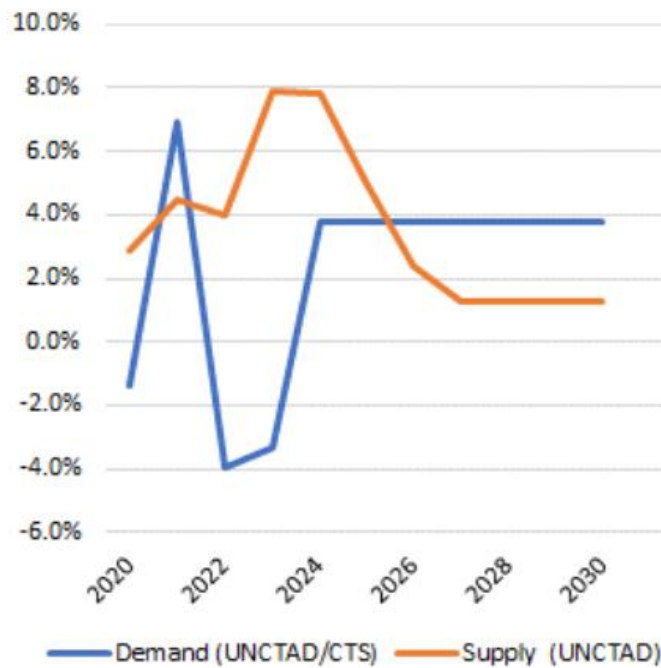


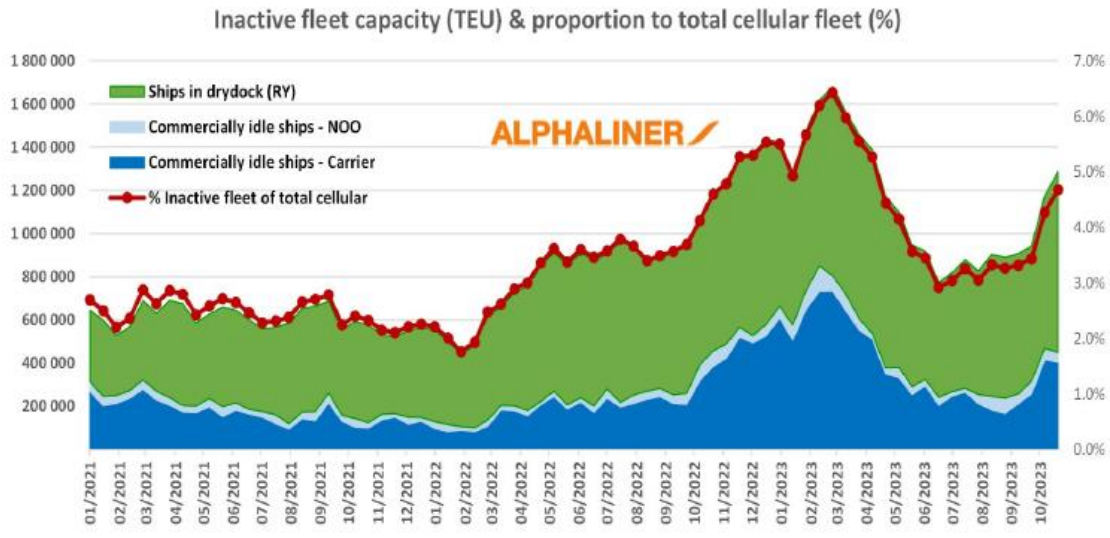
GLOBAL FREIGHTS

- We have reached pre-pandemic freight rate levels and beyond (on select routes). We see this trend continuing into 2024.
- We are seeing the supply in containers outstrip the demand until 2026 meaning there will be a surplus of available containers up for grabs. This overcapacity puts further pressure on carriers to decrease rates.

Fig.A7: Global container supply and demand growth



- Geopolitical uncertainties cast a slight cloud over the economic outlook for 2024. However, until now, there has been no impact of the escalation of the Israel/Palestine situation.
- We are also seeing an increase in the number of inactive vessels (idle or dry dock). As we see the rates plummeting, carriers will try to mitigate their losses by reducing the number of vessels. We will also see a rise in blank sailings and reduced services.



A FOCUS ON LATIN AMERICA

Our logistics report looks a little different this month. From now on, we'll continue sharing logistics information at 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 Latin America.

BRAZIL

- In October, weather in Brazil caused severe logistics delays. In the Southern Brazil, a high occurrence of storms where strong rains and wind paralyzed several ports for hours and even days. In many cases, vessels were unable to enter these ports and had to continue onwards. Meanwhile in the north, the problem was that extremely dry weather shrunk rivers and made them impassable for large vessels. All of this together impacted operations of the port of Santos, causing vessel delays and rollovers in bookings.
- At the port of Santos, the loading terminals were full and had difficulty relocating containers internally. This affected the gate opening and window availability for exporters. The secondary terminals at Redex were also affected by congested loading terminals and soon had no more space to offer in their areas. Trucks began to be used as a storage option for units while the gates were not opened, affecting the fulfillment of schedules since trucks were no longer used for a round trip but for one-way and storage.
- Shipping lines started to delay some vessels and we needed additional time to release empty containers.
- Additionally, there was an increase in competition for standard food grade containers, mainly due to sugar and Cotton exports (for the first time in history, Brazilian cotton production surpassed American production)
- The Ministry of Agriculture (MAPA) is taking around 2 weeks to issue the Phytosanitary Certificate at port of Santos.

CENTRAL AMERICA + PERU

- Sintercafe is taking place this month and it's a good opportunity for origin suppliers to mingle & meet w/ industry stakeholders and talk about the upcoming crop.

SUCAFINA SA

- November and December represent the start of the new 23/24 shipment period out of Central America, while focus through Q3/Q4 has been on Peru, the trade now has their eyes set to get ready for the start of the new season.
- Panama Canal historic low water levels continue to impact daily ship crossings. Authorities have indicated a reduction on daily crossing to 25 per day starting Nov 3, and can see a gradual reduction over the next three months to 18 slots per day.
- As Peru heads into the peak of the shipment period, shippers.

NORTH AMERICA

Ports situation

- NY/NJ ports have been operating well over the course of the year with no major issues to report.
- Montreal port could be impacted leading into December given St. Lawrence Seaway strike. Negotiations are slow for a new contract covering the Port of Montreal's dockworkers.
- LA/LB exams persist and have been a challenge over the course of the year.
- Seattle/Tacoma port is still working under reduced operating hours.
- Houston/NOLA gulf port operations are going well. Some sporadic exams have been seen at port of Houston.
- Vancouver is back on track after this summer's strike. However, there are delays in scheduling due to high exchanges of incoming vessels.
- Jacksonville port congestion continues to persist.

Inland transportation

- US spot trucking rates remain stable.
- The reliability of LTL carriers continues to be a challenge. There has been a significant increase in delays in delivery to customers. The main reason is carriers' failure to meet pick-up appointments.

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.
- Due to the Maersk's acquisition of Hamburg Sued, some of our booking with Hamburg Sued have been asked to change to Maersk. It is only from the middle of September that those bookings can be updated automatically.

Australia ports situation

- Carriers and shippers are facing delays at DP World’s four terminals in Sydney, Melbourne, Brisbane and Fremantle due to renewed labor unrest. DP World said it is currently experiencing seven to eight days to unload cargo which is a significant delay compared with the usual two-day turnaround.

Vietnam

- The new crop harvest has just begun, and exporters are steadily receiving coffee from suppliers.

