

GLOBAL FREIGHTS

- Due to the continuing attacks near the 20-mile-wide Bab el Mandeb Strait, most carriers have paused or rerouted vessels from the Red Sea and Suez Canal to the Cape of Good Hope.
- Some carriers, however, have recently re-started to go through the canal, including CMA CGM and Maersk.
- Several carriers have introduced a war risk surcharge and declared force majeure.
- As a result of the diverted cargo due to the Suez Canal issues, transit time has increased by 2-3 weeks. This is also causing slower container turnover. This reduced capacity could trigger increased rates on top of the implemented surcharges.
- The reconfiguration of service and re-routed vessels has also led to poor schedule reliability.

A FOCUS ON EAST AFRICA

Our logistics report looks a little different this month. From now on, we'll continue sharing logistics information of major receiving regions but, each month, we'll focus on a specific shipping region where logistics are particularly important. This month, we're looking at East Africa and the impact of attacks in the Red Sea.

- There is a shortage of trucks in Burundi due to fuel unavailability delaying coffee movement and transportation to port.
- Dar es Salaam port is heavily congested and creating major challenges of vessel arrival and sailing schedules. This is affecting execution performance for cargo from Tanzania and Burundi.
- The current Red Sea situation is halting movement for all shipping lines in the Suez Canal and many are re-routing via the Cape of Good Hope. We are seeing reduced capacity of vessels calling at Mombasa, Dar es Salaam and Djibouti ports and transit time is considerably extended. We are anticipating a shortage of equipment and space constraints for the coming months.

AMERICAS

NORTH AMERICA

Ports situation

- NY/NJ port operations closed the year with little to no issues. While there may be occasional congestion at one of the main terminals, it is only periodic, and cargo is successfully picked up within free time.
- Montreal port worker labor talks are ongoing, and no agreement was reached before the current expiration at the end of 2023. No strike or lockout has impacted the port yet as federal labor relations weigh in on an essential services request to keep the port operational.
- LA/LB closed the previous calendar year as one of the most challenging ports experiencing consistent exams throughout the year, the only silver lining is that warehouse operators have capacity.

- Houston/NOLA gulf port operations are smooth, but there are still exams being seen primarily at the port of Houston.
- Northwest ports of Seattle and Vancouver are operating without issue.

Inland transportation

- US spot trucking rates increased toward the end of Q4 2023 as the effects of the bankruptcy filing in Q3 of a major US asset-based carrier greatly reduced trucking capacity within the market. As the carriers' old assets and terminals are currently up for auction this has had an impact on over-the-road rates.
- End of year drive availability has affected delivery dates as people work off the holiday hangover and a refocus on early January demand has seen delivery pick up appointments being longer than usual.

BRAZIL

- In December, we did the first cargo release without the need for a customs broker at Port of Santos and we are working to release as many processes as possible in 2024.
- The lack/delay in the release of empties containers by shipping lines in the main Brazilian ports continue.
- Exporters have suffered with delays in the arrival date at Brazilian ports and, on the other hand, loading terminals have worked with scarce time to receive the full containers.
- The Ministry of Agriculture (MAPA) is taking around 1 week to issue the Phytosanitary Certificate at Port of Santos.

CENTRAL AMERICA + PERU

- Central America & Mexico harvests are progressing with shipment periods starting to peak now in Jan 2024.
- With the Panama Canal at historic low water levels, congestion is being felt in the increase of dwell time vessels sit in queue to pass the Canal. Origins that sell basis FCA mill like Nicaragua and El Sal could be impacted as typical inland trucking calls for shipments via Pacific coast and require passage through the Panama Canal. This in turn can have an effect on longer transit times.
- It's still too early to tell if Panama Canal Authorities will reduce the vessel slots per day in the next 2 months as indicated in November 2023 as the situation was expected to require a further reduction to 18 slots per day (currently at 25). There have been cases of carriers paying a premium for passage (skipping to the front of the line) and those who have been stuck waiting a long period of time to pass the canal.
- While the Peru crop is winding down there is already very limited availability at this point, the shipping season will start to reduce now into Feb & March as attention shifts to Central America.

EUROPE

Ports situation and inland transportation

- Ports across EMENA are operating normally without any issues reported.
- Trucks are available and operations are going smoothly within Europe.
- Clients across EMENA are worried about the Suez canal issue and are requesting to ship the coffees prior to the shipment month to avoid any disruption in the supply chain

APAC

AUSTRALIA & NEW ZEALAND

- Ports are operating normally with no delays.

CHINA

- China Customs recently upgraded the inspection and documents & packaging requirements for coffees shipped from Ethiopia, Honduras and Venezuela. More details can be found in Decree 2023-67, 115 and 142.



SUCAFINA SA