



February 2024

JANUARY 2024

Partial Tallies

While we await the TEU tallies to trickle out from the major U.S. East Coast ports we follow, we take note of a February 8 forecast from the National Retail Federation's Global Port Tracker (NRF/GPT) that predicted January would see the arrival of 1.81 million import loads at the thirteen U.S. port they survey. That, as the NRF/GPT further stated, would represent a meager 0.3% year-over-year increase.

At the moment, we are not sure that that forecast will hold up. The seven U.S. West Coast ports we monitor report they collectively handled 937,829 inbound loads in January, a 17.3% jump over the 799,563 inbound loads those same ports handled a year earlier.

The **Port of Long Beach** was the first major port to post its January container trade figures. The 325,339 inbound loads discharged at the San Pedro Bay port in the year's first

month represented a 23.5% jump over the same month in 2023 but a much more slender 0.5% gain over pre-pandemic January 2019. Outbound loads (86,525), however were down by 18.1% year-over-year and by 26.2% from January 2019. Counting both loads and empties, total container traffic (674,015) in January was up 17.5% from a year earlier and 2.5% higher than in January 2019.

Across the way at the neighboring **Port of Los Angeles**, the year-over-year gains in import traffic were likewise robust. Inbound loads in January (441,763) were up 18.7% from the same month in 2023 but just 2.8% ahead of January 2019. Outbound loads (126,554) surged by 23.2% but were nonetheless down 12.7% from January 2019. Total container traffic (855,652) this January was up 17.9% y/y and 2.5% over the five years since January 2019.

Taken together, the two San Pedro

Bay ports posted a 20.7% year-over-year gain in inbound loads that brought them nearer to the volumes they had handled in the pre-pandemic January of 2019. Collectively, January's inbound loads were up by only 1.8% over the same month five years earlier, while outbound loads were 18.8% lower. Total container traffic through North America's principal maritime gateway grew by only 1.3% over the last five years.

Northern California's chief maritime gateway, the **Port of Oakland** reported 72,081 inbound loads in January. While that represented an 8.2% rise from a year earlier, it was down 12.0% from January 2019. Similarly, outbound loads (62,596) were up 9.3% y/y but down 16.9% from January 2019. Total container traffic (180,487) edged up 0.7% from a year earlier but remained down 15.1% from five years ago.

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Partial Tallies

Continued

Northwest Seaport Alliance Ports of Tacoma and Seattle recorded 80,410 import loads in the year's first month. While that was up 1.7% from the previous January, it was down 35.5% from the 128,615 import loads the ports handled in January 2019. Export loads (46,215) in January jumped 19.6% y/y but remained 36.6% below January 2019. Total container traffic through the ports amounted to 211,283 in January, down 35.2% from five years earlier.

Across the border in British Columbia, the **Port of Vancouver** handled 147,768 inbound loads in January, a 22.0% bump over a year earlier but still down 13.3% from January 2019. Outbound loads (54,157) were down 9.7% y/y and 40.7% below January 2019. Total container traffic (262,880) through Canada's busiest container port was up 6.2% from a year earlier but down 16.2% from January 2019.

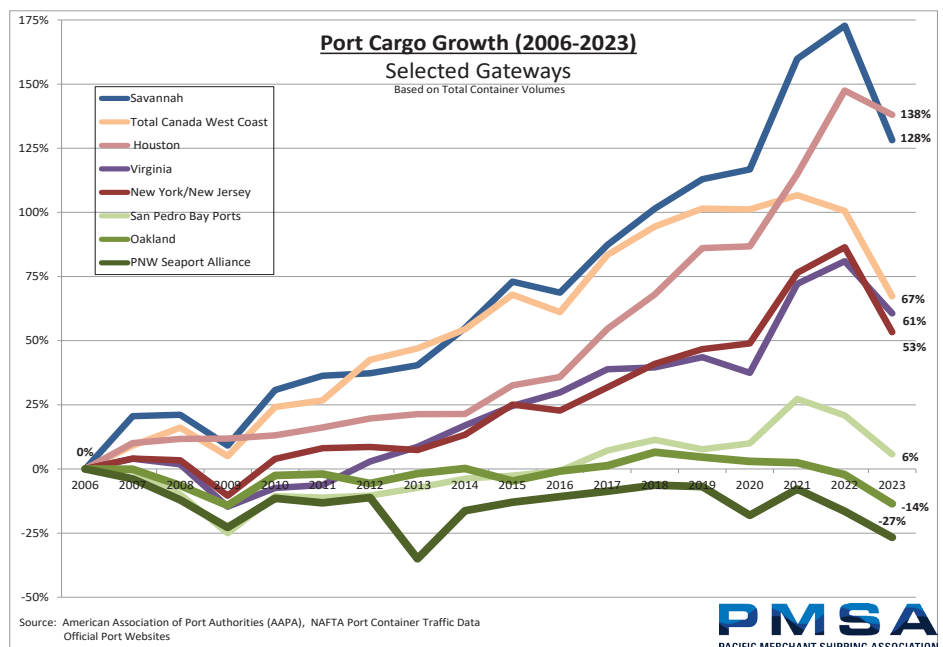
January saw little respite from falling TEU counts at the **Port of Prince Rupert**. Inbound loads (35,804) were down by 8.2% from a year earlier and 34.3% below the volume the port handled in January 2019. Outbound loads (11,443), while up 2.0% y/y, were down by 33.3% from January 2019. Total container traffic (62,567) was

down 18.3% from a year earlier and down 38.0% from January 2019.

The **Port of Charleston**, the only major U.S. East Coast port for which January container statistics were available by our press time, handled 99,765 inbound loads in the year's first month, down 8.3% from a year earlier but up 13.2% from January 2019. Outbound loads through the South Carolina port (60,962) were up 1.7% y/y but down 4.4% from January 2019. Total container trade in January (208,538) was up 1.4% from the same

month five years earlier.

Along the Gulf Coast, **Port Houston** reported all-around gains despite restrictions on cargo traffic through the Panama Canal. The Texas port handled 154,493 inbound loads in the first month of the year, up 3.4% year-over-year but also up 62.1% over January 2019. Outbound loads (124,137) were up 9.0% y/y and up 41.1% from January 2019. Total container traffic in January (332,961) was up 4.1% from a year earlier and up 53.9% from January 2019.



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Port of **LONG BEACH**
THE PORT OF CHOICE



FOR THE RECORD

December 2023 and Total 2023 TEU Tallies

We note that the National Retail Federation's collaboration with Global Port Tracker (NRF/GPT) reported on February 9 that the thirteen major U.S. ports it monitors had processed 1.87 million inbound loads in December, up 8.3% from a year earlier. That brought the total of inbound loads for CY2023 to 22.3 million. Although that represented a 12.8% fall-off from the year before, it did constitute a 3.2% increase over the 21.6 million inbound loads those same ports handled in CY2019.

As usual, we start our port-by-port accounting in Southern California, where the nation's two busiest container ports announced huge year-over-year increases in December, albeit over a relatively slow month for inbound loads last year.

The **Port of Los Angeles** posted a 3.6% year-over-year gain in inbound loads to 364,661 in December. Still, that was down 2.4% from December 2019. For the year as a whole, inbound loads totaled 4,441,330, down 10.7% from the preceding year and 5.8% below the 4,714,266 inbound loads the port handled in 2019. Outbound loads in December (121,575) jumped by 26.0% from a year earlier but were nonetheless 6.6% below the mark set in December 2019. For the year, outbound loads (1,291,997) were down 26.4% from 2019. Total container traffic through the port in 2023 (8,629,681) was down by 7.6% from 2019.

Exhibit 1

December 2023 Inbound Loaded TEUs at Selected Ports

	Dec 2023	Dec 2022	Dec 2019	Change from 2022	Change from 2019
Los Angeles	364,661	352,046	373,511	3.6%	-2.4%
Long Beach	333,329	241,643	323,231	37.9%	3.1%
San Pedro Bay Total	697,990	593,689	696,742	17.6%	0.2%
Oakland	76,347	65,566	81,281	16.4%	-6.1%
NWSA	88,101	85,183	105,823	3.4%	-16.7%
Hueneme	9,908	11,310	5,141	-12.4%	92.7%
San Diego	5,788	5,406	6,988	7.1%	-17.2%
USWC Total	878,134	761,154	895,975	15.4%	-2.0%
Boston	10,383	8,669	11,409	19.8%	-9.0%
NYNJ	326,412	303,596	288,964	7.5%	13.0%
Baltimore	47,649	49,665	43,869	-4.1%	8.6%
Philadelphia	30,655	26,827	27,171	14.3%	12.8%
Virginia	121,630	125,725	103,711	-3.3%	17.3%
S. Carolina	103,556	104,336	81,779	-0.7%	26.6%
Georgia	208,382	217,628	172,124	-4.2%	21.1%
Jaxport	30,184	26,776	24,513	12.7%	23.1%
Port Everglades	27,715	30,316	27,133	-8.6%	2.1%
Miami	43,691	42,075	39,238	3.8%	1.3%
USEC Total	950,257	935,613	819,911	1.6%	15.9%
New Orleans	9,459	8,356	11,916	13.2%	-20.6%
Houston	150,648	136,301	100,274	10.5%	50.2%
USGC	160,107	144,657	112,190	10.7%	42.7%
Vancouver	144,504	98,438	140,560	46.8%	2.8%
Prince Rupert	32,217	43,045	61,796	-25.2%	-47.9%
British Columbia Total	176,721	141,483	202,356	24.9%	-12.7%
U.S. Totals	1,988,498	1,841,424	1,828,076	8.0%	8.8%

Source Individual Ports



December 2023 TEU Numbers

Continued

Next door at the **Port of Long Beach**, inbound loads in December (333,329) surged by 37.9% over the previous December and exceeded December 2019's volume by 3.1%. Total inbound loads in 2023 (3,804,356) topped the number of inbound loads in 2019 by 1.2%. Outbound loads in December (103,688) were down 10.4% from a year earlier and off by 17.3% from December 2019. Outbound loads in 2023 (1,282,437) were down 12.9% from 2019. Total container traffic through the port in 2023 (8,018,668) was up by 5.1% from 2019.

Together, the two San Pedro Bay ports handled 16,648,349 loads and empties in 2023, 1.9% below the total volume the ports handled in 2019. Inbound loads (8,245,686) in 2023 were down 2.7% from 2019, while outbound loads (2,574,434) were off by 20.3% from 2019.

At the **Port of Oakland**, inbound loads (76,347) in December were up 16.4% y/y but still 6.1% below December 2019. For the entire year, inbound loads (838,231) were down 14.0% from 2019. Meanwhile, outbound loads in December (65,801) rose 12.9% y/y but were down 11.8% from the last month of 2019. For all of 2023, outbound loads (736,213) were down 20.9% from 2019. Total container traffic through the Northern California port in 2023 (2,065,709) was not merely down 17.4% from 2019, it was the smallest number of containers handled by the Northern California port since the depth of the Great Recession in 2009.

Up in Washington State, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** saw

Exhibit 1A

2023 Inbound Loaded TEUs at Selected Ports

	2023	2022	2019	Change from 2022	Change from 2019
Los Angeles	4,441,330	4,975,735	4,714,266	-10.7%	-5.8%
Long Beach	3,804,356	4,358,789	3,758,438	-12.7%	1.2%
San Pedro Bay Total	8,245,686	9,334,524	8,472,704	-11.7%	-2.7%
Oakland	838,231	991,229	975,210	-15.4%	-14.0%
NWSA	1,078,005	1,249,746	1,369,251	-13.7%	-21.3%
Hueneme	118,084	136,920	59,848	-13.8%	97.3%
San Diego	74,984	77,802	71,723	-3.6%	4.5%
USWC Total	10,354,990	11,790,221	10,948,736	-12.2%	-5.4%
Boston	121,912	88,214	145,605	38.2%	-16.3%
NYNJ	3,990,316	4,804,436	3,770,971	-16.9%	5.8%
Baltimore	558,652	535,899	524,225	4.2%	6.6%
Philadelphia	366,710	373,075	291,492	-1.7%	25.8%
Virginia	1,525,900	1,728,911	1,366,381	-11.7%	11.7%
S. Carolina	1,220,384	1,383,491	1,066,314	-11.8%	14.4%
Georgia	2,402,328	2,873,100	2,218,655	-16.4%	8.3%
Jaxport	326,518	321,511	349,896	1.6%	-6.7%
Port Everglades	327,575	385,989	317,187	-15.1%	3.3%
Miami	509,707	527,510	445,238	-3.4%	14.5%
USEC Total	11,350,002	13,022,136	10,495,964	12.8%	8.1%
New Orleans	117,958	116,458	135,456	1.3%	-12.9%
Houston	1,787,539	1,916,832	1,244,790	-6.7%	43.6%
USGC	1,905,497	2,033,290	1,380,246	-6.3%	38.1%
Vancouver	1,601,949	1,835,407	1,709,398	-12.7%	-6.3%
Prince Rupert	369,464	535,970	678,699	-31.1%	-45.6%
British Columbia Total	1,971,413	2,371,377	2,388,097	-16.9%	-17.4%
U.S. Totals	23,610,489	26,845,647	22,824,946	12.1%	3.4%

Source Individual Ports

**December 2023 TEU Numbers**

Continued

year-over-year increases in their December container volumes. Inbound loads (88,101) edged up 3.4% from the same month a year earlier, while outbound loads soared by 44.6% to 67,622. Even so, the ports finished the year well shy of their 2019 numbers. Last year, 1,078,005 inbound loads came through the two ports, down by 21.3% from 2019's volume. Similarly, outbound loads in 2023 (588,744) were off by 35.5% from 2019.

Collectively, the seven USWC ports we monitor handled 10,354,990 inbound loads during 2023, down 12.2% y/y and off by 5.4% from 2019. Outbound loads meanwhile totaled 3,931,983 last year, 22.8% below the volume in 2019.

Across the border in British Columbia, the **Port of Vancouver** inbound loads in December (144,504) jumped by 46.8% from an especially sluggish last month of 2022. Still, this December was up 2.8% over December 2019. For the whole year, inbound loads totaled 1,601,949, off by 6.3% from 2019. However, outbound loads in 2023 (588,744) were down 35.5% from 2019. For the entire year, total container traffic (3,125,559) at Canada's largest container port was 8.0% below the volume the port handled in 2019.

The **Port of Prince Rupert** continued to see declining container volumes in December. Inbound loads (32,217) were down y/y by 25.2% and by 47.9% from December 2019. For the year, inbound loads (369,464) were 45.6% below the 678,699 recorded in 2019. The port's traffic in outbound loads in 2023 (125,254) trailed 2019 by

Exhibit 2**December 2023
Outbound Loaded TEUs at Selected Ports**

	Dec 2023	Dec 2022	Dec 2019	Change from 2022	Change from 2019
Los Angeles	121,575	96,518	130,229	26.0%	-6.6%
Long Beach	103,688	115,782	125,395	-10.4%	-17.3%
San Pedro Bay Totals	225,263	212,300	255,624	6.1%	-11.9%
Oakland	65,801	58,302	74,643	12.9%	-11.8%
NWSA	67,622	46,781	75,868	44.6%	-10.9%
Hueneme	1,412	3,638	1,285	-61.2%	9.9%
San Diego	478	738	308	-35.2%	55.2%
USWC Totals	360,576	321,759	407,728	12.1%	-11.6%
Boston	6,313	4,564	5,664	38.3%	11.5%
NYNJ	104,278	102,866	110,768	1.4%	-5.9%
Baltimore	20,006	20,549	17,857	-2.6%	12.0%
Philadelphia	5,921	6,803	5,710	-13.0%	3.7%
Virginia	91,758	90,838	78,285	1.0%	17.2%
S. Carolina	58,544	63,320	61,903	-7.5%	-5.4%
Georgia	113,197	107,724	111,373	5.1%	1.6%
Jaxport	40,703	43,785	38,013	-7.0%	7.1%
Port Everglades	33,273	33,831	31,995	-1.6%	4.0%
Miami	21,397	22,812	35,034	-6.2%	-38.9%
USEC Totals	495,390	497,092	496,602	-0.3%	-0.2%
New Orleans	20,687	14,973	24,304	38.2%	-14.9%
Houston	119,970	108,510	109,721	10.6%	9.3%
USGC Totals	140,657	123,483	134,025	13.9%	4.9%
Vancouver	70,649	53,397	86,892	32.3%	-18.7%
Prince Rupert	12,123	12,274	17,344	-1.2%	-30.1%
British Columbia Totals	82,772	65,671	104,236	26.0%	-20.6%
U.S. Totals	996,623	942,334	1,038,355	5.8%	-4.0%

Source Individual Ports

**December 2023 TEU Numbers**

Continued

34.8%. Total container trade in 2023 (704,248) was down 41.8% from 2019.

Back East, the nation's third busiest container port, the **Port of New York/New Jersey**, recorded 326,412 inbound loads in December, up 7.5% year-over-year as well as 13.0% higher than December 2019. For the year, 3,990,270 inbound loads were discharged at the top Atlantic Coast maritime gateway, 5.8% more than in 2019. Outbound loads last year (1,284,976) were down by 12.0% from 2019. Total container traffic in 2023 (7,810,005) was 4.5% ahead of 2019.

The **Port of Virginia** reported 121,630 inbound loads in December, a 3.3% fall-off from a year earlier but a 17.3% gain over December 2019. For the year, inbound loads (1,525,900) were up 11.7% from 2019. Outbound loads in 2023 were up 14.0% over 2019. Total container traffic through the port this year (3,287,546) represented an increase of 11.9% over 2019.

Further south, the **Port of Charleston** saw a flattening of its overall container traffic. To be sure, December brought 103,556 inbound loads, a 26.6% bump over December 2019. That also gave the South Carolina maritime gateway a full-year total of 1,220,384 inbound loads, 14.4% more than the annual volume of inbound loads it had handled in 2019. But outbound traffic in 2023 was off by 9.1% from 2019. So, despite the hubbub about rising container volumes through ports in the Southeastern quadrant of the nation, total traffic of loads and empties (2,482,080) in 2023 was just 1.9% higher than the volume the port handled in 2019.

Exhibit 2A**2023 Outbound Loaded TEUs at Selected Ports**

	2023	2022	2019	Change from 2022	Change from 2019
Los Angeles	1,291,997	1,187,085	1,756,177	8.8%	-26.4%
Long Beach	1,282,437	1,414,882	1,472,802	-9.4%	-12.9%
San Pedro Bay Total	2,574,434	2,601,967	3,228,979	-1.1%	-20.3%
Oakland	736,213	760,940	931,019	-3.2%	-20.9%
NWSA	588,744	561,244	913,332	4.9%	-35.5%
Hueneme	23,069	40,886	14,956	-43.6%	54.2%
San Diego	9,523	11,168	3,725	-14.7%	155.7%
USWC Total	3,931,983	3,976,205	5,092,011	-1.1%	-22.8%
Boston	64,184	37,920	81,520	69.3%	-21.3%
NYNJ	1,284,976	1,299,070	1,460,447	-1.1%	-12.0%
Baltimore	234,408	243,209	232,957	-3.6%	0.6%
Philadelphia	82,036	101,310	76,621	-19.0%	7.1%
Virginia	1,101,620	1,076,146	966,102	2.4%	14.0%
S. Carolina	702,973	665,458	816,962	5.6%	-14.0%
Georgia	1,336,121	1,348,850	1,470,373	-0.9%	-9.1%
Jaxport	520,652	545,300	497,149	-4.5%	4.7%
Port Everglades	391,774	409,641	427,422	-4.4%	-8.3%
Miami	277,576	303,575	416,466	-8.6%	-33.3%
USEC Total	5,996,320	6,030,479	6,446,019	-0.6%	-7.0%
New Orleans	230,906	224,886	299,511	2.7%	-22.9%
Houston	1,388,004	1,269,374	1,265,669	9.3%	9.7%
USGC	1,618,910	1,494,260	1,565,180	8.3%	3.4%
Vancouver	757,747	703,005	1,121,973	7.8%	-32.5%
Prince Rupert	125,254	136,531	192,068	-8.3%	-34.8%
British Columbia Total	883,001	839,536	1,314,041	5.2%	-32.8%
U.S. Totals	11,547,213	11,500,944	13,103,210	0.4%	-11.9%

Source Individual Ports



Exhibit 3 YTD 2023 Total TEUs

	Dec 2023	Dec 2022	Dec 2019	Change from 2022	Change from 2019
Los Angeles	8,629,681	9,911,159	9,337,632	-12.9%	-7.6%
Long Beach	8,018,668	9,133,657	7,632,032	-12.2%	5.1%
NYNJ	7,810,051	9,493,664	7,471,131	-17.7%	4.5%
Georgia	4,927,654	5,892,131	4,599,172	-16.4%	7.1%
Houston	3,824,600	3,976,718	2,990,175	-3.8%	27.9%
Virginia	3,287,546	3,703,230	2,937,962	-11.2%	11.9%
Vancouver	3,126,559	3,557,294	3,398,860	-12.1%	-8.0%
NWSA	2,974,416	3,384,018	3,775,303	-12.1%	-21.2%
S. Carolina	2,482,080	2,792,313	2,436,185	-11.1%	1.9%
Oakland	2,065,709	2,337,607	2,500,461	-11.6%	-17.4%
Montreal	1,538,464	1,722,704	1,745,245	-10.7%	-11.8%
JaxPort	1,298,010	1,323,805	1,336,263	-1.9%	-2.9%
Baltimore	1,126,511	1,069,421	1,073,688	5.3%	4.9%
Miami	1,088,538	1,184,776	1,148,935	-8.1%	-5.3%
Port Everglades	1,006,980	1,091,288	1,033,460	-7.7%	-2.6%
Prince Rupert	704,248	1,035,642	1,210,776	-32.0%	-41.8%
Phila.	743,899	755,980	593,241	-1.6%	25.4%
New Orleans	481,590	430,215	646,608	11.9%	-25.5%
Hueneme	240,555	266,958	122,594	-9.9%	96.2%
Boston	236,975	173,926	300,762	36.3%	-21.2%
San Diego	150,646	160,513	143,472	-6.1%	5.0%
Portland, Oregon	116,063	171,481	26	-32.3%	∞
U.S. Ports Total	50,510,172	57,252,860	50,079,102	-11.8%	0.9%

Source Individual Ports

Exhibit 4 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, December 2023

		Dec 2023	Dec 2022	Dec 2019	Dec 2013
Import Tonnage	USWC	35.0%	32.8%	37.4%	43.7%
	LA/LB	26.0%	23.5%	26.9%	32.5%
	Oak.	3.4%	3.8%	4.3%	4.1%
	NWSA	3.7%	3.5%	4.9%	5.1%
Import Value	USWC	40.0%	37.6%	44.8%	52.2%
	LA/LB	31.0%	29.2%	33.7%	41.0%
	Oak.	3.2%	2.8%	3.8%	3.7%
	NWSA	4.5%	4.5%	6.5%	6.6%
Export Tonnage	USWC	33.5%	31.9%	35.3%	44.0%
	LA/LB	20.4%	19.6%	20.6%	27.7%
	Oak.	5.8%	5.5%	6.2%	6.1%
	NWSA	6.6%	5.7%	7.7%	8.6%
Export Value	USWC	33.5%	31.9%	35.3%	44.0%
	LA/LB	20.4%	19.6%	20.6%	27.7%
	Oak.	5.8%	5.5%	6.2%	6.1%
	NWSA	6.6%	5.7%	7.7%	8.6%

Source: U.S. Commerce Department

Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, December 2023

		Dec 2023	Dec 2022	Dec 2019	Dec 2013
Import Tonnage	USWC	51.7%	51.1%	55.3%	64.7%
	LA/LB	41.2%	39.8%	43.0%	50.2%
	Oak.	4.1%	4.2%	4.8%	4.4%
	NWSA	5.5%	5.8%	7.2%	8.4%
Import Value	USWC	59.6%	57.2%	64.4%	73.7%
	LA/LB	47.5%	45.7%	49.7%	59.1%
	Oak.	4.1%	3.3%	4.6%	4.2%
	NWSA	6.7%	6.9%	9.5%	9.5%
Export Tonnage	USWC	53.2%	52.2%	59.9%	67.7%
	LA/LB	33.6%	33.1%	36.6%	45.8%
	Oak.	7.7%	7.9%	9.1%	8.0%
	NWSA	11.0%	9.8%	13.4%	13.1%
Export Value	USWC	54.6%	52.9%	62.1%	68.7%
	LA/LB	36.7%	34.8%	41.3%	51.1%
	Oak.	10.3%	9.5%	11.1%	8.4%
	NWSA	6.9%	7.4%	8.7%	8.6%

Source: U.S. Commerce Department



December 2023 TEU Numbers

Continued

At the **Port of Savannah**, the 208,382 inbound loads discharged in December represented a 26.6% bump from December 2019, while total inbound loads for all of 2023 (2,402,328) were up 8.3% over 2019. Outbound loads from the Georgia gateway amounted to 1,336,121 in 2023. But that was down 9.1% from 2019.

Along the Gulf of Mexico, **Port Houston** handled 150,648 inbound loads in December and 1,787,539 inbound loads for the year, a gain of 46.3% over 2019. The Texas port handled 1,388,044 outbound loads in 2023, an increase of 9.7% over 2019.

Looking at shifts in coastal shares of the nation's container trade, December saw USWC ports handle 44.2% of all inbound loads in December but a more modest 43.9% for the year. Both represented gains from the preceding year, but both were significantly below the shares USWC ports enjoyed in 2019 when 48.0% of all inbound loads passed through America's Pacific Coast ports.

The USWC share of America's containerized export trade actually

contracted in 2023 to 34.1% from 34.6% in 2022 and from 38.9% in 2019. December, though, did see an uptick in the USWC export share from a year earlier.

Container Contents' Weights and Values

We acknowledge that the maritime industry prefers to count containers. Some in the industry may even regard our routine reporting of the declared weights and values of containerized shipments as just so much pandering to economists. Still, as we shall see, there's a good reason for publishing the numbers in **Exhibits 4 and 5**.

We remind readers that both exhibits display the USWC shares of the nation's containerized trade through all mainland U.S. ports. The underlying data are derived from import/export documents shippers file with Customs and Border Protection. For a broader perspective, we compare the most recent month for which data are available with the same month in the preceding year, in pre-pandemic 2019, and a decade earlier.

Exhibit 4 shows a significant uptick in the USWC share of all containerized

import tonnage flowing into the mainland U.S. ports with which USWC directly compete. Nearly all of the net gain can be attributed to increased volumes of imports through the Ports of Los Angeles and Long Beach. Still, the latest USWC shares remain well below the historical benchmarks.

Exhibit 5 focuses on the USWC shares of U.S. containerized trade involving trading partners in East Asia. Again, the numbers indicate that the Ports of Los Angeles and Long Beach are capturing a significantly larger share of the containerized import trade as well as an appreciably bigger share of containerized exports to East Asia. The latest shares, however, remain sharply down from the historic benchmarks.

So why do we fuss about measuring the weight and dollar value of the nation's containerized trade? Here's one reason.

Earlier this month, we saw a report from a normally reputable source in the logistics industry claiming, contrary to all the bad economic news coming out of China lately, that "China is currently sending the highest volume of ocean container freight

We Make Cargo Move



The Port OF Hueneme



December 2023 TEU Numbers

Continued

to the United States since May 2022”.

Regrettably, the only statistical evidence the author presented to support that statement was a graph showing container volumes leaving China for U.S. ports in January, a month in which such shipments normally surge in the run-up to the Lunar New Year.

But that’s not the whole story. For, even if TEU numbers are rising, data on the weight and actual value of the merchandise in those TEUs paint a much different picture of America’s recent imports from China. Viewing the data presented in **Exhibits 6 and 7**, we’re hard-pressed to identify much of a surge.

Handwriting on the Wall

We came across a report from the U.S. Bureau of Transportation Statistics that could have been written yesterday. Except the date on its cover is December 2011. Here’s the key takeaway: “The U.S. population movement to the west and south has changed the ultimate destination for many imported consumer goods. Shippers are routing more cargo through U.S. South Atlantic and Gulf Coasts, placing inland points and nearby consumers in easy reach.” (U.S. Bureau of Transportation Statistics, “The Changing Tide of U.S.-International Container Trade: Differences Among the U.S. Atlantic, Gulf, and Pacific Coasts” December 2011.)

Nuts and Taylor Swift

We couldn’t help but be amused by the Almond Board of California’s decision to counter the Super Bowl

Exhibit 6

Recent Containerized Import Tonnage from China

Source: U.S. Commerce Department

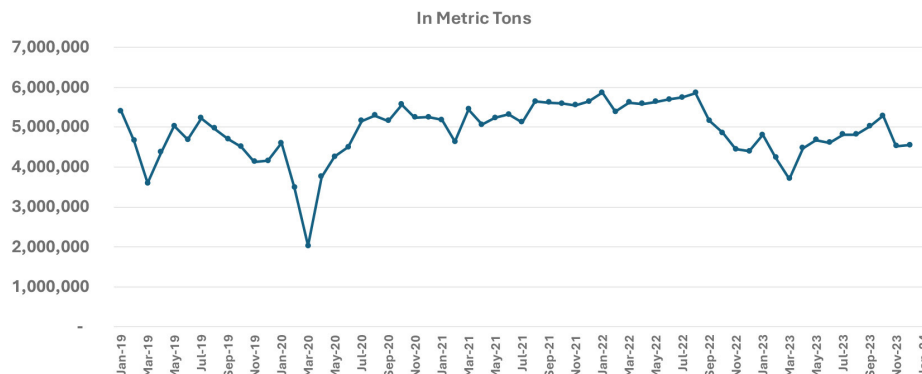
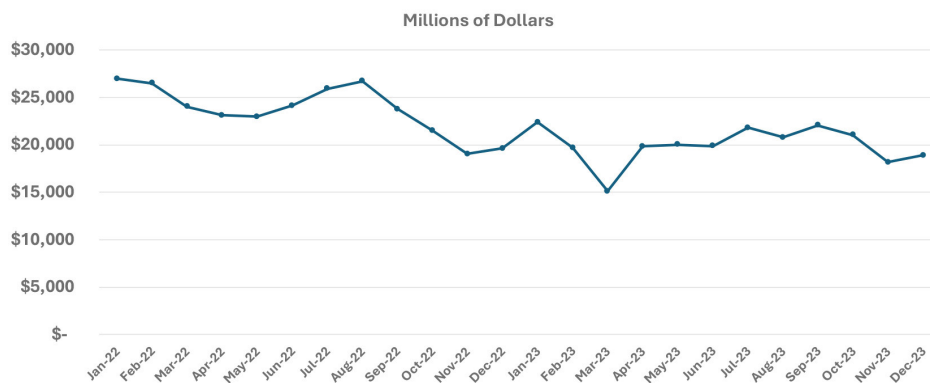


Exhibit 7

Real Value of Containerized Imports from China

Source: U.S. Commerce Department



glamour of Taylor Swift by blowing a presumably huge wad of its marketing budget on a series of promotions featuring a celebrity of their own.

Celebrity endorsements are often ironed out months in advance. In this case, the Almond Board announced last summer that Deion “Coach Prime” Sanders would be promoting its products. That was on August 23 when Coach Prime and his University of Colorado Buffaloes football team were being excessively hyped by sports journalists. It was also before

the Buffaloes took to the field and won their first three games. But bling apparently soon tarnishes in the mountain air. The Buffaloes went on to lose eight of their next nine games, finishing the season with a 4-8 record.

Some might be wondering whether the almond folks have been having any second thoughts about associating their brand with a high-profile college football coach with a losing record or whether they regret not cozying up instead with a California franchise that just happens to have



December 2023 TEU Numbers

Continued

played in this year's Super Bowl.

While on the subject of nuts, the latest report from the Almond Board of California states that almond export tonnage in the current crop year, which began on August 1, is up 12.2% from a year earlier. Domestic shipments, by contrast, were down by 0.6%. Some 73.8% of all almond shipments between August 1 and January 31 went to foreign markets, where Coach Prime may not exactly be a known commodity.

The current crop year for walnuts and pistachios both started on September 1.

The California Walnut Board reports that exports of inshell walnuts through January were up 30.3% over the previous crop year. 96.7% of those inshell walnut shipments were exported. Shelled walnut exports meanwhile were up 18.5% year-over-year. 52.2% of all shelled walnut shipments in the current crop year went to foreign markets.

The latest data from the Administrative Committee for Pistachios, the marketing organization that supervises pistachio growers and shippers, show a 97.2% jump in exports in the current crop year through January. Foreign markets accounted for 82.8% of all pistachio shipments in the past five months.

Almost all of the commercially grown almonds, walnuts, and pistachios come from California and adjacent regions of Nevada and Arizona. But Oregon's Willamette Valley accounts for 99% of the nation's hazelnuts. About half the crop is exported to

Europe and Asia. Over 90% of exports are shipped in shell.

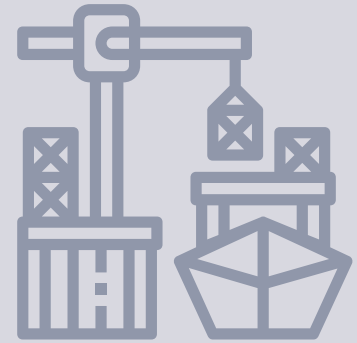
Not surprisingly, almost three-quarters of all hazelnut exports depart from the Northwest Seaport Alliance Ports of Tacoma and Seattle and the Port of Portland on the Columbia River.

You Say Hazelnuts; I Say "Fil-BER"?

The Hazelnut Industry Office in Aurora, Oregon claims that "filbert" is the correct name for the fruit of the *Corylus avellana* tree. However, the Oregon Filbert Commission insists on using "hazelnut". The Oregon state law that established the fruit as the official state nut says that either is acceptable.

That may be so, but there's possibly an intriguing twist to the history of the hazelnut/filbert in the Willamette Valley. It turns out that a French immigrant named David Gernot planted the first filbert trees in the valley around 1880. Being French, he likely would have pronounced filbert in the French manner, dropping the "t" and emphasizing the second syllable. Have we been mispronouncing the hazelnut's alternate name all these years?

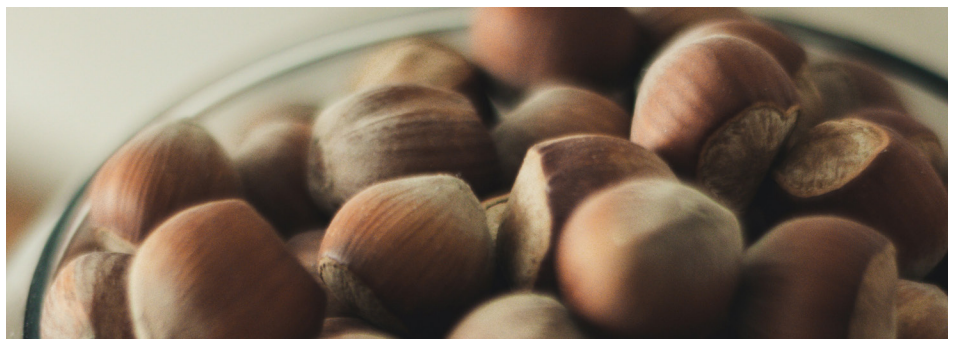
NUMBER OF THE MONTH



43.9%

THE USWC SHARE OF AMERICA'S CONTAINERIZED INBOUND LOADS FOR 2023

Source: Individual Ports





JOCK O'CONNELL'S COMMENTARY

Wine Bottles and Bladders

Nearly every year over the past couple of decades I have learned something new by attending the annual Unified Wine & Grape Symposium (UW&GS) that's held late each January in Sacramento. The UW&GS is the largest wine industry trade show outside of Europe. It's held in California's state capital because Napa lacks a large enough convention space and because San Francisco is, well, too expensive.

Apart from panels of industry experts sharing their thoughts on a wide range of topics like the latest consumer trends to strategies for coping with the latest vineyard pest or mold, the show features hundreds of suppliers of often arcane products and technologies used in wine production. More often than not while wandering up and down the trade show aisles, I am obliged to ask: What's this thing do?

So, over the years, I've learned from the people running the labs officially certified to measure the ABV (alcohol by volume) content of wines that the actual alcohol content listed on the label may legally be off by one percent point either way. That hearty cabernet sauvignon from Napa that boasts of having an alcohol content of 15.0% could actually be veering into fortified wine category.

I have also chatted with coopers from here and abroad and listened patiently while they argued why oak barrels are far superior vessels for aging fine wine than tanks constructed of steel or aluminum or even cement. And while I've been left baffled



by chemists trying to explain to a non-science major what it is they do to maintain product quality, I was delighted to meet the falconer displaying how his birds can rid a vineyard of vine-eating rodents. Drones for keeping a close eye on maturing grapes have been a major addition to the show for the past couple of years.

I have also stumbled on intriguing stories of logistical legerdemain.

Many years ago, I encountered an elegantly attired but insufferably snooty Parisienne representing a bottle manufacturer that traced its roots to the late 19th century in Normandy's Bresle Valley. She was clearly irked at having to stand at a trade show booth in Sacramento when she had been counting on a visit to San Francisco or Napa.

Here, based on memory, is how our conversation went.

So you are an exporter of wine bottles from France?

Yes and no. We also export wine bottles to California from Dubai.

Really? You manufacture wine bottles in a country that forbids the consumption of alcoholic beverages? I suppose you're there because of the abundance of desert sand.

No! [You stupid American was what I inferred from her tone.] The sand in Dubai is not suitable for making wine bottles. We source the sand from Australia.

Of course you do. Now let me get this straight. You are a French company that makes wine bottles...

No, [she interrupted me], we make only the finest wine bottles for the very expensive wines you Americans think are fine wines.

Okay, but you make these bottles in Dubai solely for export by using sand you import from Australia, which is like five or six thousand miles from your factory.

9000 kilometers, to be precise.

Merci. This all makes perfect sense.

Have a nice flight home.



Commentary

Continued

Months later, I was enlightened by an old friend in British intelligence who had spent much of his career in the Middle East. The Dubai factory, he told me, was likely a money loser. Its real purpose was to help the French government sell more advanced fighter aircraft and other military hardware to the United Arab Emirates.

I still haven't figured out what the Aussies got out of the arrangement other than a contract to sell sand.

Anyway, back to this year's trade show.

The topic of conversation that pervaded nearly every discussion was the fall-off in wine drinking, especially among younger people in America and Europe. Beer and spirits sales have also been receding, as anti-alcohol sentiments are spreading. Compounding the wine industry's woes right now is an over-production of grapes, especially the grapes that are typically found in bottles or boxes lining the bottom shelves of grocery stores. Premium wine sales are evidently holding their own despite frowning newspaper headlines that there is no safe level of alcohol consumption.

These developments are affecting international trade in empty wine bottles and the bulk wines that are generally shipped in bladders holding as much as 25,000 liters of wine.

The Empty Bottle Trade

As **Exhibit A** shows, seaborne imports of empty wine bottles grew almost steadily over the last two decades until plummeting in 2023. The chief port of entry has been the Port of Oakland due to its proximity to the wine-producing regions that

Exhibit A

Seaborne Imports of Empty Wine Bottles

Source: U.S. Commerce Department

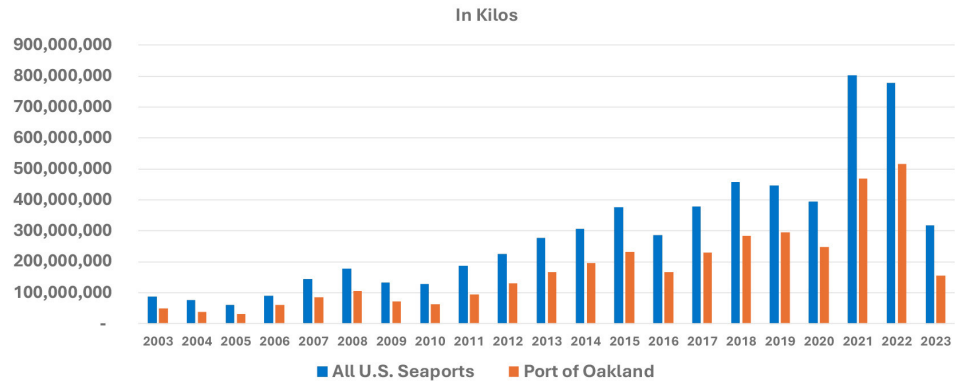
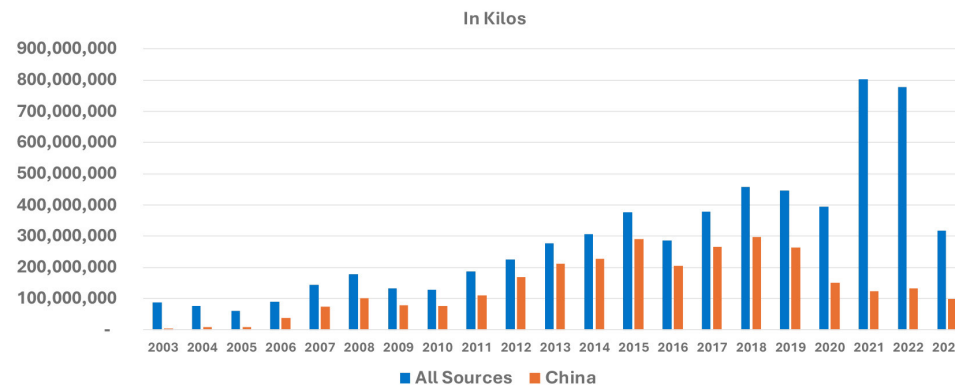


Exhibit B

China's Share of Seaborne Imports of Empty Wine Bottles

Source: U.S. Commerce Department



stretch from California's North Coast to the southern San Joaquin Valley. Nationally, the trade peaked in 2021 at 801,807,160 kilos before slipping by 3.0% in 2022 and then plunging to 328,534,563 kilos last year. At the Port of Oakland, import tonnage, which had crested in 2022 at 514,394,249 kilos fell some 70.0% to 154,079,747 kilos last year.

A key development in the declining import trade has been the increased bottle production in North America.

Notably, Mexico has replaced China as the largest source of empty wine bottles. Indeed, China's share of the trade has been faltering since a 25% tariff on Chinese bottles went into effect at the end of 2019. Almost all Mexican bottles are shipped overland by truck or rail. Reflecting Mexico's growing role as a source of empty wine bottles, U.S. import statistics indicate that 22.8% of the \$523.84 million in empty wine bottle imports arrived through the San Diego



Commentary
Continued

Customs District from Mexican suppliers.

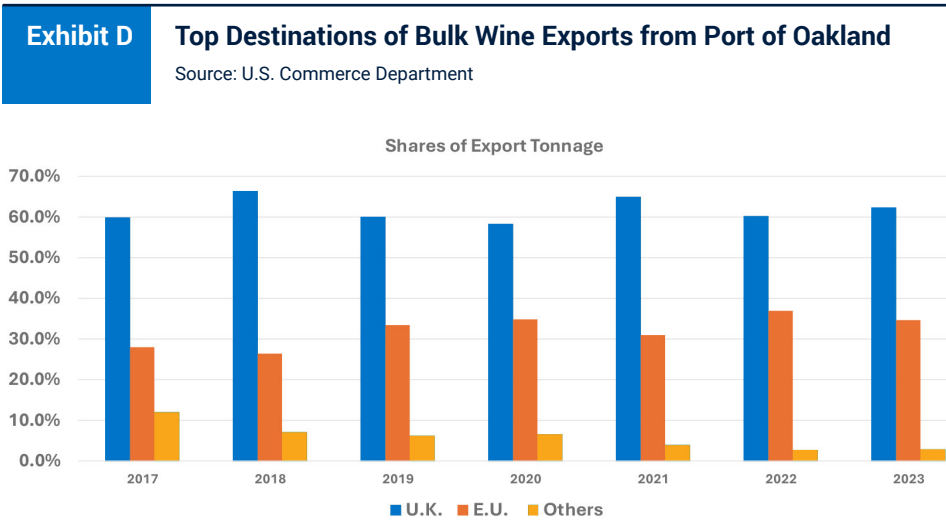
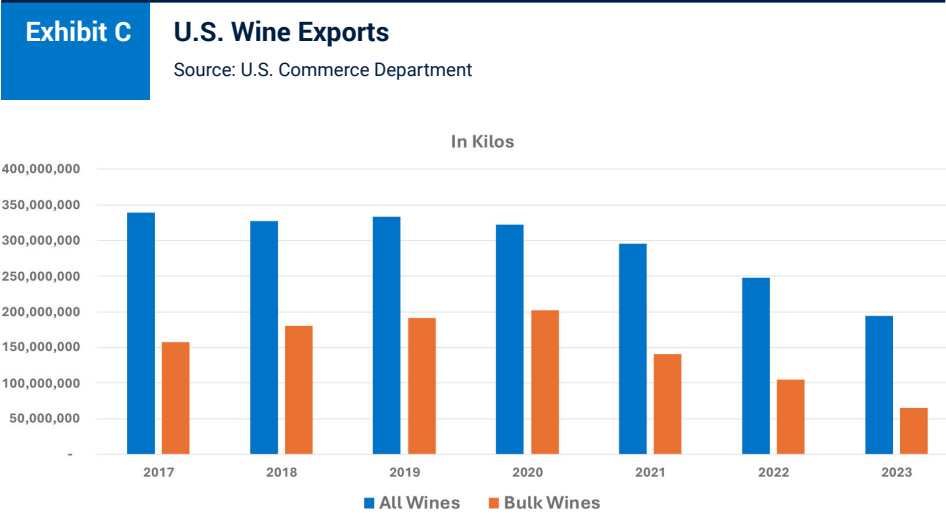
Despite the sharp fall-off in imports from China, it remained the top overseas supplier with a 30.8% share of the maritime import trade last year. Chile was next with a 10.8% share, followed by India (9.4%), Taiwan (8.7%), and the United Arab Emirates (7.0%).

Chateau de Firebaugh

California’s exporters of bulk wines have also been seeing declining volumes of trade. Produced largely in the southern San Joaquin Valley between Lodi and the Grapevine, these unpretentious wines are usually blended with other wines to alter taste, color or alcohol content or packaged in bottles or boxes at the lower-end of the wine market. When shipped abroad, bulk wines travel not in bottles but rather in large bladders loaded into containers for ocean transport. The largest overseas market for California bulk wine is the United Kingdom.

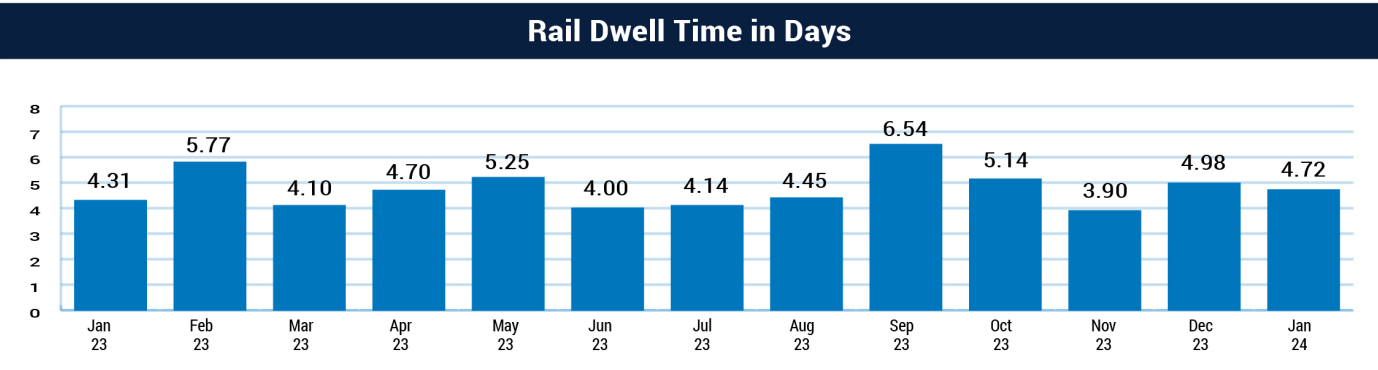
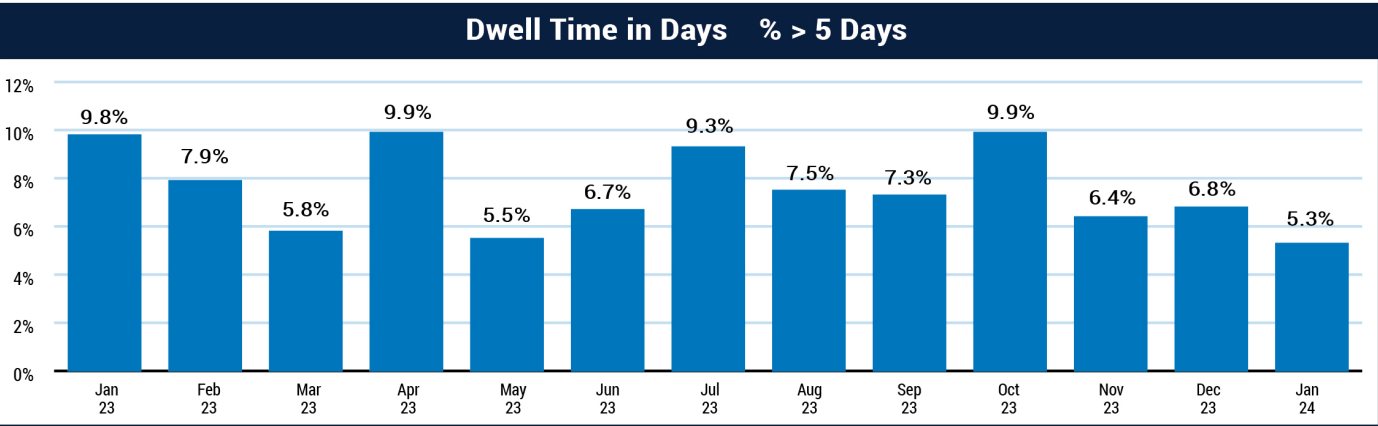
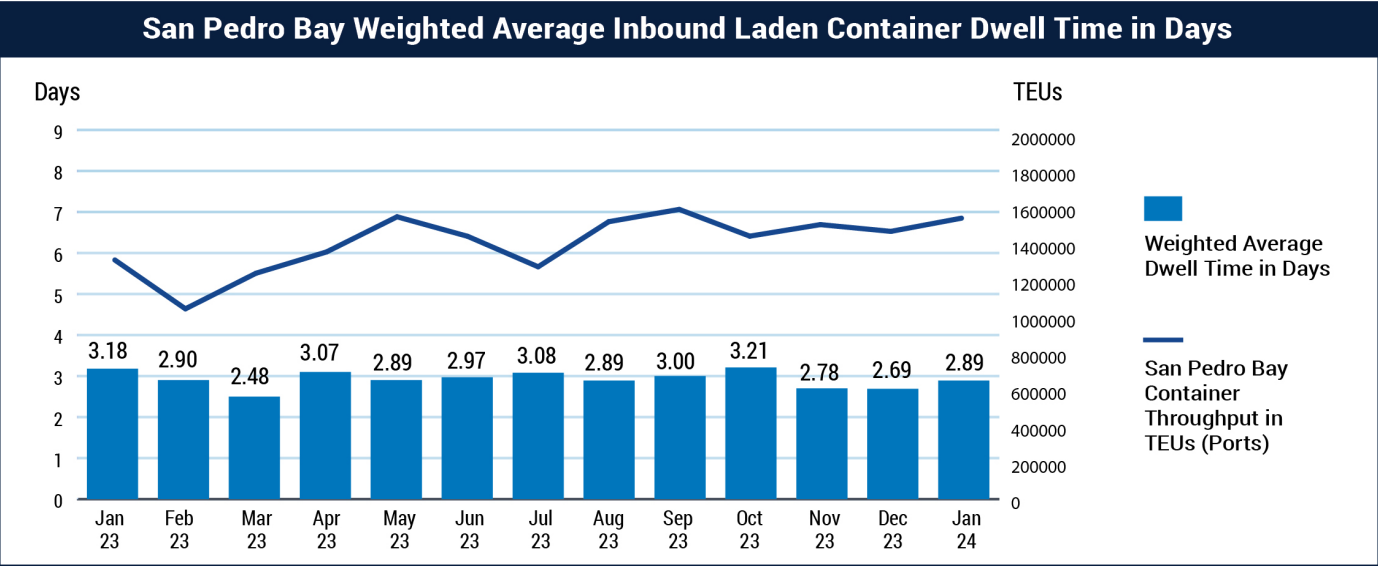
As **Exhibit D** reveals, the top market for bulk wine shipments from the Port of Oakland has long been the United Kingdom. That’s not necessarily because the British are enchanted with relatively cheap wines from California. It’s because much of the trade involves bottling facilities in Britain that ship bottled wine on to markets throughout Europe. The labels on these bottles seldom allude to a winery anyone cognizant of California wines would recognize. Instead, the labels often bear the name of a fictitious winery from an indistinct appellation.

Is it any wonder that Europeans – including those flogging empty wine bottles at a trade show in Sacramento – might instinctively regard California wines as just so much plonk.





San Pedro Bay Ports Truck and Rail Dwell Time Remains Steady for Month of January



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