

December 22, 2000

TO: Seaport Planning Advisory Committee

FROM: Will Travis, Executive Director (415/352-3653 travis@bcdc.ca.gov)
Jeffrey Blanchfield, Chief Planner (415/352-3654 jeffb@bcdc.ca.gov)
Linda Scourtis, Coastal Planner (415/352-3644 lindas@bcdc.ca.gov)

SUBJECT: 1999 Bay Area Cargo Monitoring Report
(For Committee information only)

Staff Report

Summary. Bay Area maritime cargo activity in 1999 continued to grow following a downturn in 1996; however, the level of total cargo has not met the *San Francisco Bay Area Seaport Plan* (Seaport Plan) Bay Area total cargo forecast since 1994. A breakdown of cargo passing through Bay Area ports during 1994-99 shows that container cargo,¹ the principal cargo shipping mode, most closely follows the forecast. The amount of liquid bulk² cargo increased significantly in 1999, meeting the forecast for the first time during the six-year tracking period. The remaining bulk cargoes—dry bulk³ and, most notably, break⁴ and neo-bulk⁵—continue to register less cargo than the forecast amount.

Background. The Seaport Plan provides for an ongoing waterborne cargo and terminal use monitoring program to aid in assessing requests for deletion of any terminal or port priority use area from the plan or conversions of bulk terminals to container terminals. Staff has monitored the regional cargo activity since the 1994-6 update of the Seaport Plan by retrieving data from the six Bay Area ports. This report discusses the cargo activity data for 1999. Table One summarizes this data for 1994-99 by cargo category, aggregated to reveal total vessel calls (vsls) and tonnage (cargo) handled on a regional basis.

Cargo Trends. The total amount of waterborne cargo handled by the six Bay Area ports increased more than eight percent during the period 1994 -1999. Container cargo contributed the greatest amount of additional tonnage to the regional total, experiencing six- percent growth over the same period. Conversely, although the greatest growth as a percentage of 1994 cargo activity—57 percent—occurred in break bulk cargo, these commodities make up less than one percent of the Bay Area total tonnage. Neo-bulk activity fell 48 percent between 1994 and 1998, experiencing a 40 percent drop from 1998 levels. A two percent decline in dry bulk reflects activity from 1996-1999 only, as figures were not available for the Port of Redwood City for the years 1994-5. Following a five-year period of generally minimal growth, in 1999 liquid bulk cargo levels jumped 47 percent over the previous year.

¹ General cargo packed in standard size weather tight boxes 20-40 feet in length. Cargo remains in container from origin to destination.

² Liquid cargoes, such as petroleum or vegetable oil, that are shipped in tanks rather than small individual units.

³ Cargoes loaded or unloaded by conveyor belt, spout or scoop, and not placed individually; flowing cargoes: rice, grain, various ores, etc.; stored loose.

⁴ Cargo handled in individually packaged units.

⁵ Cargoes generally shipped in large quantities and having some characteristics of bulk commodities. Neo-bulk cargoes in the Bay Area are generally automobiles, steel products, and newsprint.

Table One
Bay Area Ports Cargo Summary
1,000s metric tons)

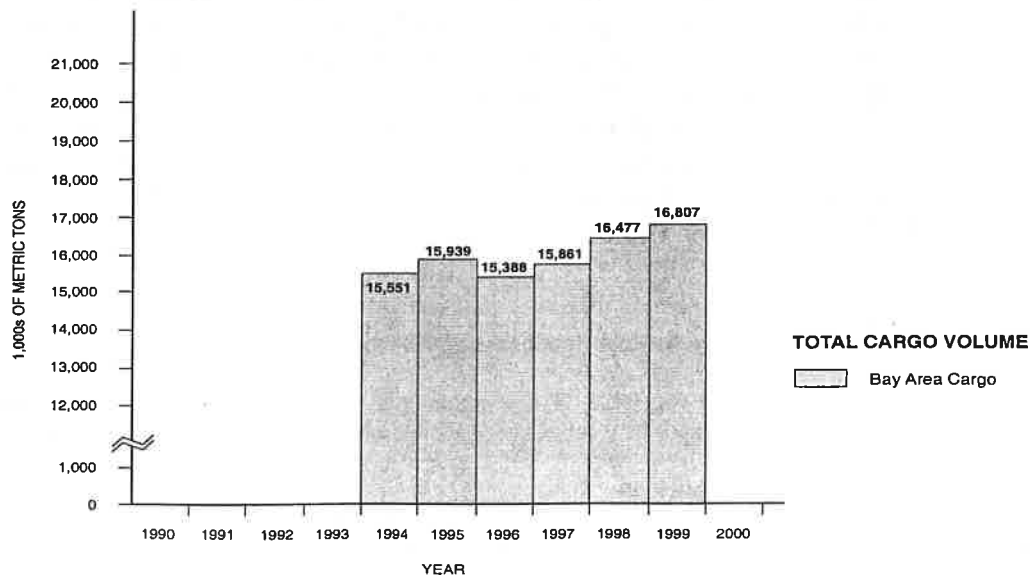
	1994		1995		1996		1997		1998		1999		Growth 1994:1999 + / (-)		% Growth 1994:1999 + / (-)	
	VsIs	Cargo	VsIs	Cargo	VsIs	Cargo	VsIs	Cargo	VsIs	Cargo	VsIs	Cargo	VsIs	Cargo	VsIs	Cargo
Container	1594	12,707	1665	12,909	1782	11,960	1718	12,312	1739	12,715	1881	13,459	287	752	18%	6%
Break bulk	(a)	49	(a)	46	(a)	31	(a)	36	(a)	78	(a)	77	(a)	28	(a)	57%
Neo-Bulk	467	1,098	352	1,032	207	841	158	759	189	945	114	576	(353)	(522)	(76%)	(48%)
Dry Bulk	62 (b)	1,253 (b)	69 (b)	1,488 (b)	64 (b)	2,084 (c)	64 (b)	2,223 (c)	69 (b)	2,294 (c)	98 (c)	2041 (c)	6 (b)	(43) (d)	10% (b)	(2%) (d)
Liquid bulk	127	444	135	464	128	472	173	531	176	445	170	654	43	210	34%	47%
Total	2250	15,551	2221	15,939	2181	15,388	2112	15,861	2173	16,477	2263	16,807	13	1319	<1%	8.5%

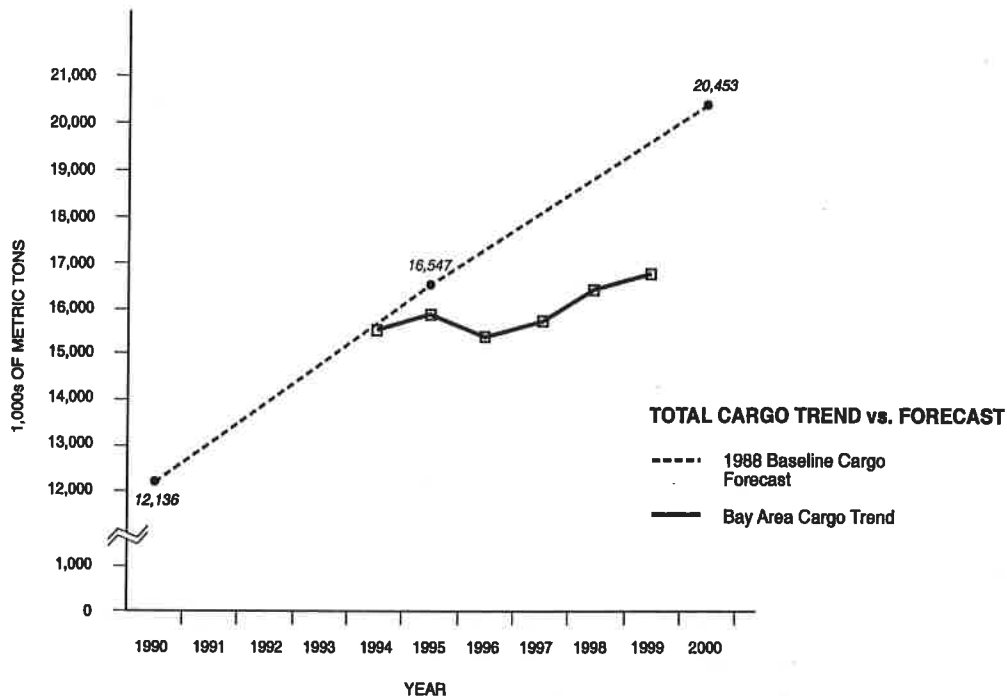
(Excludes bulk sugar, crude oil and petroleum products, and Hawaiian molasses.) (a) Included with container vessel calls. (b) Does not include Port of Redwood City. (c) Includes Port of Redwood City. (d) Covers years 1996-99 only, to include Port of Redwood City.

The following graphs illustrate the cargo volume and growth trend for the total maritime cargo for the Bay Area as well as for the individual cargo types. As shown, there are distinct variations among the individual cargo categories as to how closely tonnage levels track the projected activity.

Bay Area Total Cargo

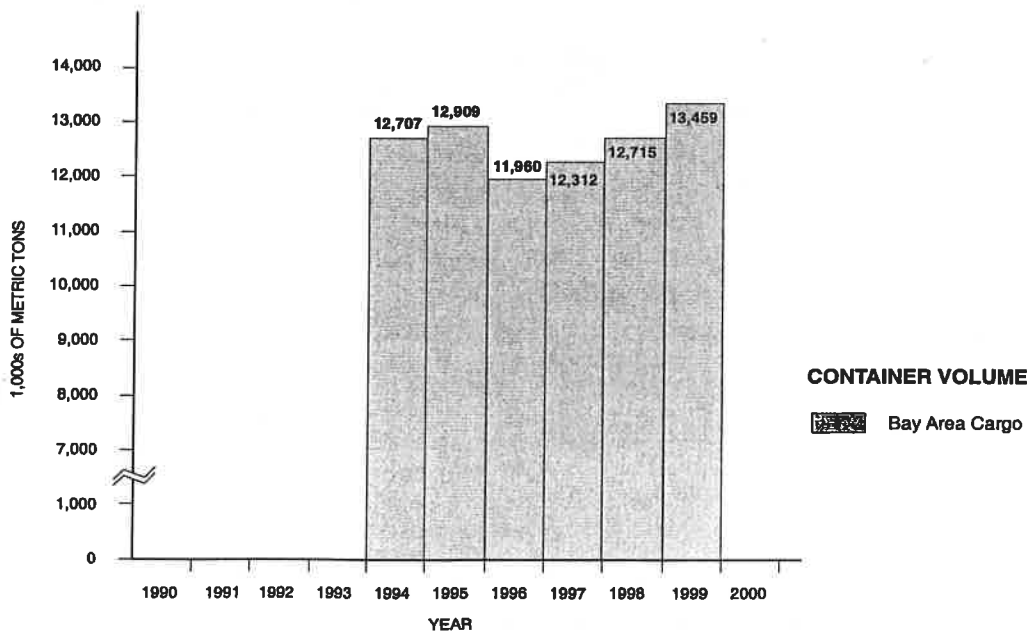
Total Bay Area cargo in 1999 grew from 16,477,000 to 16,807,000 metric tons, an increase of two percent over 1998. As the graphs below show, although there is an upward trend for total cargo (nearly nine percent growth during the 1994-99 period), when compared with the regional forecast, total cargo currently lags 15 percent behind the forecast. *It should be noted* that the total cargo and container cargo data reflect tonnage levels that have been adjusted downward five to nine percent from those reported to the Seaport Planning Advisory Committee in October 1999, when container cargo volume was inadvertently reported in short tons.

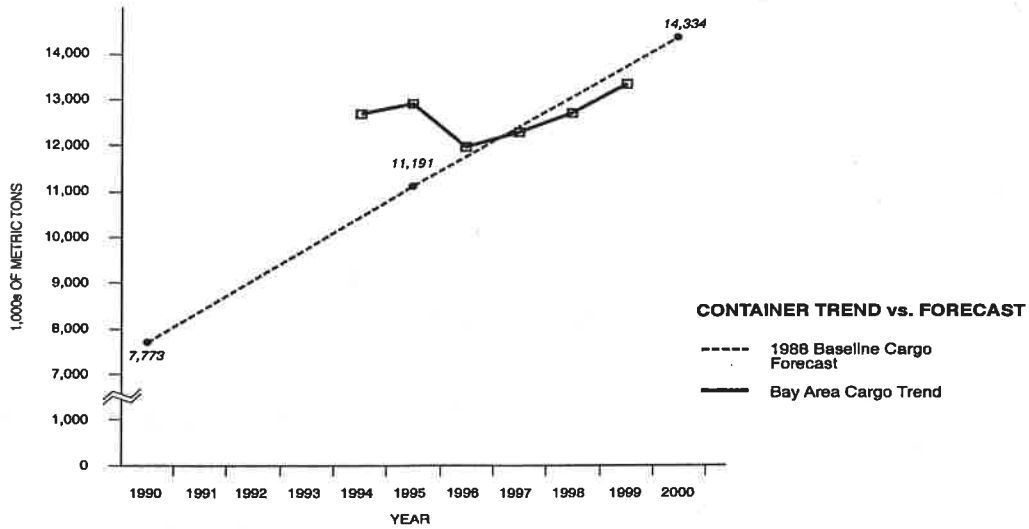




Container Cargo

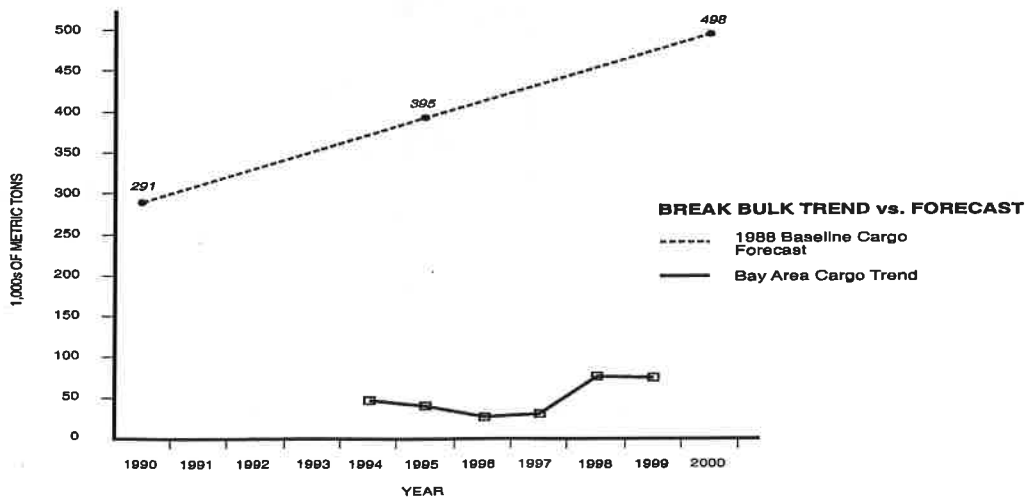
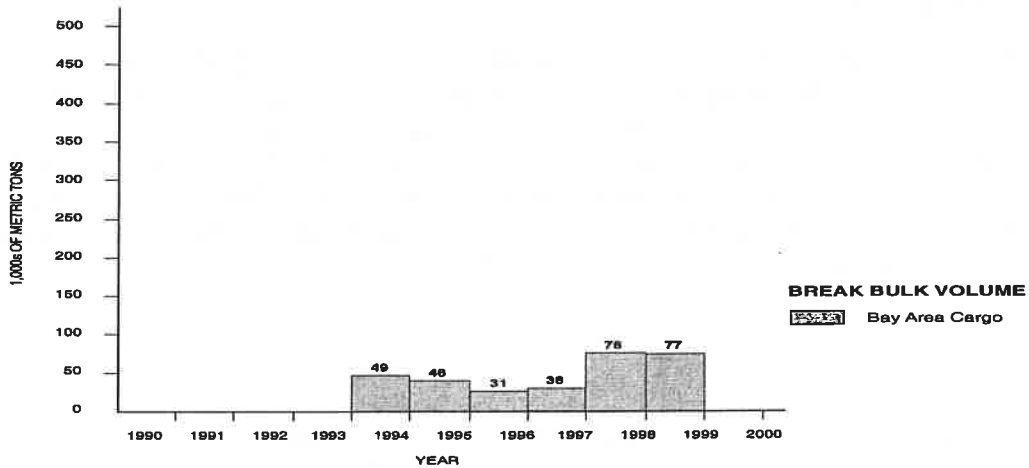
The volume of container cargo handled by the Bay Area ports increased six percent between 1998-99, mirroring the overall net growth during 1994-98 for this cargo type. Since 1994, container cargo has generally followed the Seaport Plan forecast. Although there was a sharp decline of nearly one million metric tons in 1996, there has been a steady increase since that time, to where the 1999 level is .75 million metric tons greater than the previous 1995 high for the six-year period, falling within two percent of the 1999 cargo forecast.





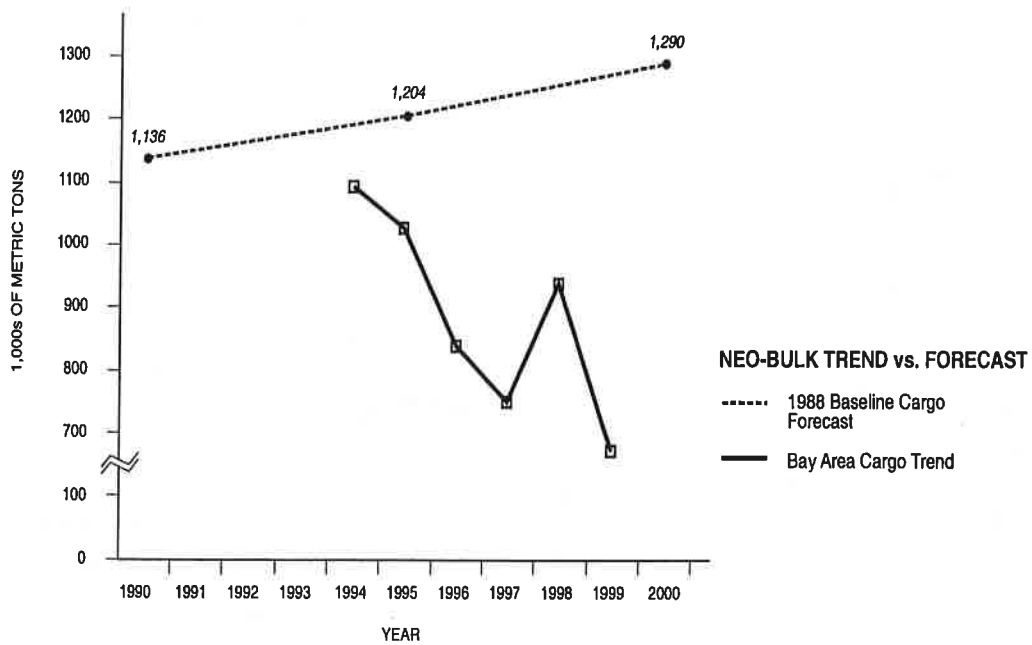
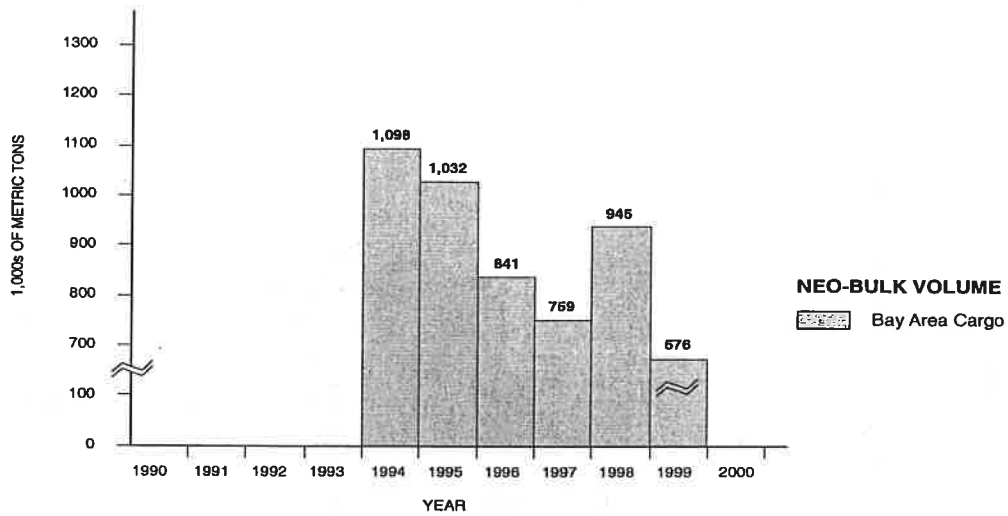
Break Bulk Cargo

While container cargo generally tracks the Seaport Plan forecast, break bulk cargo continues to fall significantly short. Commodities formerly transported as break bulk cargo have increasingly shifted to containers since containerization was first introduced in the 1960s. Thus, the reported figures for break bulk cargo continue to fall far short of the forecast levels (85 percent in 1999).



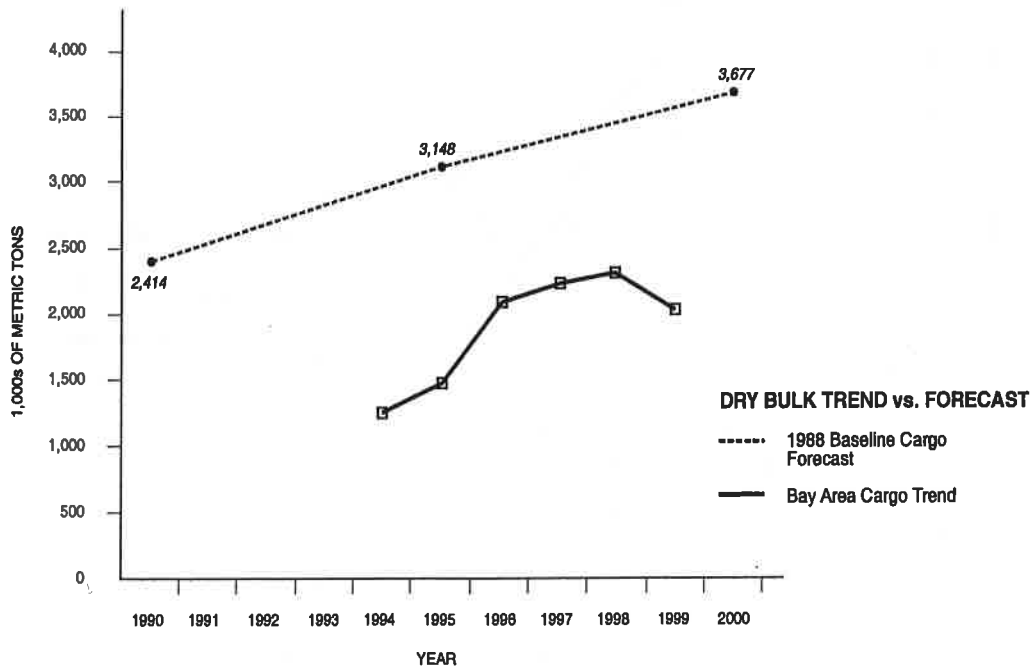
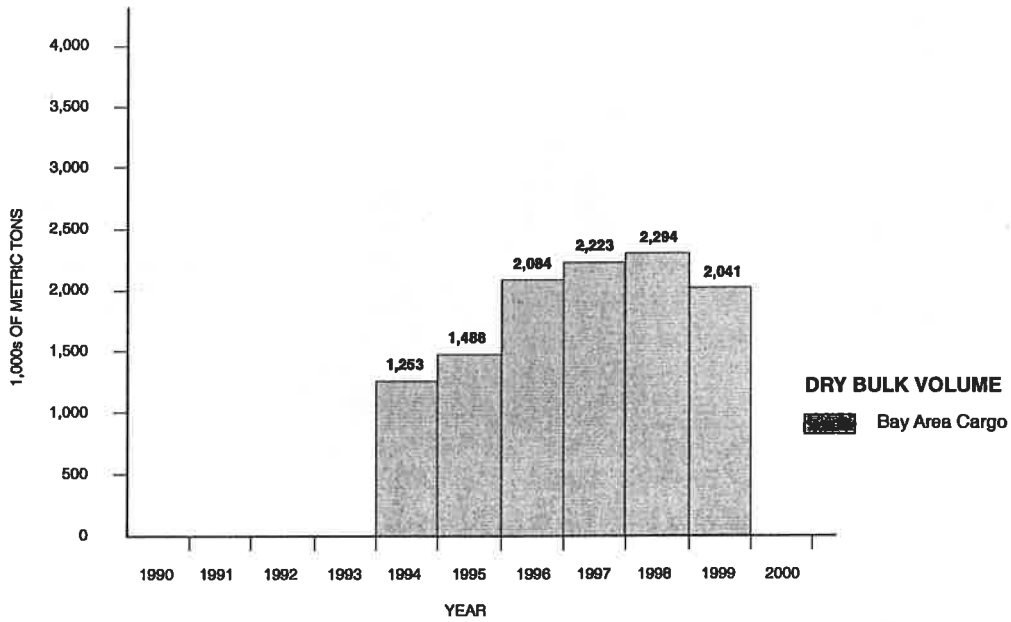
Neo-Bulk Cargo

Following a 24 percent burst of growth in 1998 following three years of marked decline, neo-bulk activity around the Bay dropped nearly 40 percent from 1998 levels. This resulted in a 48 percent decline overall during 1994-99. Cargo volume in 1999 was approximately 55 percent below the forecast for this cargo type.



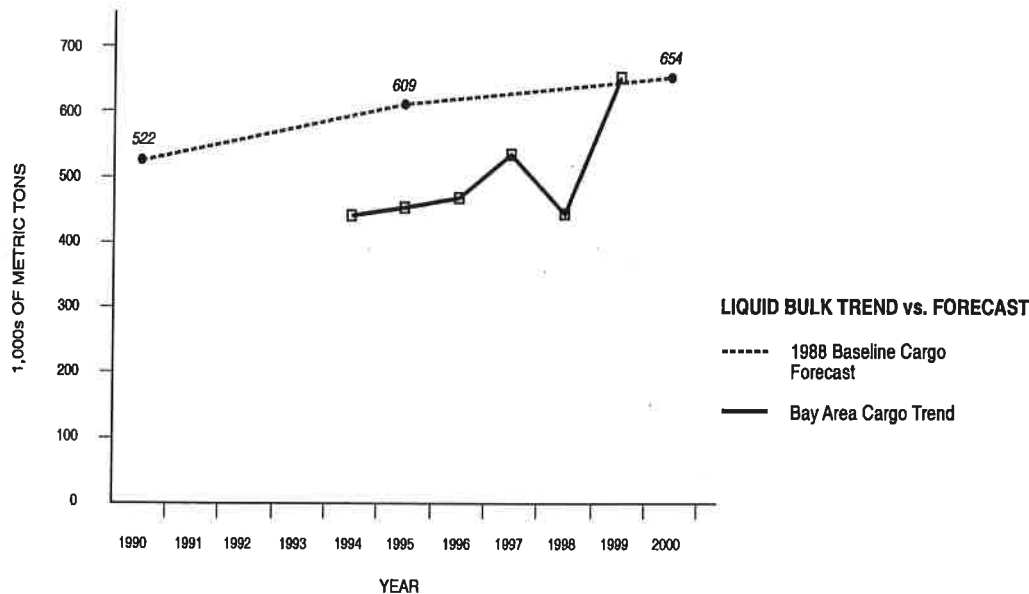
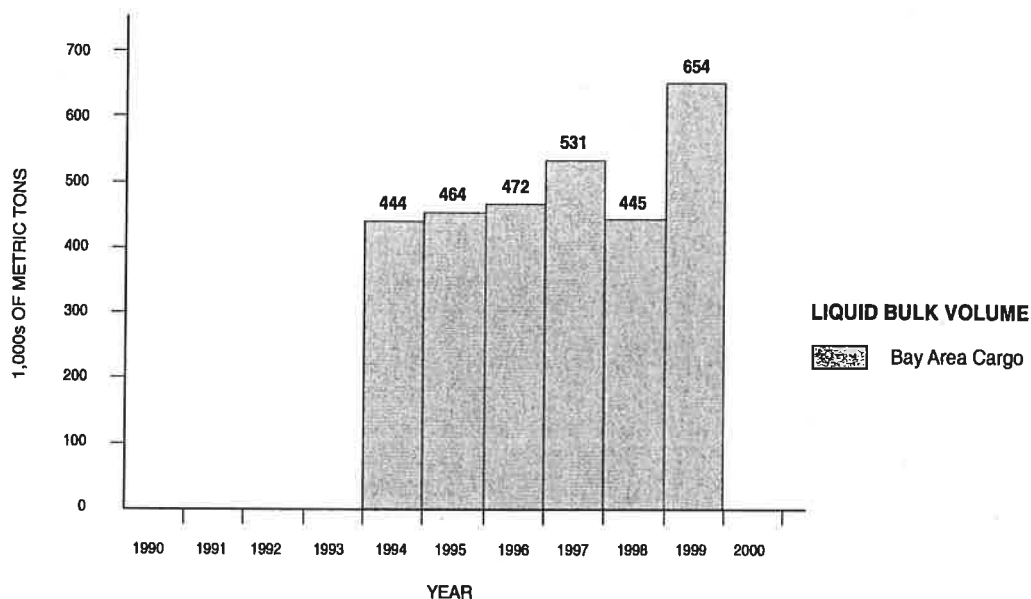
Dry Bulk Cargo

The volume of dry bulk cargo steadily increased until 1999, when this cargo type experienced an 11 percent reversal from 1998 levels. The reported volume for 1999 was approximately 43 percent below the forecast amount.



Liquid Bulk Cargo

Liquid bulk commodities experienced the greatest increase of the cargo types over the 1998 level, 47 percent, meeting the Seaport Plan forecast for the first time during the six-year survey period.



Conclusions. The data collected from the Bay Area ports indicate that although total maritime cargo has increased over the past three years, it is not keeping pace with the Seaport Plan total forecast. When the individual cargo modes are analyzed, it is apparent that break bulk, dry bulk and neo-bulk cargoes continue to fall far short of the projected growth. However, container cargo, the largest segment of regional maritime cargo shipping, continues to track to the Seaport Plan cargo forecast, while liquid bulk climbed dramatically in 1999 to slightly exceed forecast levels.

