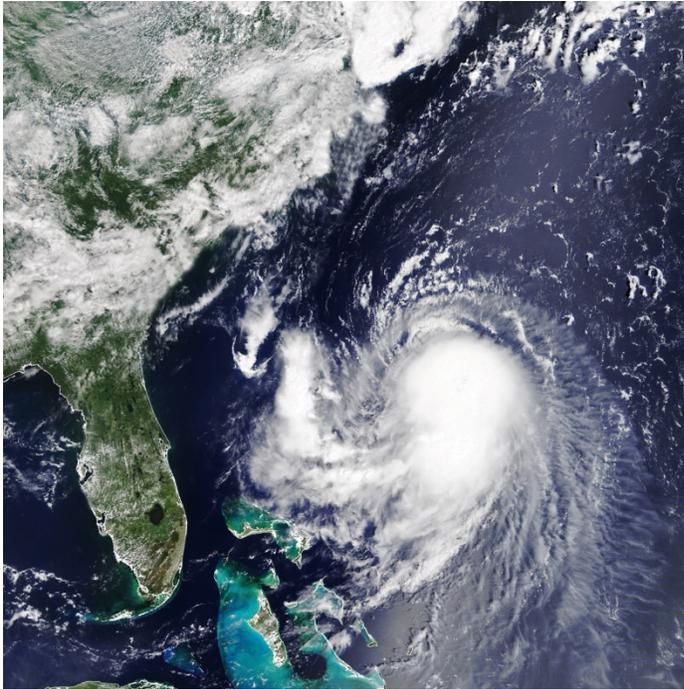


September 2nd, 2021

The Aftermath of Hurricane Ida



Hurricane season is a worrisome time for many, as storms ravage coastal areas leaving behind damaged infrastructure and prolonged closures. Though storms can be somewhat predictable in the short term, but impact they can have is wildly unpredictable. Exactly 14 years after the disastrous Hurricane Katrina hit New Orleans, Hurricane Ida made her debut creating ripples of issues that are spreading throughout the U.S.

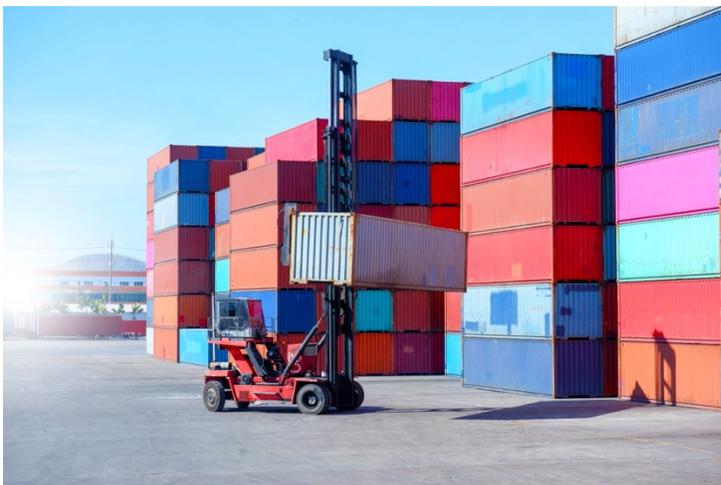
The U.S. Coast Guard stopped all local vessel movement prior to Ida's approach, with port closures still in effect as of Monday, August 30th. These port closures hindered freight transportation considerably, a situation only made

worse by subsequent power outages, fallen trees, and other hurricane-related issues. The Louisiana Department of Transportation has reported multiple road closures with an extended timeline for reopening.

Effects on the Shipping Industry

As Hurricane Ida shows, storms clearly affect the shipping world in many obvious ways, most notably impassable weather conditions slowing transit and creating delays. However, with an already overly congested system, a storm such as Ida is more crippling than the typical storm. Indeed, by now peak season freight has begun to move inland from U.S. ports, but truckers are at capacity leaving little to no wiggle room for any further upsets. In the wake of Ida, one such upset is the rerouting of trucks to provide relief to the worst affected areas of Louisiana and Mississippi. This is resulting in even less ability to successfully fulfill delivery requests, which have been on the rise since late 2020.

The impact is not just on availability and timeline but also on cost. Increases in spot rates are predicted to jump nearly 60% in the coming weeks, after already seeing a 20% increase earlier this week. This cost is due in part to increased fuel costs, which are up to \$0.70 per gallon year over year. Hurricanes notoriously result in higher shipping rates, but with the current conditions being what they are, this particular storm will raise rates to a new level.



Unprecedented Challenges

While the weather has a devastating effect on shipping worldwide, we are also still facing fallout from the COVID-19 pandemic and the problems it has introduced to global commerce. In China, for example, container rates have increased nearly 180% after COVID-19 related closures took place at the Yantian port in June. Add some further weather complications, like typhoon In-Fa's

landfall in late July causing 32% increases in Chinese port delays (which was more than 70% above the average delay time over the last four months), and the cascading impact becomes severe. Port congestion is still a major issue as well, with export demand unable to be satisfied. The compound effect of these conditions impacts the global shipping industry causing remarkable increases in prices, and much longer than usual wait-time with vessels being booked weeks or even months in advance.

The above is a concern, because U.S. ports are not able to handle the massive influx of cargo from all of the imports being brought to her shores. This is leading to warehouses, rail yards, ports, and truckers all scrambling to attempt to relocate cargo and deliver in a timely manner. Unfortunately, until supply and demand level out, congestion and rates are expected to continue to rise. Add in weather events, COVID, and increasing fuel rates, and it's clear that shipping in or out of the U.S. is not a cheap or easy task at present.



Stay Up to Date with Rose

Rose has dedicated its team to finding overseas partners who are finding creative solutions to help combat some of these challenges. Additionally, we are improving our local operations to find the most competitive rates possible. The staff at Rose has worked hard to be there through the ups and downs of each crisis. Throughout COVID we were able to continue working and keep the logistics flow moving. Through our remote pricing portal, easy tracking and tracing tools, and many other techniques, our team has been able to successfully accommodate bookings, generate quotes, and grow our practice. Rose is here to make sense of the crazy times we are all facing. Though many of the ongoing problems are out of our control, count on Rose to keep providing up-to-date information and finding ways to help navigate the world.