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2021 AgTC Ag Exporter-Carrier Service Impact Survey

For the period 1/1/2021 – 12/31/2021

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Agriculture Transportation Coalition – AgTC www.agtrans.org

Since 1988, the Agriculture Transportation Coalition has been cited as "the principal voice of agriculture exporters in US transportation policy." The AgTC is comprised of U.S. agriculture and forest products exporters (and importers) nationwide - all commodities, in every state in the country. AgTC's mission is to make the agriculture export supply chain affordable and dependable, assuring transportation service which allows U.S. ag exporters to be competitive in the international market. Our focus is on international ocean transportation, including the seaport gateways, and truck and rail serving ag ocean exports. The [AgTC Annual Meeting](#) is the largest gathering of agriculture exporters and importers and their transport service providers.

This **AgTC Ag Exporter-Carrier Service Impact Survey** provides a window into the causes and costs (financial and human) of the ongoing supply chain crisis on the listed agriculture and forest products exports. The Survey measures ocean carrier service reliability, carrier communication, acceptance of export cargo, freight rates, additional charges (demurrage/detention), chassis shortages, marine terminal congestion, and other factors, and the impact on agriculture exports during 2021.

Ag and forest products included in 2021 AgTC Ag Exporter-Carrier Service Impact Survey:

Bagged Animal Feed Ingredients, Deproteinized Whey Powder, Walnuts, Almonds, Bulk Tomato Paste, Diced Tomatoes, Cotton, Poultry By-Product Meal, Pet Food, Shelled and Inshell Walnuts, Beef, Pork, Poultry, Eggs, Chilled and Frozen Meats, Dairy Products, Grass seed, Vegetable Seeds for Sowing, Frozen Potato Products, Wine, Spirits, Dried Fruit, Distilled Spirits, Frozen Fruit, Frozen and Chilled Pork, Oranges, Mandarins, Lemons, Whole Cotton Seed, Baled Cotton Module Wrap, Timothy Hay, Alfalfa Hay, Sudan Grass, Dehydrated Spices, Baled Raw Cotton, Pistachios, Pecans, Raisins, Cranberries, Blueberries, Beef, Beef Hide, Food Grade Soybeans, Specialty Grains, Wet Salted Cattle Hides, Turf and Forage Seeds, Rice, Shell Eggs, Milled Rice, Dried Plums, Prunes, Vegetable Seed, Sorghum Chemical, Logs, Lumber, Soybean Meal, Corn Gluten Meal, Grapes, Apples, Melons, Oranges, Commodity Grains, Soybeans, Distillers Grains, Food Grade Organic Products, Yellow Corn, Soybean Hulls, Dried Distillers Grains, Wine, Grapes, Kiwi, Forest Products, Peas, Lentils, Chickpeas, Pulp, Frozen Poultry Parts, Frozen Beef Offal, Frozen Beef Primal, Grass Seed, Grass Straw, Pig Skins, Pigskin Leather, Bluegrass Straw, Fescue Straw, Bermuda Straw, Ryegrass Straw, Bone Meal, Hides, Packaged Food Ingredients, Salt, Corn Syrup, Trees, Peaches, Plums, Nectarines, Dried Dairy Powder, Frozen Butter, Mustard Seeds, Potatoes, Eggs, Rice, Whey Powder, Beer, Meat and Bone Meal, Hazelnuts

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NOTES: The term ‘carrier’ is used throughout to indicate a vessel operating common carrier.

For most of the questions, the average of the responses, is presented. For others, a representative sampling of responses.

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1. Products in 2021 AgTC Ag Exporter-Carrier Service Impact Survey:

Bagged Animal Feed Ingredients, Deproteinized Whey Powder, Walnuts, Almonds, Bulk Tomato Paste, Diced Tomatoes, Cotton, Poultry By-Product Meal, Pet Food, Shelled and Inshell Walnuts, Beef, Pork, Poultry, Eggs, Chilled and Frozen Meats, Dairy Products, Grass seed, Vegetable Seeds for Sowing, Frozen Potato Products, Wine, Spirits, Dried Fruit, Distilled Spirits, Frozen Fruit, Frozen and Chilled Pork, Oranges, Mandarins, Lemons, Whole Cotton Seed, Baled Cotton Module Wrap, Timothy Hay, Alfalfa Hay, Sudan Grass, Dehydrated Spices, Baled Raw Cotton, Pistachios, Pecans, Raisons, Cranberries, Blueberries, Beef, Beef Hide, Food Grade Soybeans, Specialty Grains, Wet Salted Cattle Hides, Turf and Forage Seeds, Rice, Shell Eggs, Milled Rice, Dried Plums, Prunes, Vegetable Seed, Sorghum Chemical, Logs, Lumber, Soybean Meal, Corn Gluten Meal, Grapes, Apples, Melons, Oranges, Commodity Grains, Soybeans, Distillers Grains, Food Grade Organic Products, Yellow Corn, Soybean Hulls, Dried Distillers Grains, Wine, Grapes, Kiwi, Forest Products, Peas, Lentils, Chickpeas, Pulp, Frozen Poultry Parts, Frozen Beef Offal, Frozen Beef Primal, Grass Seed, Grass Straw, Pig Skins, Pigskin Leather, Bluegrass Straw, Fescue Straw, Bermuda Straw, Ryegrass Straw, Bone Meal, Hides, Packaged Food Ingredients, Salt, Corn Syrup, Trees, Peaches, Plums, Nectarines, Dried Dairy Powder, Frozen Butter, Mustard Seeds, Potatoes, Eggs, Rice, Whey Powder, Beer, Meat and Bone Meal, Hazelnuts

2. US Origins of exports in 2021 AgTC Ag Exporter-Carrier Service Impact Survey:

California, Iowa, Texas, Tennessee, Kansas, Alabama, North Carolina, South Carolina, Pennsylvania, Illinois, South Dakota, Arkansas, Utah, Ohio, Quebec, New Jersey, Mississippi, Arizona, Massachusetts, Wisconsin, Nebraska, Ohio, Utah, New York, Oregon, Washington, Idaho, Mississippi, Minnesota, Maryland, North Dakota, Alabama, Louisiana, Kansas, Nevada, Virginia, Nebraska, Missouri, Ontario, British Columbia, Wisconsin

3. Destinations of exports in 2021 AgTC Ag Exporter-Carrier Service Impact Survey:

Argentina, Asia, Australia, Bahamas, Bahrain, Bangladesh, Bermuda, Brazil, Buenaventura, Cayman Islands, Chile, China, Colombia, Costa Rica, Curacao, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, France, Germany, Ghana, Grenada, Guatemala, Honduras, Hong Kong, India, Indonesia, Israel, Italy, Jamaica, Japan, Jordan, Korea, Las Palmas, Malaysia, Mexico, Netherlands, New Zealand, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Puerto Rico, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, St. Kitts, St. Maarten, Sweden, Taiwan, Thailand, Trinidad and Tobago, Turkey, UAE, Ukraine, Uruguay, United Kingdom, Venezuela, Vietnam, West Africa.

4. 20.1% of total **confirmed ag export sales were lost due to carrier undependability/declining to carry export cargo, or uneconomic (for the US seller and overseas buyer) pricing and predatory add-on fees.**

5. Value of the lost sales by individual company during 2021. Amounts range from \$120,000 for the smallest exporter, to millions of dollars of lost sales reported by many companies, up to \$65,000,000.

6. Primary reasons export sales were lost:

- a. 85% of respondents who stated they lost export sales attributed the lost sales to inability to deliver within the contracted time period
- b. 40% of respondents who stated they lost export sales attributed the lost sales to unaffordable (to exporter or foreign customer) additional transportation costs, including increased freight costs, storage, demurrage and detention

7. US ag exporters are able to deliver timely to overseas customers 35% of the time

8. 28% of agriculture exporters have had **export sales lost due to lack of notice** by the carrier to exporter of changes to sailing, arrival, loading schedule

9. For export shipments the **carrier arrival, loading and sailing dates are consistent** with advance schedules only 6% of the time.

10. When the carrier changes schedule, they provide **timely notice of the change** 23% of the time.

11. 40% of requested **export bookings are declined by a carrier** at first request; exporter submits request again, or requests of other carriers, ultimately 28% are declined by all carriers and are not shipped.

12. 31% of confirmed **export bookings are cancelled by a carrier**

13. 85% of US ag exporters report that **overseas customers have shifted some of their purchases to other countries** due to lack of dependable delivery time and additional costs.

14. When export sales are lost, what can be done?

Summary: 87% of exporters replied that when export sale is lost, they are forced to sell on domestic market, generally at significantly lower prices, often at a loss.

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Representative responses:

- We have to sell on a deep discount to the domestic market. And/or sell at a deep discount to the customer knowing shipment(s) will deliver to customer late.
- Sell to other markets, usually at a discount
- CANCEL THE SALE AND LOOK FOR ANOTHER BUYER
- We have to sell on the domestic market, or find another foreign market that will accept the same quality of cotton,
- IF WE ARE NOT ABLE TO EXPORT THE CARGO TO THE INTENDED DESTINATION, WE WILL EITHER HOLD THE PRODUCT IN THE INTERIOR WAREHOUSE IN THE US UNTIL WE CAN RESELL THE it overseas, SELL IN THE DOMESTIC MARKET OR WE SHIP THE PRODUCT TO A BONDED WAREHOUSE IN THE FAR EAST or THE MEDITERRANEAN. WHEN cotton GOES INTO THE BONDED WAREHOUSE YOU USUALLY HAVE TO SELL it AT A DISCOUNTED RATE.
- The walnut industry prices for a Jumbo/Large Chandler have dropped from \$1.30 (pre-season), \$1.45 opening price to \$0.95-1.05/lb. as of today. This is related to the inability of the industry to ship Chandler in shell walnuts to Turkey, UAE, and India - the 3 primary markets for this item. If it does not ship as in shell, it gets shelled depressing shelled pricing. That is happening now. Light Halves & Pieces 20% Chandler was being sold at \$3.30-\$3.50/lb. at the start of the season. It is not selling at \$2.50-\$2.60/lb. and headed for a total reset down to perhaps \$2.20-\$2.30/lb. My point is, in the walnut industry, prices are lowered to drive export sales if there are no buyers. We have to entice them. Domestic sale is another option. Walnuts have a 12-month shelf life with standard packing or 18-month shelf life if vacuum packed. Almonds have a 24-month shelf life. It is urgent that we move walnuts somehow. This urgency creates pressure on prices if we cannot export them. Bottom line American walnut growers are losing money as a result of this.
- Sell domestically at a lower price.
- Cancel production
- Store production until sales begin picking up. Drop prices to move product.
- Sell domestic which drives down the return to the grower, remember we are not the only shipper having this problem, it hit this industry very hard

- Domestic sale at half the price. Domestic market is flooded
- It will remain in storage. We will most likely sell at a discount next crop year

15. Ag export shipping costs 2021 compared to “normal” (2019):

- 28% say ‘50% greater’
- 42% say ‘double’
- 30% say ‘more than double’

16. Current trucking costs compared to the “normal” (pre-2019) trucking costs

- 31% exporters say trucking costs are 50% greater
- 28% say costs are double
- 38% say greater

17. 41% of export cargo subjected to detention and demurrage charges, (frequently greater than the freight rate) – 41%

18. Respondants ranked the primary causes leading to demurrage and detention charges as follows:

1. Carrier Changes Schedule, ERD, Inadequate Notice of Changes
2. Unrealistic Short Receiving Window at the Terminal
3. Lack of Terminal Gate Appointments or Lack of Space on Terminals
4. Terminal policies -e.g. requiring dual transactions, refusing to accept empties or export cargo

19. 92% report that lack of available chassis had delayed export and import agriculture shipments, at rail ramp, marine terminal, CES, Container Yards.

Representative responses/explanations:

- This is a massive problem, and causes us to miss appointments. Cold storages are now charging extortionate amounts for missed appointments
- Equipment availability is a problem. You can have a booking but if chassis isn't available you get rolled to the next vessel or they cancel your booking.
- Lack of chassis has prevented us from unloading trucks and railcars at the ports for export. Chassis are currently our biggest challenge to keep cargo moving.
- Additional cost from trucker to go back to port at later date to get a chassis which has caused rolled bookings.
- This is a major stumbling block. Containers may be available, but with no chassis, we are not able to get the needed containers.

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- Lines want to use a certain chassis provider. The box rules are killing us.
- We frequently have to roll bookings because chassis are not available.
- We had many cases where driver went to pick up empties but terminal was out of chassis.
- Within the inland rail ramps - even chassis are getting tied up under imports. So, unable to load exports due to this. Especially when a large volume of imports all of a sudden reach inland rail ramp in a matter of 1 week.
- Trucker has not been able to haul containers due to chassis shortage.
- Currently bringing our shipments to an almost standstill.
- Chassis shortages in CHI and New York remain consistent since early 2020.
- Chicago & Minneapolis are bad ... West Coast ports are troublesome
- Either we can't find a chassis when needed and get stuck with demurrage, or we have a chassis but cannot get appointment and are stuck with demurrage. When we have a chassis and an appt we cannot get a driver which is especially difficult for our DG cans.
- Severe shortages in the Midwest (Chicago seems to be worst), West Coast and Charleston
- This is why we missed cutoffs and could not deliver on time to our customers
- We have had many shipments roll because we could not find the equipment/chassis to move them from warehouse to rail or port.
- MORE AND MORE CARRIERS ARE NOT PROVIDING WHEELED CHASSIS. DRAY CARRIERS ARE DENYING LOADS DUE TO NOT WANTING TO WAIT IN TWO LINES, ONE FOR CHASSIS AND ONE FOR CONTAINERS. DRAY COMPANIES ARE FRUSTRATED WITH THE QUALITY OF CHASSIS THAT ARE BEING PROVIDED BY THE CHASSIS POOLS AND THE LACK OF COMMUNICATION. CHASSIS PROVIDERS WILL NOT PROVIDE INFORMATION TO THE SHIPPER OR THE DRAY DRIVERS ON AVAILABILITY OF CHASSIS.
- We are missing vessel cutoffs because we cannot find equipment and then when we finally find equipment, the booking is rolled a month because of vessel space.

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- We accrue extra storage charges while we wait for either equipment or vessel space.
- Lack of chassis availability has limited our ability to pick up empties at the port of Oakland. This has meant produced loads don't ship and fill up our storage capacity. Once storage capacity is full, we are having to shut down production.
- Rolled bookings, storage fees, penalties from loading warehouses, increased drayage rates, waiting time, overtime
- The port of Savannah faces a major chassis shortage. There were quite a few weeks in 2021 when we could not pull new empty containers, because the loaded containers in the warehouse's yard were tying up chassis. Drayage companies were relying on the chassis units in their possession to keep things moving and given the massive delays and port changing dates of receiving on vessels constantly, we have a perfect storm in our hands. Everything related to chassis and receiving dates (basically port equipment and terminal related issues) all result in costs that are absorbed by shippers. Never has a shipper been able to start a dispute or claim the port authority successfully, these extra costs are always absorbed and these are costs that can simply not be foreseen. It's the result of congestion and labor shortages across the board.
- Our trucking companies use their own chassis
- Without the chassis, we can't pull the empty container and by the time we found the chassis, we could not set up the delivery appointment as all slots were full. consequently, we had to roll the booking/ ocean carrier would cancel the booking.

20. The human element: impact of disruptions on personnel. Representative responses:

- Stress and burnout are our biggest concern, and yes we have lost staff. Replacing an experienced team member is beyond difficult. Takes 4-6 months to find replacements and they are often green. If we find an experienced person they come at a lofty premium. We need extra people on the bench now which comes at a cost we normally would not bear.
- We have had to hire more staff for increased handling of each booking, and are paying overtime for staff to handle documentation that has been delayed and reissued multiple times due to all booking and vessel changes.
- Labor costs are way up due to the time it takes to make a booking, rolling of cargo, split shipments etc. lots of double and triple work.

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- Considerable amount of time taken up chasing all the booking cancellations, vessel delay, per diem charges. Everyone is stressed and tired. We've had to hire an additional employee to handle some of these extra functions.
- Takes 3 times as long to execute shipments now compared to what it used to take.
- We have had to hire more staff for the same volume due to time required to work all of the changes on the bookings.
- Increased demand/stress on staff which has required overtime and we had an employee leave.
- Already understaffed and having to re work over and over the bookings date changes etc worst than its ever been . So much work to get just one container shipped
- Additional demand on staff by having to handle booking changes and rejections. We have experienced up to 75 changes to a booking.
- EVERY transaction takes three times the work to process ... plus I have a new job of auditing vendors invoices and processing detention now at \$400 since last year
- ADDITIONAL STAFF HAS BEEN ADDED; OVERTIME HAS INCREASED WORKING TO CHANGE OR MODIFY DOCUMENTS. DEALING WITH SHIPPING LINE DELAYS HAS ADDED MORE STRESS.
- MUCH MORE STRESS AND WORK TO HANDLE ANY SHIPMENT.
- Rates are negotiated 2-3x more frequently, Operations Staff has to make 2x more bookings, Dispatches are constantly change to match good bookings, Doc Team is correcting documents for rolls, splits and cancelations,
- STAFF WORKING MORE HOURS CONTINUOUS REWORK DUE TO CARRIER/DRAY CHANGES.
- Redoing all shipments 2-3 times due to splits and rolls, added personnel, excessive overtime
- We havent changed our staffing but we have changed how much time is spent on export shipments. it takes about 1.5 persons to handle this now.
- Lost good staff and had difficulties replacing. Each shipment is being worked 3, 4, 5 times.

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- The inconsistency of vessels has caused a lot of grief on our end. We've also lost staff and at other times have had to bring in staff at overtime costs due to vessel schedule changes being so last minute.
- We have lost a dispatcher and have struggled to replace her. We have hired four different people and all have quit. We have also increased booking staff. We have hired one each in Washington and California.
- Family owned and operated business so leaving isn't an option - you just work longer :) There is definitely an increase in handling of each sale/booking. We have resorted to making 2-3 bookings per order b/c of the SSL cancelling or rolling bookings.
- More people have to handle the shipment, as we need to track the terminal website, ocean carrier website, check container & chassis availability while we need to change the order in the system multiple times due to vessel delays/ booking cancellations, etc
- More staff needed to manage constant rolls and cancels
- High demands, requiring more overtime hours leading to burnout and fatigue. We counteract by hiring more employees to handle the same volumes, and/or less volume, at times. The constant vessel updates (sometimes upward of 4x day), are exhausting when handling 100's of weekly export shipments.
- This is a great cost. Burnout, massive additional time based on lack of solid schedules, workers quitting or near quitting due to stress

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