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Supply Chain Update

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In January, the brand new International Fresh Produce Association (IFPA) hosted a Town Hall webinar highlighting supply chain issues and the forecast for 2022 and beyond. Let's just say ... it's not great.

"If you could use one word: chaos," said speaker Bill Duggan of Eskesen Advisory (prior to that he was head of Trade Finance, North America for Maersk Group).

While carriers are seeing unprecedented profits, we continue to see bottlenecks across the whole supply chain (worldwide, not just in the U.S.). These issues are compounded by labor shortages, COVID-related shutdowns and delays, and increased consumer demand for home goods.

"Everything is bunched up everywhere," Bill said simply. When talking about the potential for some relief, he said it could stay this way at least through the third quarter of 2022, while a return of 50% to 80% on time is looking more like 2023 at the earliest.

Transportation rates will continue to stay high into 2023 as well, including for domestic freight. Speaker Jeff Moore of Tom Lange Companies noted a container of apples cost \$15,000 to truck from Washington State to Boston. When asked about how to budget for such pricing, he recommended shortening the length of time to budget from annually or semi-annually to monthly or quarterly to account for volatility in price.

Visit IFPA's website at www.freshproduce.com and click on the Resources tab to find more on Supply Chain Management. **GP**