



## AG EXPORT DELAYS: ANY LIGHT AT THE END OF THE TUNNEL?

Moderator: Geoff Bogart (ABC)

Speakers: Jonathan Hoff (Monte Vista Farming), Shadrack Scheirman (Federal Maritime Commission), Andrew Hwang (Port of Oakland), Joshua Woods (Blue Diamond Growers), Katie Staack-Dorsett (Grizzly Nut)





# Ag Export Delays: *Any light at the end of the tunnel?*

Wednesday, December 8





## OUR AGENDA

### Overview

### Speaker Opening Comments

- *Joshua Woods, Blue Diamond Growers*
- *Jonathan Hoff, Monte Vista Farming*
- *Andrew Hwang, Port of Oakland*
- *Shadrack Scheirman, FMC*
- *Katie Staack, Almond Alliance BOD*

### Group Discussion/Solutions

### Questions and Answers



# ∴ Ag Export Delays

## *Current State of Play*

- Handler warehouses are filling up with product; handlers report average delays of six weeks to get products to their overseas buyers; empty container exports the norm
- Ocean carriers are reducing service/bypassing port of Oakland for Ports of LA/LB and the SoCal market
- Delays are leading to excessive costs for shippers, (incl. detention & demurrage, container fees)
- Ocean Shipping Reform Act of 2021 introduced
- Ships are waiting three weeks at anchor in LA/LB to get a berth, while Oakland can handle more cargo now
- “Just in Time” has become “Just in Case”
- Trucks, chassis and drivers are in short supply
- ILWU Labor Contract Renewal in 2022



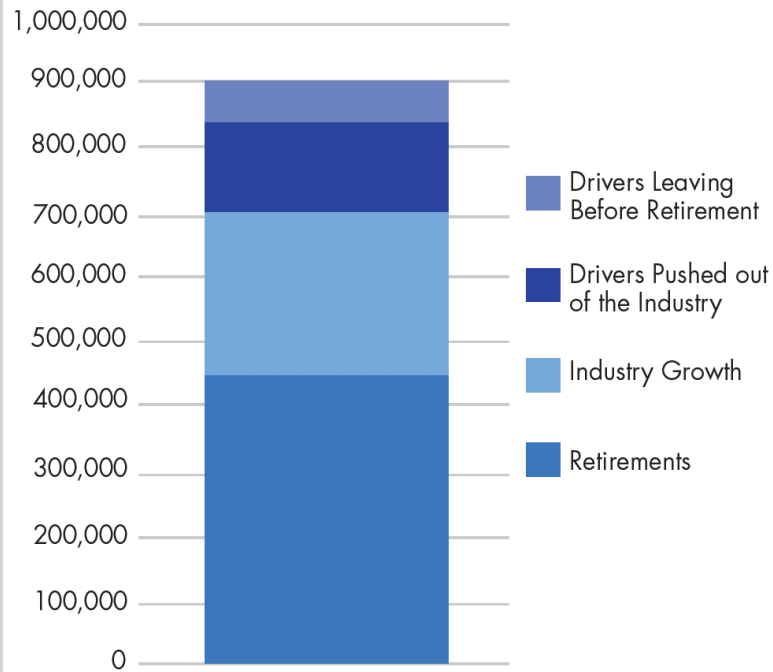


# Almond Conference 2021

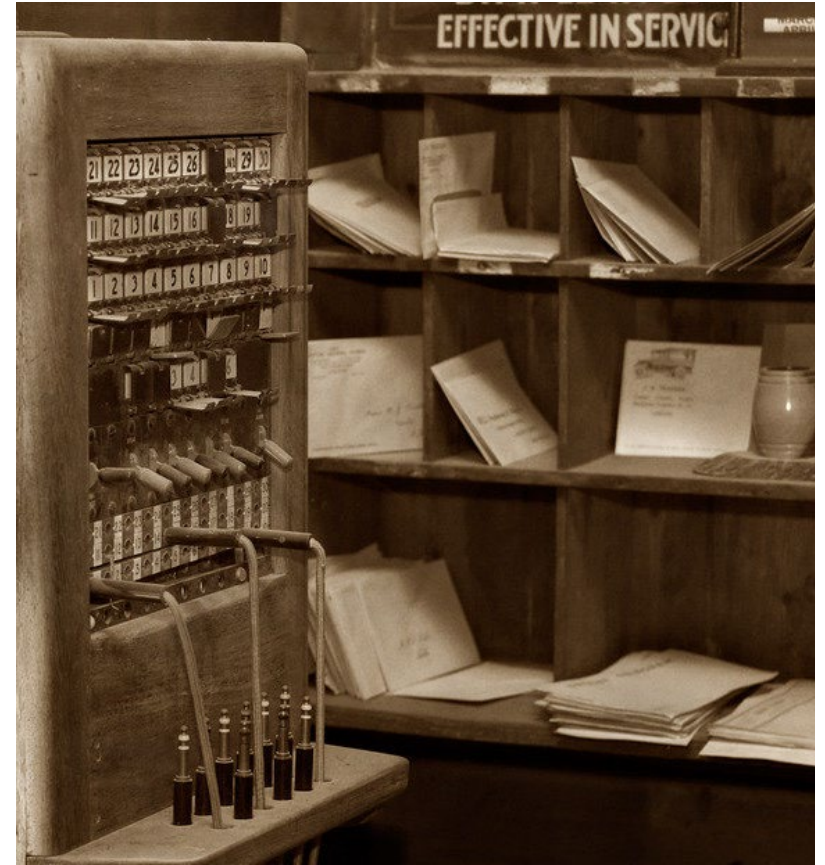
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### Total Drivers Needed from 2017 through 2026 by Reason



Source: Driver Shortage Analysis 2017, American Trucking Association



How did we get here?

# In The News.

 Fortune

“No sign of relief”: The global supply-chain crisis could last well into February

 CNBC

Big business bosses are warning that supply and inflation are here to stay

Top executives at multiple European companies are warning of supply chain problems, labor shortages and inflation.

 The New York Times

Opinion | The Supply-Chain Crisis Is a Labor Crisis

workers. But it's not too

 The New York Times

Supply Chain Disruptions May Mean Crisis for U.S. Farms

It's just 60 miles from El Dorado Dairy in Ontario, Calif., to the nation's largest container port in Los Angeles. But the farm is having...

 Business Insider

How the supply-chain crisis is affecting retailers

Retailers are racing to import goods for holiday season as supply chain snarls persist. Experts say that the conditions could worsen.

ools in San Luis


Obispo

The San Luis Coastal Unified School District said they are struggling to purchase paper products to pack school lunches.

 Los Angeles Times

Supply chain crisis gives shipping industry record profits, foes

The business dominated by a handful of European and Asian companies finds itself at the center of a logistics crisis that could rewrite the...

 Reuters

Supply chain crisis threatens Christmas for Spanish wines

The bottles that Francisco Ibaibarriga ordered from France to fill at his small Betolaza winery in La Rioja are just not going to arrive in...

# Is there Light at the end of the Tunnel?

“Two basic rules of life are:

- 1) Change is inevitable.
- 2) Everybody resists change.”

~ W. Edwards Deming

American engineer, statistician, professor,  
author, lecturer, and management consultant







**Thank You**

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**Federal Maritime Commission**  
**Almond Conference, Sacramento, CA**  
**December 8, 2021**





# About the Federal Maritime Commission

- Independent Regulatory Agency Est. 1961
- Mission
  - Ensure a competitive and reliable international ocean transportation supply system that supports the U.S. economy and protects the public from unfair and deceptive practices.
- 5 Commissioners appointed by the President and confirmed by the Senate that serve staggered 5 year terms.
- Authorized 129 Full Time Employees in 7 locations: DC, Seattle, LA, Houston, New Orleans, Miami, & NY.



# Demurrage & Detention

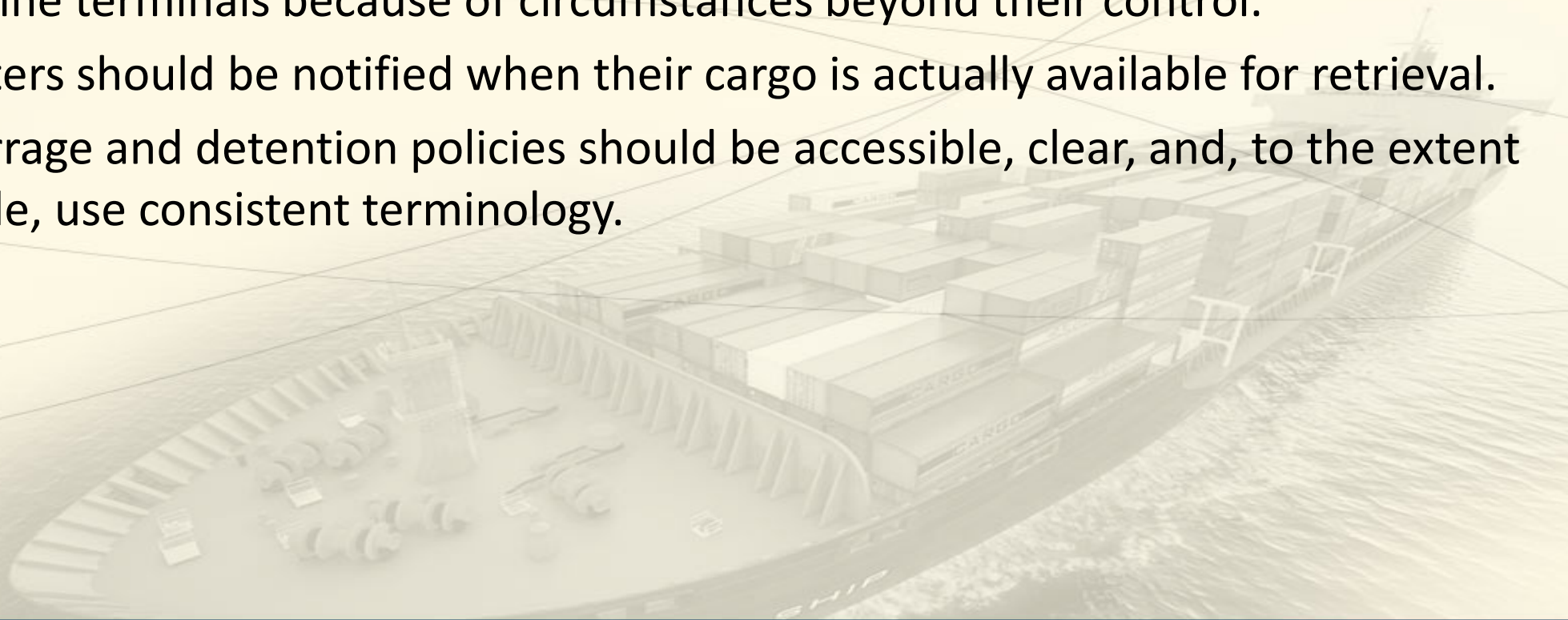
## Interpretive Rule 46 C.F.R. §545.5

- Provides guidance on how the Commission will interpret the relevant laws & regulations related to “just and reasonable practices” in cargo handling:
  - 46 U.S.C. §41102(c)
  - 46 C.F.R. §45.4(d)
- Based on:
  - Petition of the Coalition for Fair Port Practices (P4-16) - <http://www.fmc.gov/P4-16/>
  - Fact Finding 28 - <https://www.fmc.gov/fact-finding-28/>
  - Almost 100 comments on proposed Rule  
<https://www2.fmc.gov/readingroom/proceeding/19-05/>
  - Rule final upon publication in the Federal Register on May 18, 2020, 85 FR 29638 available at <https://www.federalregister.gov/documents/2020/05/18/2020-09370/interpretive-rule-on-demurrage-and-detention-under-the-shipping-act>.



# General Principles

- 1. Incentive function.** Demurrage and detention practices should not penalize cargo owners when circumstances are such that they cannot retrieve or return containers to marine terminals because of circumstances beyond their control.
2. Importers should be notified when their cargo is actually available for retrieval.
3. Demurrage and detention policies should be accessible, clear, and, to the extent possible, use consistent terminology.





# FMC Resource for Demurrage & Detention

- Area Representatives  
(<https://www.fmc.gov/about-the-fmc/bureaus-offices/area-representatives/>)
- Consumer Affairs & Dispute Resolution Services (CADRS)  
(<https://www.fmc.gov/databases-services/consumer-affairs-dispute-resolution-services/>)
- Formal Complaints  
(<https://www.fmc.gov/resources-services/filing-a-shipping-act-complaint/>)
- Small Claims Complaints  
(<https://www.fmc.gov/resources-services/filing-a-small-claims-complaint/>)
- [complaints@fmc.gov](mailto:complaints@fmc.gov)



# Fact Finding 29: COVID19 Impact to the Supply Chain

- Referred cases to Bureau of Enforcement for investigation and potential civil penalty action
- Expanding capability to assist exporters in CADRS
- FMC to issue a Policy Statement providing guidance on carrier retaliation and attorney fees to encourage private parties in pursuing relief through FMC formal complaint process
- Advance Notice of Proposed Rulemaking seeking comment on Demurrage & Detention billing practices
- More Information at: <https://www.fmc.gov/fact-finding-29/>



# VOCC Audit Program

- Audit of Demurrage and Detention practices by top 9 Carriers by Market Share
- Initial Recommendations to Steamship Lines:
  1. Display detention and demurrage charges clearly and prominently on their webpage or customer portal;
  2. Develop and document clear internal processes on all matters related to detention and demurrage where they have not already done so; and
  3. Clearly delineate dispute resolution procedures, contacts, and required documentation on their website and invoices.

See <https://www.fmc.gov/fmc-vocc-audit-team-urges-carriers-to-adopt-detention-demurrage-best-practices/>





# Data Sharing to Support Supply Chain

- FMC holding a series of hearings on “Maritime Information Transparency” and supply chain data standards.
- Commissioner Bentzel taking lead and held first hearing held Dec 7, 2021
- Report due Spring 2022 with results presented at Maritime Data Summit

See <https://www.fmc.gov/fmc-effort-will-examine-how-data-can-improve-ocean-cargo-velocity/> and <https://www.fmc.gov/federal-maritime-commissioner-carl-w-bentzel-to-convene-kickoff-maritime-information-transparency-meeting/>



# Questions?

Shadrack Scheirman

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# Inventory of Solutions

What is being proposed?



## Ag Transport Coalition

### *Inventory of “64 Solutions”*

- Marine Terminal Operations/Trucking into Terminals
- Additional Land / Warehousing - Near Ports and Inland
- Trucking Costs and Truck Driver Shortage
- Information/Transparency of the Supply Chain Investment
- Rail Service at Inland Rail Ramps for Ag Access to Marine Terminals
- Chassis Shortage
- Ocean Carrier Practices; Federal Maritime Commission Enforcement
- Creating a Competitive Marketplace
- Federal Agency Contribution to Increased Export and Import Fluidity
- Federal Financial Assistance for Ag Lost Sales, Transport Costs, Product Damage
- Restoring Port Authority Control over Port Operation
  
- [AgTC-Inventory-of-Solutions-to-Supply-Chain-Crisis\\_11\\_9\\_21\\_v.5.pdf\(netdna-ssl.com\)](#)
  
- ***Which are most critical?***

# “All Aboard”

## The Almond Express





**Thank You**

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