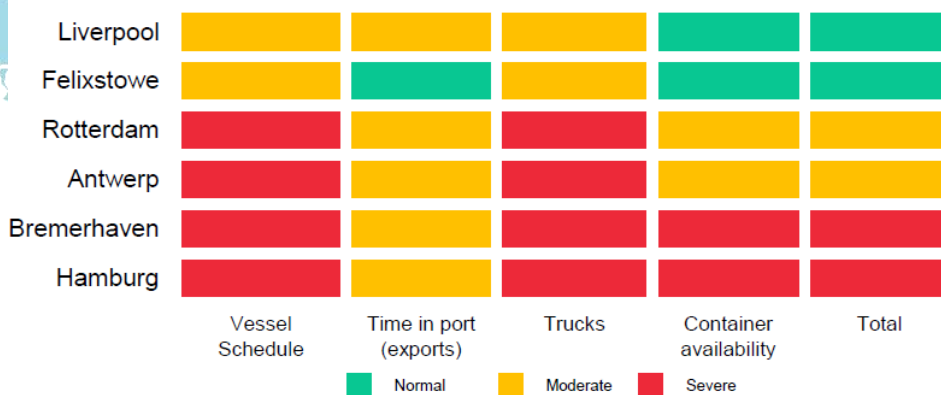


GLOBAL FREIGHTS

- From late 2020 to early 2022, global demand exceeded fleet capacity by 10%, compared to Jan 2020. Over the past 6 months this imbalance has been removed and there is no longer significant excess demand.
- Rhine low water levels restrict loads and surcharges and cargo restrictions have been imposed. Long periods of low water on the Rhine restrict the loading capacity of barges because as water levels fall, more tonnage is required to move the same amount of cargo.
- World container index and Shanghai container index show accelerating reduction ex. Far East towards EU and US rates.
- Industrial action continues to plague ports causing much disruption and build up. This is increasing transit and pickup times. The area most affected is Europe:

Europe's Supply Chain Heat Map



NORTH AMERICA

Ports situation

- NY/NJ port congestion has not subsided. The congestion in key terminals is making it difficult to pull cargo within free time. Driver dwell time to get into ports is, on average, 6+ hours. Some major carriers are still limiting return of empties, which is causing chassis equipment scarcity. Port authorities have sought to implement a container fee on long dwelling import or export containers. Ports are setting mandatory export levels on carriers to exceed 110% of imports.
- Toronto CN rail depot via Halifax congestion is at all-time highs. The situation has deteriorated in the last 2 to 3 weeks. The terminal is trying to move loads between terminals to alleviate the congestion but it's causing importers to incur additional shunting fees and terminal storage charges. CN in Halifax has over 2,000 containers dwelling over 30-days trying to get to Toronto. The situation is compounded because the warehouse is at full capacity.

- Oakland port operation has containers falling into accessible areas and this doesn't allow drayage carriers to pick up cargo. Added lead time is about 7 to 14 days.
- Houston port is still dealing with a high influx of cargo, but this seems to have subsided a bit in the past few weeks. However, partners are still taking 7 to 10 days to discharge cargo.

### Inland transportation

- Spot freight on the roads have trended downward in the past month. The biggest challenge is warehouse capacity and operational challenges affecting transfers.

## EUROPE

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### Ports situation and inland transportation

- Congestion in European ports persists. We stand by our recommendation to disperse shipments as much as possible from origin to help mitigate bottlenecks at destination.
- Storage space in all European port areas are very scarce (e.g. Koper).
- Truck availability has improved but schedules are unreliable for trucks loading or unloading within port areas due to warehouses' operational bottlenecks and traffic.
- Felixstowe strike (21 to 29 August) caused major disruptions and affected surrounding UK ports' efficiency and turnaround, especially London Gateway and Tilbury. Trade Union United has declined all offers up to now and it is anticipated that there will be more escalated strikes until Christmas.

## LATIN AMERICA

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### BRAZIL

#### Container availability + vessel space

- We continue seeing some issues with equipment and space availability but nothing too serious for now.
- Spaces on vessels remain the most difficult for closer ETDs. It's recommended to place bookings as early as possible.
- Dry port customs clearance process is back to a reasonable pace.
- NPPO Brazil's latest instructions on the Phytosanitary certification is that non-governmental organizations are not allowed to issue certificates with the title "PHYTOSSANITARY CERTIFICATE" to destinations that do not require such certification. All independent companies should change their certification so that it does not mention NPPO Brazil's certificate title.

### COLOMBIA

#### Container availability + vessel space

- Overall, we have seen better vessel space and container availability with most of the shipping lines.
- Bookings from Canada are limited and must be made in advance.

## Port Situation

- Some protests have been seen on the road to Buenaventura's port organized by indigenous communities. This has affected the movement of cargo at this port. In the last week, the road has been blocked by protestors for several days. The government is negotiating with the indigenous communities to solve this situation.

## OTHER

- In Peru, there is a shortage of containers from main ports Callao and Paita.
- In Honduras, no issues in the availability of spaces and containers.
- In Nicaragua, bookings are being confirmed only after the second half of September.
- In Guatemala, no issues in the availability of spaces and containers.

## AFRICA

### UGANDA, RWANDA and KENYA

#### Container availability + vessel space

- Changing schedules and sailing delays keep increasing, resulting in an average of 15 quay days.
- In Kigali and Kampala, container availability is moderate.

#### Inland transportation

- Cross-border inland transport was on hold at the beginning of August for about 10 days during and after the election in Kenya. Movement has resumed and transport has returned to normal.
- Trucks are available in Kampala but scarce in Kigali.
- We continue to see the impact of fuel prices on trucking rates overall.

### TANZANIA, BURUNDI

#### Container availability + vessel space:

- We are experiencing vessel changes with most shipping lines, as well as booking rejections with some, due to container shortage and capacity restrictions (e.g. Maersk).

## ETHIOPIA

#### Container availability + vessel space

- There is a good availability of containers and booking request response from major shipping actors although often times ETD is far from booking confirmation date.
- CMA CGM has no containers and is unable to get bookings.

## ASIA PACIFIC

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### VIETNAM

#### Port situation + inland transport

- New HCM sea port infrastructure fees for all types of exports/imports were officially applied on 1<sup>st</sup> August. This was good news for enterprises in general and coffee trading companies in particular since HCM authority decided not to levy higher cost for exports and imports where customs is declared outside HCM. In addition, cargoes going via bonded areas are now also treated the same as cargoes via normal exports & imports. This saves cargo owners roughly US \$5/mt.
- Diesel price continues to reduce but at slower pace compared to July. Trucking costs are therefore to be watched closely for further adjustments.

#### CHINA

#### Inland transportation

- Due to a surge in coronavirus cases, the cross-border truck movements between Hong Kong and mainland China has been significantly affected since the end July. The shipments that need to be moved to Hong Kong have a longer transit time and truck capacity is said to be reduced by 10-20%.

#### OTHERS

- The military drills around the Taiwan Strait may have an impact on global supply chain as the Strait is the primary shipping route between China, Japan and Europe (freight rates and transit times might increase).
- Australia's stricter border controls are delaying sample receipt in the country. Samples without a phytosanitary certificate or for which the certificate is not visible from outside of the parcel are being held at customs. Therefore, it is imperative that every sample sent to Australia meets the two above requirements.



## SUCAFINA LOGISTICS VOICES

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*My name is Sandra Namirembe. I am a logistics officer working with UGACOF (Sucafina Uganda). My Logistics journey with Ugacof started way back in 2015. I joined Sucafina as a recent university graduate in Accounting and Finance. I have since changed careers and fallen in love with logistics operations. It has truly been one of the greatest decisions I have made in my work life.*

*The Logistics industry is an enjoyable sector with a lot of good challenges. Every day is different so you must be agile and good at communication. You must be quick to learn and re-learn so you can adapt to the always changing environment. In my department, I am in charge of 3 designated forwarders. I coordinate with them on a daily basis to ensure that all coffee shipments are executed as per agreement and on time.*

*The logistics crises of 2020-2021 further spotlighted the importance of implementing Sucafina's values of entrepreneurship, adaptability and team work at Sucafina Uganda. The industry threw us all it could from container and truck shortages to increased freight cost, border slowdowns and port delays but we still came out on top by remaining resilient and focusing on helping our clients.*

*This continues to motivate me each day as I facilitate the delivery of Ugandan coffee across the globe with the help of the Sucafina Uganda team. I look forward to achieving more great things with Sucafina.*