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Congressional bill to address global shipping crisis wins backing from Almond Alliance of California

Aug. 10, 2021 Modesto - - Legislation introduced by Rep. John Garamendi (D-CA) and Rep. Dusty Johnson (R-South Dakota) to address unreasonable ocean carrier practices has won the backing of the Almond Alliance of California.

“We thank Congressmen Garamendi and Johnson for their leadership on the port congestion issue and for introducing the Ocean Shipping Reform Act,” said Elaine Trevino, President, Almond Alliance. “The almond industry depends on reliable trade supply chains for exporting almonds worldwide and access to needed containers and shipping equipment. We are hopeful that this legislation will help address the chaotic booking delays and cancellations and excessive detention and demurrage charges. We also thank AgTC for their tireless efforts working with a national coalition to resolve the port congestion issue.”

The Almond Alliance will stay actively engaged in this issue as the Ocean Shipping Reform Act is taken up by Congress. “This is a critical issue for our members who export almonds overseas and have found the supply chain to be severely disrupted by these unreasonable costs and unfair practices,” explained Trevino.

Here are the bill’s highlights:

This bill addresses ocean container carrier practices injuring US exporters, importers, truckers and others. It particularly focuses on unreasonable detention and demurrage charges, and carrier rejection of US export cargo. It provides the means to achieve the mandates of the President’s Executive Order on Promoting Competition in the American Economy.

This bill covers containerized ocean transport between the US and foreign countries. The industry has consolidated, from over 20 major ocean carriers, to only 11 today, grouped into 3 Alliances, providing unprecedented market power, while massive volumes of imports from Asia are overwhelming the entire supply chain.



Ocean carriers are imposing demurrage and detention fees, cumulatively, hundreds of millions of dollars, when they deem exporters and importers are not picking up or returning containers sufficiently quickly. However, because often such delays are not the fault of the shipper, the Federal Maritime Commission determined many of these charges to be unreasonable, promulgated the ‘Interpretive Rule on Demurrage and Detention Under the Shipping Act’, prohibiting them; but which it has been unable to enforce, carriers continue to impose them, unfairly.

Meanwhile, global demand for US exports, primarily agriculture and forest products, remains strong, even with growing competition from other source countries. Currently, ocean carriers are declining to carry US export cargo to Asia, while taking containers back to Asia empty, in order to more quickly load US-bound Asian exports, which generate higher carrier freight rates/revenue. Today, the total number of containers leaving the US is at an all-time high, but the number of those containers loaded with export cargo is lower than at any time since 2015. This is causing US ag exporters to lose approximately 22% of export sales, as they cannot ship to foreign customers, affordably/dependably.

About the Almond Alliance

The Almond Alliance of California (AAC) is a trusted non-profit organization dedicated to advocating on behalf of the California almond community. California almonds generate more than \$21 billion in economic revenue and directly contribute more than \$11 billion to the state’s total economy. California’s top agricultural export, almonds create approximately 104,000 jobs statewide, over 97,000 in the Central Valley, which suffers from chronic unemployment. The AAC is dedicated to educating state legislators, policy makers and regulatory officials about the California almond community. As a membership-based organization, our members include almond processors, hullers/shellers, growers and allied businesses. Through workshops, newsletters, conferences, social media and personal meetings, AAC works to raise awareness, knowledge and provide a better understanding about the scope, size, value and sustainability of the California almond community.

For more information on the Almond Alliance, visit <https://almondalliance.org/> or check out the Almond Alliance on Facebook, Twitter and Instagram.