SUCAFINA

AUGUST | LOGISTICS REPORT

GLOBAL FREIGHTS

- The situation around the Suez Canal continues to be fluid. The ongoing conflict in the Red Sea led to a 17% capacity rise on the Asia-Europe route.
- Port congestion at 18 months high.
- Container shortages have worsened in many Asian ports.
- Weekly PSS on all Asia outbound trades introduced.
- The Suez Canal Authority has extended discounts for containerships on specific long-distance trades to address the decline in vessel transits and revenues.
- There is increased demand for TP due to concerns over potential changes in customs regulations after the US election.

NORTH AMERICA

Ports situation

- NY/NJ: For the last few weeks, we have been seeing key congestion in one of the major terminals in NJ. Driver dwell time can take 2-3 hours to reach the terminal. Terminals are extending free time and diverting vessels to other terminals to mitigate delays.
- West Coast ports: Port operations are normal; however, in LAX/LB port, exams persist, and it can take between 1-3 weeks to have the custom releases.
- Gulf Coast ports: Nola and Houston ports continue operating without significant issues.
- Toronto/Montreal: Negotiations with the Teamsters Canada Rail Conference (TCRC) are creating uncertainty around the timing of a resolution. We are still waiting for a decision from the Canadian Industrial Relations Board (CIRB) on the Minister of Labor’s referral for essential services. No work stoppage can occur until 72 hours after the CIRB issues its decision.

Inland transportation

- US spot FTL/LTL trucking rates remain stable compared to Q2’24 due to slight variations in fuel prices.

EUROPE

- Ports across EMENA are operating normally without any issues reported.
- Operations are going smoothly, and trucks are available.

- EUDR challenges are rising. Clients, traders and warehouses are making sure that execution is ready.

LATIN AMERICA

BRAZIL

- The Port of Santos is the main point of departure for Brazilian coffee abroad, accounting for 69.1% in the first half of the year. The highest delay rate for export ships was recorded, at 82%, involving 118 of the total 144 vessels.
- A unique survey conducted by CECAFÉ among 30 associated exporters, representing 77% of total shipments, indicates that Brazil failed to export 1.232 million bags of coffee (3,734 containers) in June alone due to ship delays, deadline changes, cargo rollovers, and lack of space at port terminals.
- The BTP Loading Terminal (it has 3 berths and belongs to MSC and Maersk) in Santos had an incident with berth 1 in January, but the berth started operating again in July. This time, the Loading Terminal chose to do maintenance on berth 3. So, it is still working with only 2 berths.
- The Port of Vitória is also facing a worsening logistical bottleneck. According to an "Open Letter to Public Authorities" prepared and published by the Vitória Coffee Trade Center (CCCV), which has been making great efforts to mitigate logistical risks in the Espírito Santo port complex, the situation at the state quay has been worsening with "the formation of ship queues, container shortages, gate control difficulties, customer service system difficulties at port terminals, and lack of space for cargo movement," resulting in lost shipments, cargo transfers to other ports, and high additional costs for coffee shipments.

COLOMBIA

- Ports operation is normal across the country.
- Shipping lines have space and container availability.
- There will be some blank sailings from the Buenaventura port in August.

CENTRAL AMERICA / MEXICO / PERU (CAMP)

- The Central American and Mexican seasons are mostly wrapped up, and the focus remains on completing any delayed shipments from these origins that were impacted by the logistical challenges earlier in the season.
- The biggest backlog of shipments is primarily out of Nicaragua, which continues to be impacted by a need for food-grade equipment availability. All alternatives are being considered, yet the situation remains challenging, and relationships with key carrier and freight forwarder partners are continually tested. The problem will slowly remedy itself as the season winds down.
- Peru’s harvest is in full swing while early in the season. So far, logistics operations are going smoothly. We will closely monitor the situation as yearly carrier operational reliability is tested into Q4 out of a key coffee exporting port of Paita.

AFRICA

UGANDA, RWANDA, AND KENYA

- Uganda, Rwanda and Kenya are at the peak of the export season.
- Containers are available in Nairobi and Kigali for our demand.
- There is a shortage of empty containers in Kampala, and all the major shipping lines compete for the available stock.
- Trucks are available, and border operations are normal.
- Mombasa port is operating normally.
- Vessels calling Mombasa are not on schedule, with delayed arrival and departure, space issues, and blank sailing. This is impacting congestion at transshipment ports.

TANZANIA, BURUNDI

- Tanzania is preparing for the export season.
- Burundi is still off-season, and new crop exports will start in September.
- Dar es Salaam port is operating normally, and containers are available.
- There are some issues with space on vessels with some shipping lines.

ETHIOPIA

- There is a significant container shortage in Addis, and MSC is a better option for obtaining containers in Addis.
- The Djibouti port is still congested, affecting vessel schedules and delays in arrival and departure.

ASIA PACIFIC

- In general, space availability is improving, and shipping lines are releasing more booking confirmations.
- For Intra-Asia routes, space is still difficult, free time is limited, and rates are higher and various (for some routes, rates are increased 3-4 times, some remain or are increased 30-50usd/container) because shipping lines cut vessels for longer journeys, leading to missing vessels for some routes.

PNG

- As affected by the global freight situation, there's only 1 vessel per month for many routes instead of 2 for ANL and 2-3 vessels in the past for Swire.

INDONESIA

- Port congestion is getting better. Belawan/Jakarta/Panjang are seeing lighter port congestion than in previous weeks, but space from those ports is still tight, especially in some US ports.
- The supply of Robusta coffee is improved.

INDIA

- The port is experiencing critical congestion. It’s challenging to get empty containers and space, so we normally need to go with the spot rate, which is very high and subject to space availability.
- In India, shipping lines will not confirm booking sooner than 15 days before vessel arrival.

VIETNAM

- The shortage of Robusta coffee is still serious due to the high price of the coffee.
- Freight is still expensive, and bookings are hard to make.