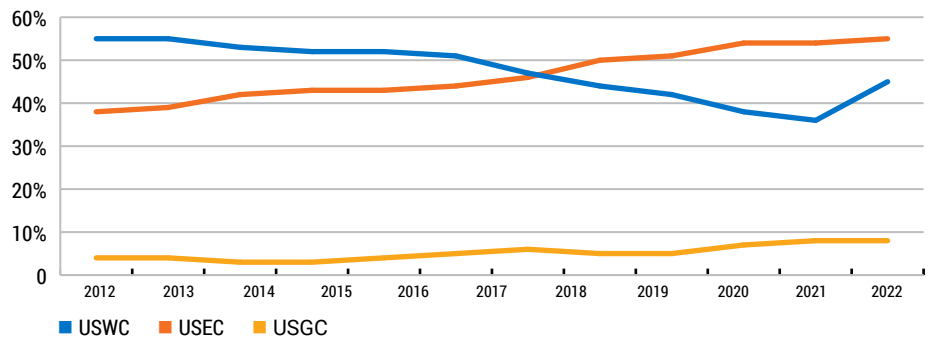


Exhibit H Coastal Shares of Containerized Exports of Non-Ferrous Metals

Source: U.S. Commerce Department





Commentary

Continued

largely as a result of China’s Green Fence and National Sword policies. In 2021—for the first time in many years—China was not one of the top five countries importing recyclable materials from California. In contrast to the more than 13 million tons of recyclable material imported by China in 2011, China imported less than one million tons in 2021, according to CalRecycle.

The issue of contamination and import restrictions are especially important for plastics and plastic contamination, causing significant decreases in the amount of plastic scrap exported by California. In 2021, California exported less than 100,000 short tons of plastic scrap, compared to almost 1.3 million tons in 2014. That volume has continued to fall. **Exhibit B** dramatizes the path that containerized exports of plastic waste materials have taken over the past two decades. Especially noteworthy is the 87.9% plunge in the overseas trade from its peak of 1,822,671 short tons in 2016 to just 220,903 short tons in 2022. Through the first eleven months of 2023, the trade slipped a further 14.0% from the same months in 2022.

Exhibits C-K are based on official export statistics collected by the Foreign Trade Division of the U.S. Census Bureau in the U.S. Department of Commerce and are intended to illustrate how USWC ports have been faring with containerized exports of waste & scrap materials. Because of classification distinctions, these charts may not match those used in reports from CalRecycle, although the source of the data remains the same.

Exhibit I **Leading Overseas Market for USWC Exports of Recyclable Paper**

Source: U.S. Commerce Department

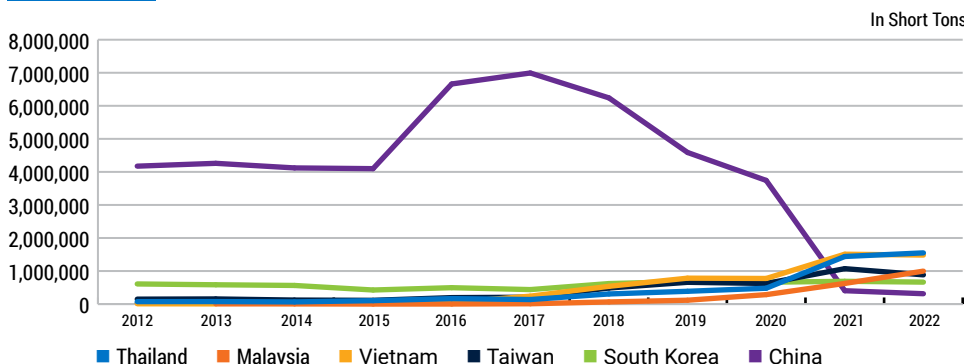


Exhibit J **Leading Overseas Market for USWC Exports of Recyclable Ferrous Metals**

Source: U.S. Commerce Department

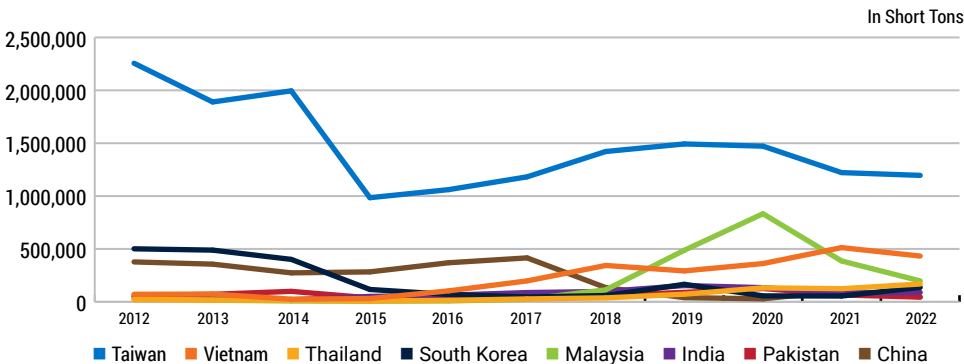
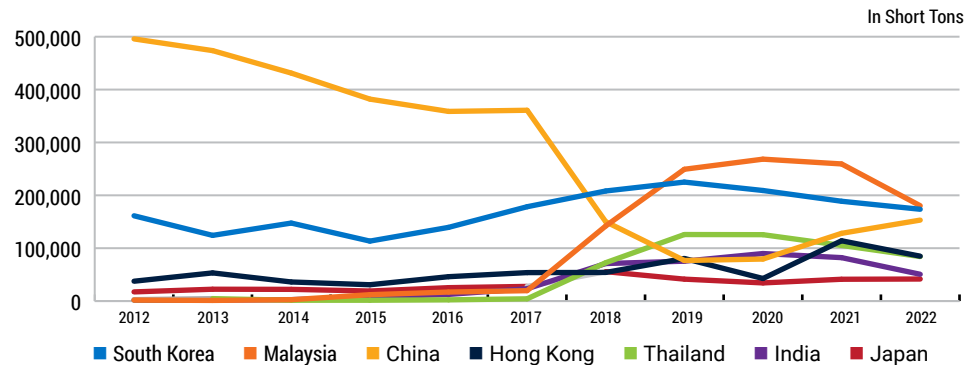


Exhibit K **Leading Overseas Market for USWC Exports of Recyclable Non-Ferrous Metals**

Source: U.S. Commerce Department





PMSA COMMENTARY

Navigating the Waves of Success: Port of Los Angeles Unveils Ambitious Plans and Economic Resilience in 9th Annual State of the Port Luncheon

By Natasha Villa, External Affairs Manager, Pacific Merchant Shipping Association

On January 10, 2024, in collaboration with the Port of Los Angeles, the Pacific Merchant Shipping Association hosted the 9th Annual State of the Port of Los Angeles Luncheon. This event featured Los Angeles Mayor Karen Bass and City Councilmember Tim McOsker, alongside the keynote speaker, Port of Los Angeles Executive Director Gene Seroka.

Mayor Bass spoke first, and touted the national importance of the Port of Los Angeles, emphasizing its economic significance and commitment to sustainable practices, noting that the Port of Los Angeles “is vital to the entire city, the entire state, and the entire country.” Mayor Bass pledged collaboration for zero-emission goals, and called for joint efforts to create job opportunities and promote marine sciences, urging collective action to transform the port into an opportunity engine for all. Perhaps most importantly, after acknowledging all of these challenges and the economic importance of seaport operations, Mayor Bass spoke directly to the maritime community and said, “at City Hall, we want you to know that we have your back.”

Executive Director Seroka gave his speech in front of a crowd of approximately 550 attendees. Mr. Seroka outlined ambitious plans for 2024,



“At City Hall, we want you to know that we have your back.”
Los Angeles Mayor Karen Bass

focusing on community investment, environmental leadership, workforce development, and enhanced infrastructure to accommodate growing cargo demands. His speech also featured multiple videos that highlighted the Port’s commitment to environmental improvement, including the recent award of federal grants to help establish a new hydrogen hub at the Port.

In addition to the year ahead, Mr. Seroka emphasized that in 2023, the Port of Los Angeles maintained its status as the nation’s top container port for the 24th consecutive year. The Port finished 2023 handling 8,634,497 TEUs.

While this reflected a 13% decline from the previous year, Mr. Seroka highlighted a robust recovery in the past five months, coupled with an increase in market share stating that Port of Los Angeles’ “exports had the highest volume since 2020, up more than 7% year over year.” The Port also processed 763,262 TEUs in December 2023, a 19% improvement when compared to the same period in 2022.

Looking towards the future, Mr. Seroka stated that “our work in the



PMSA Commentary

Continued

year ahead will entail moving forward on a number of fronts, all of which reflect how much we value our community, the environment, and the jobs and workforce that moves cargo through our Port.”

A big thank you to the Port of Los Angeles staff for their outstanding efforts in making this event possible. PMSA staff would also like to express gratitude to the event sponsors for their generous support. These contributions have been instrumental in the success of this event. Thanks to these sponsors, this event has raised more than a quarter of a million dollars for EXP and the International Seafarers Center.

“Our work in the year ahead will entail moving forward on a number of fronts, all of which reflect how much we value our community, the environment, and the jobs and workforce that moves cargo through our Port.”
Port of Los Angeles Director of the Port Gene Seroka



[Watch the entire 9th Annual State of the Port of Los Angeles address here.](#)

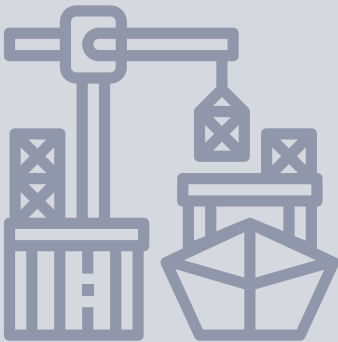
NUMBER OF THE MONTH

10,354,990

TOTAL NUMBER OF INBOUND LOADS THAT IN 2023 PASSED THROUGH THE SEVEN USWC PORTS WE MONITOR

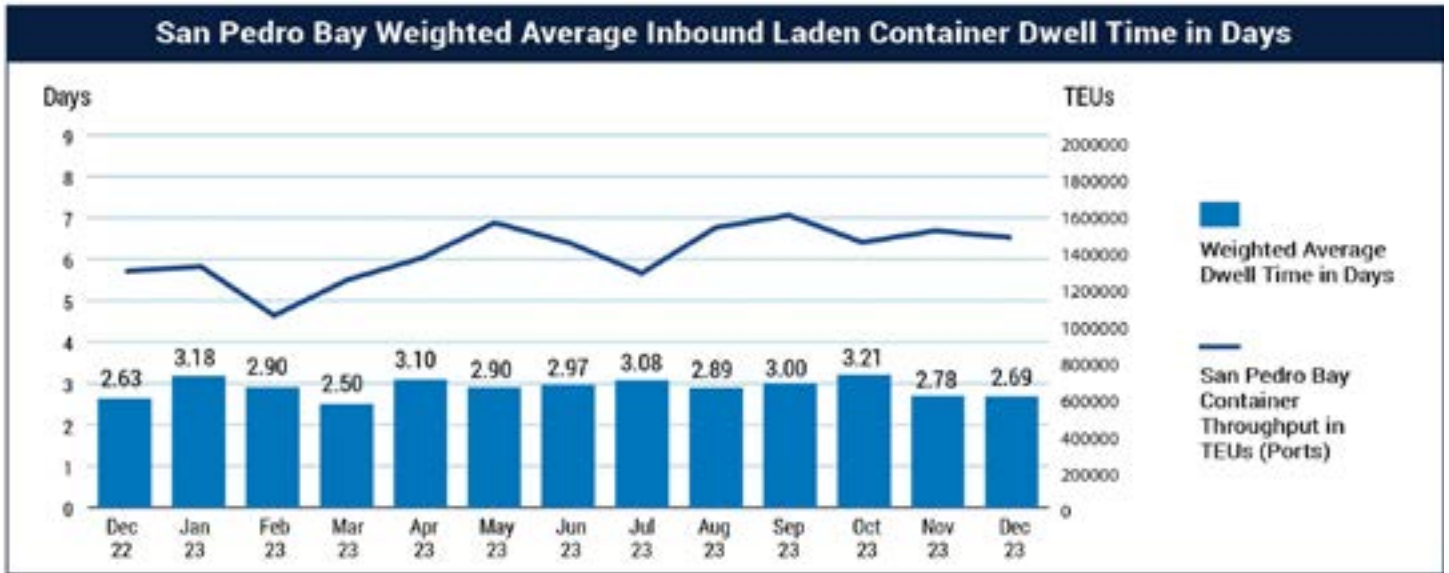
Down 4.4% from 2019

Source: Individual Ports





San Pedro Bay Ports Truck Dwell Time remains Steady; Rail Dwell Time Increases for Month of December



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