Overview of the Chilean grape season.

Chilean grape export volume decreased by 12%, reaching only 64 million boxes shipped during the 2020/21 harvest season due to the devastating storm during the last days of January.

Impact on the market

1. Due to high demand, these grapes were dried and treated before exports, which then led to some quality issues that added financial burden for the Chilean grape exporters.

2. The prices of white and red grapes diverged as there were only a few export quality white grapes, thus placing upward pressure on white grape prices.
Low kiwi supplies in North & South America lead to high prices.

Due to low production expected from California, the US kiwi market is to be more dependent on imports this year, mainly from New Zealand, Chile, Italy, and Greece. However, the prospects of kiwi production in Chile, Italy, and Greece are reported to be not much better, signaling even higher prices for kiwis in the coming months.

The North American market has reported the highest kiwi prices with the average reported prices being USD 25.68/kg.

Adding on to the already accelerating demand for kiwis, the COVID health crisis encouraged consumers to search for fruits with high vitamin C. The North American market has reported the highest kiwi prices.

48,000 MT↓ California’s 2021 production is reported to be lower than 48,000 MT.

10-15 % Chile, the largest kiwi produce in South America, is expected produce 10-15% fewer kiwis.
The global production of coffee is expected to decrease by 6.2% in 2021, reaching 164.8 million bags of 60 kg each in total. Specifically the Arabica coffee production is expected to fall by 14% due to reduced production in Brazil, Colombia, and Central America.

Arabica coffee production reduction cause a surge in prices.

The reduction in production and expected increased consumption this year will also affect the ending stocks to drop to a record minimum in five years to only 1.5 million bags.

Brazilian Arabica production faced a severe drought during the end of 2020 and beginning of 2021.

Colombia faced protests against the government due to tax increases, health care reforms, and corruption.

Price negotiated in ICE Futures

<table>
<thead>
<tr>
<th></th>
<th>JUN 2020</th>
<th>JUN 2021</th>
<th>DEC 2020</th>
<th>DEC 2021</th>
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<tbody>
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<td>USD</td>
<td>USD 157.25</td>
<td>USD 175.65</td>
<td>36.2%</td>
<td>47%</td>
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On July 19, the worst polar cold swept off Brazil, plaguing the major crop producing regions with a record low -5.2 degree Celsius temperature.

Frost in Brazil affecting coffee, sugarcane, and corn yields.

The frost burned many coffee plants of Minas Gerais state, which produces 75% of Brazil's Arabica coffee harvest.

Sao Paulo state is responsible for 60% of Brazil's sugar production. The frost forced the producers to mill their sugarcane earlier than planned, ultimately reducing their yields.

Corn production in the western areas is expected to decline by more than 18% this season.

Increase in coffee future prices

20%

The frost burned many coffee plants of Minas Gerais state, which produces 75% of Brazil's Arabica coffee harvest.

Sao Paulo state is responsible for 60% of Brazil's sugar production. The frost forced the producers to mill their sugarcane earlier than planned, ultimately reducing their yields.
Mexican persian limes head to Australia.

85% being produced in the Far North Queensland region, limes are the primary source of income for most growers there.

Australian lime production/year

30,000MT

With Mexico already shipping Persian lime to markets such as Japan and South Korea, biosecurity reason may not be accepted. However, Far North Queensland producers might be able to force special tariff quotas on Mexican limes to protect their domestic production.

https://www.tridge.com/stories/mexican-persian-limes-head-to-australia
The EU extends the grace period for British chilled meat exports.

On the 30th of June 2021, the EU and UK called for a ceasefire on a post-Brexit dispute labeled as the "sausage war" by lengthening the grace period for shipments of meat products from Great Britain to Northern Ireland for three months.

Prior to the extension, British non-frozen sausages or mince would have been restricted from crossing the Irish Sea due to the import restriction of the EU on products from third countries starting July 1, 2021.

The three-month period would be the final opportunity for supermarkets to establish meat suppliers from other countries or for the UK to accept EU's proposal to maintain aligned public, animal, and plant health standards.
With immense disruptions in international logistics, Pakistani mango exporters turned to the Iranian market, supported by the new trade bilateral agreement between the two countries.

**With the new trade agreement:**

- **Expanded Market**: Pakistani mangoes can enter the Iranian market.
- **No Logistics Issues**: Exports are not affected by sea/air freight disruptions.
- **Alleviated Trucking Regulations**: Pakistani mango trucks don't have to stop at the Iran-Pakistan border.
Peruvian blueberries are expected to hit the Indian market soon.

According to Peru's SENASA, the Indian government will release the phytosanitary requirements for Peruvian blueberries and citrus for these to enter the Indian market on August 31, 2021.

Blueberry production is expected to reach 171 thousand MT in MY 2020/21, which is a 42.5% increase compared to the previous MY.

In 2020, FOB prices of blueberries fluctuated within $5-7/kg.

India's import volume of blueberries is relatively small but domestic demand is expected to grow fast.
The increased expenses with logistics are affecting product prices, further worsening global food inflation.

All agricultural sectors affected by the lack of reefers will target the domestic market to absorb the perishables that could not be exported, depressurizing the increase in food prices in Brazil.

Global reefer shortage to hit hard Brazil.

60%

The reefer shortage directly affected the Brazilian poultry industry, decreasing the exported volume by nearly 60% during the first five months of 2021.

$ Reefer
Brazil - China

The increased expenses with logistics are affecting product prices, further worsening global food inflation.

500%

USD 2,000

USD 10,000

2017

2021

How logistics affected international trade during the first half of 2021.

Logistics havoc has caused immense troubles for food & agriculture players throughout the first half of 2021. Some of the major logistics issues are as follows:

**Suez canal blockage by Evergreen**
This logistics nightmare hampered 12% of global trade, having lasting negative effects for months and raising freight costs all around the world.

**Economic revival**
Alongside vaccination efforts, global demand bounced back, causing an increase in US logistics cost as demand continued to surpass available drivers and trucks.

**Shutdown of Chinese ports**
Surging COVID-19 cases caused Ports of Guangdong, Yantian, Shekou, Chiwan, and Nansha in Southern China to shut down for weeks.

**Congestion in South African ports**
Surging COVID-19 cases and political unrests caused immense congestion and even shutdowns in Cape Town, Durban, and Richard ports of South Africa, mainly hampering its citrus exports.

Aside from these major logistics issues, the food & agriculture industry has suffered and continues to suffer from container and labor shortages from COVID-19 induced measures, on top of worsening congestion, especially as more countries experience surging cases of the delta virus.