

The Shipping Container Crunch & the Pulse Industry: What Growers Need to Know

By Pulse Canada

North America is collectively struggling with availability of shipping containers to trade goods with global markets, and Canadian pulse growers can expect to face some challenges in the coming year.

As the world fights for available containers, carriers are prioritizing sending empty containers to other markets who are willing to pay high dollars to get their goods out in a timely manner. Exporters in both Canada and the United States (U.S.) are struggling to maintain competitiveness when carriers aren't willing to wait for the containers to get filled with North American goods before sending them back across the globe.

Canada's reputation remains at risk and exporters face increasing logistical and financial issues as carriers continue to favour their profits over supporting the North American supply chain. Realizing the full revenue potential from the rising global pulse demand - in other words, getting the maximum value for pulse crops - will be tough should logistics costs arising from container supply chain disruptions continue to worsen. Pulse growers may also feel these effects through future grain-price reductions, as buyers adjust to account for unforeseen costs, delays, and other supply chain disruptions. Furthermore, with a disrupted system, pulse growers are likely to face issues as buyers accommodate various logistical issues.

While both Canadian and U.S. exporters are facing similar challenges, the Biden administration is advocating for improving its national supply chain by recognizing this issue directly relates to the strength of the U.S. economy as a whole. The Canadian government, on the other hand, has remained mostly silent.

"It's like we are accepting that our competitiveness just erodes constantly," says Greg Northey, Vice President of Corporate Affairs at Pulse Canada. "We just bleed profitability and competitiveness if we continue to ignore the reliability and performance of our supply chains."

The initiatives in the U.S. are already underway, pressuring carriers to take accountability and treating the issue as an impact to their global competitiveness. In contrast, the Canadian government has maintained a passive attitude, taking little responsibility for an issue that jeopardizes both Canada's reputation and our economic recovery from the global pandemic.

After a tough year, maintaining Canada's global reputation as a reliable supplier of pulses is as important as ever. Over the last grain year, a multitude of issues affecting our grain supply chains have impacted our global perception: railway blockades, natural disasters impacting our rail infrastructure and causing unreliable railway performance, and labour issues at port affecting output. Pulse Canada, along with immense grower advocacy, is continually working to push the federal government to step up on these issues and take more responsibility to ensure that transportation infrastructure remains a well-functioning backbone of Canada's economic strength.

A well-functioning transportation system and access to reliable and consistent container capacity is as important as ever as global demand for Canadian pulses is expected to increase in the 2021/22 grain year.

"Currently, there is tremendous uncertainty about container capacity and logistics reliability for the upcoming grain year. So while we have this global demand, shippers are unable to meet it because containers are not available," says Northey. "This means there is significant potential that we don't capture all the opportunities from increased demand."



Source: Vancouver Port Authority

After requesting that the Minister of Transport take immediate action to hold carriers accountable for shipping container availability, Pulse Canada has joined a consortium with other industries affected by this issue. The group recognizes this issue requires a Canada-wide effort and is working together on key solutions, including:

- Providing greater transparency and clarity into how the Canadian container supply chain is functioning within the context of a global container shortage;
- Identifying domestic legislative or competition law remedies to correct shipping line behaviour;
- Identifying any necessary changes to domestic legislation or competition law; and
- Engaging with global partners and authorities on the development of appropriate regulation of the shipping line sector.

Pulse Canada is also working on public advocacy campaigns on the impact the supply chain disruption is having on the Canadian pulse industry.

“The more groups that raise this issue and the more growers who draw attention to this issue, the more success we will have getting government action,” says Northey. “So much of our strength lies in our ability to advocate.”

How can pulse growers navigate the container crunch and mitigate potential issues? Talk with your grain buyers early to understand the issues they are facing and what they are expecting from the transportation system. This will allow you to plan transportation and other logistics accordingly, mitigating potential delivery or financial delays.

“The more we work together as a supply chain, the less damage everyone will feel,” advises Northey.

Pulse Canada continues to advocate for our growers, traders, and processors, working to get the Federal Government to take a lead. To stay up-to-date with Pulse Canada’s efforts, follow [@PulseCanada](#) on Twitter and listen and subscribe to the weekly [Grain by Train podcast](#). Visit [PulseCanada.com](#) to learn more.