Gaftaworld
PROMOTING INTERNATIONAL TRADE
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Message from the President

Under my presidency, geopolitics and climate change have remained at the forefront with conflicts across the world continuing and multiplying, particularly with the war in Ukraine, marked by the end of the grain corridor deal, and the beginning of the war in the Middle East. Global food security is worsening with over 122 million additional people facing hunger in the world since 2019 according to the UN.

All these events disrupt food, feed, energy and fertiliser supplies, and create food insecurity across the world, with over 30% of the global population now either food insecure or severely food insecure. Food security is an important issue for all of us. Companies, with their corporate social responsibility, and governments, have to increase their involvement in developing more resilient supply chains and public/private partnerships, investing in research, innovation and data to improve the sustainability of food systems. Gafta will continue to advocate on the important role that international trade plays in ensuring food and feed security; we know for example that one in six people is fed by international trade. Our advocacy efforts will continue, together with our fellow trade associations, to focus on the huge challenges of global food security and climate change. I wish that 2024 brings us more stability, predictability, an end to conflict and good climatic conditions: our earth needs this!

I have had a very inspiring year as Gafta President which began in London at the AGM in the beautiful surroundings of the Caledonian Club last January. February saw the President's Reception at the first Gafta course of the year, in Paris, and I was very proud to attend the Gafta Trade Foundation Course in London and the Scottish Dinner in Edinburgh. Amongst many other events, I will cherish the memories of a fantastic Gafta Dinner held in London in June, knowing that Gafta has returned to pre-pandemic levels of face-to-face attendance at our training courses, whilst our online training provision has continued to expand, and take-up to grow.

Gafta's training and events department continues to be very active, with the development of the Agribility platform that hosts Gafta's Distance Learning Programme and online short courses. These are very professional in their content, appearance and functionality, under the supervision of **Sophie Webber** and her team. The platform is now used by fellow agricultural trade associations as well as by Gafta members.

Gafta's programme for our technical firms, the Approved Registers for Analysts, Superintendents and Fumigators, continues to grow apace, as does Gafta's Sustainability Pledge, all managed by **Sarah Mann**. The Sustainability Pledge recognises responsible business practice, and we are pleased to see the work Gafta has been carrying out relating to sustainability for its own business activities and for members and we encourage all members to join.

I am delighted to see that Gafta membership continues to grow year on year. On 30 September, Gafta had a total of 1,941 member companies in 100 countries.

Digitalisation continues to be a priority for Gafta and has become a standing item on the Council agenda. This year, Gafta created a Group to reflect on the status of digitalisation across the agri-commodity trade and the role Gafta should play in promoting its development and the usage of digital documents by the trade. Gafta's Trade Policy Committee will continue this work, including how we can accelerate uptake of digitalisation across the sector. Similarly, Gafta's Trade Policy Committee members have continued regular meetings updating UN negotiations on trade challenges with the Black Sea Grain Initiative, insurance and banking issues.

Welcome to **Abigail Buxo** as Arbitration Manager, a key role at Gafta, and welcome to **Agne Ceskeviciute** in the Executive Assistant role at Gafta, replacing Abi.

We thank very much **Sarah Bell**, **Nathalie Hogarth** and **Rory Donnelly**, who are retiring from Council in January 2024, for their dedication and valuable contribution towards Gafta's work programme.

Concluding my presidency year, I hope that 2024 will bring more peace and reconciliation in the world. I wish my successor **Rebecca Jones** of ADM good fortune for the next year.

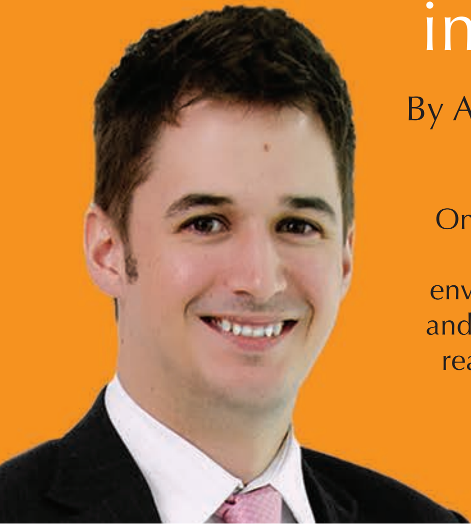
I would like to thank **Jaine Chisholm Caunt OBE** and all the Gafta staff for their commitment and professionalism in all they do, as well as the many Gafta members who support the Association through serving on Gafta Council, our committees and as Arbitrators.

Wishing all members a happy and successful 2024!

Jean-Raymond Senger
Gafta President

Jean-Raymond and his wife Véronique at the Gafta Dinner in June

The value of contractual safety nets: protecting against phishing attacks in soft commodity trading



By Adam Richardson, Partner and Amanda Rathbone, Knowledge Counsel (Commodities), HFW

One of the key benefits of a move towards digitalisation, along with efficiency, increased certainty and environmental benefits, is a reduction in paper-based risk and in particular, the risk of fraud. All of these benefits are real and the progress towards digitalisation is welcome. However, it is an inevitable reality that reliance on technology necessarily introduces other risks, including cyber attacks.

We have seen a notable increase in phishing scams, in which a fraudster interposes itself in an email exchange between contracting parties and directs that payments be made to an alternative account (which belongs to the fraudster). This happens very quickly, in what are often routine communications. Messages are often convincing, with only subtle changes from the genuine and expected communication. One common method is to change one letter in an email to the corresponding letter in the Cyrillic alphabet. At first glance (or sometimes even on close inspection), this looks identical to the genuine email address.

For no obvious reason, phishing attacks have become particularly prevalent in the soft commodities space. What can parties do to protect against them and where does the risk lie in the event that something goes wrong?

- **Cyber security:** catching attacks before they happen is the best protection. There is a growing number of cyber security companies which offer advice and products to achieve this. For example, many email systems will now flag messages coming from previously unseen addresses. This makes it much easier to spot a fraudulent email address which at first glance appears genuine.

- **Staff training:** human beings can be the vulnerable link in an organisation because a subtle change is hard to spot, particularly in familiar and routine messages which are perhaps not scrutinised in detail. Training to identify phishing attacks and establishing good practices such as checking with a counterparty if it sent new account details can prevent attacks from succeeding.

- **Third parties:** another vulnerability can be third party providers. If you use brokers or agents, it would be advisable to conduct due diligence on their cyber security protections and where possible, require them to obtain a recognised cyber security certification. Many trading companies and banks now have a greater emphasis on information and cyber security in their onboarding processes.

- **Contractual counterparties:** as well as protecting your own organisation, in some circumstances – where regular or high value trading is involved and depending on your commercial bargaining power – you may also want to consider including an express contractual requirement that your counterparties obtain recognised cyber security certification.

- **Contractual protections:** the allocation of risk if a phishing attack succeeds can be expressly agreed in your contracts. A number of traders are introducing clauses into their standard form contracts which specifically require that parties who receive a request to make payment to a new account must independently verify the new account details with their usual contact at the counterparty entity. Whilst this ought to form part of standard good practice in any event, such clauses seek to allocate risk if a party makes payment to an unverified account without conducting proper checks.

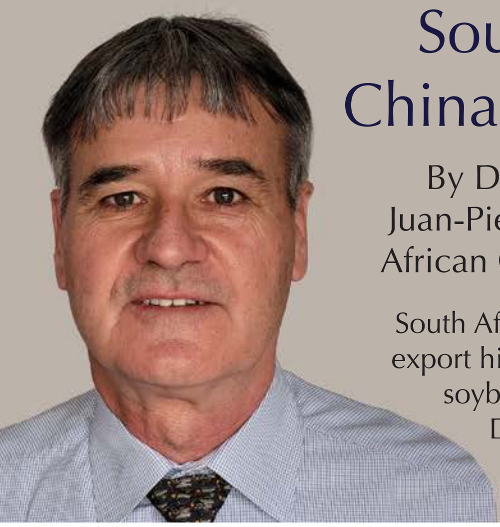
The importance of what the parties have agreed in their contracts is illustrated by the decision in K v A.[1] A contracted to sell sunflower meal to K on an FOB basis under Gafta Form 119. They used a third party intermediary broker, V. After loading the goods, A sent V two emails with invoices and bank account details for payment and V forwarded them to K. K denied receiving these emails – instead, it received emails appearing to come from V with attachments directing payment to the right bank but to a different account. Without realising that a fraud was underway (and without checking), K made payment to the different account. Once the fraud was discovered, payment was made to the correct account but with a shortfall caused by currency conversions. A claimed the shortfall against K in a Gafta arbitration which was ultimately appealed to the High Court.

It appears that the first tribunal ruled that the loss should be borne by the party whose account was hacked (namely A). On appeal, the Gafta Board of Appeal held that under clause 18 of Gafta 119, the emails with the correct account details sent by A to V constituted good notice. K therefore bore the risk of receiving the wrong account details. A had sent valid and correct notices and K had failed to pay.

K appealed to the English High Court on several grounds, including that the Board had made an obvious error of law in holding that K's payment obligation was to ensure payment into A's account. K argued that the contract required it only to pay the price to A's bank, which was A's agent to receive payment. K further argued that that obligation was fulfilled by K's payment to the correct bank, irrespective of account details. The Court considered the contractual payment obligation, which was to pay the price in "net cash" to A's bank within 2 days of presentation of documents, which must include a commercial invoice. It held that the contractual obligation was to make payment to A's bank for A's account, in the sense that it must be accompanied by the account details which A had notified. K had failed to do this and so K carried the risk of the loss.

[1] K v A [2019] EWHC 1118 (Comm) (03 May 2019) (bailii.org)


Merry Cristmas
AND
HAPPY NEW YEAR
Gafta



South Africa celebrates its first China-bound soybean export vessel

By Dr André van der Vyver (Executive Director) and Juan-Pierre Kotzé (Research and Project Manager), South African Cereals and Oilseeds Trade Association (SACOTA)

South Africa marked a significant achievement in its agricultural export history this month, as it successfully exported its first bulk soybean cargo to China. Transnet Port Terminal Agriport, Durban completed loading on 15 October 2023.

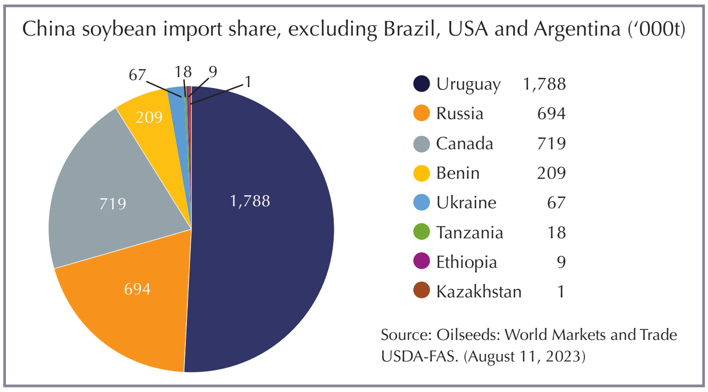
Heading for Guangzhou port, China, the shipment was arranged by Louis Dreyfus Company (LDC), a leading global merchant and processor of agricultural goods and SACOTA member, who helped to open the Chinese market for South African soybeans, leveraging its presence at both origin and destination. This milestone was followed with two more shipments, also en route at time of writing this article.

FTransnet Port Terminal Agriport during the loading operation.

The signature of the soybeans export protocol between South Africa and China by the Minister of Agriculture, **Thoko Didiza**, and her counterpart in June 2022, made this milestone possible for the South African oilseed industry. The protocol established the phytosanitary requirements for the export of South African soybeans to China. The transaction also perfectly aligns with the objectives of the BRICS agreement. In respect of other markets, DALRRD, SACOTA and the industry are also working together to open the markets of Indonesia and Egypt for soybean exports.

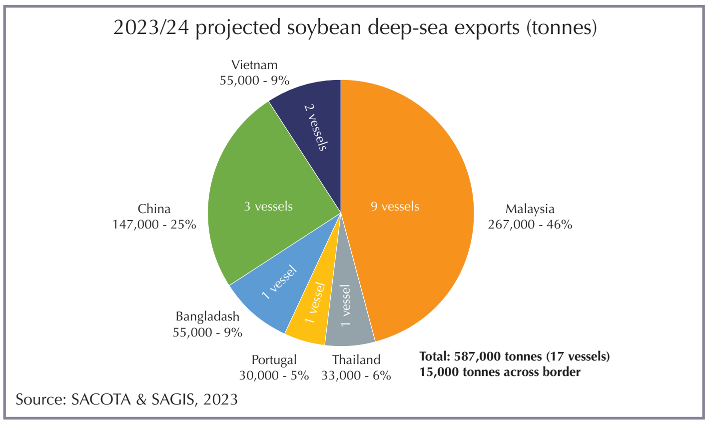
China is the biggest consumer and importer of soybeans in the world. China is expected to import 100M tonnes of soybeans this year (USDA, PS&D online) and currently allows for the importation of soybeans from fifteen countries of which only eleven have in the past supplied China with soybeans. South Africa will now be the twelfth country. The biggest suppliers to China are Brazil (60%), United States (32%) and Argentina (4%), which are also the biggest global exporters of soybeans (and meal). However, there is "plenty of room" for smaller exporters such as South Africa. Excluding the "big three exporters" the graph (top right) depicts the remaining eight exporting countries and their shares that supplied China during the previous season. These eight countries contributed to a total of 3.5M tonnes or 4% of China's soybean imports. By comparison, South Africa during this season has already exported approximately 150,000 tonnes of soybeans to China but the most lucrative period has now passed. Of the "smaller exporters", South Africa has the potential to rank fourth after Canada.

Accessing the Chinese market is therefore an important step for the South African soybean industry. With the potential surplus exportable crop still less than a million tonnes, accessing the Chinese market basically allows South Africa to sell any surplus stock, not even taking into account other existing markets. For an industry to grow, you should not only have the logistical capability to export surplus stock but if you are able to profitably produce for the export market it is a win-win situation with unlimited opportunities.



Based on recent South African production cost surveys conducted by Grain SA (the farmers' association) and industry data, it showed that with a US Gulf f.o.b. price of around $520 (13 Nov 2023) the value chain is healthy and profitable. However, increasing logistical constraints in the areas of transport (especially rail) and port and terminal inefficiencies may in future negatively impact profitability, if not resolved. On the positive side, average yields are still a low 2.4 tonnes per hectare in the main supply areas but with many new soybean farmers entering the industry and new cultivars awaiting release, yields should still increase and therefore profitability.

Over the past nine years, South African soybean production has increased on average by 18% year on year, while domestic demand grew by 8%. This allowed South Africa to start producing a surplus crop in the 2021/22 season and ETG, another SACOTA member, shipped the first soybean vessel to Malaysia in 2022/23. The growth in production of soybeans (and therefore the exportable surpluses) is likely to continue in the coming years, although at a reduced rate. South Africa's deep-sea soybean exports amounted to 253,000 tonnes in 2022/23. This compares to a SACOTA prediction of around 600,000 tonnes in 2023/24.



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India's wheat crop faces climate risk

By G. Chandrashekhar

Over the last 18 months, wheat has been a topic of animated discussion in global agri-business circles following the outbreak of the Russia-Ukraine war. As the world's second largest producer of wheat, in India too wheat has been a topic of debate.

Since the harvest last year (April/May 2022), the wheat supply-demand fundamentals have tightened. Procurement by Food Corporation of India (FCI) has fallen well short of the target for two years in a row, 2022 and 2023. Tight S-D balance has driven open market prices well above the specified procurement price.

Concerned over the wheat situation, the Indian government has made a series of interventions including a ban on wheat exports since May 2022. Stock limits have been imposed on value chain participants and tightened recently. Wheat allocation in welfare programmes was reduced, partially replaced by rice.

For a country long used to massive public stocks and unmanageable surplus, this development – supply tightness and elevated prices – has shocked stakeholders. Yet, for independent observers rooted to the ground, this was something waiting to happen. It reflects the failure of the policymakers to read advance signals sent by the market.

Wheat production, acreage and yield demand scrutiny. Indian wheat has been at the limit of heat tolerance for at least ten years now. Climate change has started to take a toll. As a tropical nation India is more vulnerable to the adverse effects of global warming. Do Indian policymakers recognise this reality?

Heatwaves experienced in 2022 and 2023 were a stark reminder. It would be wishful to think that weather in the coming years will be benign. Extraordinary research efforts and investments are necessary to develop heat-resistant, heat-tolerant wheat varieties. It takes long years to come up with such varieties.

At 33-34M ha, India's wheat acreage may be nearing saturation point. It would be unwise to expect any dramatic expansion in wheat planted area in future. If anything, some wheat area in high input, grain mono-cropping regions should shift to legumes (oilseeds, pulses) for crop rotation to reduce adverse environmental impact.

Indian wheat yield is said to average 3.5 t/ha. There's suspicion that yields may be plateauing because of climate impact. Unusual heat during the growing period can potentially reduce yields by up to 20%.

India's average yield is the same as the global average; but that's small consolation. Average yield in the EU is 5.5 t/ha while China has an even higher yield at 5.8 t/ha. Is there any lesson India can learn?

India's official production estimates appear overstated. Policy interventions based on inaccurate data will not result in desired outcomes. For 2022, the official production figure was reduced from the initial 112M to 107M tonnes following the heatwave. For 2023, the figure remains at an unrealistic 112M tonnes. Private sector estimates peg the harvest size in each of the last two years at around 100M tonnes.

…the country may be forced to resort to wheat import to augment availability

If the government production estimates (107M for 2022 and 112M for 2023) were correct, India would not be facing the current situation of tight availability, elevated prices and restrictive trade policies. Lower production is further corroborated by lower procurement by FCI two years in a row (19M tonnes versus target of 34M tonnes in 2022 and 26M tonnes versus target of 34M tonnes in 2023). India needs about 30M tonnes to meet its obligations under welfare programmes.

A bigger concern is the upcoming wheat crop (harvest April/May 2024) for which planting is underway. The production target is 114M tonnes. The crop faces looming risks. Soil moisture conditions are less-than-satisfactory in some growing regions. Live storage status of major reservoirs does not inspire confidence. With the El Niño effect forecast to continue into the first quarter of 2024 the much-needed winter rains may be affected. A repeat of the heatwave in early 2024 can make matters worse.

The normal area for wheat is 30.7M ha, but in 2022 and 2023 wheat area was reported to be 34M ha; yet output declined because of damage caused by heatwave. This year, as per the last available weekly sowing progress report (1 December), only 18.8M ha were planted as compared with 19.7M ha this time last year. There's still a long way to go. Farmers have been advised to complete sowing by 25 December at the latest.

On current reckoning, Indian wheat production in 2024 is likely to fall well below the target for the third year in a row. Given market realities, the ban on export is most unlikely to be lifted anytime soon. If anything, the country may be forced to resort to wheat import to augment availability and contain price rises as national elections are around the corner.

Looking ahead, say towards 2030, the Indian wheat crop is likely to come under intense weather-related pressure. If India's economic growth ambitions materialise, the demand side would turn robust. India risks becoming a wheat importer if the 'business-as-usual' attitude continues.

Farmers at an FCI godown

G. Chandrashekhar, Economist, Senior Editor and Policy Commentator is an agri-business and commodities market specialist. He provides policy input for the government. He serves as Independent Director on corporate boards and as Independent Member of the market regulator's advisory committee, SEBI-CDAC.

A Brazilian Exporter's Perspective on the EU Deforestation Regulation: Challenges and Potential Measures

By Pedro Eymael, Sustainability Officer, Brazilian National Association of Grain Exporters (ANEC)

Starting from 31 December 2024, the recently approved EU Deforestation Regulation (EUDR) will prohibit European countries from importing products such as beef, coffee and soy, originating from deforested areas opened after the cutoff date set by the European Commission: 31 December 2020. Additionally, the production of such goods must comply with the legislation of the exporting country, encompassing environmental, labor and financial regulations.

To demonstrate adherence to these criteria, imported products must be accompanied by a due diligence report containing risk analysis, risk mitigation measures in place and geographical coordinates of the areas where the products were produced, among other information. European authorities will categorise countries based on different levels of risk, leading to varying levels of scrutiny upon arrival of goods at European ports, depending on this categorisation.

Considering all these new and unilateral demands, it is no surprise that the soy exporting sector in Brazil has been concerned about this issue for the last few months. This is especially noteworthy given that Brazilian soy exports to the EU in 2022 represented approximately 9% of all soy exports, and almost 43% of soymeal exports, representing a substantial portion of commerce. While it may be true that such a regulation represents an innovative approach to the intersection between environmental impacts and international trade, it also poses significant challenges for exporting countries.

When it comes to zero deforestation, the Brazilian soy sector has developed one of the world's most sophisticated mechanisms to mitigate its impact on native forests: the Soy Moratorium. Under this commitment, trading companies adhere to the requirement of not commercialising or financing soy from deforested areas in the Amazon biome after the cutoff date of 22 July 2008. Compared to the EUDR's cutoff date, the Soy Moratorium's is more conservative. As a result, any property producing soy in the Amazon biome automatically complies with the EUDR, significantly reducing the risk of association with deforestation after 2020. Furthermore, the governance of the Soy Moratorium involves collaboration between the private sector, civil society and the government, and it has been effectively operational for the past 17 years. Oxford Academic (BioScience – Mapping and Monitoring Zero-Deforestation Commitments) even recognises it as one of the most advanced zero-deforestation commitments globally, considering sustainability, accuracy, technical rigour, consistency, transparency and monitoring frequency. These aspects indicate that the Amazon region should be classified as a low-risk area according to the EUDR risk categorisation, especially concerning the soy sector's perspective.

Exports of soy produced in the Amazon biome are well-equipped to meet the EUDR requirements due to compliance with the Soy Moratorium. However, companies are facing challenges in meeting traceability requirements in other regions. As the deadline draws nearer, traders have entered an exploratory phase, attempting to map, test and analyse how best to adapt their operations and scale up solutions. A significant limitation lies in the "pool" storage system prevalent throughout Brazil's export system. Here, soy loads from different farms are mixed to facilitate continuous outflow. While only a specific percentage of the mixture might be exported to the EU, the EUDR demands specific traceability information and compliance for all soy within that mix. This means that, under the current infrastructure, soy from compliant properties could be mixed with non-compliant soy from other farms. A possible solution to this issue would involve segregating compliant and non-compliant soy effectively. However, achieving this would require substantial investments in the entire export infrastructure across Brazilian ports and silo systems, which are currently already in need of enhancements. Not only would this be costly, but it would also take a considerable amount of time to complete.

Moreover, another challenge that companies are struggling with is data privacy. Traders are already beginning to request from one another the necessary information requested by the new European legislation, primarily the names and coordinates of farms where the soy was produced to achieve complete traceability. However, the reaction thus far has been predominantly negative: companies are reluctant to share this kind of information with each other due to its commercially competitive significance, ensuring the confidentiality of each company's suppliers. Additionally, legal experts representing exporting companies argue that the extensive information sharing required by the EUDR may potentially violate the Brazilian General Data Protection Law (LGPD). The utilisation of technology and specific software designed to ensure data protection and anonymisation is already being tested by some companies to address this issue, albeit at an initial stage.

Regarding compliance with national legislation, the Brazilian government has taken proactive measures to support several sectors in this regard. The Ministry of Agriculture has recently announced the creation of a new national public platform that will allow foreign authorities to verify the legal compliance status of properties in Brazil. This platform will not only be beneficial for the soy sector but also for other products affected by the EUDR. It will integrate a multitude of existing but dispersed data in Brazil, thereby enabling interoperability. However, while it will undoubtedly improve and assist in achieving compliance, the platform is not a silver bullet for the problem, and companies still have doubts about whether the platform will be ready within the required timeframe.

Overall, the EUDR imposes substantial resource requirements on companies operating within Brazil's soy export sector. Many unanswered questions persist, including who will bear these costs and specific procedural details once the legislation comes into effect. The presence of the Soy Moratorium significantly facilitates compliance, particularly in the Amazon biome. The Moratorium has successfully integrated economic development and environmental conservation by preventing deforestation for soy production, and will continue to do so. European authorities should exercise caution not to undermine this powerful private sector commitment through the EUDR, as it may result in negative environmental consequences.

Interview with Daryl French

A new Gafta Arbitrator!

Daryl French has recently become a Gafta Qualified Arbitrator. He is a Commodity Derivative Sales Partner at BGC Partners with a long history of working in the financial services industry, and is also a qualified barrister. **Hannah Strong** at Gafta put some questions to him about his new role and recent learning experience.

1. Could you share a little bit about your background with our readers? How did you become interested in Gafta Professional Development courses?

I have worked as a derivatives broker for the last thirty years, the latter half being almost exclusively commodity derivatives. I started my career in my native Australia, worked in New York for a couple of years, and have been based in London for the last twenty years.

In 2015, I commenced a post-graduate law course, followed by studying for the bar. I was called as a barrister by the Honourable Society of Gray's Inn in 2019. During my studies I was particularly interested in arbitration as a form of alternative dispute resolution and devoted a lot of my extra-curricular activity to the subject. For example, I represented City Law School at the Vis Commercial Arbitration Moot in Vienna and won the "best university" entrant in the Worshipful Company of Arbitrators moot competition.

During my studies, I joined Gafta as a student member and, upon graduation, decided to undertake the GPD courses to become an arbitrator, an intersection of my legal studies and work experience. I continue to be employed as an agricultural derivatives broker while developing my profile as an arbitrator and trade representative within the Gafta arbitral framework.

2. As someone who has completed GPD, what advice would you give to someone interested in pursuing Gafta Professional Development courses and becoming a Gafta Arbitrator?

I would certainly encourage those with the appropriate experience to pursue the courses. While there is no strict order in which to do them, I would suggest to most people coming from the trade without legal training that the logical first step is the Trade Foundation Course, which contains introductory law around contract formation and arbitration.

In terms of pursuing the path to being an arbitrator, my advice is this; speak up at the GPD courses. Speak up to Gafta. Talk to the lawyers delivering your course. Find out if there are arbitrators you can speak to attending the networking events. I've found all those groups encouraging of my journey.

3. Could you share with us how your career journey has changed on a day-to-day basis since completing GPD, and have you encountered any exciting opportunities for advancement in arbitration?

As one of the newest arbitrators, I'm still in the process of developing my arbitration business, introducing myself and my experience to law firms and legal teams within the trade. I continue to use the networking events linked with the Gafta courses.

Thus far I have received several appointments and, with the help of the Gafta arbitration department and the agreement of both parties, was able to sit as an observer on an appeal board arbitration in expectation of utilising my advocacy training as a Trade Representative.

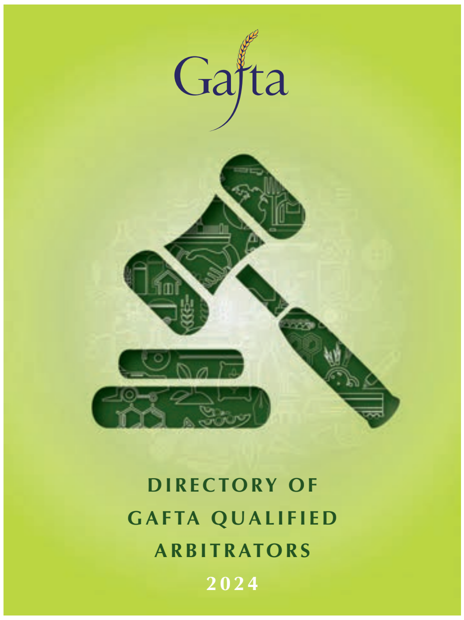
4. What do you think is the most important benefit of doing Gafta's training?

I think the most important aspect of the in-person training is the coverage across the entirety of roles within the trade, both in terms of the subject matter but also in the course participants. There's always a real-world problem that someone has experienced that allows for application of the theory we've just learned.

As I mentioned earlier, the entirety of the GPD training also helps clarify the knowledge base requirements of a Gafta arbitrator in practical areas such as shipping.

5. Do you have any other comments or thoughts you would like to pass on?

My practical suggestion to those approaching the conclusion of the courses and contemplating sitting for the Gafta Arbitrator Diploma is speak to a range of arbitrators if you can; the more experienced for their advice of the 'business' of being an arbitrator, and the more recent arbitrators on the diploma exam and starting your career. The arbitration department also runs a mentoring service allowing new arbitrators to connect with those who are more experienced.



If you are interested in furthering your industry knowledge or would like to know more about professional development opportunities, then reach out to Gafta's Training and Events team or visit our website at **www.gafta.com/Events-Training**

Planes, supply trains and automobiles hold key for oilseeds in 2024

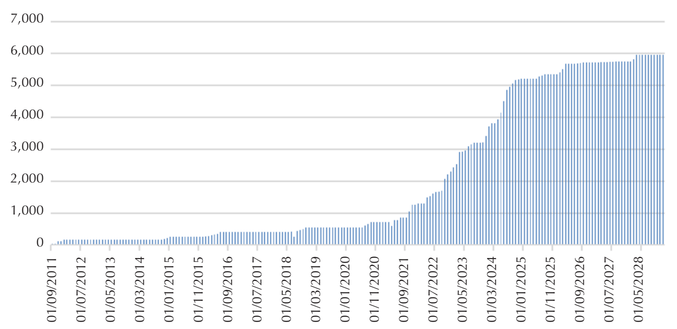
By Tim Worledge, Editorial Director,
Fastmarkets Agriculture

Scroll back your collective memories to this point of 2022, and the oilseed complex was still being borne aloft by relatively high prices, burgeoning demand expectations and some heinous supply issues that overwhelmed any fears from another huge Brazilian crop loitering in the wings. Broadly the world had come to terms with the outright shock of the Russian invasion of Ukraine and some modest reassurance over ongoing sunflower supply had emerged under the Black Sea Grain Corridor initiative.

Up to that point, Ukraine – its crush industry decimated by relentless infrastructure attacks and genuine question marks over its oil export capacity – had switched to exporting sunseeds over oils, but the return of access to the deep water ports had at least brought some semblance of normality. As the Ukrainian military dug in and pushed back, European efforts to wean themselves off the mighty Russian oil barrel brought fresh impetus to a biofuel space that had already been bolstered by US President Joe Biden's Inflation Reduction Act.

On both sides of the Atlantic, two giant economies laid out their plans to produce millions of tonnes of sustainable aviation fuel (SAF), driving traders in every form of vegetable oil-related and animal fat-related production into a frenzy over the potential demand outlooks.

US renewable diesel production capacity ramps up over next decade ('000t per month)

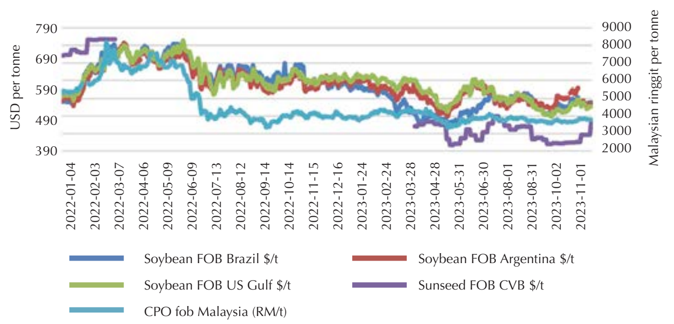


Source: Fastmarkets The Jacobsen

With the US targeting 35 billion gallons of SAF production by 2050 – more than twice the current ethanol mandate that soaks up over 10% of the world's entire corn production – Europe added fuel to the fire with a plan to adopt SAF in 70% of all aviation demand over the same timeframe. Used cooking oil (UCO) was at the tip of the spear, but basic calculations had already established that UCO alone would never account for the volume, firing demand prospects across the wider vegetable oil complex as a result. As the year rolled on, even with Argentina suffering ongoing and persistent drought, Brazil's huge soybean crop began to tilt the focus away from supply fears, while the lingering doubts over China's economic recovery post-Covid stubbornly refused to dissipate.

For the twin giants of the complex – palm and soybeans – the assumption that both were lining up in the path of the new biofuels juggernaut suffered a series of challenges, as margins for the US production sector wilted in the face of new capacity coming online.

Oilseeds prices slide as supply responds to drought, war

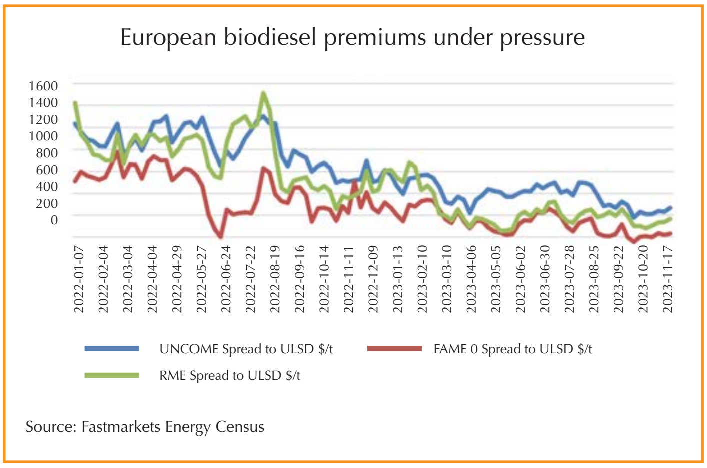


Source: Fastmarkets Agriculture

That and setbacks from the US government took the lustre off the biofuels complex – as mandates for 2023, 2024 and 2025 underwhelmed – before news from Brazil raised the curtain on a whole new feedstock front. Ethanol and sugar producer, Raizen confirmed it had got backing for its sugarcane-based ethanol as a feedstock to SAF production in August, in a move that kicked open the door to non-oilseed feedstocks in lucrative aviation decarbonisation efforts. That in turn teed up a struggle for the future of corn-based ethanol – which currently does not comfortably fit in the SAF feedstock mix unless married to carbon capture efforts. Nonetheless, it remains a potent potential feedstock in the alcohol-to-jet mix and could drag corn into the upheaval through supply of potentially billions of gallons of corn-based ethanol.

Looking ahead into 2024, some of these themes will spill over from the old year into the new, with some current trends already pointing the way for 2024.

European biofuel premiums have slumped through the latter part of 2023, a combination of oversupply from controversial Chinese used cooking oil-based biodiesels, and poor demand with traders estimating that Europe's diesel demand is now declining at 5% per year. That's driven by the twin effects of increased electrification of the car fleet and a swing away from diesel and towards gasoline or hybrid powertrains.



With most European mandates still percentage-based, the decline in underlying diesel demand equates to a direct decline in biodiesel demand at a time when competition for feedstocks is only likely to intensify. An EU-backed investigation into the Chinese biofuel flows and a general unwillingness to look at crop-based fuels in the European context could alleviate some of the tensions there but raise questions over the viability of the European sector to compete with its US rival as momentum builds. Coupling that demand outlook with the physical reality of farmers' production efforts – where output records have been tumbling around the world – and you have the foundation of a reasonably bearish 2024 ahead. Zeroing in on key elements to watch in the year ahead and there's some familiar factors to consider, along with some uncertainties ahead.

Black Sea corridor

A major swing factor in the year ahead will be Ukraine's ability to continue to connect its agricultural product to the wider global market. Gingerly, the first signs of the self-proclaimed humanitarian corridor have brought a pick up in export pace, but the onset of winter weather across the Black Sea has made it hard to gauge how significant any restored corridor could be.

For the country's oilseed crop, an expansion in planted area is likely to bring a bigger sunflower harvest while Russia is expected to harvest its own record 17.5M tonnes sunflower crop. Despite those production forecasts, sunseed could yet buck the bearish trend – as the success of previous export corridors has drained Ukraine's stock levels, while hot, dry conditions in Bulgaria and Romania have cut production from Ukraine's neighbours and rivals.

Key will also be the health of demand into the main importing nations of Turkey, India and China.

El Niño

The gradual shift from consecutive years of La Niña patterns, bringing excess moisture to Southeast Asia and Australia and drying out the southern tip of South America, to the opposite El Niño is already potentially bringing an end to the linear progress of Brazil's soybean expansion. Monsoon conditions across southern Brazil have delayed planting, while hotter, drier weather in the north – uncomfortably hot in some parts – have already seen estimates for 2024 pared back. Some domestic voices are now calling for output in the low 150M tonnes range; still close to a record, but representing a loss of up to 10M tonnes versus initial expectations.

That could alleviate fears of oversupply, but with issues also dogging major waterways, including the Amazon, the Panama Canal, Argentina's Up River hub and the Mississippi, further dry conditions could also complicate export logistics and make final production figures almost academic. For Indonesia and Malaysia, the move to El Niño is also likely to bring dry conditions and raise the risk of forest fires, cutting back production amid already ageing and declining palm oil plantations.

Regulation

Finally, a staple in outlooks and the unpredictable wildcat in the mixture is the influence of government as ongoing legislative initiatives unfold and with a series of important elections looming through 2024. At the centre of that is the renewed appetite for increasing mandates, with most European nations committing to boosting the use of sustainable aviation fuels to 2% by 2025, before rushing to 20% by 2035, just as multiple countries introduce bans on the sale of new cars with internal combustion engines.

The year ahead should provide the first clear signs of how that move is progressing, but Europe's biofuel sector is facing a hefty challenge with new capacity coming online as feedstocks are being increasingly drawn to the US. Europe is still to fully square the circle of how exactly to hit increasingly ambitious percentage-based SAF volumes when we're flying more, but the decision to cut out palm oil and any food-based vegetable oils makes the target ever more challenging within the current timeframes.

SAF is a substitute for kerosene in the aviation industry

On top of the waste-based mantra, the European Union has doubled down on tightening its import slate, targeting deforestation in a wide-ranging proposal to wean the bloc off any products from sites that have undergone land use change. Brazilian soybeans and palm are likely to be in the forefront of that legislation, which comes into force on 30 December 2024 and is expected to require segregation of approved inbound EU product flows from those that have yet to achieve certification.

Meanwhile, Brazil is also wrapped up in its own internal debate as the country faces greater pressure to reduce the official moisture level in its soybean exports from 14% to 13%. While it looks relatively innocuous, the effort that a tropical country would need to expend to reduce that single percentage point and bring it into line with international standards would likely put domestic farmers at a disadvantage, and mean more beans needed for each tonne shipped.

Both China and the EU are pressing for the reduction, but any officially sanctioned move would likely result in either formalising discounts for 14% beans or increased costs as farmers attempt to dry out their beans to meet the new standard. The government and industry bodies are consulting on the proposal.

TRAINING & EVENTS

Commodity Disputes Resolution course, Sofia

Gafta was delighted to return to Sofia, Bulgaria on 15-16 November to run the Commodity Dispute Resolution course. It was great to see so many familiar faces there as well as a couple of new ones. For many delegates, this was the final course in the programme. Thank you to our sponsors HFW and speakers **Michael Buisset** and **Brian Perrott**, Partners at HFW! It was an excellent two-day course with plenty of insightful discussions and knowledge shared. We wish everyone who is now planning to take the Trade Diploma Exam good luck!

Commodity Arbitration Club Lunch, Geneva

Gafta sponsored the Commodity Arbitration Club Lunch in Geneva on 2 November. **Jaine Chisholm Caunt OBE**, Gafta's Director General and **Edward Album** presented, with **Dragomir Perc** as chair for discussions. Thank you everyone who attended, making it a very successful event.

Arbitrators' Masterclass

The 2023 Arbitrators' masterclass had a total of 58 attendees. It was an excellent event and we heard from many expert speakers, including Gafta's **Jaine Chisholm Caunt OBE**, Director General, **Jonathan Waters**, General Counsel and **Abigail Buxo**, Arbitration Manager. A big thank you to our headline sponsor, Gateley, and speakers **Michael Lightfoot** and **Kieran McCarthy**, Partners & Co-Heads of International Arbitration, and **Nicholas Walser**, Consultant. Thank you also to **Paul Toms**, Junior Barrister, Quadrant Chambers.

Arbitrators' Christmas Luncheon

Gafta was excited to attend the House of Lords for another Annual Arbitrators' Christmas Luncheon. A big thank you to **Lord Lytton** for sponsoring Gafta's attendance at the House of Lords. The beautiful surroundings provided an excellent backdrop to another outstanding networking event, which had a turnout of 61 attendees. Thank you everyone who joined Gafta for this great event.

Contracts Seminar, Vietnam

On 7 November, Gafta and HFW held a contracts seminar in Ho Chi Minh City, Vietnam. A total of 50 industry participants sat in on the arbitration-centric seminar and panel discussion that was conducted in English and translated into Vietnamese. **Tran Anh Hien** of VILAF gave a guest presentation on arbitration enforcement in Vietnam and the practical considerations to consider when entering into contracts, both during contract execution and then in arbitration, should the need arise. The audience came equipped with questions and case studies and utilised the breaks and Q&A sessions to ask their questions. This is the first time since the covid pandemic that Gafta has returned to Vietnam and it was wonderful to reconnect with our members and industry participants who enjoyed the chance to network after the seminar.

Reviews of 2023 from Gafta's regional offices

Directors of three of Gafta's regional offices report on their activities in 2023, and look ahead to 2024.

Beijing Office

(Director, Alan Ding)

I keep in regular touch with local supervisors in charge of NGO offices in China, as well as the Beijing Police and Beijing Bureau of Agriculture and Rural Affairs. I attended their training for events and financial reports, ensuring timely updates on Gafta's Beijing Office for the periodic approval of its operating permit. I have also kept in frequent contact with local relevant agricultural government offices and organisations, exchanging information and discussing latest policy developments.

We held meetings for Gafta members in Beijing in April and November, introducing new faces, exchanging grain information and looking ahead to developments in the grain market. In November we held a half-day workshop with 23 participants from trading and inspection companies, as well as grain associations, to keep them updated on Gafta contract rules. I attended a seminar held by NingBo government in July where I gave a presentation introducing Gafta and Gafta rules. It was a pleasure to attend Gafta's Annual Dinner in London in June where I enjoyed meeting up with many old friends.

I have continued to provide real time news from China, relating to policy, regulation, economic data and updates on grain production, import issues and contributing to the discussions on food systems and global hunger. I have provided over 20 reports to Gafta's Trade Policy department this year, serving the international membership, and also helped to ensure members completed their two Gafta ring tests this year.

A monthly financial report is provided by my office and I ensure the appropriate bank notes are provided for the Annual Audit and the annual bank confirmation letter is sent to Gafta's London office for its audit.

The Beijing office plans to continue its work in the areas discussed above in 2024, striving to provide useful and timely information and services to Gafta members, both in China and from around the world.

Singapore Office

(Director, Jade Dyson)

I returned from maternity leave in February 2023 and kicked off the year by attending a joint International Women's Day event with WOMAG and WISTA Singapore. The Regional Trade Committee convened* before the convention of the Global Pulse Confederation in Sydney, Australia in May. The year's activities had a heavy focus on agricultural biotech, e-phyto solutions and government/private sector relationships. Gafta was visible at many of the regional events and conferences as well as Grains Week in London. To wrap up the year Gafta, SGS and Fugran co-sponsored industry networking drinks in Singapore, which was open to anyone working in the agriculture supply chain. High on the agenda for this year was reconnecting with our members in the wider South-East Asia region, and this will continue into 2024.

**To express your interest in joining the South-East Asia Regional Trade Committee, please email: jadedyson@gafta.com*

Kyiv Office

(Director, Anna Golodova)

The office has continued to serve members as usual while facing the challenges brought by the unstable trading environment in Ukraine. Members of Gafta's Ukrainian Regional Trade Committee (URTC) and its Black Sea Committee have worked on the issues of concern throughout the year with the first meetings held in April 2023. In September, the Kyiv office held meetings of the same two committees. Both went very well and were productive, with discussion on a number of issues of concern for Gafta members in Ukraine as well as for members representing Turkey, Romania and Bulgaria.

In 2023 the grain trade in Ukraine, and worldwide, has faced rapidly changing circumstances, such as the end of the Black Sea Grain Initiative and the non-functioning of the Grain Corridor which pushed the market to find alternative solutions. Another unexpected challenge has been the ban on imports of Ukrainian grain introduced by five European neighbouring countries. The Ukrainian government has been continuously looking into the possibilities for exporting Ukrainian grain worldwide, even under the existing pressure. Recent estimates show that Ukraine's temporary grain corridor has been used by 153 vessels so far and exports in November 2023 from the Danube and Big Odessa ports totalled more than two million tonnes.

The Kyiv office is currently planning end of year meetings for the URTC and the Black Sea Trade Committee. Agenda items will include the current export pace, alternative ways of export from Ukraine, forecasts for the new season production, as well as current domestic legislation changes and initiatives.

Gafta Arbitration Statistics for 2022/2023 Financial Year

By Abigail Buxo, Gafta Arbitration Manager

The following arbitration statistics are taken from the period 1 October 2022 to 30 September 2023, and any comparisons made are against the same period from the previous financial year.

First-tier statistics

Gafta's arbitration department received a total of 337 new arbitration claims, which is a 29% increase from last year. 103 first-tier awards proceeded under the 125 Rules of Arbitration, seven under 126 Rules. 64 of these claims were settled and withdrawn before issuance of an award. Gafta issued 110 first tier awards, a 17% decrease.

125 Rules awards

The most common Gafta contracts in dispute were Gafta 48, 49 and 88. The most common commodities in dispute were corn (mainly of Ukrainian origin), wheat (mainly of Ukrainian origin), and soybean meal (mainly of Indian origin).

126 Rules awards

Of the seven awards issued under 126 Rules, three were under Global Pulse Confederation (GPC) rules. The most common contracts, not including GPC, were Gafta 200 and 48. The most common commodities in dispute were yellow peas and red split lentils, with commodities mainly originating from Bulgaria and Russia.

Sums awarded

76 of the awards issued awarded damages in US dollars; the aggregate sum of damages awarded in US dollars totalled $141,527,071.09.

13 awards issued damages in Euros, with an aggregate total of EUR20,929,602.17.

Three awards issued damages in GBP, with an aggregate total of £65,703.75 and 11 awards were issued with no damages.

The total damages awarded when converted to USD totals US$162,522,377.01 with the average award granting damages of US$1,862,198.304.

Average time and cost of Gafta awards

Averages	125 Rules	126 Rules	Appeal
Full Duration (months)	9	4	8
Association Fees	£1,719	£1,320	£4,377
Arbitrator Fees	£13,413	£4,228	£19,625
Total Fees (plus non-member charges)	£17,433	£8,463	£24,740

Appeal statistics

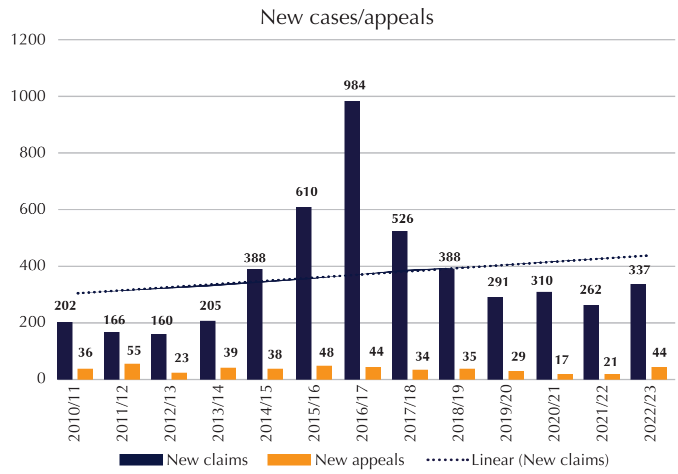
Of the 110 first-tier awards issued, 40% were appealed. Gafta issued a total of 23 appeals which is a 35% increase from last year. 90% of the appeal awards upheld the first-tier decision.

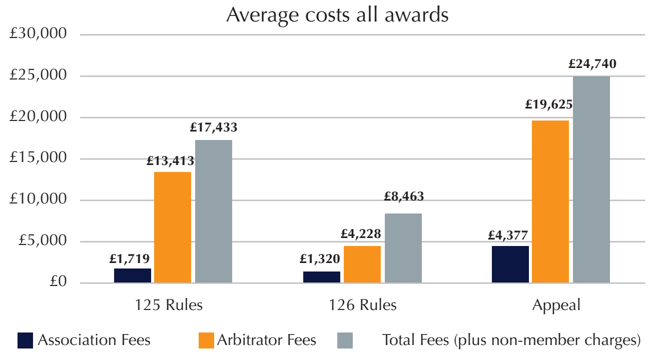
S.57 statistics

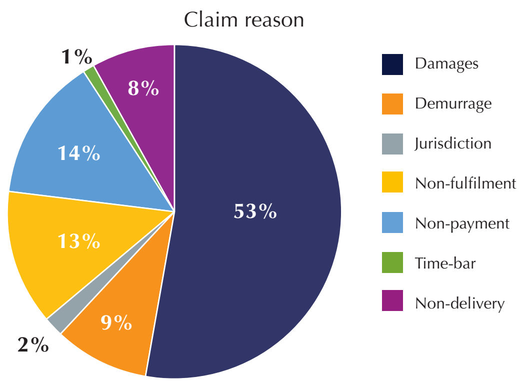
Gafta received 32 applications under section 57 applications of the Arbitration Act 1996. Seven related to appeals and 25 to first tier awards. 24 awards were amended, eight were fully dismissed.

Defaulter statistics

37 companies were posted under Gafta Rules, and 3 companies settled after posting. More specifically, 33 defaulted under Rule 24.1, of which two later settled. Three companies were posted under Rule 24.2, and one company was posted under Rule 10.1 (126 Rules).







Fastmarkets Global Grain Geneva 2023

More than 850 professionals from across the globe gathered at Global Grain Geneva, organised by Fastmarkets on 7-9 November. The programme covered many of the issues currently facing the trade, including climate change, trade flow disruptions, infrastructure and transport challenges, market trends and price volatility and Black Sea market developments.

During the event **Jaine Chisholm Caunt OBE** represented Gafta at a seminar, organised by AGA Partners, on *"Disputes in Commodities Trade: Challenges and Solutions"* on 7 November. Other speakers were **Ivan Kasynyuk**, Partner at AGA Partners and **Pablo Lebediev**, Senior Associate at AGA Partners. The seminar focused on many of the recent challenges encountered by commodities traders, with discussion on issues such as the most wide-spread defaults under commodities contracts, calculation of losses and force majeure. A panel discussion, moderated by Ivan from AGA Partners and entitled *"Trade Risks, Arbitration, and Dispute Resolution"* took place on 9 November with Jaine from Gafta, **Julie Hawkins**, Deputy General Counsel Europe & Asia at Bunge and **Tatyana Yatchenko**, Director General at GrainCorp. They covered topics including the resolution of trade disputes, arbitration proceedings, interim measures, security for costs and jurisdiction issues in arbitration. Both events generated many questions and much discussion amongst all those present.

Jaine Chisholm Caunt OBE (third from left) at Global Grain Geneva

June Arnold moderated a well-attended session on *"Digitalisation as a tool for greening supply chains"* on 8 November. Panellists from banking, shipping and commodities included **Deia Markova**, Managing Director and Head of Trade & Sustainable Commodity Finance at Société Generale, Switzerland; **Jeremy Cheon**, Director of Global Trade Execution at Bunge; **Sorin Albeanu**, Head of Commercial at Covantis (the digital platform for post-trade execution in the agri-commodity sector), **Suddha Chakravartti**, Director of CUTS International Geneva and **Craig Fedchock**, Senior Advisor at the North American Export Grain Association, which is a member of the International Grain Trade Coalition.

Digitalisation is transforming the food world and how we trade. Panellists discussed how we have to think beyond borders, sectors and industries. Technologies and digitalisation are bringing more efficiencies, improving transparency and information exchange along the supply chains. The importance of green innovation was also discussed as companies strive to meet the objectives of the UN Sustainable Development Goals. The panellists addressed the global challenges around the adoption of digital technology in banking and trading, highlighting the importance of the e-phyto solution. Discussions continued on the role digital technologies play in solving these global challenges and how companies are embracing technologies to help 'green' supply chains.

The importance of harmonising global standards was stressed, as well as the need for advanced technical solutions to address new trade policies that are affecting certain supply chains. One such example is the EU's Deforestation Regulation, which will impose many new requirements on traders of seven commodities from 30 December 2024. Actions are needed to accelerate the acceptance and adoption of more digital tools and to promote interoperability of systems along the chain to reap the benefit. Like policy, the legal framework will also have a role to play in promoting acceptance and onboarding countries.

Please note, Global Grain Geneva 2024 will be on 12-14 November 2024.

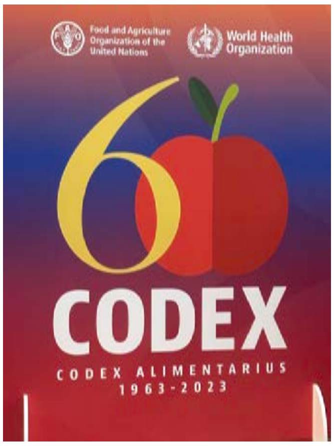
June Arnold (left) moderated a session on digitalisation

EU Commission renews the approval of glyphosate for 10 years

The EU published its Implementing Regulation (2023/2660) to renew, for 10 years, the approval of glyphosate. Member states did not reach a qualified majority either for or against this renewal, and EU legislation obliges the Commission to adopt an Implementing Regulation in these circumstances. Based on a stringent scientific assessment, this renewal is subject to certain new conditions and restrictions, for example the prohibition of pre-harvest use as a desiccant, the setting of maximum application rates and an obligation for the applicant to submit information on the possible indirect impacts on biodiversity. The approval will be valid until 15 December 2033. Individual member states are responsible for national authorisations of plant protection products containing glyphosate and they will review their current approvals of such products in light of the conditions and restrictions set by the EU legislation. As indicated by the voting patterns, their views on glyphosate, which is seen by many as a key tool for minimum tillage agriculture and soil conservation, vary significantly.

In Great Britain, glyphosate is currently approved to 15 December 2025.

Gafta and GPC at the Codex 60th Anniversary reception in FAO



June Arnold represented Gafta and the Global Pulse Confederation (GPC) at the 46th session of the Codex Alimentarius Commission (CAC46) in Rome on 28-29 November, where the list of new Maximum Residue Levels for different pesticide/commodity combinations put forward by the Codex Committee on Pesticide Residues was accepted, as well as the new priority list of pesticides for scientific evaluation (see Gaftaworld, September 2023 edition).

The private sector held a networking event in Rome during CAC46 where the 60th anniversary of this standard-setting organisation was celebrated. Several countries were represented, and officials joined us in celebrating Codex and its importance in global food safety, international trade and food security. Codex has achieved a lot for grains, oilseeds, spices and pulses over the last 60 years, establishing commodity standards, codes of practice, quality criteria and sampling and analysis methods to ensure we are supplying safe food which consumers can trust. Codex is the only global reference and international standards are very important for commodity traders transporting commodities across the globe. We value the work Codex carries out, particularly the fact that international standards are based on science. This facilitates trade, creating a level playing field for all countries and helps developing countries to gain access to international markets. Gafta and GPC strongly support keeping science at the core of Codex's mandate. The trading landscape is very different today than 60 years ago when Codex was created. Today's greatest challenge is to provide more safe, nutritious and sustainable food in a changing climate and we will continue with the International Agri-Food Network Coalition for Codex Enhancement to advocate for sustainable funding and adequate resources for Codex to carry out an efficient and relevant role into the future.

The 2023 Codex magazine is now available, with information on its work and plans for the future:
https://www.fao.org/fao-who-codexalimentarius/news-and-events/news-details/en/c/1665513/

China amends GMO labelling regulation

The Ministry of Agriculture and Rural affairs in China published its revised "Administrative Measures in Labelling Agricultural Genetically Modified Organism (GM)" for public comment in October. This amends the list of products in the Labelling Catalogue and introduces a 3% GMO content threshold, over which specified products must be labelled as "genetically modified." The new list, to which the 3% threshold applies, consists of:

1. Soybean, soybean powder, soybean oil, soybean meal, soybean protein, soybean dregs
2. Corn, corn oil, corn flour, corn grit, corn meal
3. Rapeseed, rapeseed oil, rapeseed meal
4. Cottonseed oil, cottonseed meal
5. Alfalfa
6. Papaya

The text states that GM seeds for planting soybeans, corn, cotton and papaya should be labelled as "genetically modified". A further amendment relates to those commodities for which no GMO event has been approved (eg peanut). In this case, where no biosafety certificates have been issued, products are not allowed to be labelled as "non-GMO".

Introducing Gafta's new Arbitration Manager - Abigail Buxo

Abi Buxo became Gafta's new Arbitration Manager on 1 October 2023, following the departure of Emily Bensusan-Sterry. Abi has been working for Gafta since 2018 after three years working for a busy boutique law firm in London specialising in litigation and dispute resolution. "I'm delighted to be progressing my career at Gafta, having joined the association in October 2018 as the Operations Manager and Executive Assistant to the Director General (maternity cover), after which I was made a permanent member of staff and am now Arbitration Manager," Abi told Gaftaworld.

"I am happy to join the well-oiled arbitration department, working closely with Arbitration Assistants **Llewelyn Rees** and **Katia Espinosa** as well as all the Gafta Arbitrators. I'd like to extend my thanks to Gafta's Director General, **Jaine Chisholm Caunt OBE**, and senior management for this opportunity. I'd also like to express my gratitude to Emily Bensusan-Sterry, for the training she has delivered to me, whilst running the department. I look forward to connecting with Gafta members in my new position."

Abigail's key aspirations for the role include onboarding a new CRM system, with a view to reducing some administration-heavy areas of the department, such as case creation, letter drafting and finance templates. She is also aiming to further improve the electronic archiving, which, she says, "goes hand in hand with the new CRM system."

For general queries relating to arbitration, please direct them to **arbitration@gafta.com**

Abi Buxo

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

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Continued from page 4

This strengthens the case for revitalising the Port of Durban but also alternative harbours such as the Port of East London and Maputo, Mozambique. SACOTA and its members have been a driving force, together with Transnet Port Terminal East London, in the re-opening of the Port of East London for both bulk grain and oilseed exports and imports last year. Earlier this year, Ameropa, another SACOTA member, exported the first-ever soybean vessel out of the Port of East London to Malaysia, with more to follow. This year ETG already exported three vessels through Maputo.

Soybeans are also the ideal crop for small-scale farmers since they add 50% or more value for the same hectares planted compared to maize (corn). Already, soybeans are being introduced in most projects that are supporting small-scale farmer development.

For more information on SACOTA, go to: ***www.sacota.co.za***

U.S. and African officials discuss renewal of AGOA

The 2023 U.S.-sub-Saharan Africa Trade and Economic Cooperation Forum took place in Johannesburg in November. Also known as the AGOA Forum, discussions between trade officials focused on the renewal of the U.S. African Growth and Opportunity Act (AGOA) which is due to expire in September 2025. AGOA provides duty-free access to the U.S. market for most agricultural and manufactured products exported by around 35 eligible African countries. Bilateral market issues, food security, economic development and agricultural sustainability were all discussed along with the progress on regional integration under the African Continental Free Trade Agreement (AfCFTA). The U.S. President emphasised his commitment to "renewing this law beyond 2025, in order to deepen trade relations between our countries, advance regional integration, and realize Africa's immense economic potential for our mutual benefit." As a busy election year in the U.S.A. approaches, business interests stressed the need to push through the necessary renewal legislation as soon as possible.

2024 CALENDAR

Commodity Shipping

22-23	May 2024	Lisbon
11-12	Sept 2024	Bucharest *Sponsored by* GAA

Commodity Contracts

13-14	Feb 2024	Chicago *Sponsored by* SQUIRE PATTON BOGGS
TBC	Cape Town	

Commodity Dispute Resolution

7-8	Feb 2024	Sao Paulo *Sponsored by* HFW
8-9	Oct 2024	Athens *Sponsored by* GAA

Seminars

5&7	Mar 2024	Know Your Gafta Contracts Online - AM (UK time)
17&19	Sep 2024	Know Your Gafta Contracts Online - PM (UK time)

Distance Learning Programme

Kickstart your 2024 training with the DLP

January Semester – Online

Module 1 – Starts 3rd January 2024

Module 2 – Starts 15th January 2024

Module 3 – Starts 8th January 2024

Module 4 – Starts 8th January 2024

Module 5 – Starts 22nd January 2024

Module 6 – Starts 8th January 2024

Visit: https://www.gafta.com/DLP

Social Events

12	June 2024	Gafta Annual Dinner, London

Trade Foundation Course

23-26	Apr 2024	London

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Trade and food form themes for special focus at COP28

The 28th Climate Change Conference (COP28), which took place in Dubai from 30 November to 12 December 2023, had a first ever "Trade Day" on 4 December focusing on how trade and trade policy can aid the move towards net zero greenhouse gas emissions. This was led by the World Trade Organisation (WTO) and the COP28 Presidency. WTO Director General, **Dr Ngozi Okonjo-Iweala**, commented: "Trade has too often been the missing link when responding to the climate crisis, but for this year's COP28, the UAE Presidency is ensuring trade is part of the agenda… we want to mobilise world leaders to unite in using trade policy and trade facilitation to scale up trade in environmental goods and services and to accelerate decarbonising supply chains and making them more inclusive and more resilient to climate shocks."

The WTO released a set of "Trade Policy Tools for Climate Action" on 2 December. This highlights policy tools such as the repurposing of environmentally harmful subsidies, the rebalancing of certain tariff policies, the use of international standards, the use of government procurement to jumpstart markets for emission-reducing goods and services, cooperating on carbon pricing and green subsidies and improving the functioning of food and agricultural markets to support climate adaptation and mitigation by easing trade in food.

> *"The lesson is clear: without globally integrated supply chains, getting to net-zero emissions by mid-century would become much more expensive"*
> Dr Ngozi Okonjo-Iweala, Director General of WTO

Another first at COP28 was a thematic day on food systems and water, planned for 10 December. Prior to this, over 130 countries committed on 1 December to the "COP28 Declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action" with commitments covering the integration of food systems into national climate plans, the prioritisation of sustainable policies, and amplifying support for sustainable food and agriculture practices. More than $2.5 billion was mobilised by the global community to support the food-climate agenda and the Bill and Melinda Gates Foundation launched a $200 million partnership for Food Systems, Agriculture Innovation and Climate Action, focussed on assistance for implementing the declaration.

Additionally, issues such as the definition of priority landscapes including wetlands, grassland and savannas as vital non-forest ecosystems for combating the climate crisis, will be important for policy makers in the agriculture and trade policy sectors in the years ahead.

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