

Container Crunch Update

By Pulse Canada

The federal government has begun to take action to fix the container crisis. Last fall, frustrated with Canada's slow response to the issue, Pulse Canada and groups from across agriculture and other sectors joined together with the goal to get the Canadian government to recognize the transportation issue for what it is—a threat to our global competitiveness and a hinderance on our struggling economy. Over the past several months, we have been actively raising this important issue through meetings with the federal cabinet, participation in government roundtables, and appearances at government committees. While the Biden administration treated the issue as directly tied to the strength of the U.S. (United States) economy, Canada had not. It was clear action was needed.

Thanks in part to our efforts, the federal government has now launched a Task Force created to look at wider supply chain issues, including the ongoing system-wide resiliency concerns. Their approach will allow the task force to address all elements of the supply chain that interact with containers. Pulse Canada is continuing to work to get the Task Force to prioritize early actions to improve supply chains as soon as possible.

Additionally, Canada's Competition Bureau has joined a new working group investigating potential anti-competitive behaviour and collusion from some supply chain stakeholders. The working group brings the bureau together with the competition authorities of the U.S., Australia, New Zealand, and the United Kingdom. Matthew Bosewell, Commissioner of Competition, stated the Competition Bureau will have "zero tolerance for any attempts to use pandemic-related supply chain disruptions as a cover for criminal collusion that harms consumers and damages Canada's economy."

This is why Pulse Canada helped found a cross-commodity initiative—[containercrunch.ca](https://www.containercrunch.ca)—that calls on the federal government to act to fix the container crunch and the issues facing the containerized supply chain. The campaign asks for critical next steps to identify immediate solutions to the disruptions, and will also help ensure that we are able to move to a new, more desirable state with improved operating levels and financial performance for all.

While the wheels are in place to begin mending the container issue, we cannot take our foot off of the gas. In addition to containers, there are many other obstacles facing the transportation sector. On top of the container issue, our sector is currently facing historically poor rail performance. Generally, it is this time of year where growers start to see improving rail service as winter is ending and much of the grain has already moved. However, with continuous labour disruptions, general lack of rail capacity available and continued containerized supply chain issues, ongoing service issues are unfortunately expected—not just for moving grain, but also incoming farm inputs.

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

As a result of the container crunch, our industry has experienced lost sales and cancelled sales contracts which has impacted our competitiveness in international trade markets. At the same time as these excessive freight increases and poor service, it is notable that container shipping profitability has hit record levels. It is predicted that collective carrier profits for 2021 to be in the region of \$120–\$190 billion. There is no doubt that a good portion of these profits have been extracted from the pockets of farmers, exporters, and Canadian consumers.

When given a level playing field, Canada's pulse industry can compete in any market around the world. If we are to increase the production and exportation of sustainably grown, nutritious pulse crops, our industry needs access to a well-functioning, resilient supply chain.

Pulse Canada is continuing to work on behalf of pulse growers to get the government to prioritize the issue. Add your voice to the resolution and head to [containercrunch.ca](https://www.containercrunch.ca) to sign a letter to Prime Minister asking for him to fix the container crunch and get the economy back on track.

We will continue to work on behalf of Canada's growers, traders, and processors, to accelerate the government's action. To stay up-to-date with Pulse Canada's efforts, follow [@PulseCanada](https://twitter.com/PulseCanada) on Twitter and listen and subscribe to the weekly [Grain by Train podcast](https://www.grainbytrain.com). Visit [PulseCanada.com](https://www.PulseCanada.com) to learn more.



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