

# PORT OF HOUSTON FROZEN PROTEIN SHIPPING ALLIANCE



April 12, 2022

J. Michael Schmidt  
Senior Advisor  
Office of the Secretary  
U.S. Department of Agriculture  
[Michael.schmidt3@usda.gov](mailto:Michael.schmidt3@usda.gov)

Dear Mr. Schmidt:

On behalf of our members who comprise the ad hoc alliance of associations listed above, we are writing in support of the Port of Houston's recent request for federal support to address issues that are severely impeding U.S. agriculture exports through the Port of Houston. Industry has come together to respond to challenges at the Port of Houston and quickly formed an alliance when the situation at the port forced some of our companies to look at immediately diverting shipments. We continue to work closely with the port to address these challenges in a unified and cooperative manner.

Foreign sales of U.S. meat proteins through Houston, specifically poultry, beef, and pork, totaled a half-billion dollars in 2021, but millions more in sales were lost due to challenges at the port. These impacts reverberate across the supply chain, impacting not only exporters, but also producers in states throughout the South and Southwest. Other U.S. frozen food and agricultural product exports were affected as well, and those losses have continued in 2022.

Because of geographic and transport factors, these exports cannot be diverted to other East Coast ports, although this last resort option recently came under consideration as the problems in Houston mounted. This "remedy" would have only further overloaded already congested ports, however. We rely on the Houston gateway, which serves markets not only in Central and South America, but also Asia, the EU, and Middle East, while helping to relieve pressure on West Coast ports. That makes a rapid resolution of this crisis urgent.

Protein exporters, in collaboration with the Port of Houston, cold storage facilities, and truckers, have been working to develop solutions, both interim and permanent. We have been encouraged by USDA and DOT support for creative solutions addressing supply chain bottlenecks at gateway ports and believe that the solutions identified in the Port of Houston's letter to you will help address these problems.

Specifically, we request federal support for the following:

- **Establishing a chassis pool to store refrigerated containers.**

Port Houston is seeking potential USDA funding for these two-year costs in the amount of \$4,394,600.

Prior to export, agricultural products in refrigerated containers (also known as “reefers”) are typically stored at Port Houston’s wheeled-container facilities. Unfortunately, chassis have been in short supply over the last two years.

To address this shortage, Port Houston has obtained quotes to rent chassis for two years to better match chassis supply with this storage demand. Port Houston has currently located 860 chassis that it may be able to secure, which we estimate could be obtained at an annual cost of \$2,197,300.

At the end of the two-year timeframe, Port Houston would reassess the continued chassis needs and cost of securing these chassis, and if needed either implement a new fee structure or establish a long-term solution to this issue.

- **Installation of reefer container racks.**

In order to provide more space to store reefers, Port Houston is also exploring the construction of reefer racks on existing or new sites in its Barbours Cut Container Terminal and Bayport Container Terminal. This measure would replace the terminals’ current accommodations for wheeled reefer “plugs,” and in this case would allow for more dense chassis storage in a given area.

Implementation of this initiative will require work to analyze not only the infrastructure costs but the operational costs of such an arrangement, since the use of reefer racks mandate different handling methods from those used for Port Houston’s customary reefer on chassis storage. Port Houston is seeking a potential USDA partnership to help bear the costs of this additional solution.

- **Creating a new “pop-up” yard for reefers.**

Port Houston is seeking a potential USDA partnership to help bear the costs of this additional infrastructure. In order to provide additional reefer capacity, Port Houston is exploring avenues for providing a near-dock pop-up facility adjacent to its Barbours Cut Container Terminal. Implementation of this initiative will require a number of measures, including the establishment of rate structures for any new pop-up yard, and future investment in infrastructure.

Industry is united with the Port of Houston to address these issues and urges USDA to consider supporting the solutions identified. The problems are today, and losses are occurring as we write. Our associations and industry are reliant on the Port of Houston for exports, especially in the U.S. Gulf, and look forward to working with you on ways the federal government can support these needs. Thank you for your consideration and look forward to hearing back from you at your soonest convenience.

Sincerely,

**PORT OF HOUSTON FROZEN PROTEIN SHIPPING ALLIANCE**

Agriculture Transportation Coalition  
Global Cold Chain Alliance  
National Chicken Council  
North American Meat Institute  
Texas Poultry Federation  
USA Poultry & Egg Export Council  
US Meat Export Federation