

Export Supply Chain Crisis



U.S. Dairy
Export Council
Ingredients | Products | Global Markets



Supply chain challenges have cost U.S. dairy exporters well over **\$1.5 billion** last year alone as a result of higher direct costs, reduced value and lost sales. The congestion also puts at risk long-term trade relationships as international customers seek alternative suppliers, citing the United States as an increasingly unreliable supplier due to the delayed shipments and product deterioration.



These challenges will only **exacerbate the ongoing global food security crisis** driven by the Russian invasion of Ukraine and other geopolitical instability. Billions around the world rely on U.S. containerized agricultural exports, including dairy, and impediments in the export supply chain create additional scarcity and upward pressure on food prices globally if left unaddressed.



What Solutions Are There?

Fast Lanes - We support 'fast lane' concepts that incentivize the flow of agricultural exports into and from ports and ask USDA and DOT to work on implementing this approach. This would include trucking lanes at port terminals reserved for the delivery of perishable products and incentives for ocean carriers to load more export containers, which could include preferred/prioritized berthing access to accelerate vessel exit from anchorage.

Pop-Up Locations - While we support the pop-up terminal yards in Oakland and Seattle, their distance from inland food production locations require additional trucking and transloading activities that can be costly and challenging to secure. To address this, we encourage USDA to establish similar ventures at inland locations such as Minneapolis, Chicago, Detroit, Salt Lake City and Kansas City, and to provide incentives to promote their use by carriers.

Dual-Turn Facilitation - USDEC and NMPF recommend efforts to enable 'dual turns' of containers, wherein containers delivering imports to an in-land location may be provided directly to an export-focused shipper, rather than being sent back empty to the port. This may be undertaken through pilot projects with carriers and could be supported through the USDA's Commodity Credit Corporation resources dedicated to supply chain challenges.

Ocean Shipping Reform Act Implementation - We request the Federal Maritime Commission implements the provisions of the bill in a manner that strengthens exporter's rights. This includes strong provisions related to detention and demurrage fee practices, strong limitations on ocean carriers' ability to unduly refuse to load exports, and increased transparency into container availability and carrier schedules.