Halstrom-Port-Service-Fees

SPEAKERS
John Herath, Dan Halstrom

John Herath 00:00
The Office of the U.S. Trade Representative recently held hearings on a proposal to impose million dollar port call fees on Chinese vessels. The U.S. Meat Export Federation joined more than 300 other organizations in saying the fees would hurt U.S. exports, as USMEF President and CEO Dan Halstrom explains.

Dan Halstrom 00:15
We totally agree with the intent of this proposal from USTR to support and incentivize US ship building. The reality is that it's just not feasible today. It's going to take time. So in the meantime, we don't want to have our exporters penalized as we wait for this to happen.

John Herath 00:35
The high fees could drastically reduce shipments of lower value products.

Dan Halstrom 00:38
You look at pork and beef variety meats, for example, that might be worth $2 a pound, $1 a pound, or even less than $1 a pound. If you're looking at a significant per-pound freight rate increase of any kind, that would be a real challenge for some of the lower value items, maybe even at the point where it wouldn't make sense to save them and export them. It's about $40 per head for every fed animal slaughtered on the cattle side and on the hog side, it's a little over $10 a head for every hog slaughtered.

John Herath 01:10
Shippers have already indicated they would reduce port calls, including a key port for the red meat industry.

Dan Halstrom 01:16
Oakland represents about 40% of our waterborne exports on the beef side, and we've had some of these companies publicly say that Oakland would be a candidate to stop service to if this current policy of the one time port charge of up to a million dollars were to be instated. And to try to do all of the U.S. beef and pork chilled business through the southern ports of California just wouldn't be feasible. Not only from a congestion standpoint, but the other reason that Oakland is ideal is that with the short shelf life of the chilled cargo, that is the fastest point of call to get over to ports like Tokyo.

John Herath 01:55
For more please visit USMEF.org. For the U.S. Meat Export Federation, I'm John Herath.

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