



April 2022

March's Partial TEU Tallies

A few ports have released their March container statistics. So, here's what we know so far about container traffic that month.

For the sake of benchmarking expectations for March, the National Retail Federation's Global Port Tracker forecasts that, when all the boxes are counted at the thirteen U.S. ports it monitors, import traffic will total 2.27 million laden TEUs in March, roughly unchanged from a year earlier.

The **Port of Los Angeles** was unusually swift to post its March TEU numbers. Inbound loads at America's busiest port totaled 495,196 TEUs, the most inbound loads the port had handled in any month since May of last year, when 535,714 inbound loads arrived. Although the March tally was only 1.0% ahead of the number of inbound loads the port had handled a year earlier, it did represent a 124.8% rebound from March 2020, when economic shutdowns occasioned by the outbreak of the COVID-19 virus sent container trade numbers plummeting to unprecedented depths. Outbound loads at LA (111,781 TEUs) were down 9.0% from March 2021 and were one-third the 349,117 empty TEUs that were shipped from the port this March. Total loaded and empty boxes handled at the port in March amounted to 958,674, an increase of 0.1% or 1,075 TEUs over a year earlier.

Next door at the **Port of Long Beach**, inbound loads (427,280 TEUs) were up by 4.7% from the previous March,

while outbound loads (114,185 TEUs) fell by 18.3%. As was the case at LA, outbound loads represented a fraction of the 310,094 empty TEUs that left the Port of Long Beach in March. Altogether, the port handled 863,156 loaded and empty TEUs in March, an increase of 2.7% over a year earlier.

Taken together, the two San Pedro Bay ports handled 922,476 inbound loaded TEUs in March, a gain of 2.7% over March 2021. Outbound loads totaled 225,966 TEUs, down 14.0% year-over-year. Total container traffic of loaded and empty containers equaled 1,821,830 TEUs, 1.3% more than in the preceding March.

The **Port of Oakland**, meanwhile, saw year-over-year declines in both inbound and outbound loads. Inbound loads (94,271 TEUs) were down by 3.3% from a year earlier, while outbound loads plunged by 25.8% to 69,878 TEUs. In contrast to the San Pedro Bay ports, outbound loads from Oakland exceeded outbound empties (36,832 TEUs). Altogether, the Northern California port handled 214,460 total TEUs in March, 27,008 fewer TEUs than it had handled a year earlier. However, port officials optimistically point to a substantial pickup in container traffic in the past 30 days.

Up in the Pacific Northwest, the **Ports of Seattle and Tacoma** (operating as the Northwest Seaport Alliance or NWSA) saw a sharp 11.3% dip in import loads to 126,211

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March's Partial Continued

TEUs from 142,931 TEUs a year earlier. Export loads meanwhile plunged to 54,740 from 72,875 TEUs, a 24.9% falloff. Total container traffic through the two ports, including loads and empties and shipments to and from Alaska and Hawaii, amounted to 330,906, 2.5% lower than last March's total of 339,322 TEUs.

Along the East Coast, the **Port of Virginia** received 148,932 loaded inbound TEUs, a 14.5% bump over a year earlier, but outbound loads (95,803 TEUs) were up just 1.0%. Total year-to-date container traffic amounted to 872,919 TEUs, up 9.3% from the first quarter of 2021.

Further south, **Savannah** saw its container traffic drop from March of last year. Inbound loads were down 15.3% to 211,297, while outbound loads were off by 19.2% at 109,372 TEUs. Total container traffic through the Georgia port in March was 10.7% lower than in the same month last year. YTD total container moves through the port amounted to 1,381,816 TEUs, up 2.5% from the first quarter of 2021.

Along the Gulf Coast, **Houston** handled 152,553 inbound loads in March, a 13.6% increase over the previous March. Growth in outbound loads was much less exuberant, with 108,541 TEUs leaving the port, 1.7% more than a year earlier. Total container traffic through the Texas port amounted to 308,557 TEUs in March, up 3.8% from March 2021.



Photo courtesy of the Port of Everett

For the Record: February TEU Numbers

Exhibits 1 and 2 display inbound and outbound loaded TEU traffic in February 2022 at the 20 North American ports we routinely survey. To be sure, there are other ports that handle containers. Sad to say, but some (the two Wilmingtons, for example) seem to regard their cargo numbers as state secrets, not even acknowledging email requests for the data. Meanwhile, others (Philadelphia, Montreal, and Portland come to mind) do not distinguish loaded from empty boxes by direction of travel.

[Owing to requests from numerous readers, we have decided to continue comparing the latest month's TEU counts with the same months in the two preceding years.]

By our count (based on what the ports themselves report to us), some 2,360,273 loaded TEUs were discharged at North American ports in February, an 11.1% (+236,401 TEUs) increase over a year earlier. Looking only at U.S. ports, the import volume totaled 2,185,687 loaded TEUs, a 12.7% (+246,402 TEUs) gain over the preceding February. By way of comparison, the National Retail Federation's widely cited Global Port Tracker, which covers five fewer U.S. ports than we do, concluded in an April 7 press release that 2.11 million loaded inbound TEUs had arrived in February through the thirteen U.S. ports it monitors. That, says the NRF, represented a 13.0% increase over February 2021.

The 1,043,699 inbound loads through the seven U.S. West Coast ports we monitor represented a 6.1% increase from a year earlier and a nifty 52.4% recovery from the second month of 2020. Meanwhile, the nine East Coast ports we track handled 1,009,331 inbound loaded TEUs, just 34,368 fewer TEUs than their USWC rivals handled. However, given the 18.4% year-over-year increase in inbound loads at USEC ports and the 6.1% gain registered at the USWC ports, there is a strong likelihood that the Atlantic Coast ports will soon achieve supremacy in America's containerized import trade.

Although New Orleans and Houston posted sharply divergent numbers, the two Gulf Coast ports saw a combined 29.0% bump in inbound loads to 132,657 TEUs, a gain of 29,827 TEUs over a year earlier.



Exhibit 1 February 2022 - Inbound Loaded TEUs at Selected Ports

	Feb 2022	Feb 2021	% Change	Feb 2020	% Change	Feb 2022 YTD	Feb 2021 YTD	% Change	Feb 2020 YTD	% Change
Los Angeles	424,073	412,884	2.7%	270,025	57.0%	851,281	850,493	0.1%	684,756	24.3%
Long Beach	390,335	373,756	4.4%	248,592	57.0%	779,669	738,011	5.6%	558,553	39.6%
San Pedro Bay Total	814,408	786,640	3.5%	518,617	57.0%	1,630,950	1,588,504	2.7%	1,243,309	31.2%
Oakland	85,286	80,199	6.3%	63,568	34.2%	169,146	157,602	7.3%	151,437	11.7%
NWSA	125,851	103,648	21.4%	91,660	37.3%	238,877	217,732	9.7%	194,538	22.8%
Hueneme	11,658	7,005	66.4%	5,085	129.3%	22,812	13,229	72.4%	9,975	128.7%
San Diego	6,496	6,274	3.5%	5,988	8.5%	14,084	13,498	4.3%	11,922	18.1%
USWC Total	1,043,699	983,766	6.1%	684,918	52.4%	2,075,869	1,990,565	4.3%	1,611,181	28.8%
Boston	4,400	5,281	-16.7%	11,622	-62.1%	8,809	16,132	-45.4%	25,024	-64.8%
NYNJ	385,539	334,176	15.4%	300,445	28.3%	783,754	705,568	11.1%	623,088	25.8%
Maryland	41,573	38,565	7.8%	36,870	12.8%	85,901	82,141	4.6%	82,138	4.6%
Virginia	143,476	110,274	30.1%	97,559	47.1%	271,073	241,051	12.5%	206,443	31.3%
South Carolina	119,582	81,899	46.0%	88,178	35.6%	236,763	177,377	33.5%	178,843	32.4%
Georgia	220,398	189,677	16.2%	170,007	29.6%	471,052	422,322	11.5%	358,769	31.3%
Jaxport	21,803	22,430	-2.8%	26,128	-16.6%	46,388	55,990	-17.1%	52,826	-12.2%
Port Everglades	28,621	28,875	-0.9%	27,651	3.5%	61,562	55,707	10.5%	54,102	13.8%
Miami	43,939	41,512	5.8%	37,556	17.0%	84,365	92,772	-9.1%	72,781	15.9%
USEC Total	1,009,331	852,689	18.4%	796,016	26.8%	2,049,667	1,849,060	10.8%	1,654,014	23.9%
New Orleans	6,692	10,396	-35.6%	9,395	-28.8%	17,654	19,814	-10.9%	21,909	-19.4%
Houston	125,965	92,434	36.3%	89,923	40.1%	284,534	214,012	33.0%	194,970	45.9%
USGC	132,657	102,830	29.0%	99,318	33.6%	302,188	233,826	29.2%	216,879	39.3%
Vancouver	135,035	146,659	-7.9%	114,201	18.2%	266,961	307,842	-13.3%	257,807	3.6%
Prince Rupert	39,551	37,928	4.3%	55,753	-29.1%	81,022	88,171	-8.1%	104,901	-22.8%
British Columbia Total	174,586	184,587	0.4%	169,954	9.0%	347,983	396,013	-9.4%	362,708	-1.1%
US/BC Total	2,360,273	2,123,872	11.1%	1,750,206	34.9%	4,775,707	4,469,464	6.9%	3,844,782	24.2%
US Total	2,185,687	1,939,285	12.7%	1,580,252	38.3%	4,427,724	4,073,451	8.7%	3,482,074	27.2%
USWC/BC Total	1,218,285	1,168,353	4.3%	854,872	42.5%	2,423,852	2,386,578	1.6%	1,973,889	22.8%

Source Individual Ports

April 2022

Page 3



Exhibit 2 February 2022 - Outbound Loaded TEUs at Selected Ports

	Feb 2022	Feb 2021	% Change	Feb 2020	% Change	Feb 2022 YTD	Feb 2021 YTD	% Change	Feb 2020 YTD	% Change
Los Angeles	95,441	101,208	-5.7%	134,469	-29.0%	195,626	220,535	-11.3%	282,675	-30.8%
Long Beach	117,935	119,416	-1.2%	125,559	-6.1%	240,995	235,670	2.3%	234,183	2.9%
San Pedro Bay Totals	213,376	220,624	-3.3%	260,028	-17.9%	436,621	456,205	-4.3%	516,858	-15.5%
Oakland	62,334	69,525	-10.3%	78,280	-20.4%	124,038	138,672	-10.6%	156,212	-20.6%
NWSA	45,855	60,525	-24.2%	68,553	-33.1%	83,073	118,714	-30.0%	134,963	-38.4%
Hueneme	3,346	1,751	91.1%	1,271	163.3%	6,834	3,333	105.0%	2,493	174.1%
San Diego	1,050	400	162.5%	268	291.8%	2,373	830	185.9%	558	325.3%
USWC Totals	325,961	352,825	-7.6%	408,400	-20.2%	652,939	717,754	-9.0%	811,084	-19.5%
Boston	2,991	4,174	-28.3%	5,767	-48.1%	5,892	10,866	-45.8%	12,732	-53.7%
NYNJ	103,782	94,698	9.6%	113,801	-8.8%	204,445	203,436	0.5%	232,289	-12.0%
Maryland	23,697	19,564	21.1%	20,049	18.2%	40,142	39,468	1.7%	40,410	-0.7%
Virginia	88,582	87,466	1.3%	80,834	9.6%	158,171	172,154	-8.1%	160,162	-1.2%
South Carolina	54,755	67,411	-18.8%	74,235	-26.2%	109,011	135,348	-19.5%	142,740	-23.6%
Georgia	103,690	111,045	-6.6%	125,953	-17.7%	194,576	224,410	-13.3%	247,913	-21.5%
Jaxport	41,846	43,408	-3.6%	38,451	8.8%	84,442	87,022	-3.0%	80,392	5.0%
Port Everglades	28,987	29,787	-2.7%	34,612	-16.3%	61,214	60,582	1.0%	68,096	-10.1%
Miami	25,811	26,020	-0.8%	34,043	-24.2%	49,531	53,630	-7.6%	69,397	-28.6%
USEC Totals	474,141	483,573	-2.0%	527,745	-10.2%	907,424	986,916	-8.1%	1,054,131	-13.9%
New Orleans	16,297	23,160	-29.6%	24,417	-33.3%	36,759	44,476	-17.4%	50,630	-27.4%
Houston	82,079	79,840	2.8%	110,854	-26.0%	169,019	179,534	-5.9%	229,636	-26.4%
USGC Totals	98,376	103,000	-4.5%	135,271	-27.3%	205,778	224,010	-8.1%	280,266	-26.6%
Vancouver	53,058	74,109	-28.4%	84,918	-37.5%	103,005	153,303	-32.8%	163,074	-36.8%
Prince Rupert	12,563	12,130	3.6%	19,380	-35.2%	25,530	28,748	-11.2%	29,115	-12.3%
British Columbia Totals	65,621	86,239	-23.9%	104,298	-37.1%	128,535	182,051	-29.4%	192,189	-33.1%
US/BC Total	964,099	1,025,637	-6.0%	1,175,714	-18.0%	1,894,676	2,110,731	-10.2%	2,337,670	-19.0%
US Total	898,478	939,398	-4.4%	1,071,416	-16.1%	1,766,141	1,928,680	-8.4%	2,145,481	-17.7%
USWC/BC Total	391,582	439,064	-10.8%	512,698	-23.6%	781,474	899,805	-13.2%	1,003,273	-22.1%

Source Individual Ports



February 2022 TEU Numbers Continued

The year-over-year gain at the Northwest Seaport Alliance Ports of Tacoma and Seattle was particularly robust. Indeed, the 22,203 additional inbound loads the two ports handled over last February matched up impressively with the 27,768 more inbound loads the San Pedro Bay ports handled.

One curious but otherwise meaningless thing to note is that the Ports of Los Angeles and Long Beach posted identical 57.0% increases over the number of loaded inbound TEUs they'd each handled two Februarys ago.

It is of some interest that, despite a relatively meager 2.7% year-over-year increase in import loads, the Port of Los Angeles still managed to handle 38,534 more loaded inbound TEUs in February than did the Port of New York/New Jersey, despite the latter's 15.4% year-over-year surge in traffic. Even the Port of Long Beach, which handled 390,335 laden inbound TEUs, topped the Southern California ports' principal East Coast rival.

Exhibit 2 displays data on the numbers of outbound loaded TEUs in February. Apart from the two smaller California ports we monitor, the only North American ports that posted significant year-over-year gains in outbound loads in February were Maryland (+21.1%) and PNYNJ (9.6%). Prince Rupert (+3.6%), Houston (2.8%), and Virginia (1.3%) posted more modest increases.

Overall, the U.S. ports we track shipped 898,478 outbound loaded TEUs in February, 4.4% or 40,920 fewer TEUs than they had a year earlier. USEC ports reigned supreme in this category, with 474,141 outbound loads as opposed to 325,961 TEU exports at USWC ports.

	February 2022 YTD Total TEUs				
	Feb 2022 YTD	Feb 2021 YTD	% Change	Feb 2020 YTD	% Change
Los Angeles	1,723,359	1,634,831	5.4%	1,350,181	27.6%
Long Beach	1,597,503	1,535,741	4.0%	1,165,257	37.1%
San Pedro Bay Ports	3,320,862	3,170,572	4.7%	2,515,438	32.0%
NYNJ	1,524,298	1,346,404	13.2%	1,196,148	27.4%
Georgia	937,126	850,412	10.2%	742,076	26.3%
Houston	594,826	453,802	31.1%	524,247	13.5%
NWSA	570,327	557,403	2.3%	524,748	8.7%
Virginia	558,221	519,495	7.5%	435,050	28.3%
Vancouver	505,148	600,705	-15.9%	497,159	1.6%
South Carolina	465,935	398,534	16.9%	408,234	14.1%
Oakland	387,593	389,587	-0.5%	391,476	-1.0%
Montreal	264,687	263,328	0.5%	263,251	0.5%
JaxPort	199,159	224,480	-11.3%	209,258	-4.8%
Miami	196,791	206,189	-4.6%	189,528	3.8%
Port Everglades	181,025	170,582	6.1%	176,285	2.7%
Maryland	158,678	166,626	-4.8%	169,402	-6.3%
Prince Rupert	155,202	171,120	-9.3%	181,827	-14.6%
Philadelphia	118,467	103,267	14.7%	108,100	9.6%
New Orleans	67,184	83,356	-19.4%	103,531	-35.1%
Hueneme	44,740	35,100	27.5%	32,412	38.0%
San Diego	28,235	26,504	6.5%	23,878	18.2%
Portland, Oregon	21,392	11,739	82.2%	5,072	321.8%
Boston	18,202	34,607	-47.4%	48,801	-62.7%
US/Canada Total	10,318,098	9,783,812	5.5%	8,745,921	18.0%
US Total	9,393,061	8,748,659	7.4%	7,803,684	20.4%

Source Individual Ports



February 2022 TEU Numbers Continued

The falloff in outbound loads in February was much less on the East Coast, where the decline from the preceding February was just 2.0% (-9,432 TEUs) as opposed to a 7.6% (-26,864 TEUs) slide on the West Coast.

Exhibit 3 shows the total (full + empty) YTD container traffic in the first two months of 2022. For the U.S. ports we monitor, total container movements came to 9,393,061 TEUs, a 7.4% (+644,402 TEUs) increase over the same months last year. A slight majority of the U.S. and Canadian ports showed increased traffic in February over a year earlier, with Houston's 31.1% gain the most impressive. The three Canadian ports we track collectively handled 925,037 TEUs through February, a drop of 10.6% from last year.

Exhibit 4

Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, February 2022

	Feb 2022	Jan 2022	Feb 2021
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Shares of U.S. Mainland Ports Containerized Import Tonnage

LA/LB	26.6%	23.0%	28.4%
Oakland	3.5%	3.0%	3.8%
NWSA	5.0%	3.7%	3.7%

Shares of U.S. Mainland Ports Containerized Import Value

LA/LB	32.9%	30.4%	35.5%
Oakland	3.1%	3.1%	3.6%
NWSA	5.4%	5.1%	4.9%

Shares of U.S. Mainland Containerized Export Tonnage

LA/LB	19.9%	21.6%	19.5%
Oakland	6.8%	6.0%	6.6%
NWSA	5.8%	5.0%	6.6%

Shares of U.S. Mainland Containerized Export Value

LA/LB	16.9%	17.2%	19.4%
Oakland	6.9%	6.9%	7.9%
NWSA	3.2%	2.9%	3.9%

Source: U.S. Commerce Department.

USWC ports handled 4,373,149 total TEUs, a 4.3% year-over-year gain, while East Coast ports combined to process 4,339,700 TEUs, a gain of 8.9% over a year earlier. Our two Gulf Coast ports posted the largest percentage increase (23.2%) by handling 662,010 total TEUs through February. The USWC share of container traffic through U.S. mainland ports in the year's first two months was 46.6%, slightly higher than the 46.2% share held by East Coast ports. The Gulf Coast share stood just over 7.0%. During the first two months of last year, the USWC share was 47.9%, while East Coast ports held a 45.6% share and Gulf Coast ports held a 6.1% share.

Weights and Values

As much as it may be an irritating distraction from TEU-based narratives, we've long felt that knowing more about

Exhibit 5

Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, February 2022

	Feb 2022	Jan 2022	Feb 2021
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Shares of U.S. Mainland Ports Containerized Import Tonnage

LA/LB	41.7%	39.4%	46.2%
Oakland	4.6%	3.9%	4.6%
NWSA	7.9%	6.2%	5.7%

Shares of U.S. Mainland Ports Containerized Import Value

LA/LB	47.0%	44.8%	52.0%
Oakland	3.9%	3.8%	4.3%
NWSA	7.8%	7.4%	7.0%

Shares of U.S. Mainland Containerized Export Tonnage

LA/LB	35.9%	38.8%	32.2%
Oakland	10.0%	8.4%	8.4%
NWSA	10.7%	8.9%	10.5%

Shares of U.S. Mainland Containerized Export Value

LA/LB	35.9%	37.1%	38.2%
Oakland	12.0%	11.8%	12.4%
NWSA	7.8%	6.6%	7.5%

Source: U.S. Commerce Department.



February 2022 TEU Numbers Continued

what's in the box and how valuable those contents are is a healthy preoccupation. Afterall, GNP is not measured in TEUs. So we like to regularly cite two alternative measures – the declared weight and value of the goods loaded into those TEUs – to determine the share of the nation's box trade that passes through U.S. West Coast ports. The percentages in Exhibits 4 and 5 are derived from data compiled by the U.S. Commerce Department from documentation submitted by the importers and exporters of record. Commerce then makes the data available with a time-lag of approximately five weeks.

Exhibit 4 testifies to the declining share of containerized imports through mainland U.S. ports that move through USWC ports. Although February's tonnage and value shares were generally higher than January's, only the NWSA ports posted year-over-year share increases. Factoring in the box trade through the smaller Pacific Coast ports we track, the overall USWC share of U.S. mainland ports' container trade with all other nations slid to 37.1% from 38.6% in tonnage terms and to 42.7% from 45.0% in value terms.

On the export front, all USWC ports large and small saw their shares of containerized trade slip to 34.3% from 34.8% in tonnage terms and to 28.1% from 32.0% in value from a year earlier.

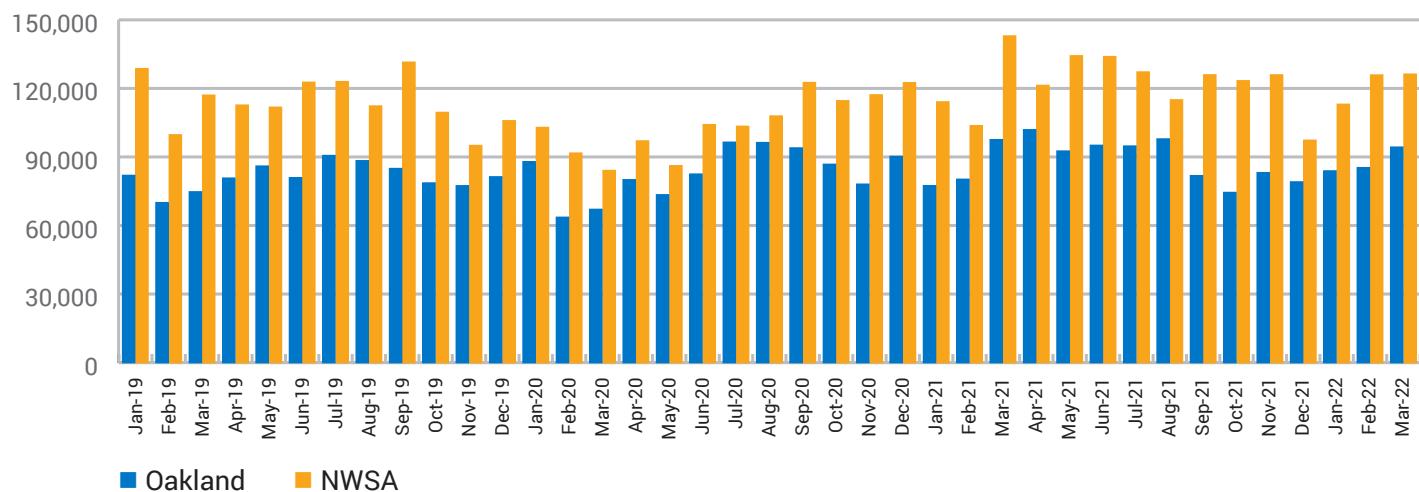
Exhibit 5 displays the USWC shares of U.S. containerized trade with the Far East. The NWSA ports were alone in posting year-over-year gains. Collectively, all of the nation's Pacific Coast ports we survey handled 55.5% of all containerized import tonnage that entered U.S. mainland ports from the Far East this February. That was down from a 57.8% share a year earlier. Similarly, the USWC value share tumbled to 60.1% from 64.0% in February 2021.

As for containerized export tonnage to East Asia, the overall USWC share rose to 57.6% from 52.7% year-over-year in February, even though there was a decline in the USWC value share to 56.4% from 59.2% a year earlier.

Charting Pandemic Era Inbound Loads in Oakland and the Northwest Seaport Alliance

Exhibit 6 displays the inbound loaded TEU traffic at the Ports of Oakland and the Northwest Seaport Alliance Ports of Tacoma and Seattle in each month between the comparatively placid, pre-pandemic January of 2019 through March of this year. It shows a considerable range of volumes, with a low point of 63,568 TEUs at Oakland in February 2020 and 84,035 at the NWSA ports in March 2020 as economies worldwide were locked down, to a high of 101,886 TEUs at Oakland in April 2021 and 142,931 TEUs at Seattle/Tacoma in March 2021.

Exhibit 6 Pandemic Era Inbound Loaded TEU Traffic at Oakland and the NWSA Ports January 2019-March 2022
Source: Port of Oakland and Northwest Seaport Alliance





February 2022 TEU Numbers Continued

While the old patterns of peaks and troughs in container flows were severely disrupted by the pandemic, it is worth noting that while inbound loads at Oakland in the first quarter of this year were up 16.3% over the same quarter in pre-pandemic 2019, the increase at the NWSA ports has been only 5.7%. By way of comparison, the increase at the San Pedro Bay ports was 38.1%.

A Mixed Bag of Nuts

Lately, the California tree nut industry has been in the forefront of efforts to nudge the Ocean Shipping Reform Act through Congress. So let's check in on the latest trade numbers to see how the Golden State's nut exporters are faring.

Well, to be honest, March was a mixed bag.

According to the California Almond Board, almond export tonnage was down 8.2% from last March. However, California tree nut exports were otherwise up that month.

After almonds, pistachios constitute California's second most valuable agricultural export, according to the most recent statistics published by the California Department of Food and Agriculture (CDFA). According to the Administrative Committee for Pistachios, the organization that oversees the federal marketing order for pistachios, exports of their commodity totaled 21,170 tons in March, a 43.3% jump over last March, when 14,777 tons found their way abroad. This March was also up 42.6% from the 14,841 tons exported in March 2020.

Meanwhile, the California Walnut Board reports that 56,673 tons of walnuts were shipped abroad in March, a

gain of 3.6% from a year earlier. In fact, this March was the best March ever for California's walnut exporters. (Walnuts are the state's fifth most valuable agricultural export.)

Evidently, despite what's being reported in the media, there are shippers of tree nuts who have been able to find ocean carriers to carry their cargo to foreign markets.

What's intriguing is that California almond industry's difficulties in getting goods to market seems to extend beyond the international sphere. In a case of news that has gone largely unpublicized, **domestic shipments** in the current crop year (which began last August 1) are down 2.8% from the previous crop year.

Still, let's not dismiss the achievements of the state's almond exporters simply because they were unable to ship more nuts to foreign customers this March than last. **Exhibit 7** considers how this March's export volumes compares with the export volumes in all the other Marches during the past decade.

Even though almond export tonnage this March may have been down from a year earlier, almond growers should be proud of the fact that those 173,143,898 pounds of almonds that did find their way abroad this March look pretty good in the broader scheme of things.

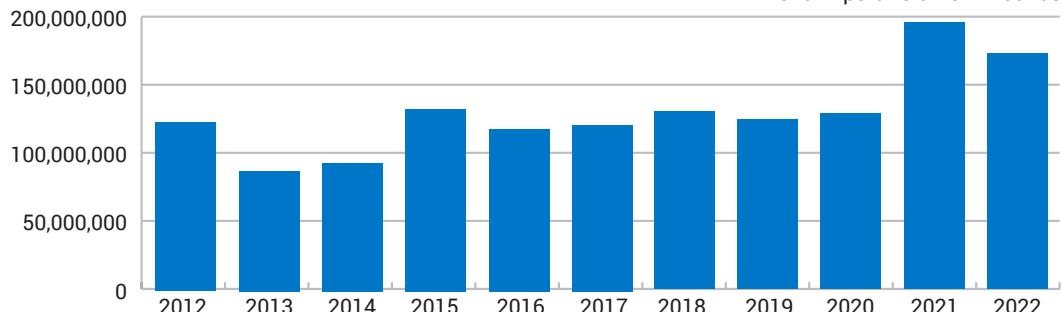
Handicapping the Next Top 100 U.S. Importers Rankings

By the time our May edition comes out, the folks over at the *Journal of Commerce* will probably have released their list of 2021's Top 100 U.S. importers. The *Journal*

Exhibit 7

A Decade of California Almond Exports in March: 2012-2022

Source: California Almond Board





February 2022 TEU Numbers Continued

ranks importers according to the number of loaded TEUs each had brought into the country, according to tallies compiled by IHS Markit, with whom the *Journal* is affiliated. In turn, IHS Markit gets its import data from PIERS, with which both IHS Markit and the *Journal* are corporately related.

One thing we'll be sure to look for in the new list is whether an outfit called Bob's Discount Furniture will continue to be ranked ahead of Jeff Bezos' little mom-and-pop operation up there in Seattle. In last year's Top 100 list, the *Journal* had Bob's Discount Furniture leading Amazon by 54,646 TEUs to 46,259 TEUs.

The Art of Forecasting

Regular readers of this newsletter will know that we rarely pass up an opportunity to disparage errant bits of forecasting, especially when the prediction is authoritatively offered in a very prominent forum. It turns out we're not alone in suggesting that *The Old Farmer's Almanac* may have a better track record than a lot of highly compensated soothsayers.

Forecasts anticipating a continued surge in imported merchandise seem to downplay the fact that higher energy costs (as manifested most prominently at the gas pump but ultimately in higher transport charges) are leaving American consumers with fewer dollars to buy imported merchandise. With restrictions being relaxed on social gatherings, more of us are dining out or going to movies, plays or sporting events. Some of us are even traveling abroad. To a very large extent, our inability to play outdoors in much of 2020 and 2021 caused the import surge that has congested ports and otherwise clogged supply chains.

We are in broad agreement with the NRF's Global Port Tracker estimates for the spring, which foresee a momentary slackening of container import volumes. GPT has projected March import traffic to total 2.27 million TEUs, roughly the same as a year earlier. April is then forecast at 2.13 million TEUs, down 1.1% from last year, while May's 2.21 million TEUs would be down 5.3% year-over-year. Increases are not expected to resume until June.

We are more dubious about the GPT's forecasts for this summer. We simply do not see the economy expanding

nor consumer spending – especially on imported merchandise – continuing to grow when interest rates are on the rise, inflation is eating away at incomes, the pandemic is far from over, and the Russian misadventure in Ukraine is driving up global energy and food prices.

So, we'll be much surprised if, as the GPT predicts, inbound TEU counts in June are up 5.2% year-over-year, July's volume is up 5.6%, and August sees the arrival of some 2.35 million TEUs, which GPT says would represent a "3.3 percent year-over-year increase" over the 2.27 million TEUs recorded a year earlier and would set a new record for the number of containers imported in a single month since NRF began tracking imports in 2002.

California's Less Than Timely Agricultural Export Statistics

We think that almonds continue to be California's leading agricultural export, followed by pistachios, dairy products, wine, and walnuts in that order. But we're not entirely sure anymore because the last official statistics we have from the California Department of Food and Agriculture (CDFA) are from 2019, which are now approaching the end of their toddler stage.

This wasn't supposed to be the case. In 1997, the Agricultural Issues Center (AIC) at U.C. Davis partnered with CDFA's Agricultural Export Program to develop accurate and timely estimates of the state's farm export trade. Up to then, federal export data had been used to gauge California's farm export trade. But the federal numbers chronically misidentified the state-of-origin of agricultural commodities shipped abroad, because the data were largely collected at seaports or border crossings. Major gateway states were normally credited as the state-of-origin of commodities headed overseas. Thus, Louisiana is ranked in many export data bases as America's leading farm exporting state solely because of all the wheat, corn, and soybeans that are barged down the Mississippi for eventual export through the Port of New Orleans. Similarly, farm products from other states that are destined for markets in the Far East that pass through the ports of San Pedro Bay or through the Port of Oakland inflated the volume and value of agricultural exports attributed to California. Conversely, California-grown produce is commonly reported as exports of other states because that's where the goods left the U.S.



February 2022 TEU Numbers Continued

So, the plan back in the waning days of the last century was to have AIC devise a methodology for more accurately determining how much of what California's farms, dairies, ranches, and wineries produced was actually exported. And the resulting numbers would be formally regarded as the official agricultural export statistics of the State of California.

AIC opted to focus primarily on 57 principal commodities, which together accounted for more than 90% of the state's farm production value. For each commodity, researchers at Davis used a variety of data sources, combining formal operations and informal adjustments depending on the commodity and industry. Industry sources were tapped to provide export data and guidance

to other sources of information. Through 2019, AIC produced detailed, high-quality annual reports, albeit with a time-lag of up two years.

In 2019, though, the responsibility for annual reports shifted from AIC to the U.C. Davis Department of Agricultural and Resource Economics. Perhaps because of COVID, the handoff has not worked smoothly. There have been no further updates, and so no official statistics on California's agricultural export trade since those for 2019 were released.

Jock O'Connell's Commentary: Imports, Incinerators, and Landfills

We're regularly being informed that the U.S. consumer is ultimately responsible for the surge in containerized imports that has clogged America's seaports and inland supply chains these past couple of years. Finding themselves socially isolated by the pandemic, legions of Americans are said to have dealt with their constrained circumstances by assiduously indulging in the joys of online shopping, often ordering merchandise that can only be sourced overseas.

And that, as most nearly every maritime industry pundit and itinerant journalist suddenly assigned to the logistics beat has been reporting, is why we have ships laden with containers lined up outside of the nation's ports.

Admittedly, as an explanation of what's befallen us, it's an ostensibly compelling stab at connecting the various dots. Yet, it's also a narrative with one huge, if evidently inconspicuous flaw. For the fact is that exceedingly few individual consumers import anything.

Instead, importing is overwhelmingly the province of corporate intermediaries like Amazon, Walmart, Target, Home Depot, Lowe's, and Ashley Furniture. And what's important to recognize is that, given the time lags involved in obtaining products from abroad, these companies are principally in the business of divining what consumers might want -- or might be induced by clever

marketing to buy -- at some future date.

There is an important distinction here. It's not millions of consumers who have been driving up import volumes as much as it has been the armies of retailers using their best algorithms or educated hunches to guess what consumers might be interested in purchasing sometime in the next few weeks or months that have been principally responsible for the supply chain congestion we've been seeing.

Sometimes, the algorithms get it wrong, and the imported merchandise never finds a market, at least domestically. That's one reason why over 15% of all U.S. exports are items that were previously imported but have been shipped abroad without any value-added. Not uncommonly, unwanted inventory must be destroyed, if only to make room for new shipments.

But it's also true that retailers are engaging in some deliberately wasteful marketing strategies -- next-day delivery and liberal return policies instantly come to mind -- that are contributing mightily to the port congestion these same retailers are bemoaning.

In last October's edition of this newsletter, I offered the view that we've been importing much more merchandise than we really need.



Commentary Continued

One reason for excessive import volumes involves the efforts of Amazon and its competitors to normalize the expectation of next-day delivery. In the age of mail-order, consumers were accustomed to allowing weeks to pass before their orders would arrive. Now, we fret if the goods aren't here by the day after tomorrow.

Next-day delivery, however, requires a massive expansion of the logistical infrastructure supporting home-delivery. Clearly, getting the goods into consumers' hands ASAP could never be achieved from the old formula of regional distribution facilities strategically sited near major population centers. Instead, next-day delivery gave rise to the rapid proliferation of fulfillment centers or delivery points, each of which must contain a vast array of merchandise ready to be shipped increasingly short distances on very short notice.

Swiftly complying with consumers' orders may be the ultimate imperative, but the immediate logistical imperative – stocking the shelves of these fulfillment centers – has led merchandisers to import higher volumes of goods than would have been required had consumer impatience not been so abundantly rewarded.

In short, a successful marketing ploy that singularly appealed to a stuck-at-home populace has greatly inflated the nation's import trade.

And, because not all goods eventually find their way to a customer, it's a strategy that also contributes to the nation's waste disposal challenges.

Now consider the impact on port operations of the remarkably lax return policies of most major merchandisers. Costco, for example, has a no-questions-asked approach to handling items its customers have decided they don't want. Amazon is similarly liberal in accepting returned goods. Indeed, Amazon will now let you try on clothing for a week before billing your account. If you decide you don't like the fit or the color, you can send it back at no charge.

So, you may ask, what happened to that tweed sport coat I wore for a couple of days before deciding the elbow patches might force me to take up pipe smoking? Did Amazon put it back on the rack? That's likely what my local haberdasher would do, but then he isn't seeing the enormous volume of returns a Costco or Amazon or Walmart typically receives.

According to a report released in January by the National Retail Federation and Appriss Retail, online sales were expected to total \$1.050 trillion. Returns, however, were estimated to reach \$218 billion or 20.7% of all sales. Some of these items do go back on the shelf and are ready for sale. But some wind up in landfills or incinerators because the cost of inspecting, repackaging, and storage outweigh any possible profit.

"From all those returns, there's now nearly 6 billion pounds of landfill waste generated a year and 16 million metric tons of carbon dioxide emissions as well," said Tobin Moore, CEO of Optoro, a consulting firm in Washington, D.C. that specializes in return logistics.

Similarly, Mark Cohen, Director of Retail Studies at Columbia University's Business School told CNBC earlier this month: "We're talking billions, billions, and billions of [dollars of] waste that's a byproduct of consumerism run amok." He went on to say that in most cases the merchandise cannot be resold. "The most expedient pathway is into a dumpster, into a landfill."

Remember, at one point all that waste arrived at U.S. ports in shipping containers.

What's the retail industry's response to this problem? There's little sign that major retailers are adopting policies to discourage consumers from returning goods. If anything, kicking back an online order is becoming less and less burdensome on consumers. Amazingly, some analysts think this should be seen as a marketing opportunity.

"Retailers must rethink [of] returns as a key part of their business strategy," said Steve Prebble, CEO of Appriss Retail in the NRF report. "Retail is dealing with an influx of returned items. Now is the time to stop thinking of returns as a cost of doing business and begin to view them as **a time to truly engage with your consumers.**" [Emphasis added.]

Pity the port director trying to mitigate congestion or the dockworkers who must do the heavy lifting so that the nation's retailers may better cozy up to their customers.

Disclaimer: The views expressed in Jock's commentaries are his own and may not reflect the positions of the Pacific Merchant Shipping Association.



Senate Joint Resolution 15

By John McLaurin, President, Pacific Merchant Shipping Association

Normally I don't pay much attention to Resolutions that are introduced in state legislatures as they move through the legislative process without much notice. For the most part they often deal with subjects of little concern or interest. But Senate Joint Resolution 15 (SJR 15), introduced at the end of March by California State Senator Steve Glazer caught my eye. The heading was "Relative to the Port Chicago 50." Interestingly, I just happened to be reading a book on the same subject entitled "The Port Chicago Mutiny" by Robert L. Allen – which involved one of the worst and more infamous disasters in the United States during World War II, where 320 people were killed, and ultimately resulted in the largest mass mutiny trial in the history of the United States Navy.

For those that might not be aware, on July 17, 1944, ammunition was being loaded on two vessels at Port Chicago, located in the San Francisco Bay Area, when a massive explosion took place. The vessels and landside rail cars were essentially vaporized. The town of Port Chicago, located several miles away, was damaged. A military pilot flying nearby at 9,000 feet reported seeing "... pieces of metal that were white and orange in color, hot, that went quite a ways above us." Of the 320 US sailors who were killed instantly, 202, or two-thirds of those were Black sailors. Another 390 personnel were injured, including 233 Black sailors.

The Port Chicago explosion accounted for nearly 15 percent of all Black casualties during World War II. As part of a segregated US Navy, only Black sailors performed the loading of munitions onto cargo ships as part of the war effort at Port Chicago. None were formally trained.

Prior to the explosion, it was a common practice for the White naval officers to engage in competition to see which gang could load the ammunition onto the ships the fastest – weapons that included 1,000-pound bombs and 650-pound incendiary bombs. The officers often placed bets on which division could load the most weapons.

In addition to the lack of training of the Black crews, the US Navy also ignored the advice, oversight and presence of the US Coast Guard during loading operations and was



Photo # NH 96823 Damage at Port Chicago, Ca. View looking north toward pier.

not interested in utilizing private sector longshore labor in loading ammunition on the ships at Port Chicago.

Several weeks after the explosion, the surviving Black sailors were tasked to load ammunition on more vessels. In the intervening weeks between the explosion and their new loading assignment, while White naval officers were provided leave, none was granted to the Black sailors; no one was given any training; no one received counselling; there was no determination as to the cause of the explosion.

At a Naval Court of Inquiry convened days after the explosion, 125 witnesses were called to testify, but only five witnesses were Black – even though only Black sailors actually loaded the bombs onboard the vessels. In fact, the Judge Advocate stated in summation at the Inquiry that "The consensus of opinion of the witnesses – and practically admitted by the interested parties – is that the colored enlisted personnel are neither temperamentally or intellectually capable of handling high explosives."

Adding to the insult, the death benefits awarded to families of Black sailors, originally proposed in Congress



Senate Joint Resolution 15 Continued

at \$5,000, was reduced due to the efforts of one member of Congress from Mississippi simply because the sailors were Black. That member of Congress wanted the amount lowered to \$2,000, the Congress settled on \$3,000.

On August 9th, three weeks after the explosion, several hundred Black sailors refused to load ammunition onto vessels. Most indicated they would perform any other work assignment but the loading of ammunition and bombs onto vessels. As a result, 258 sailors were arrested and confined for three days on a barge. Fifty sailors were ultimately charged, tried and convicted of mutiny.

Ten men were sentenced to 15 years in prison; 24 were sentenced to 12 years; 11 were sentenced to 10 years, and five were sentenced to 8 years. In the following years, the Black sailors were represented by future US Supreme Court Justice Thurgood Marshall. On a second appeal, Marshall was successful in freeing the men – after they served two years in prison.

Several years following the Port Chicago explosion and mutiny, President Truman moved to desegregate the

Armed Services. In the 1990's, the United States Navy admitted that the routine assignment of Black sailors to manual labor was clearly motivated by race – and that "... racial prejudice was responsible for the posting of only African American enlisted personnel to loading divisions at Port Chicago."

The US House of Representatives passed a Resolution several years ago, exonerating the Black sailors. The Senate deleted the exoneration provision.

Resolutions introduced in the Legislature move through the legislative process without much notice. They don't carry the force of law. They don't fund needed programs. But sometimes they deal with intangibles. They serve as reminder about both the triumphs of our country, and our failures. They can also point out the inequities of our society, the importance of our democratic value system, and the need for people to be treated with respect, dignity and equality.

A good reminder for all of us, especially these days.

We Make Cargo Move



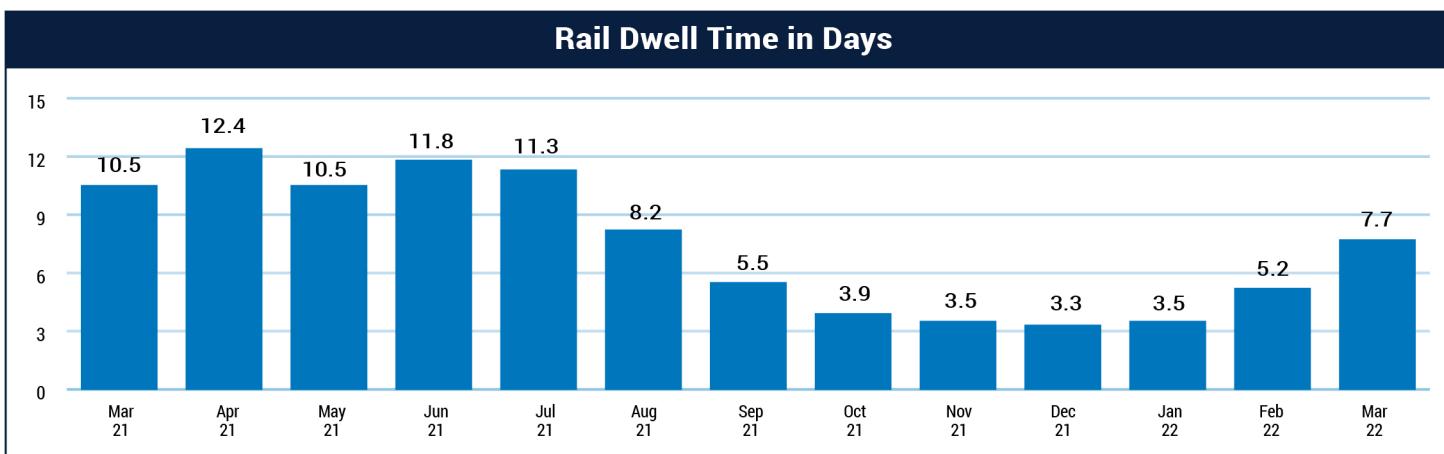
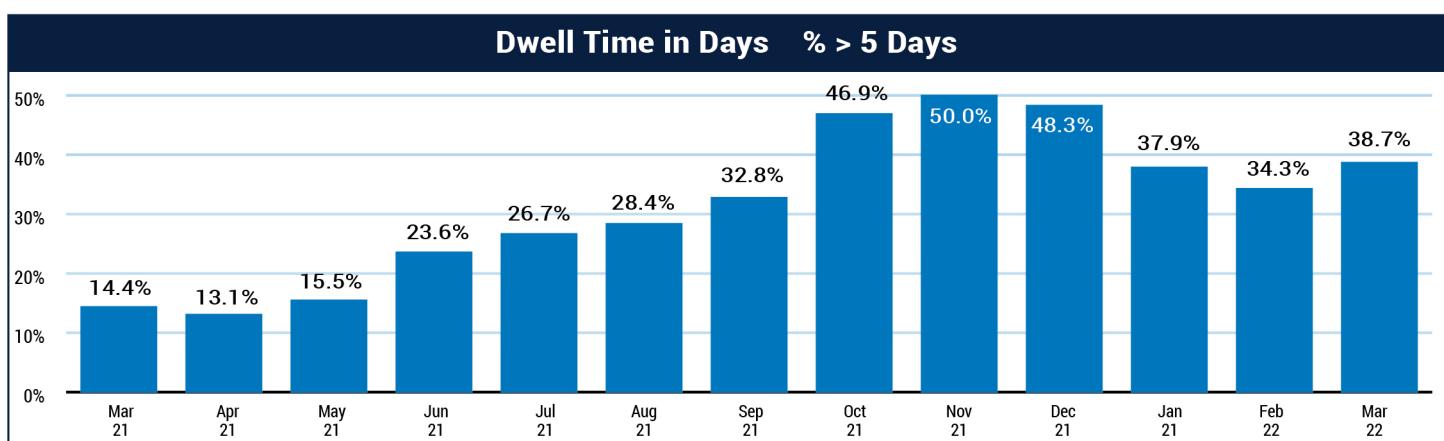
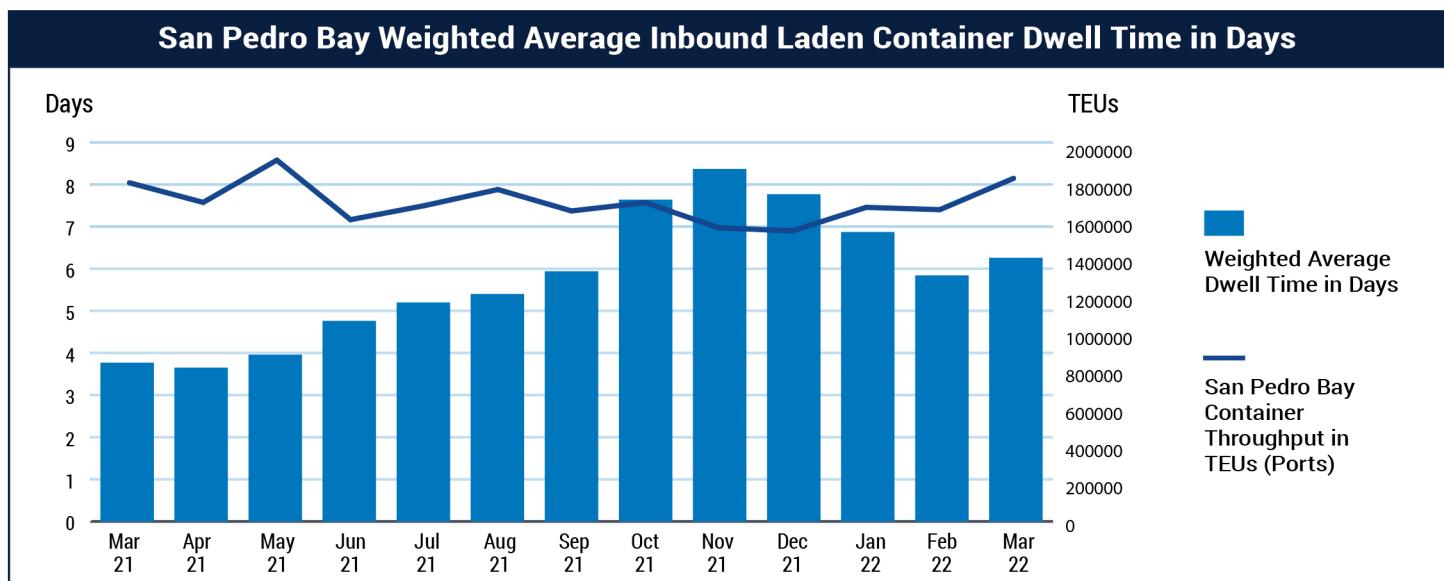
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of Hueneme**

Interested in membership in PMSA?

Contact Laura Germany for details at: lgermany@pmsaship.com or 510-987-5000.



Import and Rail Dwell Time Up For March



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