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**International Shipping:
What U.S. Breweries
Need to Know**



#CraftBrewersCon



Brett Naylor

Director of Operations

Global Craft Trading, Inc.

Current and Forecast State of International Shipping

- Ocean Freight
- Airfreight

Shipping for Retail

- Recommended Practices for Export
- Understanding the Supply Chain

Shipping for Competitions and Festivals

- Packaging Guidance
- What Not to Do

Current and Forecast State of International Shipping

Exploring the Impact of COVID on Export Supply Chains

The Effects of COVID on Export Logistics

- Vessel Congestion and Capacity
- Carrier Vessel Rerouting and Transshipment Implementation
- Port Delays, Terminal Congestion
- Equipment Shortages
- Rate Increases and Trends
- Carrier Selection Prioritization vs Rate Prioritization
- Managing Relationships and Customer Expectations

40F Reefer Container Rate Increases Originating from Port of Los Angeles/Long Beach

Destination	2019 Pre-Covid Rate	Current Rates	% Increase
Japan	\$3270	\$5460	67%
China	\$3600	\$5500	53%
Taiwan	\$3450	\$5190	50%
Australia	\$4500	\$5100	13%
UK	\$4300	\$4600	6.9%
Sweden	\$5350	\$5600	4.3%

***Rates include origin drayage in Los Angeles area**

Shipping via Air

Pros

- Fastest possible transit time
- Shorter required lead times for booking space
- Distance to airports vs ocean ports
- A good solution to avoid OOS

Cons

- Costs relative to ocean freight
- Limited/no refrigeration options
- Multiple flight routes
- Impacts on duties/taxes
- Capacity constraints

Ocean vs Air Cost Comparison CA to JP

Package Type	Weight/Unit (kg)	Airfreight Per Unit Cost Based on unit weight (kg)	Ocean Freight Per Unit Cost Based on Container Capacity	% Increase Over Ocean
12oz Can	0.42	\$0.88	\$0.13 (1,800 cases)	577%
12oz Bottle	0.63	\$1.32	\$0.18 (1,296 cases)	633%
16oz Can	0.50	\$1.05	\$0.16 (1,440 cases)	556%
1/6 BBL Keg	25.51	\$53.57	\$7.58 (720 kegs)	606%
20L Plastic	22.00	\$46.20	\$7.58 (720 kegs)	509%
¼ BBL Keg	37.80	\$79.38	\$9.48 (576 kegs)	737%
30L Plastic	33.00	\$69.30	\$12.63 (432 kegs)	449%
½ BBL Keg	73.62	\$154.60	\$18.96 (288 kegs)	715%

***Based on \$2.10/kg rate for air and current ocean rates. Origin airport trucking not included**

****Ocean unit costs are based on standard palletization and 18 pallets loaded in the container**

What Does the Future Hold?

- GRI's will continue to increase rates.
- Carriers will continue to prioritize lanes, limiting options on other lower volume lanes.
- Equipment availability at the ports will continue to be an issue.
- Airfreight costs will continue to increase as shippers shift exports to air due to issues with ocean.
- Port congestion will continue to delay both departures and arrivals.
- COVID restrictions could limit port operations even further.

Shipping for Retail

Export Shipments to Importers and Retailers

Key Points for Export Retail Shipments

- Freshness is critical in the current logistics climate
- Palletization/Shipment Preparation
- Refrigerated Shipping Highly Recommended
- Consolidated Shipping Options Provide Benefits

Examples of Good Palletization and Wrap



Examples of What Can Go Wrong



Examples of an Optimized Export Load



Shipping for Festivals and Competitions

Small Shipments to Festivals, Competitions and EDP Events

Recommendations for Smaller Shipments

- Pack everything expecting that it will be treated like a soccer ball.
- Invest in specialized beer shippers (Uline, Whalepod, etc).
- Consider adding ice packs for competition entries.
- Use UPS/FedEx parcel shipments over dry palletized trucking companies.

Recommended Shipper Types



What Not to Do on Sample Shipments

- Ship in your normal case box without added protection.
- Pack cans or bottles in a box without any padding
- Overload the packages with more than one case of product.
- Ship small quantities palletized.
- Ship the minimum number of entries for competitions.

THANK YOU!

Brett Naylor | brett.naylor@globalcraft.com

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