JUNE | LOGISTICS REPORT

GLOBAL FREIGHTS

- The situation around the Suez Canal continues to be fluid. Since December, most maritime carriers have announced they are temporarily pausing or rerouting vessel traffic through the Red Sea and Suez Canal following a sequence of attacks on container vessels launched from a part of Yemen. All carriers are re-routing their vessels through The Cape of Good Hope with significant increase in transit time.
- Carriers have announced significant rate increases on all Asia export lanes due to the increased demand and load factors coupled with equipment challenges in more ports now. And rates are getting higher from APAC to EU.
- Container shortages have worsened in many Asian ports. All new boxes are fully booked until August.
- Port congestion in Dubai and Singapore is causing schedule delays and more blanked sailings are anticipated.

NORTH AMERICA

Ports situation

- NY/NJ: Ports have no reported issues. There are periodic exams, but they are still within control and cargo still able to be picked up within the allotted free times.
- Toronto/Montreal: Talks between the teamsters and railways were abandoned last week. While both sides remain far apart, continued government involvement will make any job action unlikely before mid-July at the earliest.
- West coast ports: Port operations are normal; however, LA/LB ports continue to see reoccurring exams.
- Gulf Coast ports: The ports of Nola and Houston continue operating without any major issues. A third coffee warehouse operator in the Port of Houston has added an extra 100k sq. Ft of capacity to the Houston market.

Inland transportation

- US spot FTL/LTL trucking rates remain stable in comparison to Q1’24 due to the reduction in fuel prices.

EUROPE

- Ports across EMENA are operating normally without any issues reported.
- Trucks are available and operations are going smoothly within Europe.
- EUDR is the project for the coming semester. On the right track for execution

LATIN AMERICA

BRAZIL

- The main Brazilian ports (Santos, Vitoria and Rio de Janeiro) are congested causing delays on vessels.
- From the terminal perspective, there is a significant bottleneck on land. The installed capacity exceeds the recommended maximum limit (70%) for efficient operation.
- The Port of Navegantes is closed for expansion works and the Port of Itajai is also not operating. The volume of both of these ports is being moved to Ports of Santos and Rio de Janeiro.
- The BTP Terminal has confirmed that the repair schedule for berth 1 (of 3 total berths) is as expected to be completed in July.

COLOMBIA

- Logistics operations have gone normally in the different ports of Colombia. Buenaventura remains the main port with 59% of coffee shipped though this city.
- We constantly monitor the status of the main roads from milling plants to the ports. We haven't seen any potential strike announcements for the next several months, but we keep an eye on everything related to security of cargo during transits.
- The main shipping lines have announced a possible shortage of containers for the second half of 2024. We are working to anticipate bookings as much as possible to avoid delays.

CENTRAL AMERICA / MEXICO / PERU (CAMP)

- The Central America harvest and shipping seasonality is wrapping up, and the focus has started to shift to Peru harvest.
- The biggest back log out of CAM continues to be a lack of equipment availability out of the origin of Nicaragua due to change in government regulations in terms of how long import equipment can remain in country without re-export. This further compound the already existing logistical challenges, only causing further delays.

AFRICA

UGANDA, RWANDA, AND KENYA

- We are at the peak of harvest and exports in Uganda.
- There is a shortage of empty containers in Kampala and very high competition for available stock.
- Trucks are available and border operations normal.
- Mombasa port slightly congested

TANZANIA, BURUNDI

- The Dar es Salaam port terminal management transition to DP World is done and Adani Group took over the Terminal II.
- It's off-season for exports from Tanzania and Burundi and there is a shortage of both equipment and vessels for any remaining cargo.

ETHIOPIA

- There are significant container shortages in Addis. 40-foot containers are more available.
- Djibouti port very congested, affecting vessel schedule.

ASIA PACIFIC

INDONESIA

- Since Aug 2023, a new regulation from the Indonesian government mandates that if FOB value of a shipment is higher than $250k, at least 30% of that amount will be held in national financing system for at least 3 months. Therefore, all shippers are splitting their shipments into multiple parts to avoid that.
- Belawan is going to experience critical port congestion in the next 3 months. Most vessels in June & even July are sold out at the moment.

CHINA

- Coffee export from China remains low. G3 is the main volume for both domestic and export sales. Expecting a rising PMI in May, export remains strong trend for China industry products, especially APAC direction so the containers and space will keep tight.

VIETNAM

- Container shortage is more serious. It is very difficult to get space for shipment to the US, even with small volumes.
- Shortage of Robusta coffee is still serious and is due to high price market.
- Freight is still at expensive.