

March 23, 2020

UPDATE: Coronavirus Outbreak

Dear Valued Customer,

We continue to monitor Coronavirus Disease 2019 (COVID-19) globally. We remain fully operational, continuing to service all global and domestic transportation while adhering to government and health regulations. All our locations have business continuity plans and strategies in place to allow our employees to work remotely as the need arises and ensure our customers and carriers receive uninterrupted service. We continue to work closely with our customers on production planning and forecasting as the situation remains fluid.

Here are the most recent updates by region:

North America

- States around the U.S. continue to enact “Shelter in Place” or having non-essential businesses close. U.S. states who have implemented these are mostly adhering to the CISA’s [critical infrastructures guidelines](#), which includes [transportation, logistics and ports](#) as an essential workforce. We continue to monitor the status on a state by state basis and will report any exceptions.
- Non-essential travel restrictions between Canada, Mexico and the U.S. do not apply to trade and commerce; therefore, cross-border trucking and Customs is operating as normal.
- U.S. Customs and Border Protection (CBP) continues to review deferrals for duty payment on a case-by-case basis as the trade was notified in [CSMS# 42097586](#) late on Friday. We are expecting more information from CBP this week regarding the process of extensions. This deferral currently only applies for importers on their own Periodic Monthly Statement (PMS) account. The next payment date for importers on PMS is April 21, 2020.
- The National Customs Brokers & Forwarders Association of America (NCBFAA) reported the port directors of Los Angeles and Long Beach, California, requested the Federal Maritime Commission (FMC) provide guidance on demurrage and detention given the situation to avoid excessive and unfair charges being applied.
- Capacity has tightened in states that have issued lockdowns, but we have a vast carrier network to move vital goods across the country. Additionally, specific to railroads, they have further implemented per diem relief.
- Robinson Fresh, a division of C.H. Robinson, has experienced a significant increase in activity with our retail customers, not only in volume but also in the number or type of categories we are being asked to service. With this switch in demand, we have been actively trying to move excess inventory from the foodservice distribution channel to retail for wholesale customers that have heavy foodservice portfolios. Additionally, we are experiencing higher labor cost at warehouse levels given the competing market conditions.
- Current areas being closely monitored by Robinson Fresh:
 - Curfew hours in and around New Jersey and Delaware are shortening port hours which may interfere with the release of supply coming from Central and South America.
 - Central and South American countries are starting to enact their own quarantine protocols; this will have an impact on our ability to source product. Peru is on mandatory quarantine for the next 2 weeks. The Chilean government announced a 90-day state of catastrophe, but currently we are still picking and packing.

Our information is compiled from a number of sources that to the best of our knowledge are accurate and correct. It is always the intent of our company to present accurate information. C.H. Robinson accepts no liability or responsibility for the information published herein.



- The biggest restriction that may negatively impact the produce industry is the H2A visa processing suspension in place. The current estimate is if only 'returning workers' will be processed, H2A employers may face a reduction of up to ½ of H2A workers if the COVID-19 reactions/changes remain in place for too long. United Fresh is seeking regulatory relief to expedite the processing of applicants as we believe they are essential workers, especially as spring and summer approach, having enough farm labor will be something to keep an eye on.

Asia

- Ports and airports remain operational as demand continues to exceed capacity in Asia and production in China returns to full efficiency. We continue to work closely with our customers to accommodate their supply chain needs in the fluid environment – including offering air charter services and expedited FCL and LCL programs from Asia.

South Asia

- All the ports on the East and West coast of India continue to be fully operational. However, some vessels arriving from impacted countries may be put on a 14-day quarantine.
- There is limited availability of empty containers which has resulted in increased turnaround time on bookings. With increasing blank sailings, we are expecting equipment shortage to worsen in next 10-14 days.
- Air freight capacity is becoming tight due to cancelled flights; freight and charter services available.
- Customs Brokers Association in Mumbai have passed a directive that due to the outbreak the clearance of import consignments may be hampered and have suggested a general detention waiver for imports until March 31, 2020.
- A few locations have reported trucking issues, but we may see delays due to truckers not wanting to pick up freight in high-impact areas. We continue to monitor this closely and will provide updates as needed.

Europe

- Currently, capacity has not surpassed demand due to multiple non-essential businesses closing and production on essential products taking priority. We continue to work closely with our customers to accommodate their supply chain needs in the fluid environment – including offering air charter services and expedited FCL and LCL programs from Europe.
- Europe truckload continues to experience delays in cross-border shipments. View the latest crossing times [here](#).

Oceania

- Australian and New Zealand governments have implemented additional precautions to prevent the further spread of COVID-19. However, no restrictions have been placed on freight, logistics or commercial supply chains as they are considered an essential service during this time.
- A 14-day quarantine remains at the Port of Brisbane for all vessels that have departed a country outside Australia after March 15th AST. Exceptions to this restriction apply to New Zealand, Papua New Guinea and several South Pacific origins.

Latin America (LATAM)

- Continued delays at port terminals relating to import clearances and export processes.
- Ocean carriers are regulating supply to follow demand; blank sailings and equipment imbalance continues to be an issue on all trades.
 - Quarantine and plant closures may impact regular production for the coming weeks.
- Although international inbound passenger flights are restricted, we continue to have air charter services available in the region to aid our customers.

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Links to additional resources:

- [WHO](#) updates and [CDC](#) updates
- [CBS News](#) update and [BBC News](#) update
- [COVID-19: Implications for business](#) (McKinsey & Company)
- [Global Cases](#) (Johns Hopkins CSSE)

We will continue to monitor the situation and provide updates as needed. For previous advisories, please visit our [Client Advisory page](#) on our website. Here is a direct link to the most recent update:

3/20/2020 – [UPDATE: Coronavirus Outbreak](#)

Thank you for being our Valued Customer. If you have any questions, please do not hesitate to contact your C.H. Robinson commercial representative for further information.

Sincerely,
C.H. Robinson

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