

'Containergeddon' drives sugar, rice shippers back to bulk vessels

Food traders are switching from **containers** back to **dry bulk vessels** to transport refined **sugar** and **rice**, hoping to avoid shipping delays caused by container shortages and port congestion that the industry is calling "**containergeddon**", according to traders.

Container-based transportation has been hit by sky-high costs and delays amid booming shipping demand, while container terminals at ports struggle to deal with the flow.

Commodities such as refined sugar, coffee, rice, cotton and cocoa have moved from dry bulk vessels to containers in the past since the large boxes were more practical and offered good quality control. But now shippers are moving back, at least temporarily.

Around 80% of the trade on refined sugar was done using containers before the pandemic. This has now fallen to around 60%. The change is only not bigger because there are not a lot of small vessels available in the market.

Data from shipping agency Williams regarding port movement in Brazil, the world's largest sugar exporter, shows that volumes of refined sugar transported using containers fell 48% in June and July compared to the previous year.

Rice exporter in India, is looking to use a dry bulk cargo to ship to Western Africa a volume of rice equivalent to 10 full containers.

Coffee exporters are not considering a change away from containers yet, besides the difficulties, mostly due to concerns over quality. They say containers, with proper lining, better preserve coffee characteristics such as smell and taste.

Source: The Economic Times