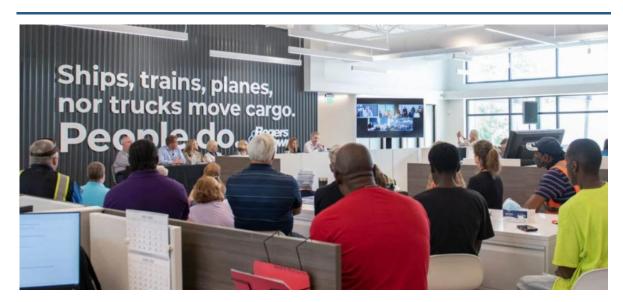


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## **Rogers & Brown Monthly Newsletter**



Headquarters of Roger & Brown Ladson, SC

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### **International Freight Market**

## Viewpoint: Bigger mallet needed for latest game of whack-amole

"Logistics managers and U.S. shippers can't seem to catch a break. High temps in China and labor negotiations in Europe are squeezing the supply chain vise harder and containers are piling up. Record heat is forcing some manufacturers in 19 cities and jurisdictions in China to shut down production for six days because of government-planned power cuts."(LaRocco)

The power disruption in China is affecting Chengdu which produces Apple watches and computers. Along with solar cell companies, lithium producers, and Intel in Sichuan.

While in Germany, port congestion is growing rapidly due to the union and ports not being able to comply. Warnings from German companies mention that U.S.-bound cargo if no agreement is reached soon, will not be seen until the first quarter of 2023.

#### **Read More**

Source: <u>American Shipper</u>

## **Domestic Freight Market**

# Benchmark diesel price down almost 90 cents after 8th straight drop

"Even as the diesel future market shows signs of strength, the benchmark U.S. diesel price declined Monday [August 15th, 2022] for the eighth consecutive week. The weekly average retail price posted by the Department of Energy's Energy Information Administration, used as the basis for most fuel surcharges, was down 8.2 cents a gallon Monday, to \$4.911 a gallon." (FreightWaves)

#### **Read More**

Source: Freight Waves

The sinking price of ship fuel: Near prewar levels after

#### summer plunge

In the past two months, a major plunge in shipping fuel prices occurred in July and August. As of August 19th, 2022 the top 20 refueling hubs for ships were \$800 per ton, coming in at 29% lower than the peak in May at \$1,125.50 per ton. While fuel prices are declining, they still sit at all-time highs prior to 2022.



#### **Port News**

## Only 8 ships waiting off Southern California - but 41 off Savannah

"And then there were eight. That's the number of container ships waiting for berths at the ports of Los Angeles and Long Beach on Monday, the lowest tally since the early stages of consumers' COVID-era buying spree. The epic container ship traffic jam that was once a highly visible symbol of the supply chain crisis has now almost vanished." (Miller, American Shipper)

This is not to announce port congestion has disappeared because if you gaze over to the East Coast, 41 vessels are waiting off the coast of Savannah. As the West Coast had major setbacks earlier in peak season, shippers kept sending to the East Coast only to create a ping pong effect. NY/NJ has 19 vessels waiting and even in the gulf, Houston holds 24 vessels off their coast.



Source: American Shipper

## Despite billions in canceled orders, container imports stay near peak

"Walmart said Tuesday that it had "canceled billions of dollars in orders to help align inventory levels with expected demand." Target disclosed the following day that it had canceled over \$1.5 billion in orders, and revealed that it had shipped in much of its back-to-school goods early" (American Shipper).

Regardless, U.S. imports are still coming in strong.

As of mid-August, 130 ships were reported waiting off the U.S ports. Imports from China to the U.S. are up by %6.3 as of a month ago. Inflation, all-time high gas prices, and a slow economy have not slowed down imports to the U.S. as many predicted.

NY/NJ, Savannah, and Houston hold steady with the highest backlog and even more coming their way.

The U.S. continues at all-time highs in imports with no sight of slowing down. There is a concern for a future national "max-out" due to the ports only being built to take on certain volumes. The only way maxing out can be avoided is by changing the infrastructure of the ports and that takes serious investments and time. Ultimately, this investment could save money in the long run.



\*No bar present indicates zero or information not provided.

Source: <u>Hapag-L</u>loyd and <u>Marine Traffic</u>

## **R&B Personal Highlight**



#### Wallace Hester Director of Sales

Wallace rejoined R&B in July of 2020 taking the lead with R&B's road division before jumping into the lead sales role for the company. Wallace is a licensed Customs Broker and holds an international MBA from the University of South Carolina and has been involved in international logistics for over 20 years. He brings a unique perspective in having also worked with R&B at the very beginning of his carrier. He received fundamental training and guidance at R&B and before moving on for more schooling, never really intending to stay in the industry. Those intentions did not work out and Wallace spent the next 20 years working his way back to the company that gave him his first opportunity.

During this time, Wallace worked with several different international logistics providers as well as a multinational manufacturer. The unique perspective is seeing how others operate, seeing the various operational and sales models, the various management philosophies and styles understanding that everything still comes down to service. Over the last two years of rampant volatility in freight costs and major issues in global supply chains, the importance of <u>service</u> has never been more clear.

"It sounds cliché, you hear it everywhere, but you do not see it everywhere – that is the difference at R&B – understanding that people are still the key and building the right team with the best people and treating them the best will yield results. That's our model. There are not many family-owned 150+ -person entities going 50 years strong in our industry anymore – there is a reason for that. We strive to make partnerships with customers and vendors out there with similar values and a like business model. I am honored to be a part of R&B as we push for growth through living and sharing this message."

-Wallace Hester

## **R&B Service Highlight**



Section of Brown Distribution Center (BDC) warehousing and distribution center for R&B

Need help Transloading/Cross-docking your product?

Let **Brown Distribution Centers** help you with your transloading/cross-docking needs.

Transloading is a cost-effective and efficient way to bring ocean containers inland efficiently. Transloading has grown to be more necessary with the shortage of containers, chassis, and space in the Charleston area.

Located 12 miles from Charleston ports, Brown Distribution Centers has a fullservice trans-loading operation to help your company with transloading/crossdocking needs.

Please email <u>sales@rogers-brown.com</u> for a quotation today.

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