

The Year Ahead in Global Logistics

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Agenda

- What I said back in October...
- The 2022 outlook for continued disruption & delays
- Ocean freight market conditions & pricing
- Other logistics services & pricing considerations



What I Said Back in October...

“For the reasons discussed herein (and probably a few we haven’t thought of), global supply chains will remain in a state of chaos for another eighteen months.

As far as transportation and logistics costs go, they’ll come down somewhat, but never to the levels seen prior to the Pandemic. In other words, 5-figure rates for ocean shipping from Asia to the U.S. are now a permanent part of the landscape”.

-Dan Gardner
October 12, 2021



2022 Outlook for Disruption & Delays

- Supply chain disruptions and delays will be around for as long as COVID-19 is (e.g. Vietnam, Ningbo, Vancouver, et al.)
 - As the risk of being “Mr. Negative” Climate Change events will combine with the Pandemic to create even greater mischief
- It will take four months to clean out the 2021 backlog
- Importer “Frontloading” is a thing, for sure
- Pay attention to known upcoming events
 - CNY, Winter Olympics, ILWU contract, Back to School



Ocean Freight Market Conditions & Pricing

- Large shippers have already negotiated their 2022 ocean freight contracts and in some instances, for multi-year periods
- The SS Lines are moving “down market” and approaching more shippers directly
- Ocean carriers will blank sailings to manipulate supply
- Carrier will continue to terminate bills of lading at the POD
- Rates will settle in the \$15-\$18k per FEU range
 - TEU rates won't be far behind



Other Service & Pricing Considerations (Port/Rail Drayage and Transload)

- The port & rail drayage market will continue to be tight, chaotic and more expensive
 - Equipment & labor shortages, increased costs
- Pay close attention to Free Time, Demurrage & Detention
- Keep an eye on the FMC and the 2021 Ocean Shipping Reform Act
- Tighten up your relationships with forwarders and customs brokers



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Thank you!



Education and Resources

- Enhancing Quarterly Crop Reports to include updates on supply chain activity
 - Origin supply chain on local transportation, lockdowns, labor supply, natural disasters, and freight shipping difficulties in key spice growing regions
- ASTA continued to deliver education on supply chain issues in 2021
 - **Still available on the ASTA website!** *ASTA Online 2021 featured Navigating Transportation Logistics Throughout the Pandemic and Spice Supply Chain Disruption in the Midst of Unprecedented Demand.*
 - *FASTA featured Shipping Crisis: Is Smooth Sailing on the Horizon?*
- The 2022 Annual Meeting in Miami this April to include a panel of supply chain experts





In This Issue:

#Featured

- [ASTA Crop Reports Happening Next Week - Last Chance to Register](#)

#Industry News

- [New Legislation Aimed at Addressing Forced Labor Violations in Xinjiang](#)
- [News from Ports of Long Beach and Los Angeles](#)
- [Updates on Federal Vaccine Mandates](#)

#Trade Updates

- [New Guidance on China's Facility Registration Requirements](#)
- [International Changes to Pesticide and Lead MRLs](#)

#Regulatory Updates

- [GMO Labeling Rule Now in Effect](#)
- [Closer to Zero, Food Safety Modernization Act News, and more FDA News](#)

#Events and Education

- [A Conversation with John Porcari, Port Envoy to the White House Supply Chain Disruptions Task Force](#)

#ASTA Happenings

- [2022 ASTA Annual Meeting & Exhibits Registration Coming Soon](#)
- [2022 Check Sample Program](#)
- [2022 Susan L. Abbott Memorial Scholarship](#)

*Don't Miss
FYI ASTA Weekly*



Partnerships, Coalitions & Advocacy

- The Supply Chain Disruption Task Force is holding joint meetings with Port Authority representatives
 - NJ/NY October 2021
 - POLB January 2022
- ASTA joined a multi-industry initiative to support the passage of the *Ocean Shipping Reform Act of 2021 (OSRA21)*
- ASTA joined *The National Association of Manufacturers' Council of Manufacturing Associations (CMA)*

