U.S. shippers of perishable products say their operations are being pinched by requirements by Japan and other nations to submit export data to their customs agencies at least 24 hours before a ship sails.

Agricultural exporters say the rules are creating a trade barrier for U.S. exports of perishable commodities such as fruits and vegetables.

“These requirements are being implemented in a way that is unrealistic for exporters of fresh fruits and vegetables,” said Peter Friedmann, counsel to the Agriculture Transportation Coalition. He said requirements to file cargo data 24 hours before a ship sails are adding several days to supply chains.

In the wake of the 9/11 attacks, the U.S. enacted the SAFE Port Act, which requires documentation to be sent to U.S. Customs and Border Protection at least 24 hours before U.S.-bound cargo departs a foreign port. The requirement was designed to give Customs more time to check for security risks.

Other nations, including Japan, the European Union and China, have enacted their versions of the U.S. 24-hour rule. The EU’s rule took effect at the start of 2011. Japan’s 24-hour requirement, implemented on March 10 of this year, is causing problems for shippers and carriers.

Friedmann said agricultural exporters have no objection to providing the data, but that the requirement for 24-hour notice requires forwarders and ocean carriers to set earlier deadlines to make sure they comply with Japanese customs requirements.

He said those ocean carriers are requiring shippers to supply data as much as 72 hours before a ship sails. Carriers want to ensure the required paperwork is in order before a container is ready to load on the ship.

For perishables, such a delay can mean the difference between fresh fruit and a spoiled shipment that cannot be sold, Friedmann said. He said AgTC is working with carriers to seek an exemption for perishable shipments.

“Information I am getting from our members is that most of the carriers are doing what they can to help the shippers — and themselves — comply with the new rule,” Friedmann said. “Some
carriers are doing better than others, but all have limited options.

“This is generally speaking not a matter of shipper vs. carrier. It is a joint concern about the stringent Japan Customs demands for advance notice information,” he said.

Friedmann said it “is simply not possible” to get container and seal numbers to carriers, and for carriers to comply with the Japanese Customs rules, without adding days to the transit time. “For perishables, this is disastrous,” he said.

One citrus exporter gave this example for a ship scheduled to depart on say, Wednesday, April 16. Before the rule change, the shipper would set a packinghouse cutoff of Sunday, April 13, and schedule packing of the fruit from April 10-13. That meant the fruit would be three to six days old when the ship sailed.

Under the new rule, the cutoff is pushed back to April 10, a Thursday, so that forwarding agents can spend the following Friday and Monday ensuring documentation is completed in time to meet the 24-hour requirement.

That means the fruit must be packed between April 7 and April 10, “which means that when the vessel departs, you now have fruit that is already six to nine days old … There isn’t much in the way of profit margins in citrus these days. Having customer claims due to poor [quality in] arrivals isn’t something we can afford,” said the shipper, who spoke on condition that his company not be identified.

Friedmann said shippers’ difficulties with documentation requirements may increase as carriers form larger vessel-sharing alliances.

He said AgTC is trying to bring international buyers and sellers together with carriers and government authorities in the U.S. and other nations to find ways to balance security with the physical realities of perishable shipments.

Friedmann suggested waivers for “known shippers” who regularly send the same commodities to the same receivers, and asked why commodities such as cotton, hay, almonds and citrus are subjected to the same data collection requirements as goods with higher security risks.

He said one problem is that government agencies that devise security measures are not from agriculture departments and are not familiar with supply chain requirements for perishables.

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[Revised on 21 April 2014 to include additional information.]