

# THE SHIPPING STANDARD

OUR EXPERTISE YOUR ADVANTAGE

CAPACITY CRUNCH INTENSIFIES DURING PEAK SEASON

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# CAPACITY CRUNCH INTENSIFIES DURING PEAK SEASON

Virtually every U.S. port is expected to process individual records for TEU volume in 2021. To highlight one of the most extreme examples, the ports of Los Angeles and Long Beach are set to handle more than 20 million TEU by the end of this year, shattering their previous record of 17.5 million TEU set in 2019. Based on throughput statistics alone, it is clear that the capacity crunch is not going to ease anytime soon.

Making this historic time even more challenging, there are over 65 fully loaded container vessels waiting to berth outside of LA-Long Beach. 23 are drifting in the San Pedro Bay with nowhere to anchor. Scores of other vessels waiting to berth at other multiple ports around the United States. To put that into perspective, on an average day pre-pandemic outside L.A.-Long Beach, there are usually just 16 vessels in line to be processed. Savannah, GA, although nowhere near as congested as L.A.-Long Beach, is also being bombarded by new ships desperately looking to avoid coastal congestion and unload cargo.

*“As the strain on capacity continues to grow, some industries that historically never had a space issue before will have to get their orders in now if they are to have any chance of getting their products into stores in time to meet deadlines,” said Anthony Fullbrook, President of OEC Group’s Northeast Region. “Shippers need to accept that capacity restraints are here to stay, meaning that planning ahead will become the critical skill for success. Those that plan ahead better will thrive, while the others will continue to struggle.”*



Across the board, industry experts agree that market conditions will not let up for the foreseeable future. According to Alan Murphy, the CEO of Sea-Intelligence, global capacity has been effectively reduced by ten percent due to congestion issues, more than 20% shrinkage of effective capacity is being felt on trans-Pacific routes, and lanes between Asia and Europe are effectively down by between 12 and 13%, again, due to land-based congestion. What makes these statistics even more troubling is that trans-Pacific capacity has been boosted by 20-25%, but effective capacity is still diminished.

Reverberations from these delays are also being felt on the supply side in China because empty containers are not being returned on time. This lack of empty containers on the supply side will soon make transporting goods across the Pacific Ocean even more difficult.

*“In order to get the market more fluid and less congested, shippers need to rethink their supply chain strategy,” said Peter Hsieh, Vice President of Sales and Marketing for OEC Group’s Northeast Region. “However, with all the supply chain complexities in today’s market, I would advise they seek help from experienced professionals who have a long history of successfully organizing clients and moving their cargo in these extreme conditions.”*



## LYNN STACY

Managing Director of  
OEC Group Liquid  
Logistics Services (LLS)

# INTERVIEW WITH AN EXPERT

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*Lynn Stacy, Managing Director of OEC Group Liquid Logistics (LLS) services, discusses the main issues concerning the food logistics segment.*

**Q: What are the most severe supply chain difficulties?**

A: One issue has been finding sufficient containers, especially sturdy, structurally sound 20' containers needed to ship Flexitanks packed with food products. Another very serious issue is rampant rail congestion.

**Q: How bad is the rail congestion and how does this affect the industry?**

A: Rail congestion is historically high. As a result, rates are only going up, and delays and backlogs are only increasing. Market projections suggest that our trading environment is going to get even worse before it gets better. Until this market shifts back to normalcy, outside the box solutions from established experts with real knowledge of the industry are going to keep your freight moving.

**Q: What advice do you have for shippers trying to move bulk liquid food products in this current environment?**

A: When you work with an established logistical organization like OEC Group, one of the first things we'll do is look at your routing strategy. The right transportation plan can combat the worldwide lack of equipment and help avoid rolled bookings, per diem detention, and other problems associated with delays in the current market. Our team specializes in developing the most efficient cargo routing plans, and we've opened three brand-new transload facilities in the last six months. We have the talent and the infrastructure to expedite cargo movement, expedite change of conveyance, and provide a wide variety of options for every unique client.

**Q: After becoming certified, how have the day-to-day shipping operations on the ground changed?**

A: Since becoming certified, we've improved our transference process. When transferring food-grade material from a supplier's facility to our Shark Tank, from our Shark Tank to a receptacle at its final destination, or even from a rail tank to one of our Shark Tanks, proper procedure is very stringent. We have the capability to move liquid food product in refrigerated units, but we also provide specialized services that do not require refrigeration. Especially with certain pasteurized drinks and juices, it can be more effective to use irradiation techniques and nitrogen blankets to keep products at their highest quality. So, no matter what situation may be, our team will adapt and move cargo safely.

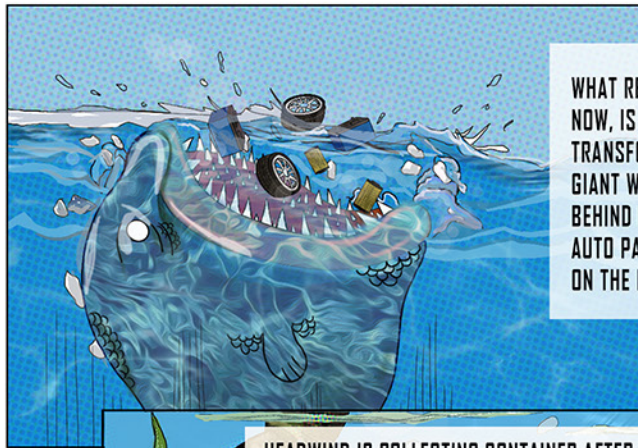
**Q: What was the most difficult segment of that standardization?**

A: For an average-sized business, I think the hardest part of the process is the initial investment. Purchasing the proper equipment, installing that equipment, and bringing our network of depots up to FDA standards required huge expenditures.

**Q: How does food certification adjust your logistical approach?**

A: Regarding transportation, when you're transferring product into a movable unit – in our case the OEC LLS Shark Tank – everything needs to be correctly monitored. Proper equipment, proper technical procedure, and proper oversight ensures that zero contaminants are introduced to your sanitary goods. That oversight must be consistent across every single product transfer on the shipping route, including live load at manufacturing facilities, off-site transfer from a road tank, and railyard transfer. As for the container itself, our Shark Tanks are FDA certified, food-grade, and certified for halal and kosher products. Our approach to each clients' supply chain hasn't changed, but there are a few additional steps in our process.

CARRIER VESSELS CONTAINING AUTO PARTS SUPPLIES, SUCH AS BRAKE ROTORS AND WINDSHIELD WIPERS, ARE BEING TERRORIZED BY A GIANT WATER MONSTER, DURING THEIR JOURNEY FROM CHINA TO THE US. THE MONSTER IS SWALLOWING UP ALL THE CONTAINERS THAT HAVE AUTO PARTS AND MAKING SURE NOTHING EVER MAKES IT TO THE US.



WHAT REMAINED A MYSTERY, UNTIL NOW, IS THAT THE EVIL HEADWIND TRANSFORMED HIMSELF INTO THE GIANT WATER MONSTER. HE IS BEHIND EVERY SINGLE CASE OF AUTO PARTS CARGO DISAPPEARING ON THE HIGH SEAS



HEADWIND IS COLLECTING CONTAINER AFTER CONTAINER OF AUTO PART SUPPLIES TO CAPITALIZE ON THE GLOBAL SHORTAGE. AFTER A FEW MORE SHIPMENTS, HE'D BE HOLDING ALL THE...CARS.

I NEVER THOUGHT THE WATER MONSTER COULD BE REAL. I TOLD YOU THIS CARGO IS CURSED.

ARE YOU SEEING WHAT I'M SEEING?

I HOPE ALL THESE SHIPPERS HAVE INSURANCE!

SOMEBODY, HELP!



FEAR NOT! I WILL HELP YOU FIGHT THIS GHASTLY BEAST.



CHILL OUT! AND FROM NOW ON, CONSIDER CONTAINERS OFF-LIMITS.

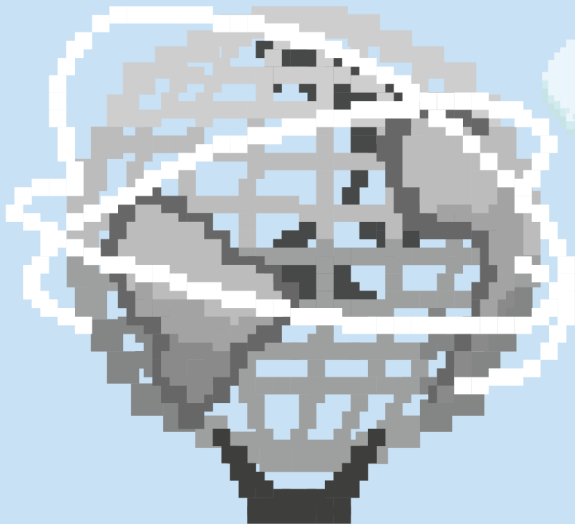
WHO DOES THIS KAI THINK HE IS!?! I'LL BE BACK.



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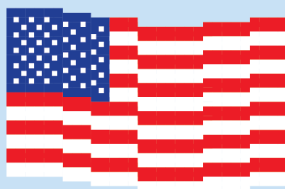
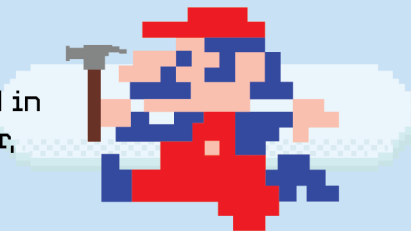
# Video Games

## FUN FACTS

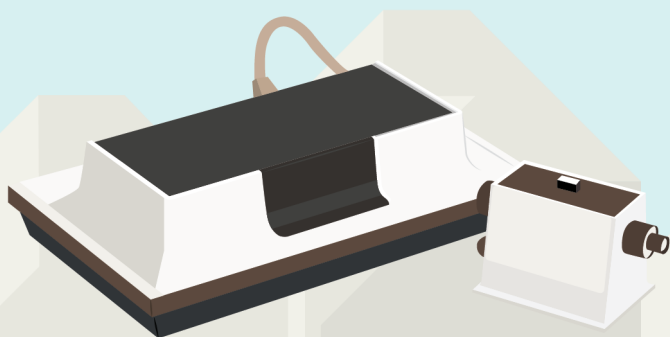


The first video game ever was introduced at the 1940 World's Fair.

When Mario was first introduced in Donkey Kong, he was a carpenter, not a plumber.



More than 65% of American adults play video games.

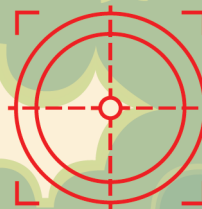


The first ever commercial video game console, the Magnavox Odyssey, was released in 1972.

Researchers found that surgeons that play video games make 37% fewer errors and perform their tasks 27% faster than peers.




There is a hiding spot in Pac-Man where you can sit still safely for as long as you like.



100%

Studies have found that playing action video games trains people to make the right decisions faster without loss of accuracy.



# ABOUT OEC GROUP

At OEC Group, we have demonstrated our commitment to customer service in trans-Pacific trade for more than 35 years. Founded in 1981, OEC Group had a vision to provide comprehensive logistics services to clients. Today OEC Group serves destinations throughout the world and has grown into one of the leading logistics providers in North America. With over fifty offices worldwide, we take pride in being close to your cargo at all times.

OEC Group is monitoring and adapting to the changing market. We are well positioned to make continuous improvements to your supply chain using the fastest, most efficient and cost-effective services available. We work tirelessly to stay on top of the ever-changing logistics industry with the goal of delivering the most current information and services to you, our customer.

Our business is making our logistics expertise, your competitive advantage.