

September Newsletter 2022 | Volume I Issue VII

Rogers & Brown Monthly Newsletter



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Special Note to Customers

Freight Rates Are Falling Faster than Expected!

Freight rates have been slowly coming off their peaks over the last few months, but now appear to be tumbling lower at a faster rate. The reduced rates are offering some significant relief given the record increases and sustained record levels seen through 2020 and 2021. We are seeing lots of information regarding rate reductions in the market some of which can be misleading. Please know we are here to consult and guide our customers through the malaise of information and solicitations out there. We will price any lanes that we service for your business. And we will work aggressively to take advantage of the current spot market while ensuring the best carriers are utilized and the highest service levels are maintained. For those customers with existing rates in place, we will be reviewing lanes on a transactional basis (if not prior) to ensure the best rate/service offering is being provided.

Please let us know how we can guide and facilitate your teams with regarding import, export, and domestic transportation services as we navigate yet another twist in the market.

We thank you for your support, R&B Sales Team

Contact Us!

Regulatory Developments

CSMS #52834229 - Information on Customs User Fee Changes Effective October 1, 2022

"The Merchandise Processing Fee (MPF) ad valorem rate of 0.3464% will **NOT** change. The MPF minimum and maximum for formal entries (class code 499) will change." **(U.S. Customs and Border Protection)**

The minimum will change from \$27.75 to \$29.66. The maximum will change from \$538.40 to \$575.35.

Further Details

Renewal of FDA Food Facility Registration Begins Oct. 1

Starting October 1st 2022, all food facilities within your supply chain MUST renew their food facility registrations. The designated time for this renewal is **October 1st** through **December 31st.** Renewing early will minimize potential shipment delays. Instructions and access to the FDA portal to renew is found here.

A DUNS number of the food facility must be provided. The headquarters of the corporation is not adequate. Product will be denied into the U.S. if a DUNS number is not provided for the physical location of the food facility. Apply for a DUNS number here!

ATTENTION: The FDA food facility's name and contact information must match exactly as the DUNS contact information. "The following are hypothetical errors or mismatched information: "ABC Manufacturing" verses "ABC Manufacturing LLC" or "123 Main Street" verses "123 Main St. may result in cancellation of the registration." (FDA.gov)

If you have any further questions or need assistance please feel free to contact us via email at <u>sales@rogers-brown.com</u> or phone <u>843.577.3630</u> today!

Further Details

International Freight Market

Fall in container spot rates 'much steeper,' 'less orderly' than expected

Spot container rates falling more drastically than most were expecting, especially in the past two months.

As for Shanghai- U.S. West Coast has seen the steepest decline. "China-West Coast assessment has fallen 76% over the past six months. The Drewry Shanghai-Los Angeles assessment is down 57% in the same period." (**Freight Waves**)

While spot rates are decreasing, they still are nowhere near past levels. Looking back to Q2 of 2020 the Drewry Global Composite Index fell all the way to \$1,446 per FEU in late April of 2020.

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Imports to Los Angeles, America's largest port, plunged 17% in August

"The Port of Los Angeles, the highest-volume container gateway in America, is diverging from the nationwide trend. U.S. container imports remain close to record highs, yet imports to LA are falling double digits. On Thursday, the Port of Los Angeles reported total throughput of 805,672 twenty-foot equivalent units in August, down 15.5% year on year (y/y)." (American Shipper)

Some of the plummeting factors for the port of LA are: cargo that typically arrives in late August is already here due to the "just in case" factor earlier this year, inflation being at 8.3%, cancelation in shipments is occurring more due to nervous retailers and consumers, and there is a major shift in cargo flows to the East Coast due to the port congestion that was present on the West Coast.

Complimentary data reflects the port of Savannah in Georgia tallied the highest import in the history of the port in the month of August 2022.

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Source: <u>American Shipper</u>

West Coast ports sink to lowest share of US imports since early 1980s

In August of 2022, West Coast imports fell by 11.5% and East Coast imports increased by 12%. The major shift of imports from the West Coast to the East Coast is mainly due to previous port congestion and labor strikes.

This past month in August officially marked the lowest U.S. import amount on the West Coast since the early 1980s.

Read More

Source: American Shipper

Domestic Freight Market

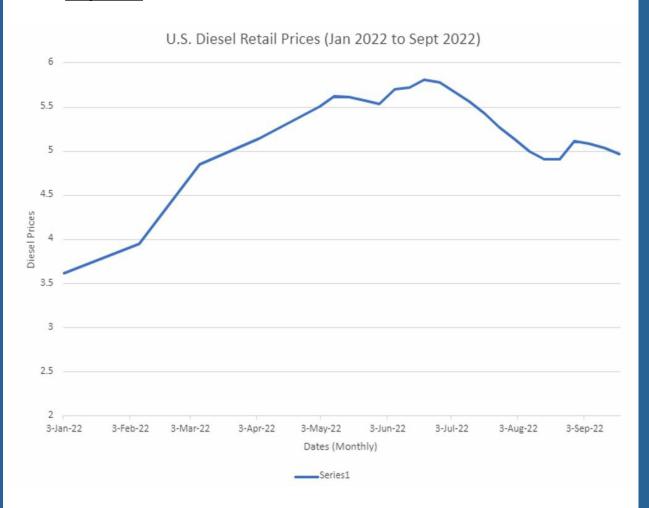
After another decline, benchmark diesel price again below \$5

per gallon

The benchmark diesel price used as the basis for most fuel surcharges is back below \$5 per gallon. According to the Energy Information Administration of the Department of Energy, the average retail diesel price in the U.S. last week was \$4.964 per gallon, a decline of 6.9 cents from the prior week.

Read More

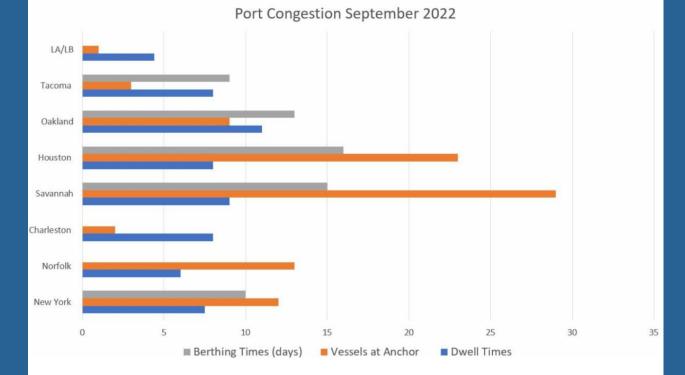
Source: Freight Waves



U.S. average on-highway diesel fuel price on Sept. 19, 2022, was **\$4.964/gal**, DOWN 6.9¢/gallon from 8/12/22, UP \$1.579/gallon from a year ago. (EIA)

Source: <u>EIA</u>

Port News



^{*}No bar present indicates zero or information not provided.

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

R&B Team Member Highlight



Mark Hughes Vice President of Domestic Operations

Mark Hughes began his career with Rogers & Brown in February 2004 after graduating from Old Dominion University with a B.S. in Business Administration. During his many years with the company, he has worn many hats: Account Representative, Team Leader, Account Manager, Director of Warehousing, Operational Director-Domestic Supply Chain and currently holds the position of Vice President of Domestic Operations.

^{*}Data collected from multiple sources, points may vary.

Over the last **17+ years**, Mark has worked in almost every department throughout Brown Distribution Center (BDC)/R&B which has provided a good perspective on the services we offer as a whole. The knowledge gained from the different areas has given Mark the ability to sell multiple services to clients thus creating further opportunities to service clients in many different facets.

"The thing I like about this business is it's ever-changing. Every day presents new challenges and opportunities. I have been able to establish great relationships with customers and colleagues over the years at BDC/R&B. One of the things I love about the company the most is it has always provided me with a great work/life balance, which in my eyes is **priceless**."

-Mark Hughes

R&B Service Highlight



Brown Distribution Centers [BDC], R&B's sister company, operates 2 facilities totaling almost 500,000 square feet of warehouse space in the Charleston, SC – area.

BDC offers a full range of warehouse and distribution services and provides customers the ability to manage, track, issue order instructions, and create inventory reports—keeping you in control every step of the way.

Service Offerings:

- Rail Access
- Outside Storage Available
- On-line Inventory
- Bar Coding
- Pick and Pack
- Product Rework and Assembly
- Sampling
- Labeling
- Export Packaging (based on customer specifications)
- Crating (based on customer specifications)
- Cross Docking & Swing Loads
- Wine and Liquor (limited humidity and temperature control)
- Other services tailored to customer needs

For over five decades, BDC has been committed to achieving excellence in a compliant, automated, and cost-efficient manner. With the tools and features that put you in control and the information, you need at your fingertips. Whether you

just need a warehousing solution or a full-service logistics partner, we make your supply chain hassle-free, and stress-free—the way it should be.

Connect with us to learn more about our Warehousing & Distribution Services.

Contact

Our Services











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- □ Not interesting to me. Please let us know why!











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