

Navigating the Dairy Export Supply Chain



Exports are critical for the success of the U.S. dairy industry - in 2023, 17 percent of dairy products produced in the United States was shipped overseas. America's dairy producers rely on a supply chain that is reliable, transparent, and predictable in order to compete with global competitors and thrive over the long term. While the pandemic-induced global supply chain crisis has abated, problems remain, and NMPF and USDEC are working tirelessly to ensure that another economic shock does not paralyze U.S. dairy exports.

IN ORDER TO MAXIMIZE GLOBAL COMPETITIVENESS OF AMERICAN DAIRY PRODUCTS, AN EFFICIENT AND RELIABLE EXPORT SUPPLY CHAIN IS ESSENTIAL.

WORKING TOWARD A RELIABLE SUPPLY CHAIN

The Ocean Shipping Reform Act of 2022 (OSRA), a bill that USDEC and NMPF helped shape and champion into law, was the first major legislation addressing oversight and regulation of the ocean shipping industry in a generation.

OSRA directed the Federal Maritime Commission (FMC) to implement a number of regulations, including on

- unreasonable refusal to deal or negotiate with respect to vessel space,
- increased supply chain transparency
- improved regulations on detention and demurrage fees, among other amendments.

In those ongoing regulatory processes, USDEC and NMPF have submitted comments to help guide the agency in its implementation of those new rules. USDEC and NMPF have also championed with Congress the need for full funding for the FMC to implement OSRA and conduct necessary oversight of the ocean carriers.

USDEC and NMPF also officially endorsed and gathered support for the Ocean Shipping Reform Implementation Act, introduced in March 2023 to build on the progress of the OSRA. This legislation would provide additional tools for FMC enforcement of unfair shipping practices and legislation that clarifies jurisdiction between the FMC and the Surface Transportation Board regarding rail demurrage charges.

FLOW INITIATIVE

DOT launched a pilot program called the Freight Logistics Optimization Works (FLOW) Initiative to share details about expected cargo flows throughout the United States. FLOW collects voluntary information from shippers about planned and forecasted import and export shipments, allowing ocean carriers, ports, port truckers, and container and chassis providers to monitor expected cargo and prepare equipment, manpower, and capacity accordingly. USDEC and NMPF coordinated a DOT briefing on the FLOW initiative for members engaged in its supply chain working group

INTERESTED IN PARTICIPATING IN THE FLOW INITIATIVE?

interested dairy farmers and producers can contact flow@dot.gov or USDEC & NMPF trade policy staff