

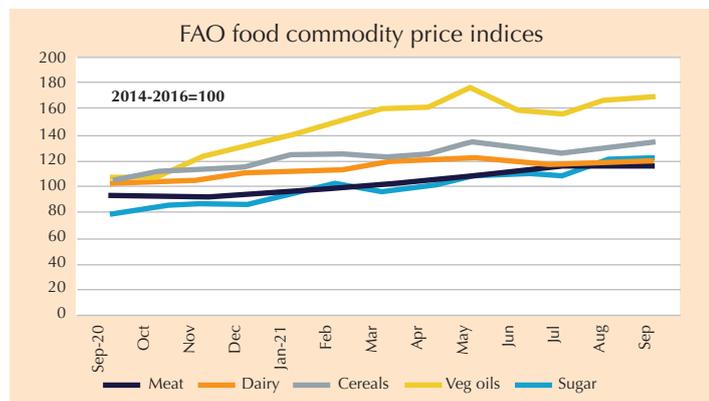


Gafta looks to a sustainable future for trade

As Gaftaworld goes to press, global leaders are meeting in the UK at the UN Climate Change Conference (COP26) with the aim of accelerating action towards the goals of the 2015 Paris Agreement and the UN Framework Convention on Climate Change. The need for concrete commitments and international agreement is vital if the increase in the planet's temperature is to be limited to 1.5 degrees Celsius. As the global economy emerges from the coronavirus pandemic it is seen by many as a historic opportunity to tackle climate change and environmental degradation at the same time as boosting economic recovery.

This edition of Gaftaworld focuses on many of the issues that the global agri-trade faces as we look to reduce greenhouse emissions, introduce more sustainable business practices at the same time as ensuring the growing global population is fed. In recent months, the shipping sector has faced delays and rising freight prices (as discussed by **Shriram Sivaramakrishnan** on page 13) as well as volatile commodity prices and rising food commodity costs (shown by the FAO food commodity price indices, see graph). The rising costs of energy have affected the markets for agricultural inputs, notably fertiliser, around the world as well as food and feed processors, with China's soybean crushing plants closed down due to energy shortages in several provinces and UK meat processors facing a shortage of CO2. Around 70% of the world economy is covered by net zero targets, but it is clear that the transition to cleaner energy will be bumpy. **Rachel Hoyland** and **Beth Bradley** of Hill Dickinson give a good overview on page two of the regulations and market-based measures that are affecting the shipping sector as it faces the challenge of decarbonisation.

Also included in this edition is a report on the outcomes of the UN Food Systems Summit, which were further discussed at the Committee on World Food Security (CFS) meeting in October. The private sector has worked hard to ensure trade is recognised as a vital part of resilient food systems, and this was further emphasised at the WTO Public Forum where Gafta, in conjunction with CroLife International, held a successful working session on this issue (see page 6).



Digitalisation of the trade will also play a vital role in building a more resilient and sustainable supply chain. Gafta's Director General, **Jaine Chisholm Caunt**, moderated a session on 'The Digital Age' at the recent GrainCom event where discussion took place on current platforms and their interconnectivity, as well as the opportunities and challenges ahead (page 7).



Gafta President Gavin Millar has signed up to the Sustainability Pledge

Science and technological innovation are key to transforming food production systems around the world. Debate on the regulation of crops produced by genome editing techniques continues; the EU is now considering a new approach to the regulation of these crops and the UK, following Brexit, is looking to diverge from EU rules on this issue (see page 12). Countries wishing to reduce chemical inputs, but maintain sustainable and affordable agricultural production for growing populations, need to ensure innovation in crop breeding and crop protection is not stifled by regulation. As biotech developments continue apace in China, **Alan Ding** of Gafta's Beijing office attended a useful workshop bringing together various stakeholders, as discussed on page 13.

Gafta Sustainability Pledge

We are pleased to announce that a new platform, designed to encourage and support those engaged in the international trade of agricultural commodities to contribute to a sustainable future, is making good progress and will be launched early next year. A Gafta Council Working Group has tested this new initiative, with excellent results, and we look forward to opening it to all members soon. For more details, see page 16.





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The views and opinions expressed in Gaftaworld are those of the individual authors and do not necessarily reflect the official policy or position of Gafta.

Decarbonisation & Shipping

By Rachel Hoyland, Senior Associate and Beth Bradley, Partner, Hill Dickinson

Reducing the emission of greenhouse gases (GHGs), especially carbon dioxide, is an increasingly urgent global priority impacting industries worldwide. The shipping industry is no exception. It too is grappling with the challenge of decarbonisation, including global regulation, regional market-based measures and fuel transition.



Unusually, shipping is an industry with a global regulator: the International Maritime Organisation (IMO). The IMO may not be nimble when it comes to making change, due to the need for consensus between the 174 member states. However, its Regulations are far reaching, impacting almost the entire global fleet. In 2018 the IMO devised an Initial Strategy for reducing GHGs from shipping and has since been developing a suite of Regulations to accomplish the Strategy objectives. In our article **Decarbonisation and shipping: the coming change** we discuss the international legal backdrop to the Strategy and set out the Strategy objectives.

Global Regulations

The IMO Regulations on Energy Efficiency for Ships are set out at Annex VI of 1973 International Convention for the Prevention of Pollution from Ships (MARPOL). The Ship Energy Efficiency Management Plan Regulations (SEEMP), and the Energy Efficiency Design Index Regulations (EEDI), have been in force since 1 January 2013, with updates. The Energy Efficiency Existing Ship Index (EEXI) Regulations and the Carbon Intensity Indicator (CII) Regulations are newly developed Regulations and will apply from 1 January 2023.

The SEEMP Regulations focus on the operation of existing ships and mandate an energy efficiency management plan for each ship. The EEDI Regulations apply to new ships and focus on the technical qualities of the ship, ensuring that ship designs result in newly built ships which meet minimum efficiency standards. Those standards have increased over time such that ships built in 2025 (and, for some ship types, those built in 2022) must be 30% more carbon efficient than those built in 2000-2010. Our article **Decarbonisation and shipping: International Maritime Organization ambitions and measures** discusses these measures in more detail.

Meanwhile, the EEXI Regulations are intended to bring efficiency standards across the existing fleet up to a minimum level in 2023. Whilst the CII Regulations will rate a ship's efficiency, from A-E, on an annual basis thereafter. Ships must meet the minimum standard of 'C' if they are to avoid the imposition of corrective measures, and ships will need to continuously improve their efficiency in order to hold their rating over time. Our article **Decarbonisation and shipping: International Maritime Organization ship efficiency measures** takes a more detailed look at these measures.

* <https://londoninternationalshippingweek.com/media/?playlist=7daf83a&video=6079251>

Market-based Measures

To incentivise parties to go beyond the regulatory minimums, market-based measures are also being applied to shipping. Placing a cost on emissions is one such mechanism, and this is exactly what the EU's proposal to include carbon dioxide emissions from shipping in the EU Emissions Trading Scheme (EU ETS) aims to do.

The most recent EU ETS proposal was published on 14 July 2021 as part of a package of proposals called the 'Fit for 55' package, aimed at reducing the EU's net GHG emissions by 55% by 2030, compared with 1990 levels. If the EU ETS proposal is adopted into law, emissions from shipping produced from 1 January 2023 onwards, on voyages arriving, departing or within the EU, transporting passengers or cargo for commercial purposes, will fall within the EU ETS. This means, by way of a system of obtaining and surrendering allowances, that ship owners will effectively be required to pay for emissions on those voyages. Our article **Decarbonisation and shipping: EU Emissions Trading Scheme - Update** examines the EU ETS proposal in more detail.

Alternative Fuels

Shipping is heavily reliant on fossil fuels, and must find alternative fuels or means of propulsion if it is to decarbonise. Our article **Decarbonisation and shipping: alternative fuels** discusses some of the particular challenges faced in the marine environment and considers some of the alternatives.

Impact

As a result of the drive towards decarbonisation industry parties will become subject to new regulations, globally and regionally. A major shift in technologies, especially in relation to fuel and propulsion, is likely to occur and, alongside charges for emissions, to drive costs up. A developing market preference for 'green' ships may mean costs can be absorbed throughout the chain (see our London Talk* for blue sky thinking on where decarbonisation might lead the industry), but, in any event, owners and charterers will need to carefully consider their business models, contractual arrangements and charterparty regimes to respond and adapt.

All articles referred to in this article, and others, are available on the Hill Dickinson website: <https://www.hilldickinson.com/insights/insight-tags/decarbonisation>



United Nations Food Systems Summit: The legacy, the follow-up and the private sector's role

By Robynne Anderson, Director General, International Agri-Food Network and Private Sector Mechanism of CFS

The United Nations Food Systems Summit, held on 23 September, facilitated a global debate on the importance of food systems. It came at a moment when food insecurity is rising, and food affordability is a growing concern. Many of the conversations about food were negative, focusing on the problems the food system causes for health, equity and the environment. At the same time, all nations said food systems can be part of the solution.

Over 150 countries spoke at the Summit.
Plus de 150 pays sont intervenus lors du Sommet

Globally, over 100,000 people took part in discussions leading to the Summit.
À travers le monde, plus de 100 000 personnes ont participé aux discussions menant au Sommet.

51,000 people tuned into the Summit from 193 countries.
51 000 personnes se sont connectées au Sommet depuis 193 pays.

231 Commitments registered to date on Commitments Registry.
231 engagements ont été pris au Registre des engagements à ce jour.

2,200 ideas generated
2 200 idées générées

Food Systems Summit
Le Sommet sur les systèmes alimentaires

Voice of Agnes Kalibata
LAYING DOWN TRACKS PODCAST: EPISODE 8

Dr Agnes Kalibata, the UN Special Envoy for the Food Systems Summit, co-ordinated a process where 150 countries engaged on Food Systems

In advance of the Summit (and the Pre-Summit held in July) workstreams were created and announced, including Action Tracks, Advisory Committee, Champions network, Scientific Group, Levers of Change and several Coalitions. Over 2,000 ideas were received via public forums, questionnaires, game changers, etc. and integrated across 15 Action Areas and grouped thematically into solutions clusters.

The Private Sector Mechanism (PSM), of which Gafta is an active leader, participated across workstreams, and was involved in several discussions to advocate for solutions such as innovation, greater empowerment of women and youth, inclusive value chains and resilient trade ecosystems. Over the past 18 months, in the lead up to the Summit, it is estimated 100,000 people participated in discussions to transform the way we produce, consume, value and think about food.

Over 150 countries spoke at the Summit, with more than 200 commitments registered on the Commitments Registry, a forum in which individuals could pledge continued efforts post-Summit.

The comments made by global leaders during the Food Systems Summit highlighted the need for national action. This will be the greatest legacy of the Food Systems Summit. The Private Sector's role in this was clear

as leaders and investors, supporting innovative ideas, enterprises and initiatives. Working jointly will be essential to advancing the newly formed coalitions and achieving the Sustainable Development Goals. Over 40 companies have already committed to the Zero Hunger pledge and the Private Sector continues to participate in the Coalitions of Action arising on topics such as school meals, improving soil health and the democratisation of digital technologies.

Some of the most important issues to Gafta members would be:

- An outstanding number of countries raised the importance of trade and improving trade systems, including high profile leaders like Prime Minister Ardern of New Zealand. It is clear there is new momentum to revisit food systems trade. Gafta members took part in many meetings in advance of the Summit itself to promote the need for resilient trade ecosystems, including a special Dialogue on Trade.

- True Value of Food is a concept raised by the FSS Science Council, suggesting that food needs to account for

its environmental impacts, its waste, and decent livelihoods. This was not a formal outcome of the Summit but emerging work in this area will have a role in discussions about environmental, social and governance issues for some time to come and will likely also intersect the deforestation-free supply chains discussion.

- Living Incomes is a coalition formed during the Summit which will be led by IFAD, ILO and CARE. Private sector commitments are sought to pay employees decent wages, as well as the incomes of the whole of their supply chains.
- The One Health approach also featured in a number of statements. It takes a holistic approach, addressing the connection between humans, animals, plants and the environment. This includes soil and ocean health, food safety, food waste and food loss, and healthier diets, among other considerations.

It is clear that for the coming decade, the food system discussion will be more holistic. It will be centred on feeding growing populations in ways that contribute to people's nutrition, health and well being, restore and protect nature, are climate neutral, adapted to local circumstances and provide decent jobs and inclusive economies.

Many thanks to Gafta for the active participation and the readiness to continuing advancing resilient trade ecosystems.



Kazakhstan: results of 2020/21 season and the outlook for 2021/22

By Andriy Kupchenko, Head of Business Project Unit, APK-Inform

In 2020/21, Kazakhstan increased its exports of wheat and wheat flour due to stronger demand on the traditional markets and sizable appreciation of food prices on the global market. At the same time, complex agro-climatic conditions may cut wheat production in Kazakhstan in 2021/22 that will lead to lower exports of both wheat and flour.

For the 2020 harvest, the increase in sown area and quite favourable climatic conditions resulted in the harvest of the second largest crop over the last five seasons - 14.4M tonnes (+26% compared to the 2019 harvest). Consequently, wheat exports increased by 24% to 5.8M tonnes in 2020/21. Demand from Uzbekistan was the main driver of higher foreign demand. Kazakhstan exported 3.2M tonnes of wheat to Uzbekistan last season, up 45% on the previous year.

Kazakhstan increased wheat flour exports by 8% to almost 1.7M tonnes in 2020/21. The surplus of supplies went largely to Afghanistan, which increased its purchases by 26% to 1.1M tonnes. Exports became more consolidated, and shipments went to only 11 countries last season, compared to 15 countries in 2019/20.

An increase in wheat imports from Russia to Kazakhstan also became a feature of the season. It occurred due to the introduction of floating export duties on certain types of agricultural products in Russia aiming to stabilise domestic prices. As a result, exports within the Customs Union became attractive for traders. According to the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan, Kazakhstan imported 588,800 tonnes of Russian wheat in July-June of 2020/21, up from 485,800 tonnes in 2019/20.

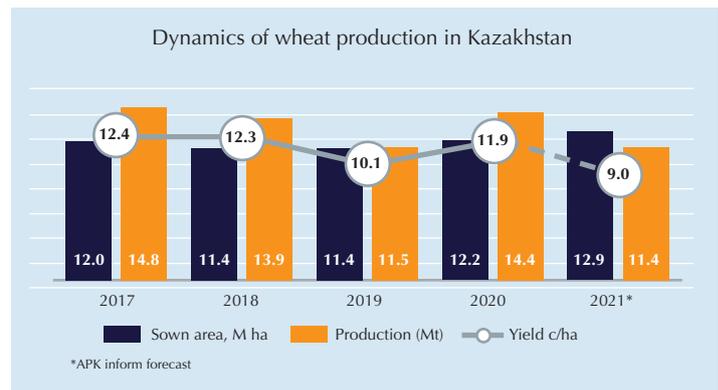
Despite the surging food prices on the global markets, both domestic and export prices of wheat remained relatively stable in Kazakhstan throughout 2020/21. By the end of August, the average domestic purchasing price of 3-grade wheat fell to 84,000 KZT/t EXW due to the higher crop. However, the price recovered quickly to 90,000 KZT/t. In the second half of the season, the average purchasing prices were announced in the range of 92,000-93,000 KZT/t.

Similar trends were observed on the export market. The average price of 3-grade wheat on the DAP market (Saryagash) reached its minimum in August 2020 and totaled 235 USD/t. The price reached its maximum in February 2021 (250 USD/t).

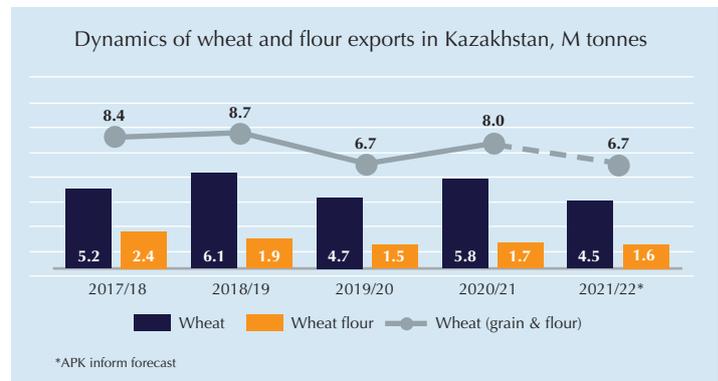
At the start of 2021/22, more significant increases in prices are observed in Kazakhstan. The average domestic purchasing prices of 3-grade wheat increased by 20% since the beginning of the season to 112,000 KZT/t at the end of September 2021. The export market reacted similarly, where the average prices on DAP basis increased by 16% to 285 USD/t over the same period.

This robust increase in prices was driven by continued upward trends on the global food markets as well as a decline in wheat production in Kazakhstan. According to APK-Inform, the wheat crop will decrease to 11.4M tonnes in 2021 and will be the smallest crop for the last five years. Kazakhstan planted

the maximum area with wheat (12.9M ha). However, adverse weather conditions cut the yield to the lowest in recent years. It is estimated at only 9 c/ha (0.9 t/ha).



Taking into account the reduction in wheat production, the forecasts for wheat and wheat flour exports were revised down for 2021/22. It is expected that only about 4.5M tonnes of Kazakh wheat and 1.6M tonnes of wheat flour will be supplied to the foreign markets this season, down 22% and 4% respectively, compared to 2020/21.



The key features of the new season may be a further increase in imports from Russia in order to offset the reduction in domestic wheat production and to meet the demand from the key buyers, as well as the uncertainty about trade with Afghanistan amid the political situation in the country. Global inflationary processes will also support the prices of Kazakh wheat and wheat flour.



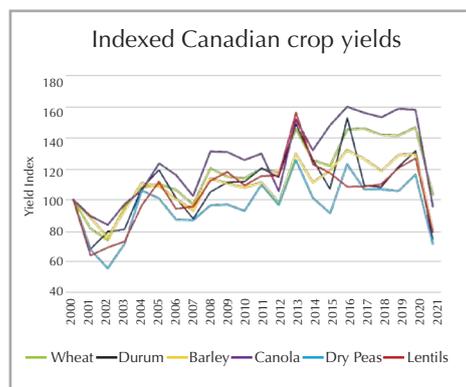
Canadian 2021 crop outcomes a disaster

By Chuck Penner, LeftField Commodity Research

Crop farming has always faced weather risks but every generation or so, a particular year is burned into the collective memory by a disastrous outcome. In western Canada, 1988 was an extremely bad year; 2002 was another memorable year in various parts of the prairies. Now, this generation will look back at 2021 as (hopefully) the lowest point in their farming career.



In previous difficult years, some regions of the 75-80 million acres of farmland in western Canada managed to perform fairly well. In 2021, the poor performance extended across almost the entire region with only scattered "bright spots" that achieved average yields. Lack of soil moisture and precipitation were the central issues, but extended periods of high temperatures raised crops' water needs further and compounded the problem. Eastern Canada, which produces mainly corn, soybeans and winter wheat, avoided 2021's problems however.



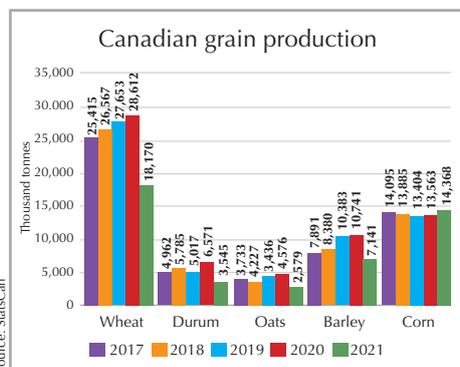
Source: StatsCan, LeftField

None of the crops grown in western Canada were spared, with yield losses for most in the range of 35-40%, compared to the five-year average. Even crops that perform slightly better under arid conditions, like pulses and durum wheat, were hit very hard. And of course, within those overall yield losses, some farmers had no crop at all while others fared a bit better.

The impact of the low yields varied among crops, as changes in seeded area influenced the outcomes. According to Statistics Canada, total Canadian crop production declined 25 million tonnes from the latest five-year average, and the final tally will be even lower. In its most recent estimates, StatsCan reported the low yields but didn't account for the unusually large number

of acres that were not taken to harvest. Those updated estimates, based on an extensive farmer survey, will be released in early December.

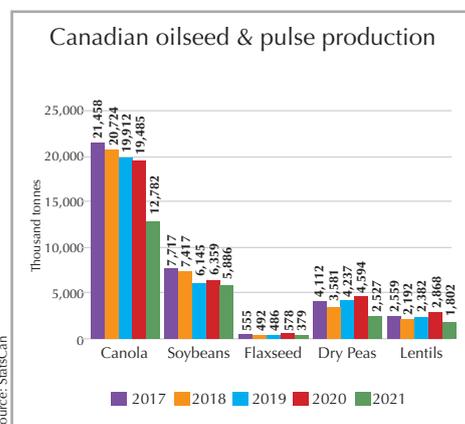
Wheat and durum production dropped 31% and 41% respectively according to StatsCan, with a reduction of another percent or two likely. The sole bright spot is that the quality of the 2021 wheat harvest was mostly positive, with very high protein levels and good colour. Quality wasn't as favourable though for **barley and oats**. Production was lower by 23% and 33% respectively but the drought and heat caused thin kernels and light bushel weight. And for barley, the high protein levels were positive for livestock feeders but damaging for malt quality. **Corn** production was the only positive outcome, only because acreage is concentrated in eastern Canada.



Source: StatsCan

The 2021 **canola** crop was hit hard, down 37% from the average and quality was affected adversely too. The heatwave in summer reduced oil content to 41.8% according to the Canadian Grain Commission, down considerably from the five-year average of 44.5%. This means 2021 oil output is nearly four million tonnes below average. Declines in soybean production were less severe, as acreage is more heavily concentrated in eastern Canada. Pulse crops were also reduced sharply, with pea production lower by 41% and lentils down 32% from the average.

The impact of these sharp crop losses on markets has been variable. It's also worth noting conditions were just as bad (or worse) in the northern US, where many of the same crops are grown. Not surprisingly, the crops for which Canada dominates global trade have seen the greatest impacts. Prices for crops like canola, oats, flax, durum and some specialty crops have spiked to record levels. Others like spring wheat, barley and pulses are at multi-year highs. It's not always possible to isolate the impact of drought from other global developments, but the crop losses in Canada and the northern US are undoubtedly major drivers in a number of key markets.



Source: StatsCan

The 2021 drought will also have lingering effects on markets. In many parts of the prairies, soil moisture is still critically low and farmers are already concerned about planting the 2022 crop, especially with the spectre of rising input costs. Farmers are also reluctant to forward-price their 2022 crop, when the 2021 experience was financially punishing for many. And for most crops, supplies at the end of 2021/22 will be minimal, raising the potential for low supplies again the following year, even if yields recover back to normal.

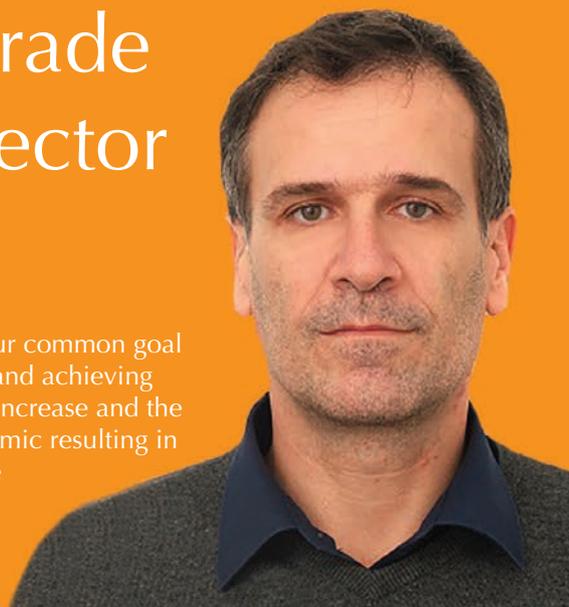
LeftField Commodity Research provides data-driven research and analysis for Canadian crop markets, including weekly market reports and proprietary research services. Our analysis is independent and starts with farmgate knowledge through the value chain. We can be found at leftfieldcr.com



Advancing sustainable trade across the agricultural sector

By Georgios Mermigkas, Senior Economist, Markets and Trade Division, FAO

Our planet is facing a number of significant challenges that jeopardise our common goal of realising the vision of the 2030 Agenda for Sustainable Development and achieving the Sustainable Development Goals (SDGs). World hunger continues to increase and the situation has been exacerbated under the shadow of the Covid-19 pandemic resulting in around 800 million people suffering from chronic hunger in 2020. At the same time, global population is increasing, and it is expected to reach 9.7 billion people in 2050 with most of these people living in cities and urban areas.



Growing population means a greater need for food, while rural populations moving to cities means a reduction in the agricultural labour force. These trends affect demand in terms of both volume and composition, and highlight the increasing role to be played by international trade in connecting people at all stages of the agri-food value chains by matching supply to demand.

The Covid-19 pandemic reminded that open markets, trade flowing smoothly and supply chains functioning properly are essential in periods of crisis. Open and rules-based trade has been a contributing factor in preventing the pandemic developing into a global food crisis.

The role that global value chains and trade can play in sustainably producing and moving food was explored at the working session “Advancing sustainable trade across the agricultural sector” that Gafta and CropLife International (CLI) jointly organised at the WTO Public Forum in October, which I had the honour to moderate. A number of distinguished panelists from different stakeholders discussed how collective action from development partners, the private sector and other stakeholders could contribute to enhancing sustainable trade across the agricultural sector.

The significant role of trade in achieving sustainability along the value chains was recognised and examples from different regions and/or commodities, such as the Global Shea Alliance or the Sustainable Rice Platform Standard for Sustainable Rice Cultivation were presented to enrich the discussion on how a growing population, expected to exceed 9 billion by 2050, can be fed.

In this regard, the panelists recognised that it is not sufficient to increase production but it

is imperative that this productivity increase happens in a sustainable way that will involve all relevant stakeholders. Only holistic approaches and partnerships that ensure that all involved stakeholders can be heard will ensure sustainability in the agricultural sector.

While this was recognised, it was also highlighted that sustainability is not prescribed by a single practice but it is rather a multifaceted concept that requires local adoption in balance of its three dimensions: economic, social and environmental. In order for that to be achieved, the broadest toolboxes for farmers should become available and policies and measures adopted should be based on science and international standards. Codex Alimentarius is the single most important international reference point on food safety and quality with the primary objectives being to protect the health of consumers and to ensure fair practices in international food trade. The panel highlighted the need for international harmonisation of rules and regulations on the basis of the Codex Alimentarius standards.

In order to achieve sustainability across the agricultural industry, innovative and technological solutions are necessary together with quality infrastructure services. Examples from the private sector were highlighted, such as the traceability initiatives implemented by Bunge, but also public-private partnerships supported by development partners like GIZ. The panel recognised that such efforts are essential for producers, in particular smallholders, to access international markets and participate in and benefit from international trade.

Finally, we heard that a universal, rules-based, open, multilateral trading system under the WTO is essential in achieving sustainability

and delivering on the SDGs. Any sustainability discussion in the WTO should recognise its three dimensions and also consider the development needs of developing country members.

The video of the session is available online, on the WTO's YouTube channel: <https://www.youtube.com/watch?v=7MCKeTKztWM>

The panel discussion benefited from contributions from **Ms Dessislava Barzachka**, from Bunge International, **Mr Matthias Bickel**, from GIZ, **Ms Renata Cristaldo**, from the Permanent Mission of Paraguay to the United Nations in Geneva, and **Mr Okesegere Ojepat**, from Fresh Produce Consortium of Kenya.



L to R: Renata Cristaldo, June Arnold (Gafta), Wibke Meyer (CropLife International) and Dessislava Barzachka at the WTO Public Forum working session

Georgios Mermigkas joined the Markets and Trade Division of FAO in May 2016 and has dealt with issues related to trade and food security, sustainability and trade agreements. He was previously working for the FAO Geneva Office as a trade and food security officer. Previously, he served the Greek administration, both in Athens working for the Ministry of Rural Development and Food, and in Geneva, working for the Greek Permanent Mission. Additionally, he has supported the Cyprus Presidency of the EU as a trade officer at the Permanent Mission of Cyprus in Geneva.



GrainCom - Gafta moderates session on “The Digital Age”

Gafta exhibited at the first ever GrainCom event in Geneva on 18-20 October. **Jaine Chisholm Caunt**, Gafta’s Director General, moderated a lively panel discussion entitled “*The Digital Age: Case studies of successful use of technology in the grains supply chain*”.

covantis Sorin Albeanu presented on the Covantis platform (see April 2021 edition of Gaftaworld) which is digitalising the post-trade execution process and offering many benefits to the many entities involved in the shipment and execution of bulk commodities. The platform has quickly become a global network with over 500 users from 75 legal entities now involved. Between March 2021, when the platform was launched, and September, 110M tonnes were executed through Covantis, Sorin told the audience. He explained the real benefits of exchanging information in a structured way, and particularly in dealing with complex supply chains such as those in Brazil, where there may be several market participants exchanging data for the execution of each vessel. The risk of penalties, with such high working capital, and of errors and inefficiencies associated with paper transactions, is greatly reduced, Sorin explained. The status quo is a challenge, he said, but solutions are on their way, and Covantis is aiming to cover all major markets by 2023.

komgo Powering Trade Networks Natalia Kasyanova, of Komgo and Gregory Lambillon, of ING spoke on the benefits of digital technologies for the banking sector and discussed the importance of structured data as well as the need to encourage more collaboration across platforms. Komgo is the fastest-growing digital network for trusted trade finance operations. Its Konsole platform for trade finance removes the need for manual and paper-based processes, mitigates against fraud risk, provides a benchmark data reference for the industry and delivers the best-in-class value to end-users through customised digital experiences, explained Natalia. It covers a wide range of functionality including LCs, SBLCs, documentary collections, guarantees, LOIs, release of goods and financing requests. It is authenticated with permissioned, secure and encrypted messaging recognised by leading banks and corporates and promotes structured data to ensure all participants share the same view of a

transaction and the most up to date version of an instrument. It is a system built by the industry for the industry, explained the presenters.

SGS Digitalisation is a journey and there are many innovative tools already out there. Gennadiy Shulga of SGS gave insights into the innovative technologies available at his company, including DigiComply which keeps the trade up to date on regulations, standards and food safety compliance. Then, SGS Secured Document is a blockchain document integration system interconnected with Komgo. This is a secured document concept; in just a few clicks, documents like weight and quality certificates can be traced and authenticated, explained Gennadiy. The Trakk system allows users to stamp, trace and authenticate digital documents. Any action is linked to the company and the person authorised to perform the action. It ensures the content and accuracy of both the signatures and content of the document once it is registered. Another innovative solution developed by SGS is Smart Warehouse, which allows continuous online monitoring of temperature, moisture and CO2 deep inside the product with real time online reporting and monitoring of conditions of stored grains and oilseeds. This solution minimises risks related to storage and protects long term value.

Innovation and security are of course key, but it was interesting to hear how all the platforms interconnect and bring value to users. The experience of the covid pandemic has helped to speed up the acceptance of digital technologies across the globe, but the panel agreed that changing mindsets remains a challenge. Governments need to put in place the relevant legislation to allow the transformation to happen at a faster pace. Platforms need to be simple and easy to use but the real benefits come from the interconnectivity along the chain. It was generally agreed that, while there is some way to go, digital solutions for the commodity trade are there and we are on track to capitalise on the many benefits that digitalisation offers the agri-commodity trade.



Sorin Albeanu presenting, with (seated l to r): Natalia Kasyanova, Gregory Lambillon, Jaine Chisholm Caunt and Gennadiy Shulga



Return to in-person events

Gafta was delighted to get back to face-to-face events this autumn. A fantastic start to our month of in-person events was the *Arbitrators and Lawyers Networking Reception* held at the SoHo Whisky Club in London. The Gafta Arbitration department alongside Director General **Jaine Chisholm Caunt** and General Counsel **Jonathan Waters** welcomed around 40 guests to the reception which included a whisky tasting and buffet. The evening was a roaring success as members who have not seen each other for 18 months (or more!) could finally catch up in a relaxed setting. It was also lovely to meet some new faces from our newly joined member law firms and encourage new networks amongst them and long-standing Gafta members.

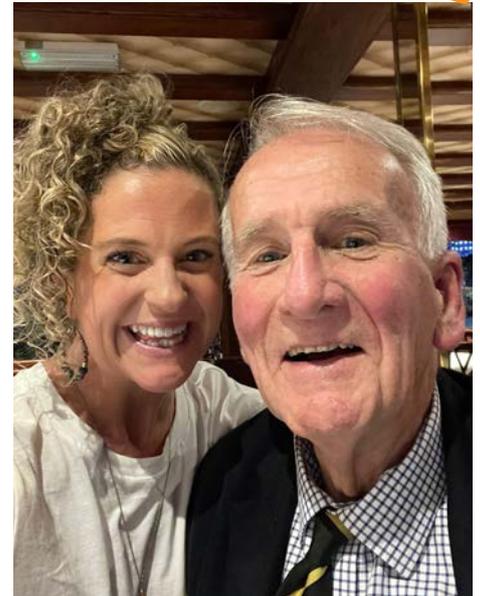


Our first *Gafta Professional Development Course* was hosted in London from 21-24 September in the form of the Trade Foundation Course (TFC). This four-day training course gave valuable insight into Gafta contracts, commodity shipping and dispute resolution. The introductory course was attended by 24 students from across the world. It was fantastic to get back to our truly international standing as an association in-person and to facilitate networks for students which will last throughout their trading careers. It certainly was a welcome novelty to be able to shake hands on introduction rather than meet virtually, as has been the case for so many months. Running in conjunction with the TFC Gafta held two networking events, joined by students, Gafta members and important members of the trade.

The *Historic London Networking Dinner* was held on the first evening of the TFC at the Crypt of St Etheldreda's. The evening began with a sparkling reception where guests were welcomed



into the historic venue to network in the intimate ambience. It was great to see so many faces, new and old, and the dinner was attended by over 40 international guests. The reception was followed by a delicious three-course meal which was well received by all in attendance. New networks established, the evening ended with many continuing the festivities in a celebration of the return to in-person events.



Delegates at the Trade Foundation Course, September 2021



2022 GPD Dates:

23-24 February:	Commodity Contracts London, UK
25-28 April:	Trade Foundation Course London, UK
4-5 May:	Commodity Dispute Resolution Bordeaux, France Sponsored by HILL DICKINSON
6-7 September:	Commodity Shipping Kiev, Ukraine



September was rounded off with a final networking event, this time onboard the replica Victorian paddle steamer, the 'Elizabethan', sailing down the River Thames for the evening. The London skyline made for a spectacular backdrop to another wonderful evening of fine food and fine company. Gafta was joined by special guests from collaborative trade bodies and the House of Lords. Guests were welcomed aboard by Director General Jaine Chisholm Caunt and Gafta President **Gavin Millar** for a drinks reception and informal dinner. A great time was had by all and even the English weather was kind to us, allowing us to celebrate the opportunity to meet once again face-to-face.

Gafta recently hosted a number of committee meetings in Copenhagen in conjunction with our attendance at the European Commodities Exchange. On the first evening Gafta played host to the International Contracts Committee (ICC) members for a committee dinner which was a great evening of socialising after a long time of only meeting virtually. The following day started with the ICC meeting, attended by some in-person and some as virtual guests, in a hybrid

fashion. The same day, in the afternoon Gafta's Approved Registers Committee (ARC) met for the first time, partially in-person, to great success. A lot of valuable discussion was had, and it was nice for some members to be able to meet face-to-face for the first time. Gafta Council met on the final day of meetings for a productive debate and this was finished by an enjoyable lunch with those members who were able to attend in Denmark. Gafta President and members of Gafta staff remained in Copenhagen to attend the European Commodities Exchange exhibition and gala dinner where they networked with international members of the trade.

Gafta is thrilled to be back to in-person events and are very much looking forward to welcoming all Gafta members and non-members to the **Grand Festive Lunch** happening on **10 December 2021**. This event is open to everyone to register and we look forward to joining with you for an afternoon of networking in the festive season. Gafta has also published many of the events coming up in the 2022 calendar so please keep an eye on the Gafta website for the latest information.





New Agribility Module – An Introduction to Shipping the Goods

Gafta has launched a new online short course entitled “An Introduction to Shipping the Goods”. This brings our total to 19 short courses available on our learning platform. This module will provide an overall view of the transaction of shipping the goods. It will explain all the people involved in a transaction and all the documents that may be needed throughout the transaction.

Fees:
Member Fee: **£50.00**
Non-Member Fee: **£70.00**

For more information and booking details, visit our website:
<https://www.gafta.com/Online-Short-Courses>

Agribility is Gafta’s online learning platform offering a range of training, including short courses as well as our in-depth Distance Learning Programme of study.

An Introduction to Shipping the Goods

- Learn an overall view of a transaction of shipping the goods.
- Explanation of all of the people involved in a transaction, the documents needed and when.
- Summary of how the trade works.



Distance Learning Programme (DLP)

DLP January 2022 intake for all six modules is now open for registration. Each module is run three times a year and takes 12 weeks. Gafta’s Distance Learning Programme provides flexible e-learning and is an alternative to Gafta Professional Development (GPD).

For more information and booking details, visit our events page:
<https://www.gafta.com/Events>

Distance Learning Programme



Module 1: Introduction to Contracts



Module 2: Fulfilling Contractual Obligations



Module 3: Payment and Risk



Module 4: International Carriage of Goods by Sea



Module 5: What to Do in Exceptional Circumstances



Module 6: Problems and How to Resolve Them



Gafta’s Grand Festive Lunch EVERYONE IS WELCOME!

Gafta is looking forward to welcoming members and non-members alike to our new festive-themed networking lunch being held on 10 December in London for the first time. Creating the opportunity to bring together key members of the trade, this lunch will be a grand affair with a sparkling welcome drink followed by a three-course meal with wine.

For more information and booking details, click the link below or visit our events page.

<https://www.gafta.com/Events/Gaftas-Grand-Festive-Lunch-I-10-December-2021-I-London/78994>



Gafta exhibited at the GrainCom Conference in Geneva

Gafta exhibited at the first ever GrainCom event in Geneva on 18-20 October. With around 300 attendees and a diverse range of conference content, the event was busy, and it was enjoyable to be back in Geneva catching up with members. Alongside talking about training, the approved registers and other Gafta services, we were pleased to be able to continue the soft launch of the Sustainability Pledge.

Gafta will be returning to Geneva for Global Grain in November and hopes to see many members, and potential new members, while we are there.



Jaine Chisholm
Caunt, Director
General, and June
Arnold, Head of
Policy, on the Gafta
stand at GrainCom



Gafta Approved Members

Congratulations to our latest members who have achieved certification to the Gafta Standards and are listed on the Gafta Approved Registers

Member	Gafta Standard	Country
Intertek Do Brasil Inspecoes Ltda	Analyst	
SGS do Brasil Ltda Sao Luis	Analyst	
Fair Lead Marine Services	Analyst	
Serkargas Hamilton JSC	Analyst	
Labomag	Analyst	
Laboratory CISS Group	Analyst	
PJSC Mykolaiv Milling Works	Analyst	
Bureau Veritas Argentina SA	Superintendent	
Venetucci Control	Superintendent	
Alex Stewart Agriculture Supervisao E Analises Ltda	Superintendent	
Schutter do Brasil Ltda Rio Grande do Sul	Superintendent	
Inspectorate Estonia	Superintendent	
SGS Georgia Ltd	Superintendent	
Alex Stewart International (India) Pvt. Ltd	Superintendent	
SGS India Private Ltd	Superintendent	
Inspection Services Ltd	Superintendent	
Cometec Grani SAS	Superintendent	
Baltic Inspection Center	Superintendent	
SIA Vicon	Superintendent	
Inspectorate Klaipeda	Superintendent	
Inspection Control Union	Superintendent	
SGS (Moldova) S.A.	Superintendent	
Incolab Services Romania SRL	Superintendent	
JSC Bureau Veritas Russia	Superintendent	
BSS International Inspection Services Co. Ltd	Superintendent	
Commodity Control Services Ltd	Superintendent	
PD Shipping Services Ltd	Superintendent	

To find a Gafta Approved Analyst, Fumigator or Superintendent visit www.gafta.com/Search-Approved-Registers

Gafta 123 Weighing Rules updated

The Gafta 123: Weighing Rules have been updated and can be downloaded from the Gafta website here: <https://www.gafta.com/All-Contracts>.

The changes come into effect for contracts dated from 1 January 2022. Members are advised to note the new reference to the accuracy class of weighers which may require a change to the wording of contracts.

The Rules also now acknowledge that cranes with an integrated scale that are classified as a discontinuous automatic totalising weighing system and are certified to accuracy class 0.2 are an accepted means of accurately determining loaded and/or discharged weights.

Congratulations to Beth Jameson - Best Arbitration/Mediation Paralegal award

On 23 September, **Beth Jameson**, Gafta's Arbitration Manager, was awarded the Best Arbitration/Mediation Paralegal award at the National Paralegal Awards 2021. This is the second year in a row that she has won this award. "I am very pleased that my work is being acknowledged," Beth told Gaftaworld. We are also thrilled that Beth's hard work and dedication to her work is being recognised.

Best ADR Paralegal 2021

Beth Jameson

What the judges said...

"I am impressed with this paralegal's outstanding knowledge, dedication and commitment to the profession: what made this entry stand out was Beth's aptitude to go above and beyond and make a fantastic impact in her role at Gafta."



Welcome back Emma Eeles!

Emma Eeles, Gafta's online learning manager, returned from maternity leave in September, and is now busy working on new modules for Gafta's online training programmes, with many plans for future developments.



The Eeles family

Emma told Gaftaworld: "The last year has undoubtedly been the quickest year of my life. Florence was born the day before Wilfred, my four-year old son, started school. Covid was a rather strange time; limited contact with friends and family meant that for the first eight months, all of the cuddles were for Mummy and Daddy (which was fine by me!). Florence was 6 days old when she went to the beach for the first time... well she is half Cornish! We spent Christmas in Cornwall which was wonderful, followed by a few months of juggling nap times with home schooling. We have already had lots of adventures as a family of four; camping was one of them! Florence and Wilfie have been sea swimming throughout the summer, a hobby that we all love. Florence is such a smiley baby with an incredible sense of humour and Wilfred makes us laugh A LOT every day. He is hoping to become either a professional golfer or an astronaut. It has been an amazing year and I just wish there was a rewind button to do it all again, though it has been great to reconnect with my Gafta colleagues and start afresh on some exciting training projects for Gafta."

Gafta 2021 charity donation

Gafta's Council gives an annual donation of £6,000 to a charity. This is normally to a charity of the President's choice. However, because **Gavin Millar** is serving a second year as President of Gafta, and because of the pandemic situation, Gavin suggested this year that it would be better to invite nominations from Council, which voted to donate to **UNICEF COVAX**. UNICEF is currently leading the largest vaccine supply operation ever on behalf of the COVAX facility. It is working to ensure that all participating countries and territories have equitable access to Covid-19 vaccines and is leading the procurement and delivery for 92 low- and lower middle-income countries while also supporting procurement for more than 97 upper middle-income and high-income nations. Together, these account for more than 80% of the world's population.

<https://www.unicef.org/supply/covax-ensuring-global-equitable-access-covid-19-vaccines>



Europe is preparing for new legislation on novel genomic techniques

By Corrado Finardi, COCERAL

 Exactly 20 years after the GMO Directive and following a decade of further debate about how to regulate novel genomic techniques (NGTs) which rapidly emerged meanwhile, the European institutions are now ready to embark on a brand-new policy track. Last April, the European Commission published a long-awaited study, bringing some clarity on the current regulatory framework, which left NGTs under the GMO regulation. The Commission outlined how this GMO framework falls short in reflecting the new challenges brought by the new techniques and is not fit for purpose to match third millennium expectations, nor to support innovation and competitiveness of the agri-food sector and beyond.

While environmental NGOs and some activists' groups, in the name of the Precautionary Principle, have been asking ever since that NGTs remain under the GMO domain, with tight risk assessment, traceability and labelling requirements, the EU Executive shifted the focus: a time has come to better consider sustainability, climate change and the need to increase food security globally. Or, to translate this: we cannot barter any more virtual hazards with more compelling and concrete risks we are already facing.

The European Commission then launched on 23 September a "Have Your Say" public consultation on an Inception Impact Assessment to formally start the legislative process to regulate some NGTs - targeted mutagenesis and cisgenesis - considered by the ultimate EU risk assessor, the European Food Safety Authority, to be as safe as conventional products. In the second quarter of 2022 and building on the comments received during the "Have Your Say" consultation, the European Commission will propose a few policy options for public scrutiny.

While it is still too early to determine how the EU institutions will regulate NGTs, the process has been wise and able to temper different requests from many stakeholders. The goal will be to build on the current baseline goals of delivering health and environmental protection, while also having sustainability as a target. Ultimately, the will of the European Commission is to put in place a future-proof regulatory framework, able to swiftly adapt to the emerging scientific capacity and techniques. From a broader philosophy-of-law perspective, this seems a turning point for the overall EU legislative apparatus; somehow, the formal recognition that legal boundaries cannot stop innovation just because of their inability to cope with it under the established definitions. Over the recent years, a common feature of food legislation has been increasingly about leaving it open to adapt to emerging scientific progress (around the line "technological progress and scientific developments should be taken into account when implementing this Regulation" *et similia*). However, this has proved to be easier said than done. The true challenge of the EU institutions will be then to provide a regulatory framework combining certainty of the law with flexibility to include, as a stable feature, emerging knowledge and capacity.

Other countries' rules on genomic editing

 **Argentina** is a world leader with regard to regulation and adoption of genetically modified crops. Its regulatory system, developed in 2015, to determine whether a gene-edited crop should be classified either as a GM crop or a conventional new variety is well established. The decision as to whether new crop varieties are exempt from the GMO legislation is made by the Argentine Biosafety Commission (CONABIO).

 **Brazil** introduced new legislation in January 2018 determining that gene edited crops should not be regulated as transgenic GMOs when no genes are retained from other species.

 **Australia** does not regulate the use of gene-editing techniques in plants, animals and human cell lines that do not introduce new genetic material. The decision, taken in 2019, was the result of a review of the country's gene technology regulations, and was called a "middle ground" between more lenient gene-editing rules in the United States, Brazil and Argentina, and tougher measures in the EU.

 **Canada** has been reviewing its risk assessment policy for gene edited crops this year. It has held two public consultations on updating its regulations that cover crops with novel traits and proposes to exclude gene edited plants (providing they have no foreign DNA) from the regulatory oversight required for plants with 'novel' traits (i.e. those containing foreign DNA).

 **China** has not yet announced the regulatory status of gene-edited plants, but is extensively involved in research in this area, and the technology is viewed by many as a promising solution to the challenges faced by the agriculture sector in that country.

 **India** published draft guidelines in 2020 for regulating gene edited crops. In this document it recognised: "The genome editing technologies offer solutions to address several issues related to Human & Animal Welfare and Protection of Environment." A tiered approach to regulatory oversight is proposed, depending on the level of DNA changes, and the document is still being debated within government.

 **UK** has announced plans in September to ease requirements for field research on gene-edited crops. Researchers wishing to conduct field trials on these crops will no longer need to submit risk assessments. They will still need however to register their study plans with the Department for Environment, Food and Rural Affairs (DEFRA). This announcement follows a public consultation held in March, shortly after the UK left the EU. It is one of the first areas in which the UK government is considering regulatory divergence from EU rules in the agriculture sector.

 **USA** has updated its biotech regulations to exempt many gene-edited crops (those that could have been bred conventionally) from regulatory oversight. A gene-edited soybean variety with a high oleic and low linolenic fatty acid profile is now being commercially grown in the USA, with many more gene edited crops expected in the near future.



No end in sight for dry bulk freight rally

By Shriram Sivaramakrishnan, Managing Editor, Asia Pacific Dry Bulk Freight, S&P Global Platts

Burgeoning demand for agricultural commodities and industrial raw materials along with ship delays forced by Covid-19 protocols, galvanises dry bulk shipping market.



Dry bulk freight rates across all vessel classes rallied to reach multi-year highs during 2021 due to congestions caused by stringent Covid-19 protocols and weather-induced supply tightness, while demand stayed remarkably robust.

2021 freight rate increases



As the market moves into Q4, which is typically the strongest period of the year, participants expect the fundamentals to remain sound and freight rates to stay elevated and volatile as well, as vessel itineraries could be disrupted by fluid Covid-19 protocols that are enforced at various ports. A significant number of market participants expect the current rally to persist into Q1 of 2022.

The dry bulk market is also benefiting from the

firm container rates. The trend of employing dry bulk ships to move containers and cargoes that were containerised over past decades is expected to carry on into 2022, sources said. This trend has bolstered the Handysize and Supramax freight rates in particular.

The Panamax segment, which depends on agricultural commodities for more than 50% of its demand, has found grain cargo volumes spike over 2021, which is projected to gain further in the coming years as global consumption continues to grow.

China, which is the world's largest agricultural importer according to USDA, received 67.1M tonnes of seaborne soybean, up 3.7% on the year, and 39M tonnes of grains including corn, wheat, barley and sorghum, up 185.3% on the year, as of August, Chinese customs data showed.

Concurrently, the Panamax freight to move grains from Santos in Brazil to QingDao in north China peaked at \$75.75/t on 5 July 2021, the highest since the assessment was launched in January 2015, and continues to trade close to these levels at the time of writing (20 October).

Similarly, the freight to move grains from New Orleans to China has been trending higher through most of 2021, reaching \$89.75/t on 20 October, also the highest since the launch of the assessment in January 2015.

Panamax grain freight rates reach multi year high



Tonnage supply tightness

According to market estimates, the Covid-19-related protocols that are being followed at Chinese ports require vessels to be quarantined for seven to 28 days and have led to roughly 5% of dry bulk fleet being held up.

Regarding the spot market, a China-based market participant said that many ships were being delayed especially at the Yangtze River ports. It is learnt that some ports were prioritising container ships over dry bulk carriers.

The International Workshop on Agricultural Biotechnology Development and Application 2021

Alan Ding, Director of Gafta's Beijing office, attended this workshop held by CropLife China in September in QingDao, Shandong Province.

CropLife China holds a workshop on agricultural biotechnology once a year, with the support of the Development Centre of Science and Technology, Ministry of Agriculture and Rural Affairs (MARA), Biotechnology Research Institute, Chinese Academy of Agricultural Sciences (CAAS), China Agricultural University, Institute of Plant Protection (CAAS) as well as other institutions and organisations involved in agricultural studies. These organisations all send representatives to attend the workshop.

The Development Centre of Science and Technology, within MARA, is the key

organisation involved in assessing new GMO event applications in China. While at least four other government departments are involved, it is the key body involved in making any approval decision. **JiMing Ye**, chief of the centre, addressed the workshop opening ceremony.

About 60 people attended the event, including representatives from China Seed Association, China Seed Trade Association, DBN (the largest private feed trader of North China), COFCO Group, China Academy of Inspection and Quarantine, Institute of Genetics and Development Biology, Oil Research Institute,

Embassies of the USA, Canada and Brazil, US Grains Council and CropLife members.

The topics focused on seed science, plant protection, new innovations and the benefit of corn GMO events for reduced pesticide usage. Representatives from the Philippines and Brazil discussed their experiences with GMO crop cultivation. Overall, this event helped to bring all stakeholders together and aided useful dialogue between the seed and biotech industry and government regulators.



Ethylene Oxide: EU experts discuss regulatory and technical aspects

Experts from EU member states, Switzerland and Norway met with representatives of EU authorities on 4 October to discuss the regulatory and technical aspects related to the enforcement actions against ethylene oxide contamination on certain food products (see September 2021 edition of Gaftaworld). Several member states commented that the measures are disproportionate and that they required legal clarification to support the measures they were required to take. The Commission clarified that the level of 0.1 mg/kg (as sum of EtO and 2-chloroethanol, expressed as EtO), which is the analytical Limit of Quantification (LOQ) is applicable for food and feed additives. The food additive regulation will be updated accordingly. The Commission produced some legal clarification on its decision to withdraw food containing ETO-contaminated locust bean gum (E 410), regardless of the actual level of presence in the final product and also discussed the measures to be taken for EtO-contaminated feed (both compound and raw materials). The Commission also provided an overview of the crop/country combinations to be included in the Annexes of the 5th update of Regulation 1793/2019 (providing for increased official controls and emergency measures on imports). It is expected that this update will be applicable from January 2022 and will apply to food and feed. Further information is available from Gafta.

Ghana Commodity Exchange sign MOU with Gafta member AgFlow

Ghana Commodity Exchange (GCX) and Gafta member AgFlow SA have signed a Memorandum of Understanding (MOU) to join forces to launch the Ghana Commodity Information System Project. The aim of this partnership is to facilitate access to fundamental commodity markets information in Ghana and the sub-region (Côte d'Ivoire, Togo, Sierra Leone, Burkina Faso). By the end of 2021, GCX users and Ghanaian agricultural market stakeholders will be able to compare the domestic prices of corn, sesame, soya, rice, sorghum and cashew with international prices and will have access to import volume forecasts. The partnership is in line with the Ghanaian governmental initiative for food self-sufficiency which aims at improving the productivity and incomes of small-scale farmers by promoting equal access to land, technology and markets, among other policies. It is also aligned with the Economic Community of West African States (ECOWAS)-led initiative, of which Ghana is currently the Chair, to build regional food security reserves as announced at the 2021 international conference on food security strategy in West Africa.

https://gcx.com.gh/news/gcx_top_news/gcx-signs-mou-with-agflow_sa.html

EU Green Deal targets for 2030 and agricultural production studies

The EU Commission has published a factsheet giving an overview of the studies published showing the effect of its Farm to Fork and Biodiversity Strategies on EU agriculture. The elements considered by four studies (the EU's Joint Research Centre, Wageningen University, USDA and Kiel University) are shown in a table. The Commission acknowledges the studies "provide both the scientific community and policy makers with a valuable insight on the choice of policy tools to mitigate the risks", but shows that the models used omit certain elements, such as new legislative initiatives, demand-side changes, technological innovation and indeed the cost of no action. In a statement on 18 October the Commission confirmed that despite the limitations, "the Commission welcomes the studies' contributions to the debate and is committed to make this transition towards more sustainable food systems successful so that our food systems reduce their negative impact on climate change and biodiversity loss, while ensuring that farmers and consumers can benefit from it and our long-term food security is safeguarded." The factsheet can be found here:

https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/key_policies/documents/factsheet-farmtofork-comparison-table_en.pdf

Nigeria Approves Genetically Modified TELA Maize for Open Cultivation

The Federal Government of Nigeria has granted environmental approval for evaluation and open cultivation of TELA Maize, a new maize variety genetically modified to tolerate moderate drought and resist fall armyworm and stem borer. This development now places Nigeria one step closer to commercialising the biotech maize and becoming the second African country after South Africa to do so. The approval was contained in a certificate issued to the country's Institute for Agricultural Research (IAR) whose researchers developed the variety. The certificate allows the commercial release of TELA Maize effective from 8 October 2021 to 5 October 2024.

Brazilian phytosanitary certificates – updated legislation

ANEC, the Brazilian national association representing grain exporters has advised Gafta that Brazil's Department of Plant Health and Agricultural Inputs (MAPA) has updated the regulation regarding the use of phytosanitary certificates for plant products. The Brazilian phytosanitary certificate will continue to be issued with electronic/digital signature. This procedure, which began in April 2020, is aligned with the international standard ISPM 12 and follows security protocols to ensure its reliability. Some countries however still require manual signature on the certificates. Details on individual countries' requirements with regard to acceptance of a certificate with an electronic signature can be found in the link below.

MAPA has also changed the colour of the Brazilian phytosanitary certificate. Since 1 October, this is now issued on white regular paper. The light green paper will no longer be used for issuance of the phytosanitary certificates. There are also new rules on the acceptance of phytosanitary certificates on imported plant products into Brazil, as detailed in *Ofício-circular nº 7/2021/dsv/sda/mapa*, which can be found via the below link:

<https://www.anec.com.br/article/international-acceptance-of-electronic-signature-on-brazilian-phytosanitary-certificates>

Private sector stresses commitment to ending hunger at CFS49

The 49th Session of the Committee on World Food Security (CFS49) took place on 11-14 October. It focused on the 2021 State of Food Security and Nutrition report, uptake of the CFS Voluntary Guidelines on Food Systems and Nutrition, the UN Food Systems Summit, CFS Multi-Year Programme of Work, gender, youth and climate change. The plenary was held in a virtual format.

The private sector was well represented, highlighting its commitment to ending hunger, malnutrition and food insecurity for all and willingness to constructively engage with all stakeholders to achieve this goal. Representatives of the Private Sector Mechanism (PSM) made many interventions on the subjects discussed. With regard to the outcomes of the UN Food Systems Summit, the Chair of the PSM, **Rick White**, noted that the multi-stakeholder approach of CFS represents a core value that PSM hopes will be embedded in the food system globally going forward. The approach of the CFS Plenary process, its side-events, focus on special topics as well as its annual nature, offer an ideal forum and modality to report back on the progress of food systems transformation. Next year's CFS will be held on October 17-21.

A full report on the meeting is available from Gafta, and there is more information on Twitter: @UN_CFS #cfs49





NEW MEMBERS

Full contact details for all members are available on the Gafta website Members Directory

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CATEGORY L – STUDENTS



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Martin Kelly – new Gafta arbitrator

Congratulations to **Martin Kelly**, who has recently qualified as a Gafta Arbitrator, and is now listed on the Gafta website.

"It is a privilege to become a Gafta arbitrator and work with others in the industry to provide a world class arbitration service to the trade. Gafta has always had a tradition of helping parties solve their disputes using arbitrators experienced in the industry and providing a relatively quick, efficient and cost-effective service. I intend to continue that tradition," Martin told Gaftaworld.

Martin began his career as an officer in the Royal Navy before retraining to become an English qualified solicitor. He spent a number of years working in a law firm dealing with international trade and shipping matters where, among other things, he dealt with disputes subject to Gafta arbitration. Keen to gain greater industry experience he decided to move to the in-house law department of Esso Petroleum Limited where he continued to work on commodity disputes as

well as more general corporate and commercial matters. He then moved to Noble Group Limited where he took responsibility for legal matters in the EMEA region. While at Noble he covered all their commodity businesses including the management of numerous disputes in its agricultural commodities business, subject to Gafta arbitration. The fast-paced growth within Noble enabled him to develop a deep understanding of the agricultural and commodity businesses through first-hand experience of negotiating, drafting and managing contracts related to storage, processing, offtaking, trading, shipping, financing, acquisitions and disposals as well as disputes related to such contracts.

He worked on the sale of Noble Agri to COFCO before transferring to COFCO International in 2017, taking the position of Deputy General Counsel in their Geneva office.





2021 CALENDAR



Seminars

9	Nov	Member Webinar Series: Recent Court Judgements of interest to Gafta members Online
9-10	Nov	External Event: Commodities Trading 2021 Online
16-18	Nov	External Event: Global Grain Geneva, Switzerland
24	Nov	Member Webinar Series: The Corporate Insolvency and Governance Act 2020 (CIGA) Online



Masterclass

2	Dec	Arbitrators Masterclass London
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Social Events

3	Dec	Arbitrators Christmas Luncheon London
10	Dec	Grand Festive Lunch London

For more information on all Gafta events, go to:
www.gafta.com/events

Please note: All dates are subject to change, depending on the Covid-19 situation and Government guidelines in each location.

Gafta Sustainability Pledge

Gafta has been working with a small group of Council members to develop an exciting new platform which encourages and supports those engaged in the international trade of agricultural commodities to contribute to a sustainable future.



The Sustainability Pledge is an all-inclusive, accessible platform which encourages and supports Gafta members to contribute towards a sustainable future. It aims to raise awareness of sustainability among Gafta members and the wider industry and enables members to promote their commitment through the use of the Sustainability Pledge logo.

Led by Gafta President **Gavin Millar**, the Working Group members have already signed up to the Sustainability Pledge and have been using the logo on their websites and social media platforms. Mr Millar explains: "As a global trading company, Gemcom takes its environmental, social and governance commitment extremely seriously. It was incredibly important to us to be one of the first trading companies to sign up to the Gafta Sustainability Pledge and to help develop this platform for the benefit of the Gafta membership and industry."

The Sustainability Pledge aspires to create a community of members, sharing experiences and best practices to act together as an industry to drive positive change, while recognising that sustainability is individual to each member

and there is no right or wrong way. An online Information Hub will provide members with resources whether they are just starting out on their sustainability journey or looking for where to next make a positive impact within their business.

Members who sign up to the Sustainability Pledge are making a strong commitment which they can promote to their customers and peers through the Sustainability Pledge logo. Already being used by the Working Group, the logo has been well received and has provided a talking point to keep the conversation live, even being used by SGS on their stand at GrainCom in Geneva.

Paul Harrison, SGS Global and Gafta Council member is also part of the Working Group; "I'm delighted that we can collaborate with Gafta to continue leading the way towards a sustainable future for the agricultural trade industry. We are committed to achieving the highest possible sustainability standards and look forward to sharing our experiences and insights with the wider community."

The Sustainability Pledge will launch to all members at the Gafta AGM on 20 January 2022 at which point applications can be received by the Gafta website. More information will follow in Gaftaworld and via the usual communication channels, however members can register their interest early by emailing SarahMann@gafta.com.

"Through the Gafta Sustainability Pledge, we are actively raising awareness of sustainable business practices among our members and how the international trade of agricultural commodities has a role to play in meeting the needs of today, without compromising future generations' ability to meet their needs. It was important to Gafta to work with a pilot group of members to utilise their expertise and experiences to develop a successful membership benefit so that we can act as an industry together pushing for positive change," said **Jaine Chisholm Caunt**, Director General of Gafta.

Sarah Bell of Cefetra and **Gustavo Ranovsky** of Louis Dreyfus are also members of the working group and we will share their experiences in a future article where we will explain how members can sign up to the Sustainability Pledge.

 @Gaftaworld

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Promoting international trade

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