

# THE CONVERSATION

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Container ships could get stuck at the nation's East Coast and Gulf Coast ports, while West Coast ports might be disrupted by rerouted cargo. AP Photo/Stephen B. Morton

## Brown bananas, crowded ports, empty shelves: What to expect if there's a big dockworkers strike in the US

Published: September 28, 2024 8:42am EDT

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Whether you're buying a can of sardines or a screwdriver, getting products to consumers requires that supply chains function well.

The availability of labor is essential in each link of the supply chain. That includes the workers who make sure that your tinned fish and handy tools smoothly journey from their point of origin to where they'll wind up, whether it's a supermarket, hardware store or your front door.

Amazingly, 90% of all internationally traded products are carried by ships at some point. At the height of the COVID-19 pandemic, it was hard not to notice the supply chain disruptions. For U.S. ports, there were many bouts of congestion. Demand for goods that were either more or less popular than they would normally be became volatile. Shortages of truckers and other freight service providers wreaked havoc on land-based and maritime transportation networks.

Consumers became exasperated when they saw all the empty shelves. They endured price spikes for items that were suddenly scarce, such as hand sanitizer, computer equipment and bleach.

I'm a scholar of supply chain management who belongs to a research group that studies ways to make supply chains better able to withstand disruptions. Based on that research, plus what I learned while writing a book about labor and supply chains, I'm concerned about the turmoil that could be around the corner for cargo arriving on ships.

### **Concerns over pay and technology**

The International Longshoremen's Association's six-year contract with the East Coast and Gulf Coast ports will expire on Sept. 30, 2024, at midnight unless the two sides reach an agreement before that deadline. Without a breakthrough, the 45,000 port workers intend to take part in a strike that would paralyze ports from Maine to Texas.

Should they walk off the job, it would be the first such work stoppage for the East Coast ports since 1977.

Labor and management disagree over how much to raise wages, and the union also wants to see limits on the use of automation for cranes, gates and trucks at the ports in the new contract. The union is seeking a 77% increase in pay over the next six years and is concerned that jobs may be lost because of automation.

Dockworkers on the West Coast, who are not on strike, are paid much higher regular wages than their East Coast and Gulf Coast counterparts who are preparing for a strike. The West Coast workers earn at least an estimated US\$116,000 per year, for a 40-hour work week, versus the roughly \$81,000 dockworkers at the East Coast and Gulf Coast ports take home, not counting overtime pay.

Management is represented in the talks by the U.S. Maritime Association, which includes the major shippers, terminal operators and port authorities.

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White House officials are calling for dock workers and port operators to settle their differences as a strike looms.

[@MrSethHarris](#), former top labor policy advisor to President Biden, joins Yahoo Finance to discuss:

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### What to expect if there's a strike

As many as 36 ports would have to stop operating if a strike happens, blocking almost half of the cargo going in and out of the U.S. on ships.

If the strike lasts just a day, then it would not be noticeable to a typical consumer. However, businesses of all kinds would no doubt feel the pinch. J.P. Morgan estimates that a strike could cost the U.S. economy \$5 billion every day.

Even if only a one-day strike happens, it could take about five days to straighten out the supply chain.

If a strike lasts a week, the results would quickly become apparent to most consumers.

Some shipping companies have already begun to reroute their cargo to the West Coast. Even if there's no strike at all, costs will rise and the warehouses could run out of room.

The effects on everything from [bananas and cherries to chocolate, meat, fish and cheese](#) could be severe, and the shipping disruption could also hamper trade in some prescription drugs [if the strike lasts at least a week](#).

If the strike were to last a month or more, supplies needed by factories could be in short supply. Numerous consumer products would not be delivered. Workers would be laid off. U.S. exports, including agricultural ones, might get stuck rather than shipped to their destinations. Inflation might increase again. And there would be a new bout of heightened economic anxiety and uncertainty – along with [immense financial losses](#).

All the while, West Coast ports would face unusually high demand for their services, wreaking havoc on shipping there too.

## **Yes, we'd have no bananas**

My research group's latest work on supply chain disruptions and the effects of various transportation disruptions, including delays, quantifies the impact on the quality of fresh produce. We did a [case study on bananas](#).

This isn't a niche problem.

Bananas are the most-consumed [fresh fruit in the U.S.](#)

Many of the bananas sold in the U.S. are grown in [Ecuador, Guatemala and Costa Rica](#). About 75% of them [arrive at ports on the East and Gulf coasts](#).



Bananas on a conveyor belt are sorted and inspected by workers.

Bananas are a big business in Ecuador. David Diaz/picture alliance via Getty Images

Although bananas are relatively easy to ship, they require appropriate temperatures and humidity. Even under the best conditions, their quality deteriorates. Long delays will mean shippers will be trying to foist mushy brown bananas on consumers who might reject them.

Alternatively, banana growers may opt to find other markets. It's reasonable to expect to find fewer bananas and much higher prices – possibly of a lower quality. Flying bananas to the U.S. would be too expensive to sustain.

Fresh meat and other refrigerated foods [could spoil before they can complete their journeys](#), and fresh berries, along with other fruits and vegetables, could perish before reaching their destinations.

If there's a port strike, tons of fresh produce, including bananas, that would arrive after Oct. 1 would [end up having to be discarded](#). That is unfortunate, given the [rising food insecurity](#) rate in the U.S.

## **1947 Taft-Hartley Act**

More than 170 trade groups are urging the Biden administration to intervene at the last minute to avoid a strike.

The government can invoke the 1947 Taft-Hartley Act, which allows the president to ask a court to order an 80-day cooling-off period when public health or safety is at risk.

However, President Joe Biden reportedly does not plan to invoke it – even as he urges the two sides to settle their differences.

So if you're planning to bake banana bread or were thinking you might get an early start on your holiday shopping, I'd advise you to make those shopping trips as soon as possible – just in case.