SUCAFINA

SEPTEMBER | 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 a significant increase in transit time.
- Carriers have decreased spot rates exAPAC for all major destinations, with capacity easing.
- Global container shortages of 20 with no new production.
- Severe threats from ILA would disrupt the entire US freight and logistics system, creating more conflicts for US imports.

NORTH AMERICA

Ports situation

- Port operations could be on the cusp of being impacted with ILA labor discussions at a stalemate. The deadline is September 30th, and a potential work stoppage will start on Oct 1st. These disruptions will affect East Coast and Gulf Port operations. A couple of days or one-week stoppage can have a ripple effect, which can easily cause congestion and backlog that can take 4 to 6 weeks to work its way out of the system.
- NY/NJ operations are flowing; however, we still see periodic congestion in one of the key terminals.
- Gulf ports are working and operating smoothly with no major disruptions. The possible ILA strike could change that narrative.
- West Coast US ports are functioning without any major issues, but the continual examination scrutiny remains in the ports of LA/LB.
- East Coast Canada ports of Toronto and Montreal are back online after the government stepped in and ended the strike one day after it was initiated. Residual delays are working themselves out of the system.

Inland transportation

- US spot FTL/LTL trucking rates keep dropping towards the end of Q3'24 due to fuel prices decrease.

EUROPE

- Ports across EMENA are operating normally without any issues reported.
- Operations are going smoothly, and trucks are available.
- With EUDR at the door, traders worldwide are working on shipping EUDR-compliant coffee for September contracts onward and driving pilot projects with several clients in Europe to ensure the procedure is ready before the due date.

LATIN AMERICA

BRAZIL

- In 2024, the Port of Santos faced an unusual situation: dense fog that persisted for 95 hours (accumulated), paralyzing navigation operations. This mark represents a record compared to the last four years since the Port Authority began recording these events.
- The Port of Santos had 86% of vessels with deadline changes on August 24 and the largest with 27 days of delay.
- The facilities behind the Loading Terminals show warning signs and pre-stacking terminals, and the truck depot lacks space to receive full containers without a window for delivery at the Loading Terminal.

COLOMBIA

- At the beginning of the month, the country faced a six-day trucker strike that stopped the transit of goods. As a result, there was a slight delay in shipment schedules and a higher volume of coffee being transported to the port for the remainder of September.
- Export activity through the port of Buenaventura has increased, leading to limited availability. Some shipping lines only offer space for October.
- Port operations in Cartagena and Santa Marta are running smoothly, with no container availability or vessel space issues.

CENTRAL AMERICA / MEXICO / PERU (CAMP)

- The Central America & Mexico harvest season is primarily over. There are still some small, limited volumes shipping out of Honduras and Nicaragua, which are more opportunistic businesses. For Nicaragua, it's mostly related to the remaining backlog of shipments that have been challenging to ship out. As expected, the situation has eased in the past weeks, as the season is over, and more access to equipment, both in 20' and 40' equivalent, has become available.
- Peru is in full swing; we have begun to see some equipment availability issues with some ocean carriers out of key ports of Paita. Accessibility out of Callao is more favorable but at a higher premium due to inland distances from some of the major shipping regions to the port. Some shipments are also being impacted due to the continual Panama Canal congestion issues, which are causing transshipment delays, sometimes adding an extra 3-5 week delay on some shipments.

AFRICA

UGANDA, RWANDA, AND KENYA

- Uganda, Rwanda, and Kenya are at the peak of the export season.

- There is a huge shortage of containers in Uganda, Kenya, and Rwanda, and all major shipping lines need more empties to serve the market. This is due to the impact of the Red Sea situation, which led to longer transit to POL (Mombasa) and a big push by shippers to move coffees out of origins before EUDR Compliance requirements start at the end of this year.
- Trucks are available, and border operations are normal.
- Mombasa port is operating normally.
- CMA CGM resumed accepting bookings to Europe and North Africa
- 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 export season has started
- Burundi at the start of the export season
- Containers are available in Dar for the current demand
- There are some issues with space on vessels with some shipping lines
- Dar es Salaam port is slightly congested, mainly Terminal One, and affecting shipping lines berthing from the terminal.

ETHIOPIA

- Equipment has been more readily available in recent months, and MSC and CMA CGM are better options for obtaining containers in Addis.
- The Djibouti port is still congested, affecting vessel schedules and delays in arrival and departure.

ASIA PACIFIC

- Spot rates from Asia to the EU and the US have decreased, especially the rate to the US, which is expected to reduce a bit more.
- For intra-Asia routes, we keep placing bookings 3-4 weeks in advance to secure space.
- The super typhoon Yagi, the biggest storm in Asia in 2024, hit the South of China and the North of Vietnam in the first week of September, causing hundreds of deaths, injuries, and infrastructure damages. As of September 15, it continues to impact economics and cause widespread logistics challenges, especially for transportation and warehousing/ inventory.

PNG

- Power cut off in some parts of the country, continuous rain, and broken Yagi bridge (although fixed now) impacted the supply chain and delayed our operation (PSS dispatch, docs dispatch, coffee movement)

CHINA

- The first week of October is China's Golden Week; there will be blank sailing. => Getting space out of China the week before and after is difficult.
- Our newly established bonded warehouse in Shanghai Kunshan is up and running. We started receiving coffee in this warehouse in early September.

INDONESIA

- Since 2024, the OTA test has been compulsory for shipment from Indonesia to the Philippines. The shipper needs shipping instructions to apply for the OTA test & it takes at least three weeks to have the result.

INDIA

- The port is still experiencing critical congestion. Apart from MSC, no other shipping line accepted bookings or released empty containers.
- The spot rate is reduced a bit.

VIETNAM

- Freight is still high, and it is still hard to get bookings.