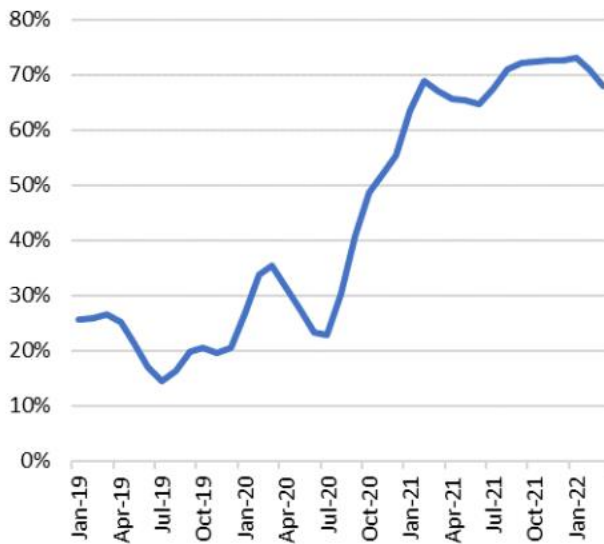


GLOBAL FREIGHTS

- China’s situation remains unpredictable. If the end of June brings the dawn of more lockdowns, the freight world will be severely impacted. The lockdown is freeing up some container capacity and giving slight relief to the freight rates.
- Global congestion remains high despite relative easing. In April congestion reduced from 11.3% to 10.5%.
- Shipping lines are stricter about releasing bookings with rigid rules in terms of rolling over and high cancellation fees.
- European container yards such as Antwerp and Hamburg remain at all time high utilization rates, 90% and 110% respectively.
- Bunker fuel prices have remained above \$1000/MT since end of May due to supply shortages from the Russia/Ukraine war.
- 70% of cargo shipped was late arriving in port (see below graph)

Fig.A2: Share of TEU shipped on deep-sea trades being late



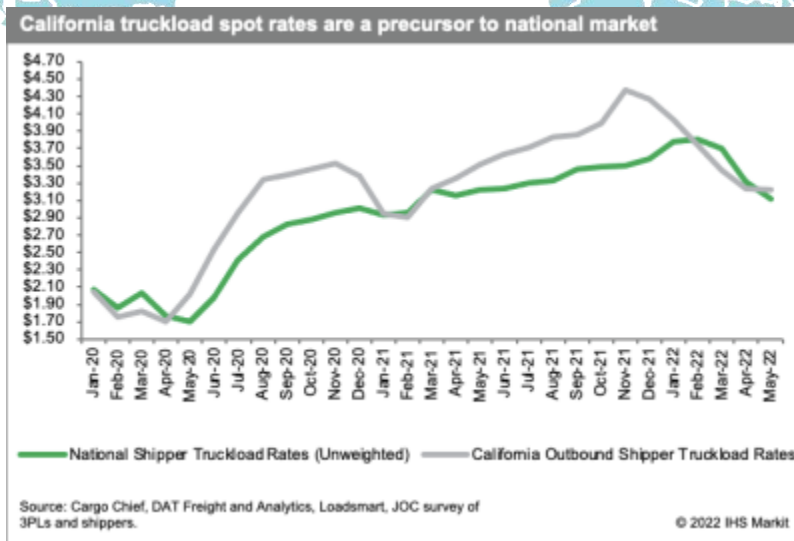
NORTH AMERICA

Ports situation

- NY/NJ areas continue with heavy congestion – some carriers are still limiting return of empties. The situation nearby hasn't improved as cargo keeps being diverted to East coast ports to avoid West coast congestion
- West coast ports of LA/LB are causing a bottleneck of discharge of cargo with warehouse operators. Turnaround of empties takes 3-4 weeks.
- Houston market is feeling the effects of the shift in imports from the West coast just as much as NY. Congestion continues to be plagued by staff shortages and capacity constraints with warehouses.
- Toronto CN rail depot is heavily congested; short free time of 2 days makes pick-up of equipment exceedingly difficult with terminal offering no appointments and carriers taking 4+ hours to pick-up equipment from terminal.

Inland transportation

- After a 4-month decline on US spot truckload rates in the first 4 months of the year, rates may be stabilizing going into the summer months. Contract van rates in May were up 8.5% compared with a year ago. California serves as a precursor for the national market.



EUROPE

Ports situation and inland transportation

- Congestion in the North persists and the situation is expected to deteriorate in July and August with China flows picking back up and dockworkers going on strike in Belgium and Germany (demanding better pay). This may result in an extra rise in logistic costs and general operation slowdown.
- Italian ports are still heavily congested – particularly the port of Genoa. We recommend watching landing volumes closely and anticipating potential extra costs with partners/ agents at destination.

- Trucks are very difficult to find in the whole region and, once found, schedules are unreliable and rates are high (~10% of fuel adjustment today to be applied to agreed rates). We highly recommend to our clients to plan any warehouse loadings and book required trucks at least one week ahead regardless of the location.

Other

- Shipments to Russia are still being canceled by most shipping lines. We continue to encourage our clients with pending shipments to the area to contact our commercial team and work on an alternative. We can offer to land your cargo into one of our trusted warehouses in Europe and take care of the full coordination up until ex-works delivery.

LATIN AMERICA

BRAZIL

Container availability + vessel space

- We've started to see some issues with equipment and space availability – not a reason to panic for the time being but we will watch the situation closely in the upcoming weeks as we dive into Brazil exports' annual peak season.
- Spaces on vessels remain difficult for closer ETDs, and anticipated booking requests keep being the best option.
- DRY PORT customs clearance process efficiency is progressively improving.

COLOMBIA

Container availability + vessel space

- We are seeing space availability issues in Buenaventura,. Most shipping lines are only offering space from July onwards.

Other

- The second round of presidential elections will happen on 19 June. There are big expectations of who will be the next president and the social and economic impact this will have on the country.

OTHER

- In Peru, the situation is getting better when it comes to equipment and space availability.
- In Honduras, the situation is getting better as well. We are starting to see some space and container availability.
- In Nicaragua, we are experiencing a severe lack of containers and space availability as the country has decided to focus more on reefer exports than on dry container exports.
- In Guatemala, we have started to face container shortages and a lack of space availability.

AFRICA

UGANDA, RWANDA and KENYA

Container availability + vessel space

- In Kampala, containers and space are available and there is a good projection for the coming week. Some shipping lines have better container availability than others.
- Changing schedules and sailing delays have increased the average time on the quay to 15 days.
- We have noted a decline in MSC/WEC vessels calling at Mombasa port from weekly sailing to only 2 vessels in a Month.

Inland transportation

- We continue to see the impact of fuel prices on trucking rates overall.
- In Kigali, trucks are still scarce, while in Kampala trucks are rather available and rates are more competitive.

TANZANIA

Container availability + vessel space:

- Container availability is better in Dar but vessel space remains unchanged.
- Lines with whom we have worked recently have no big issues with space. However, Maersk is still posing problems with space reservations due to their booking acceptance timeframe.
- 20ft containers are available for all shipping lines except Evergreen.
- Monthly vessel calls depend on each shipping line's deployment plan. However, given the improved berthing time at port, we hope to see some more frequent/regular calls.

Port situation

- Vessel berthing delays are stable at minimum 1-2 days.
- Logistics around the port are still a challenge due to the ongoing constructions (road expansions) in nearby radius, however full gate-in slots are planned in a manner to accommodate transfers.

ETHIOPIA

Container availability + vessel space

- We see container shortage from all shipping lines.
- Vessel space is still a major concern. Maersk is offering spot bookings but those are being quickly sold out.
- Vessel schedules are unreliable. Long ETD delays and high rollovers are the main problems with all shipping lines.

ASIA PACIFIC

VIETNAM

Container availability + vessel space

- Vessel schedules remain unreliable with all shipping lines and for all routes.

Others

- Vietnam dropped all COVID-19 testing requirements for international arrivals, moving in line with the country's strategy of opening up.
- Vietnam Coffee and Cocoa Association (Vicofa) decided to start applying ICO membership fee for all exports of Roast & Ground and instant coffee effective immediately basis 0.4 usd/mt x green bean conversion (1.19 kgs for R&G and 2.6 kgs for instant equivalent).

Ports situation

- Shanghai ended a painful two-month total lockdown in May; its impact on container availability and vessel space is still to be watched on the global scale. Flows of goods are picking back up slowly but labor shortage persists due to partial lockdown.
- New freight train services have been launched from the cities of Chengdu and Chongqing to Vietnam, establishing new intra-Asia trade opportunities. These freight routes will help reduce the transportation time from an average of 20 days to 5-7 days.

SOUTH KOREA

Inland transportation

- More than 15,000 unionized truckers went on strike on 7 June to call for the extension of temporary minimum-wage guarantees amid soaring fuel prices. This has created serious operational disruptions. Thankfully, the nationwide strike lasted only 8 days following a positive response from the Transport Ministry to the truckers' demand.

OTHERS

- According to The Container Port Performance Index 2021 (CPPI 2021) published last month, Middle East and East Asia ports again dominated the ranking as the world's most efficient ports.
- Following the new law of Japanese customs, any Indonesian coffee showing Isoprocarb content of greater than 0.01 PPM shall be banned. Isoprocarb is pesticide - carbamate insecticide. If this is violated, the buyer and seller will be put on blacklist by the officer and shall block from selling Indonesian coffee into the market in the future.

OTHER NEWS

Please be advised that from April 27 onwards, all RFA/UTZ/RA 2020 volumes will be reported on the new MULTITRACE platform following the Rainforest Alliance guidance.

SUCAFINA LOGISTICS VOICES

Hear from our Global Logistics team! In “Logistics Voices”, our team members reflect on the major challenges and opportunities we see in our day-to-day.

Today, Mohammad Alaiti, our Logistics Coordinator for execution out of Latin America (based in Beirut), speaks about his experience working with different teams across the Sucafina world. He highlights a main point we value at Sucafina: Communication.



“Communication is a key element for success. Having constant and clear communication amongst teams builds the foundation for a resourceful and proactive environment. Using this, we can identify challenges quicker, find different ways to solve problems, build long-lasting relationships and find innovative ways to improve.

As a member of the logistics team, you are required to be in contact with a lot of entities in the supply chain. I, as the Latin American origin coordinator, am in contact with client support teams, sales teams, origin teams and their traders, forwarders, shipping lines, as well as warehouses. Adding this to the fact that Sucafina works on a global scale really highlights the need for a good communication channel for processes to be done efficiently and effectively. However, this is the beauty of working in Sucafina: the process of finding different ways to reach out to the different cultures you work with; sharing ideas with people halfway across the globe to come up with solutions to a problem; finding new ways to deliver information from one team to the other as well as making friends with people you haven’t physically seen in your life. This is the Sucafina way and I’m more than happy to be a part of it.”