



## Northern hemisphere harvest edition

As combines roll across the northern hemisphere, this edition of Gaftaworld contains reports from members and other experts on the quantity and quality of their countries' harvests, including China, India, Turkey, North Africa, USA and Europe. We are grateful to all those who have sent these reports. Weather conditions have been difficult, and for farmers in some regions catastrophic, though plentiful supplies are now in store. Quality has been affected by weather conditions and lower inputs in some countries, and logistical issues and economic conditions are affecting some of the markets, emphasised in particular by G. Chandrashekar on page 7 and Gülfem Eren on page 11.

### "Keeping the barn door open, while millions are knocking on it"

Following the collapse of the Black Sea Grain Initiative, **Carl Skau**, Deputy Executive Director and Chief Operating Officer of the World Food Programme (WFP) reiterated at the end of July the need for unimpeded access to major global food supplies. He stressed that through 2022 Ukraine remained WFP's largest supplier of wheat, accounting for more than half of their humanitarian wheat purchases. Ukraine had supplied competitively priced, accessible and high-quality wheat, he said, "at a time of the largest food and nutrition crisis in history." The reasons for the crisis are many, including climate change and severe weather events, inflation, debt distress and devaluation of currencies in importing countries, but conflict is a key factor in the food insecurity faced by millions.

As food security becomes an increasingly important issue for all governments, the long-term adaptation of food systems was discussed at the UN Food Systems Summit Stocktaking Moment (UNFSS+2 STM) in July. **Jaine Chisholm Caunt OBE**, Director General of Gafta, attended this as part of the private sector delegation of the International Agri-Food Network (IAFN). In the session on trade's role in the transformation of agri-food systems, **Ngozi Okonjo-Iweala**, Director General of the World Trade Organisation, stressed the importance of trade and trade policy in solving food security issues and achieving food systems transformation, with trade becoming ever more important due to the increasing prevalence of extreme weather events. After the event, the United Nations Secretary General issued a Call to Action for accelerated Food Systems Transformation around six areas that included establishing food systems governance that engages all sectors and stakeholders for a whole of society approach, investing in research, data, innovation and technology capacities including stronger connections to science, and increasing engagement of businesses,

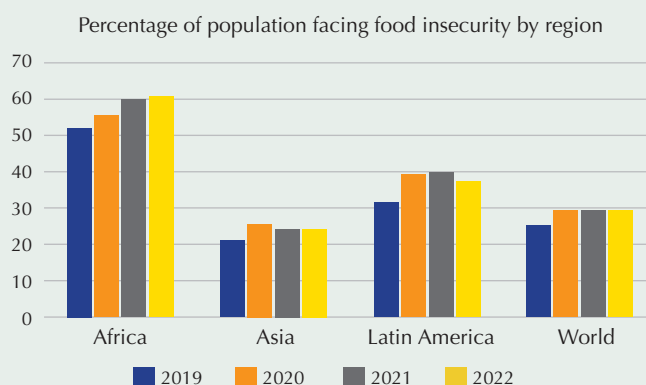
including through public private partnerships, to shape the sustainability of food systems. The private sector, including Gafta, will continue to play an important role in advancing the objectives of the UN's Sustainable Development Goals.

International cooperation on standards is vital for the smooth flow of world trade and Gafta welcomed the progress on discussions at the 54th meeting of the Codex Committee on Pesticide Residues in China (see page 13).



### SOFI 2023 report

The FAO and partners published the 2023 "State of Food Security and Nutrition in the World" (SOFI) report in July. This showed that 2.4 billion people (29.6% of global population) were food insecure in 2022, of which about 900 million (11.3% of global population) were severely food insecure. Between 691 and 783 million people were hungry (measured by the prevalence of undernourishment) in 2022. While there was a decrease in hunger (compared to 2022) in Asia and Latin America, more people were facing hunger and food insecurity in Africa, the Caribbean and Western Asia. Projections of 600 million people being undernourished in 2030 show the "immense challenge" of achieving SDG2, according to the report.





# Sumit Gupta – Gafta Professional Development interview

Agri-commodity trading can be a complex and challenging industry, requiring a deep understanding of contracts, risk management and dispute resolution. As a leading international trade association, we take pride in providing training and certification programmes for professionals in the grain and feed industry. One of the most prestigious certifications offered by Gafta is the Gafta Arbitrator Diploma, which is awarded to individuals who have demonstrated their expertise in contract law and dispute resolution. **Sumit Gupta**, who has completed the Gafta Professional Development courses and passed the Gafta Arbitrator Diploma Exam, shared his experiences with Gafta's Digital Programmes Manager, **Cairo Okba**, about our training programmes and how they have helped him in his career.

**Cairo:** Sumit, thank you for sharing your experiences with us. Could you tell us a bit about your background and what made you decide to pursue the Gafta Professional Development courses? How did you hear about them?

**Sumit:** I received my education from the Indian Institute of Foreign Trade in 2004, which is a leading MBA institute in the country. I worked with Cargill India and Olam International before joining the Asian office of McDonald Pelz Global Commodities in 2014. In the physical trade of commodities, knowledge of contracts is the cornerstone in understanding and management of risk. Gafta provides online and offline platforms to build that contractual understanding.

**Cairo:** Can you tell us about your experience with the courses, and how they helped you prepare for the Gafta Arbitrator Diploma exam?

**Sumit:** As Richard P. Feynman said, "If you can't explain something to a first-year student, then you haven't really understood." Gafta courses have the beauty of simplifying the most complicated topics and presenting them in practical and coherent formats. The training programmes are structured and done by industry participants, and they are very practical in their approach.

**Cairo:** What are some opportunities Gafta's training has opened up for you in your career?

**Sumit:** Gafta training brings trust to the external world in your understanding of contracts and risks. It helps us to explain the situation in a much better way to our customers who are more receptive to listening to our interpretation of certain situations. I believe this course has surely helped in furthering our business interest.

**Cairo:** How did the courses and the exam enhance your understanding of the industry and your ability to perform as a Gafta Arbitrator?

**Sumit:** Gafta courses are around practical application, presented by industry participants, and designed around live topics, thus enriching the participants with up-to-date practical learning. These courses steepen your learning curve and help us to understand various nuances. Gafta courses help participants avoid expensive errors in real-world cases. Moreover, the courses and Gafta exam are a practical application of your learning of business, thus preparing us to face situations that come in front of us through contractual disputes.

**Cairo:** What were some of the key skills or knowledge areas that you gained from the professional development process, and how do you apply them in your current role?

**Sumit:** Practical knowledge of contracts, charter parties, roles and responsibilities of contractual parties, and dispute resolution were the key learning points for me. These courses make you a better professional and help you execute your day-to-day duties using best practices.

**Cairo:** What advice would you give to someone who is considering pursuing the Gafta Professional Development courses and Gafta Exams?

**Sumit:** Go for it! The amount and scope of learning will astonish you. Every person related to commodity and trading business should have exposure to Gafta courses.

**Cairo:** What do you think sets the Gafta Professional Development apart from other professional development programmes in the industry?

**Sumit:** Personally, I don't think anyone comes close to what Gafta offers as a learning package through their courses. As most other bodies are either very skill or topic-specific, Gafta courses make you a better professional with a 360-degree view of the business and an understanding of risk. Moreover, passing the Gafta Arbitrator exam brings in the company of a few very good people.

**Cairo:** How have you continued your professional development as a Gafta Arbitrator? And what are some of your goals for the future?

**Sumit:** I have passed my examination to qualify for Gafta Arbitrator. I plan to keep updating myself with the changing world of commodity business through Gafta masterclasses and other events. I plan to be a full-time arbitrator in years to come.

**Cairo:** Finally, what do you think is the most important benefit of doing Gafta's training? And how do you think our offerings contribute to the overall success of the industry?

**Sumit:** Through Gafta courses, both the trainers and trainees learn at the same time. Courses increase the overall knowledge quotient of the industry. The most important part of Gafta training is practical learning and a change in thought process, which helps you become a better professional. Seeing is believing, and after these courses you start seeing things in contracts that are not in place, which helps in avoiding many unnecessary disputes and problems. Overall, any industry thrives when there is standardisation, trust, compliance, regulation and standard procedures. Gafta does all of the above for the diverse and ever-changing and evolving grains industry.

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](http://www.gafta.com/Events-Training)

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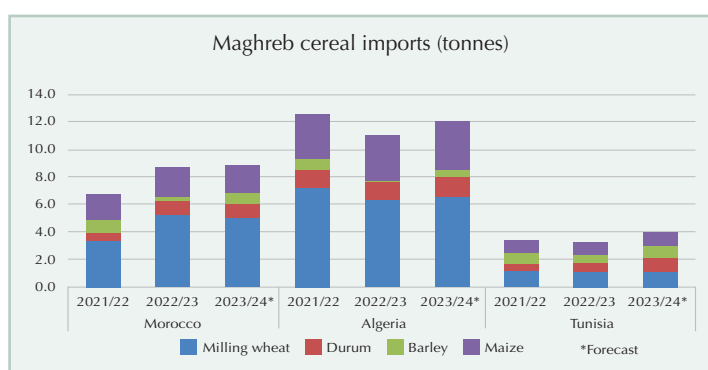




# Largest ever import campaign forecast for North Africa in 2023/24

By Yann Lebeau, Chef de Mission Maghreb-Afrique, Interceréales France

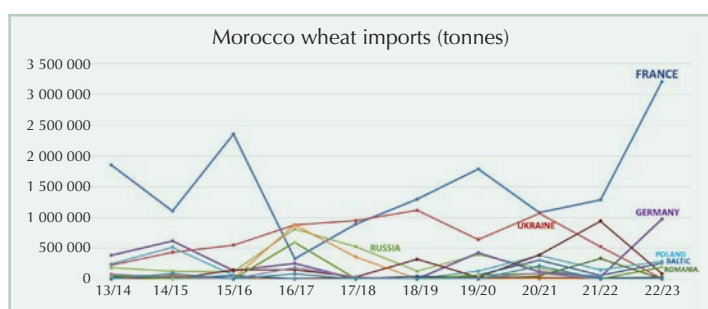
After three years of successive energy and Covid crises, everyone was hoping for a return to more 'accessible' prices on the world market, but Russia's invasion of Ukraine extended the instability that continues today. North Africa is structurally dependent on the world market to feed its people. Every year, around 22M tonnes of cereals arrive in Algerian, Tunisian and Moroccan ports. 2022/2023 is no exception, even exceeding forecasts, as the three countries will together have imported almost 23Mt, as can be seen from the graph below.



At the end of 2021/22, **Algeria** had a substantial carryover stock of wheat. Therefore, its needs for 2022/23 were less important than usual, as shown in the graph above. Several factors have influenced this marketing year. Firstly, the change in terms of quality specifications required by the state's grain importer, the OAIC. It is now less demanding in terms of bug damage and largely helps origins from the Black Sea. This measure is to the detriment of French origin, Algeria's usual main supplier. Moreover, while the OAIC had enjoyed a de facto monopoly since 2008, the Algerian government declared during this campaign that it will be the only operator authorised to import wheats and barley, as well as, more recently, rice and pulses. This news obviously caused quite a stir on the local market. Private operators, who were already not very motivated to work in this sector, are even less so today.

**Tunisia** is still living on intravenous drip-feeding from international bankers, and the state owes more than a year's worth of subsidies to local cereal processing operators (wheat and semolina millers, and also bakers).

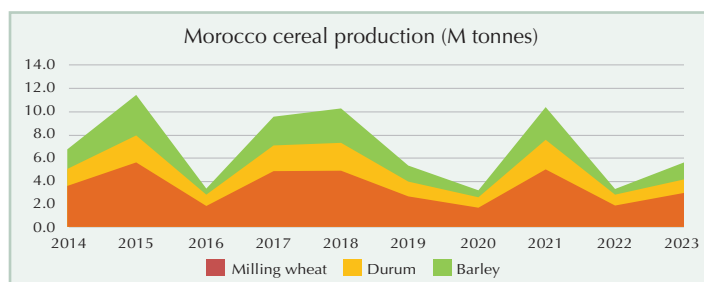
Bad luck for **Morocco**, which had to import all of its milling wheat requirements (5M tonnes) in 2022/23, due to the catastrophic 2022 harvest. To support those imports, the Kingdom has paid €1 billion in subsidies to local private operators this year. Unlike its North African neighbours, whose state-run offices still managed to import goods from the Black Sea, Morocco and its private importers imported nothing from this part of the world to the benefit of the EU and France in particular, as we can see in this chart.



## New crop 2023

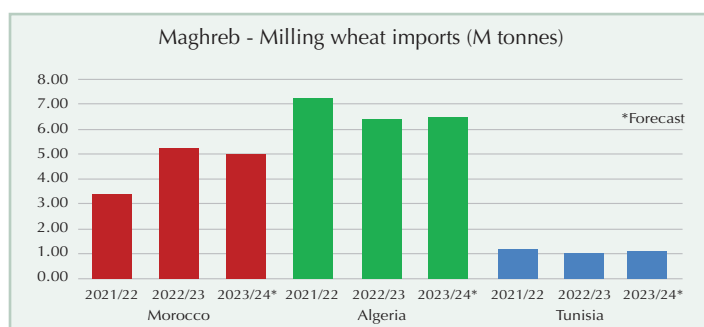
We are taking Morocco as an example here, but the situation is the same in other North African countries.

Four out of five years of drought is no longer a hazard, it's becoming the norm... North Africa is, once again this year, suffering the ravages of the weather.



## Marketing year 2023/24

For the second year running, Morocco will therefore have to import all of its industrial milling wheat needs. For Algeria and Tunisia, this is already the case every year, so there's no change from the usual. Requirements are therefore estimated at 5M tonnes for Morocco, 6.5M tonnes for Algeria and 1.1M tonnes for Tunisia.



However, this year Tunisia had a very poor durum harvest too and will have to import almost all its needs, or at least 1M tonnes. Add to that 1M tonnes for Morocco and at least 1.5M tonnes for Algeria and you get a total of 3.6M tonnes of durum. They will also globally have to buy 2.2M tonnes of barley and 6.5M tonnes of maize, leading to the biggest import campaign ever, representing almost 25M tonnes of all cereals.

Then there's the question of financing all these purchases... Algeria's coffers are still full from the sale of hydrocarbon products. For its part, the Moroccan government manages its spending "to the millimetre", and the country's economic development is impressive to observe. That leaves Tunisia, which is still looking for a way out of its debt spiral. The first step should be to turn to the IMF, but the Tunisian head of state is still finding it difficult to launch the structural reforms that will open the door to a new economy.



# China crops affected by weather extremes

By Alan Ding, Director, Gafta Beijing office

Grain producers across China have faced extreme weather conditions through 2023, including heat of over 40C, drought and more recently torrential rainfall. The government has now vowed to prioritise agricultural disaster relief and ensure the autumn grain is harvested following severe flooding in Northeast China, which is a key region for rice and corn production.

Rice crops in Heilongjiang, which accounted for more than 11% of the national rice crop last year and is also an important producer of soybeans and rapeseed, saw unprecedented deluges with around 240,000 ha of farmland reported to be inundated. Huge losses have also been reported in neighbouring Jilin province which saw more than 14,000 ha of crops destroyed. The effects of Typhoon Doksuri have been a stark reminder of the threat climate change poses to humankind. China's government is preparing legislation to bolster food security in the country, which will protect farmland and the food chain (aiming for high self-sufficiency rates for rice and wheat), improve irrigation, reduce food waste and improve emergency preparedness. Technological innovations, including biotechnology and indoor farming, are also being developed rapidly to protect food supplies. The government plans to closely monitor developments in the international grain market as well as energy markets, and ensure a diverse range of origins for its grain imports.

In July, China's National Bureau of Statistics published its Bulletin on the National Summer

Grain Output, showing the output for grains, pulses and tubers harvested during the summer (including winter wheat and barley) amounted to 146.1M tonnes, which is 0.9% lower than the 2022 summer harvest. Winter wheat production was put at 134.5M tonnes, 0.9% lower than last year. The main issue is the quality of a significant proportion of the crop, following heavy rains just as harvest was about to begin in some of the main wheat-producing provinces. Henan, China's principal wheat province, saw six days of continuous rain in late May, making combining operations extremely difficult and adversely affecting the quality of the harvested crop. As a result, larger quantities of wheat are expected to be used as animal feed; imports of (mostly milling quality) wheat are currently put by both USDA and IGC at 12M tonnes in 2023/24.

The China Meteorological Administration announced at the end of June that El Niño had arrived and is expected to bring more extreme weather to the country. China is not far from the central and eastern equatorial Pacific Ocean, and will share some of the global temperature

anomalies as El Niño develops, including more rainfall in the southern part of the country and a warmer winter, said **Zhou Bing**, chief expert of the administration's meteorological service department. El Niño can also cause extreme drought in certain regions of China.



*Flooded areas in Yanshou County of Harbin, Northeast China's Heilongjiang province  
[Photo/Xinhua]*



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# 2023 U.S. wheat crop defined by variability to date

By Steven Mercer, Vice President of Communications, U.S. Wheat Associates

As of mid-August 2023, the U.S. wheat harvest had progressed well into the Northern Plains with a wide range in production volume and generally good quality in winter wheat crops. USDA pegged total production to be up by 5% in 2023 to 47.2M tonnes. The market has been volatile, moving up and down on news from the Black Sea, but the trend through most of 2023 has been down.



There are six distinct wheat classifications in the United States. Class descriptions and an interactive map of U.S. wheat production and export supply system are available on the U.S. Wheat Associates website, [www.uswheat.org](http://www.uswheat.org).

Unusually high summer precipitation slowed the 2023 **hard red winter** (HRW) wheat harvest to about 75% complete as of mid-August. Even with severe drought in Kansas, Oklahoma, Texas and parts of other states, USDA in August increased its total 2023 HRW production estimate to 15.9M tonnes. Average protein to date of 14.7% (dry matter basis) was like 2022, with slightly lower test weight of 78.7 kg/hl compared to last year.

U.S. farmers produced an estimated 12.0M tonnes of **soft red winter** (SRW) wheat, up by 25% compared to 2022 on increased seeded area and average yields. Harvest was complete as of mid-August and quality was excellent with 10.5% average protein (dmb), falling number average at 318 seconds, and higher test weight average of 79.2 kg/hl. Exports are ahead of last year's pace due to competitive prices and USDA expects total SRW exports of 3.7M tonnes.

**Hard red spring** (HRS) wheat harvest was about 19% complete in mid-August, and 2023 production was expected to reach 11.3M tonnes

(compared to 12.1M in 2022). Representatives in Minnesota, North Dakota and Montana report that yields are expected to be below average to average depending on planting date, with lower yields in fields planted earlier due to prolonged heat and dryness. No data on quality was available in mid-August.

U.S. **northern durum** and **Desert Durum®** production is expected to reach 1.6M tonnes, 12% down from 2022 because of variable conditions in northern growing areas. USDA currently expects exports will be up to 0.68M tonnes from 0.5M tonnes in 2022. No quality information was available in mid-August when less than 10% of the crop had been harvested.

With inconsistent growing conditions across the Pacific Northwest, USDA currently estimates 2023 **soft white** wheat production at 6.5M tonnes, down from 7.4M tonnes in 2022. Like conditions in the HRS and northern durum regions, fields planted earlier were drier with average to below-average yields and higher protein, while protein on irrigated and later-planted fields is trending lower. Harvest was about 45% complete in mid-August but was progressing rapidly.

U.S. Wheat Associates expands USDA's WASDE report for wheat each month at <https://www.uswheat.org/market-information/supply-and-demand/>.


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# Romania harvest and market report

Cezar Gheorghe, founder AGRIColumn

Harvest is in full blast in Romania and we have already finished the barley and exceeded 50% on the wheat crop. The main characteristic is that we see the results of reduced fertiliser usage in autumn 2022 and in winter 2023 along with fewer crop treatments for autumn sown crops.



Rapeseed is doing very well. Out of 760,000 hectares we might reach around 2.2M tonnes, which is a record for Romania. We are at 75-77% harvest level now.

Following precipitations during spring that lasted till 10 July the quality and quantity is mixed. In some areas wheat and barley show low levels of test weight. For barley it was around 55-57 kg/hl but barley production is around 2M tonnes from 400,000 hectares despite some poor and mixed quality. Wheat is averaging 70 kg/hl. Despite the low test weight, protein content was pretty good, at around 11.5-11.7%. But due to test weight, it was disqualified for use by the milling industry. Of course, the spread is also high, 10-12Euros/t, which caused another loss for Romanian farmers. Strangely, some farmers reached 77-80 test weight and over 13% protein, using same wheat varieties and within close distances to poorer quality crops. So, the situation is mixed, with fusarium occurring in some areas also, due to the reduced level of inputs.

In a glance we could say that the wheat crop is not profitable for a level of 5 t/ha. Breakeven is not there also because the logistic costs increased by 65-70% due to our vicinity to Ukraine and the fact that our logistics (trains, trucks, barges) are focused more on Ukrainian origin. This is normal: they pay better levels and those logistic companies need to make profit. Farmers that are doing 7-7.5

t/ha are making a margin, but they don't sell their wheat now at these low-level prices. They just execute the early concluded contracts. In terms of crop size, we see production at **10.2M tonnes for wheat, 2M tonnes for barley and 2.2M tonnes for rapeseed** that will compensate for decreased production in a few EU countries.

Spring crops are currently not doing well; 2.45M ha of corn and 1.32M ha of sunflower seeds. I foresee further degradation in terms of volumes due to the intense heatwave that is covering Romania, with signs that it will last at least 8-10 more days (El Niño effects). Forecasts have been dramatically decreased from 14M to 11.5M tonnes for corn and from 3.3M to 2.75M tonnes for sunflower seeds, and these may come down further in the weeks to come.

Since the beginning of the Ukraine war there have been huge blockages in Constanta port. Long chains of trucks with Ukrainian origin mixed with Romanian origin are waiting to be discharged. The jam is everywhere, on rail and barges too. And we foresee that all will not end well. The declared intention of Ukraine is to cross via Romania a level of 27M tonnes of goods. Aggregated with Romania's export potential of 22-23M tonnes, this makes 50M tonnes of goods. The operational capacity of Constanta port is just 25M tonnes per year if all the other factors work well: weather, vessels arriving in time, commodities arriving in

time and good quality without need for operational services, origin segregation and many more.

Now with the Grain Corridor closed and Reni/Izmail under attack, Ukraine has no other way out, apart from Constanta and Danube ports. So, in light of the above information, there will be physical restraints due to the operational capacity of Constanta. We understand the need for helping Ukrainian flows to reach destinations. We see our regional role of being the most predictable country from the Black Sea basin in terms of logistics and crops. But for now, we see no other actions than statements given by European politicians and many frustrations from Romanian farmers. For me it is clear; we need time and investment. That was also my statement over one year ago. Planning, execution and control. Quite simple, quite like that.



# Hungary harvest report

Peter Kiss, Chairman, Hungarian Grain Association

The latest official harvest report shows the production figures for grain and oilseeds are much better than last year. The first harvested commodity was autumn barley. Although the yields were good compared to 2022, they were below expectations and barley production is put at 2.2M tonnes. The major problem is low test weight in certain areas of the country. We have had the same experience in respect of wheat. Forecasts had suggested that Hungary's wheat production could hit 6M tonnes, but it seems that the final figure will be around 5.6M tonnes. Rapeseed production is put at 590,000 tonnes.



Regarding quality, we can expect that due to low test weights and protein content the proportion of feed quality will be higher than usual. We will have a clear picture later on when we see more analysis results. Some say that lower test weight and protein content is the result of using reduced quantities of fertiliser, herbicides, fungicides and insecticides, following the soaring costs of input materials last year. Prices started to reduce in spring time, but that did not help with the costs of winter crop production. Producers tried to

reduce their costs by reducing inputs. The old rule is confirmed: by using less input material we sacrifice quality.

Higher production costs hit spring crops too. However, maize and sunflower seed fields look promising. Although maize planted area is lower than last year, yield expectations are much better. Official planted area is 746,000 ha; however, the market believes that we have reached 800,000 ha. After last year's disastrous crop (2.8M tonnes)

we forecast a crop of over 6M tonnes. Hungary's sunflower seed production could be over 2M tonnes. We expect that good crops will meet lower local consumption that would result in relatively high export potential in both grains and oilseeds. At the same time our market is influenced by the import ban of Ukrainian goods introduced first by the Hungarian Government and later by the EU. Our government is working on extending the import ban until 31 December 2023.





# India's rice and wheat production increasingly vulnerable to climate

By G. Chandrashekar

India's distinction as the world's second largest producer of rice and wheat, and largest exporter of rice, is well known. However, the country has of late attracted global attention, not for its achievement, but for practising protectionism by imposing restrictions on exports of the 'fine cereals' (rice and wheat).



**Wheat:** In April/May 2022, India's wheat production suffered a shortfall following adverse weather close to harvest time. Against a production target of 111.0M tonnes, the government estimated production was 107.7M tonnes. The private sector believes the output was actually even lower, close to 100.0M tonnes.

Around that time, the world market too faced rising wheat prices as the Russia-Ukraine conflict adversely affected export shipments from the Black Sea region.

A sharp spurt in global wheat prices, combined with a lower domestic harvest, thwarted government efforts to procure the grain for welfare programmes - public distribution system (PDS). The parastatal Food Corporation of India (FCI) managed to procure just about 18.5M tonnes, a multi-year low. Alarmed by high prices, the Indian government banned the export of wheat in May 2022. The embargo is continuing even now because in April/May 2023 a similar situation has played out.

## *Indian wheat has been at the limit of heat tolerance for many years*

As compared with the 112.0M tonnes production target, the government estimated the harvest size at 112.7M tonnes, widely seen as an over-estimate of about 10%. The private sector estimate is at 98-100M tonnes. Again, FCI could procure only 26.0M tonnes, far below the 34.0M procurement target.

So, for two years in a row, India's wheat production has fallen below the target and in reality, well below the government's estimate, with a consequential impact on prices. The government is now in a state of panic because of impending elections to some key States in the months ahead and of course the general elections next year. Food inflation is a key issue for the country given the large number of economically poor people.

Surely, tightening supplies has not been an overnight phenomenon (see November 2022 edition of Gaftaworld). Lower production was palpable, but policymakers refused to acknowledge the ground reality. Food policy experts like this writer have been cautioning the Indian government from time to time to take proactive steps to augment availability and rein-in rising prices. Indeed, in May this year, through press articles and in television shows, this writer advised the Indian government to explore wheat imports and proposed three alternatives.

The first option would be to import on a Government-to-Government account from Russia against Rupee payment; the second option would be to waive the 40% customs duty on import to facilitate private sector trade, and the third option would be to purchase Call Option contracts on international exchanges and take delivery if the need arose.

Now, reports suggest, India is likely to consider import of 9M tonnes of wheat from Russia on Rupee payment terms. This is not the end of the story. At about 33M ha, Indian wheat planted area is nearing saturation point. Indian wheat has been at the limit of heat tolerance for many years now.

With global warming and climate change exerting an impact, the Indian wheat crop will continue to remain vulnerable. On the other hand, demand will continue to grow, given demographic pressure. The conclusion is inevitable. India may not be food insecure today, but it would be rather risky to take food self-sufficiency for granted.



**Rice:** In terms of weather impact on production, rice has largely followed wheat but the domestic availability of rice is not as precarious as wheat. In the 2022/23 Kharif season (harvested September 2022), lower precipitation affected rice production in the eastern parts of the country.

As against the target of 112.0M tonnes, the government estimated production at 110.0M tonnes, while private sector estimates appear more realistic at 102-104M tonnes. India is now in the 2023/24 Kharif sowing season. Normal planted area for rice is 40M ha. As of 18 August, the government's weekly updates showed area coverage was 36.1M ha, slightly ahead of the 34.6M ha this time last year.

Yet, concerns over the harvest are looming as southwest monsoon rains have proved inadequate, similar to last year in most parts of rice growing eastern India as well as some parts of southern India. For 2023/24, the government's rice production target is 111.0M tonnes. On current reckoning the target appears elusive. No wonder non-Basmati rice export out of India was banned recently.

**Pulses:** Kharif 2023/24 season pulses production target is 9.1M tonnes. Last year's harvest size was 7.8M tonnes. Normal planted area for Kharif season pulses is 14.0M ha. As of 18 August, pulses planted area is 11.5M ha, sharply down from 12.5M ha this time last year. The conclusion is inescapable. Pigeon pea, black matpe and lentil (masur) imports will be allowed duty free access until March 2024.

G. Chandrashekar, senior journalist and policy commentator, is an agribusiness and commodities market specialist from India. Views are personal.  
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## France by François Luguenot, Consultant

Compared to the previous year, 2023 French crops are generally more abundant, except for rapeseed and spring barley. Both **soft wheat** acreage and yield are higher than in 2022, which could lead to production of around 35M tonnes. In northern regions, where some areas remain to be harvested, plants have suffered from the June high temperatures; in addition, acreage that has been harvested after mid-July is of poorer quality: perhaps 72-74 specific weight at harvest.



In **winter barley**, higher acreage and yield have led to around 9.5M tonnes production, 1M tonnes more than last year. On the contrary, in **spring barley**, lower acreage (down 19%) is not compensated for by higher yields; in addition, grading could be sometimes low. Due to a lower acreage, **durum wheat** production is expected to fall slightly to 1.25M tonnes, the lowest in the last 25 years.

Contrary to the last campaign, **maize** is in good

condition due to a rainy and rather cold July in producing regions. 2022 disappointment has led to a sharp acreage drop (10%) which is more than compensated for by expected higher yields: one can expect 11-12M tonnes production, compared with less than 11M tonnes in 2022. This remains significantly (16%) lower than the 2018-2022 average. Nevertheless, and as usual, one has to keep an eye on a potential switch to silage.

Although **rapeseed** acreage is up at 1.35M ha

(+11%), yields are disappointing due to a lack of sunshine during the flowering stage: some were expecting a production figure of 4.8M tonnes in June but we are probably closer to 4.2M tonnes (4.5M in 2022). As for maize, **sunflower** yield is expected up which could lead to a crop of around 2M tonnes, compared to 1.8M tonnes last campaign, the highest in 2000s! **Protein crops** are up both in acreage and in yields, leading to production of around 0.9M tonnes, 200,000 tonnes up from last year.

## Germany by Thorsten Tiedemann, Getreide AG

Warm and dry weather during springtime took a toll on yield potential. Therefore, we have seen a wide range of yields harvested, depending on the individual quality of the soil and rainfall pattern during the growing season. As an average, harvest volumes will stay below last year's results with 21.3M tonnes of soft wheat (last year: 22.3M tonnes) and 10.8M tonnes of barley (11.2M).



Due to the weather conditions in spring, we've had an early start to the harvest for winter barley and rapeseed. By the end of July, the harvest got interrupted by an extended period of rain. Winter barley was harvested before the rainy period, but rapeseed was done on only two-thirds of the area while the wheat harvest hadn't really started and mature wheat got exposed to the rain till around 10 August, with detrimental effects on the quality.

Lower quality in terms of low proteins was already anticipated due to the reduced application of

nitrogen fertilisers, which is mandated by our government. Protein content of the wheat will be below last year's low levels by 0.5-1.0%, depending on the region and the variety of the wheat. Now, Hagberg issues are downgrading significant volumes to feed wheat, while it still is difficult to determine the split between feed and milling categories at this stage. At the time of writing (18 August) the wheat is about 70% harvested in northern Germany. Many deliveries are showing Hagberg below 100 and test weight is also declining with frequent rains. 73/75 kg/hl

still is acceptable for feed wheat. Sprouted grains are starting to become an issue for some lots now. The weather pattern into 20 August will decide to what extent damage has been done. Declining production for compound feed will lead to an increase in exports of feed grains this year. Export execution for milling wheat will be a challenge, given the wide range for the different quality parameters. Homogeneous export cargos require lots of planning and outstanding blending skills this season. A final picture on the quality situation can only be given by the end of August.

## Poland by Przemek Błazejewski, BST Brokers

This year the harvests of wheat and rapeseed are delayed due to unfavourable weather in July. They should be finished by the end of August. We expect total grain production to be 34.5M tonnes for the 2023/24 season in Poland (compared to 34M in the previous season).



**Rapeseed:** We estimate rapeseed production to be 4.1M tonnes, which is similar to last season's production (4.0M). Planted area is also at the same level as last year (1.1M ha). No quality issues. A good oil content is observed in rapeseed (41-42%). The 2022/23 ending stocks are 0.6M tonnes. This year's demand in Poland is about 3.7M tonnes. The physical market is fluent; farmers are active on the market, so there is no supply problem. Also, there is a noticeable export to Germany.

**Wheat:** The production of wheat for 2023/24 is at a very high level: 13.5M tonnes, higher than last season (12.8 M), thanks to a better yield of 5.6

t/ha (5.4 t/ha last season). Planted area is 2.4M ha (no change). High fertiliser prices reduced fertiliser usage, which in turn contributed to lower protein content (50% of the wheat crop will be feed wheat). Currently, there is low milling wheat supply, but feed wheat is widely available on the market.

**Corn:** Planted area is slightly smaller than in the previous season. In spite of that, we expect the harvest to be better, at 6.8M tonnes compared to 6.7M in 2022, due to very favourable weather. Also, thanks to that, we see no risk that harvest will be delayed in the current season.





## Spain by Andrés Gómez Bueno, Director General, Grupo Gof

Going against grain until the end.

Excuse me for the cheap joke, but can't help thinking about it, not only when inflation is really high in traditional low inflation economies like the German one (6.3%), Spain astonishingly has one of the lowest in Europe (2.3%), but when the world crop is about to set if not historical records, probably very high figures we're about to have (according to consulted experts) probably our worst crop in the last thirty years.



And this is never good news, because even though Spain is a naturally deficient country in grains and oilseeds and we systematically need to import substantial amounts of both, when you hit records you know you put the system under stress, and even though we are extremely good at almost everything we do (I mean important things, like eating, drinking, logistics, animal production, etc.) there's a limit for everything and there's some concern about how we will be able to cope with the situation we'll be facing in the coming months.

The reason for such a catastrophic crop is mainly

the weather. There was a persistent drought from January to May. Sunflower seems to be about the only crop that might stick close to last year's figures (if there's more rain by the beginning of September it might even improve).

We expect huge imports (everything, except soybeans and meals, will see an increase), and stress in the logistics chain (traditionally up to 78% of inputs were domestically produced, whereas this year it could be as low as 32%). A substantial increase in tonnage to be transported coupled with a reduction in availability of truck drivers will push up logistic costs and might

even make it difficult to effectively supply the raw materials, even though compound feed production is estimated to have dropped by about 10% year over year.

Being the unrepentant optimistic that I am, I trust we will get out of this with a smile on our faces. I believe it won't be easy, but I expect that once again the combination of excellent traders, very good port infrastructure and an incredibly resilient and efficient animal production sector will be able to find a successful way out.

I'll keep my fingers crossed!

## Great Britain by Megan Hesketh, Senior Analyst, AHDB

Rain has been delaying harvest progress in Great Britain this season, creating a more challenging environment for farmers, and keeping quality in focus. Some recent dry spells have allowed many farmers to start to catch up, especially for winter barley. By 15 August, winter barley harvesting was near complete (>99%), with just a few fields in the North to finish.



The winter wheat harvest was 37% complete by the same date, below the five-year average of 56% complete by this stage in the season. Harvesting of spring barley was 24% complete, below the five-year average of 32% complete. Finally, the oat harvest was 34% complete, and the winter oilseed rape (OSR) harvest was 98% complete by 15 August. Recent progress for these two crops allowed harvest to catch up and overtake the five-year averages of 28% and 93% complete respectively.

It is reported that in Yorkshire priority has been given to harvesting spring barley, especially malting varieties, in an effort to preserve grain

quality. However, this is hindering winter wheat harvest progress. Reports so far show variability in quality across regions. Catchy rain has also seen many regions needing to dry crops, though this has varied depending on regional weather. Lodging, especially in the North East of England, has been a watchpoint, though the risk remains overall relatively low. There are also some reports of sooty mould, but this is reportedly less than expected.

Early wheat results suggest the GB averages for specific weights and Hagberg Falling Numbers coming in below last season's high levels. Protein information is limited to date.

For winter malting barley, early indications for grain nitrogen indicate a GB average in the range of 1.5-1.7%. Spring malting barley data so far indicates lower nitrogen, with a slight correlation to earlier drilling dates.

Grain yields are variable this season, based on region, varieties, and soil type especially. Heavier soils have been yielding higher than lighter land, especially where lighter land has previously experienced water stress. OSR yields have seen a large variation but are generally poor. Low yields have largely been attributed to wet and windy weather, and pest damage.

## Lithuania by Karolis Simas, President of the Lithuanian Grain Processors and Traders Association

According to our Association, forecasts for cereals, rapeseed and pulse crops in 2023 should be around 7.2M tonnes, compared to last year's 6.9M tonnes and 6.4M in 2021. For the 2023/24 season we should have the following surplus for export (including old crop surplus): wheat - 3.8M tonnes, rapeseed - 0.6M tonnes, barley - 0.4M tonnes, yellow peas - 0.15M tonnes, faba beans - 0.19M tonnes, triticale - 0.06M tonnes.



Our crops suffered the biggest losses due to the drought in May/June and the biggest losses are of summer crops. Winter crops have been showing resistance to heatwaves for several years if enough sub-soil moisture can be accumulated in winter and early spring.

Lithuania will have an average harvest this season and good quality in different classes. The impact of the intense rain and cool temperature in July helped to reach a very good wheat test weight of 78-80 kg/hl. Because of expensive fertilisers,

farmers reduced the amount of fertiliser and our wheat is lower in protein than in the past. But the collectors' separation should be similar to last year: we should have 7% of the crop at 14% protein, 10% at 13.5% protein, 50% at 12.5% protein, 30% at 11-11.5% protein and 3% feed wheat quality.

During the second part of the harvest the rain was totally turned off and the tropical heat began, daytime temperatures reaching 26-33C in mid-August. This dry weather allows harvest of the

entire crop on time and saves quality.

Due to low grain prices, farmers are selling less now, intending to store for winter or even spring. Harvest is almost over but only about 40% of the crop has been sold, when on average farmers used to sell 70-80% of the crop by September.

The main export destinations for Lithuanian wheat are Nigeria, South Africa, Saudi Arabia, Spain, Kenya and we can also see a larger quantity to Morocco and Indonesia.



## Know Your Gafta Contracts Seminar

Gafta was delighted to welcome 24 students to the online seminar "Know Your Gafta Contracts" on 31 July and 2 August. The seminar, presented by General Counsel **Jonathan Waters** and Head of Training and Events **Sophie Webber**, took an in-depth look at Gafta contracts and their use within the trade. Thank you to all the students who engaged and interacted by answering polls and asking questions throughout the two sessions. We look forward to seeing you again soon at future Gafta courses.

## Distance Learning Programme



DLP restarts in September. **Book now!**

DLP offers flexible e-learning for students who prefer learning online. The DLP comprises six modules, each lasting approximately 12 weeks, including tutorials with industry experts, self-assessment exercises, and marked exercises.

- Module 1 start date: **4 September**
- Modules 3, 4 and 6 start date: **11 September**
- Module 2 start date: **18 September**
- Module 5 start date: **25 September**

**FIND OUT MORE:**



**Book and pay for our bundle of 6 modules before October 1 and you will secure a discount!**

## IGTC Geneva Dialogues

The International Grain Trade Coalition (IGTC) held a successful two-day meeting with Geneva-based governmental representatives to the WTO and industry leaders in Geneva on 19 and 20 June. The programme of the "IGTC Geneva Dialogues" focused on cooperation between the public and private sectors for the benefit of global food security, and the role in this for corporate entities, non-profit trade associations and national and regional governments.

Following the first session in which members of the WTO Secretariat gave presentations on the state of play at WTO and the outlook for next year's Ministerial Conference (MC13), the role of trade

in promoting environmental outcomes, developments in trade and agriculture and the Sanitary and Phytosanitary (SPS) Agreement, a seminar on "Global Food Security and Grains" took place. **June Arnold**, Gafta's Head of Policy, participated in a panel discussing "Resilience, Sustainability, ESG – Links to Global Food Security". Chaired by **Pat O'Shannassy** (Grain Trade Australia), June, along with **Marcos Amorim** (ANEC), **Bas Geerts** (Cefetra) and **Marta Zuluaga Zilbermann** (Cargill), informed on how global value chains are addressing environmental, social, governance (ESG) and sustainability issues to ensure food security. "Innovation is key but we need clear policies for new products based on science," said June after the event.



## Get involved with Gafta's SEA Regional Trade Committee!

Gafta Singapore has a number of openings on the South East Asia Regional Trade Committee. This Committee convenes remotely two to four times per year to discuss specific regional matters on the topics of trade policy, market access, contracts and training.

It is an excellent opportunity to interact and contribute to the work of Gafta and we actively seek a wide variety of committee members representing different companies, countries and expertise.

To express your interest in joining the committee please email [jadedyson@gafta.com](mailto:jadedyson@gafta.com) by 30 September 2023.



## Joint Gafta-GPC Market Access Committee



Gafta and the Global Pulse Confederation have recently set up a joint committee to address the various trade barriers that are currently affecting the global trade in pulses. Committee members are due to have their first meeting on 24 August to discuss how best to address their market access issues and improve trade flows. The committee is being co-chaired by **June Arnold**, Head of Policy at Gafta and **Mac Ross**, Director, Market Access and Trade Policy, Pulse Canada.

*"Gafta is delighted to join a joint GPC Market Access Committee which I think will deliver closer cooperation and clear communication for our members."* **Jaime Chisholm Caunt OBE**, Director General, Gafta

*"The establishment of this committee allows us to pool our strengths for a common cause. Working together we can enhance market access for the global pulses industry."* **Vijay Iyengar**, President, Global Pulse Confederation





# Turkey harvest and market report

By Gülfem Eren, Agron Tarim Ltd

Turkey's grain imports went beyond all expectations last season. The government, facing elections in the spring of 2023 and unable to rein in inflation, imported excessive amounts of grain to control the price of bread and other staple grain products. It heavily subsidised grain prices which on average remained unchanged between the 2022 and 2023 harvests, despite an official annual inflation rate of 45% for producer prices and 48% for consumer prices, which are most likely gross underestimates.

Another factor in the excessive imports by the Turkish Grain Board (TMO) was the drought which Turkey suffered through March 2023. Furthermore, Turkey extended its zero-duty policy on grain imports through the end of April 2023. Just in the months of March and April 2023, Turkish wheat imports totalled 2.7M tonnes, mostly executed by the private sector, anticipating that the government would announce high grain support prices for the 2023 harvest. As a result, Turkey is currently facing both over-supply of grain and logistical problems with storage capacity.

Imports of milling wheat between July 2022 and June 2023 were at a historically high 11.8M tonnes; durum wheat imports were at 0.4M tonnes, barley imports were at 2.0M tonnes and corn imports were at 2.0 M tonnes. As a result of over-supply and storage problems, the government temporarily allowed durum wheat and corn exports.

Improved weather conditions in the spring of 2023 helped bring the yields of wheat, barley and corn back to normal levels for the current harvest. Wheat production is now forecast 1-1.5M tonnes higher than last season, with most of that increase being durum wheat. However, like for the rest of the Black Sea region, late arriving and excessive rains have caused low test

weights and W problems for Turkish milling wheat. We don't see any major problem for barley and durum wheat qualities.

Despite local elections due to take place in March 2024, the government has already started implementing more orthodox agricultural policies, with the markets expected to return to equilibrium after autumn 2023 and TMO and market prices converging. The recently declared grain intervention prices are high enough that the private sector, in disarray from last year's market interventions, will not be a significant domestic buyer and TMO will be making its largest historical purchase from farmers this season. This means that, along with its unusually high levels of grain stocks, TMO will continue to dominate the Turkish market this season as well.

We estimate durum wheat exports at 0.5M tonnes and corn exports at 0.5M tonnes for the current season. The main reason for grain imports will be import demand by exporters of grain products as there will already be enough grain stocks and production to satisfy domestic demand. We forecast milling wheat imports at 6.5-7.0M tonnes, corn at 1.9M tonnes and barley imports to be insignificant. These estimates could go down if TMO allows its stocks to be used by exporters of grain products, as it has sometimes done in the past.



## Kostas Kumža passes Gafta Trade Diploma Exam

Many congratulations to Kostas Kumža, who has recently passed the Gafta Trade Diploma exam! Kostas has been with the Copenhagen Merchants Group for nearly eight years, having commenced his journey within the brokerage division in 2016. "Presently, CM Group stands as a prominent commodity broker and distinguished service provider within the agricultural trading sector," Kostas told Gaftaworld. "Our primary emphasis revolves around facilitating international grain brokerage across global markets, but also providing comprehensive shipping solutions together with NAVI MERCHANTS and delivering integrated turn-key solutions to the grain trading industry through the dedicated trading and information tool, CM NAVIGATOR."

"My professional voyage commenced at CM Tallinn, Copenhagen Merchants Group's Estonian branch, where my responsibilities encompassed vessel execution and railway freight operations. Subsequently, I transitioned to CM Kaunas, our Lithuanian office, which has evolved into an important hub of grain brokerage and vessel execution for originators and collectors across the Baltic Sea region. At present, my role predominantly centres around vessel execution, along with managing dispute resolution and providing industry-specific guidance.

"While working at a brokerage company I have been constantly involved with a multitude of contractual agreements and frequently encountered

diverse and complex situations. This naturally necessitates the pursuit of knowledge, experience and understanding of the industry in the fastest and most efficient way possible. Driven by this pursuit led me to participate in Gafta's Professional Development programme, which proved to be invaluable in practical application in my work. These courses empowered me to adeptly employ acquired skills and knowledge to navigate different complex business situations which I come across on a day-to-day basis. Undertaking the Gafta Trade Diploma exam was the logical step to assess and validate the knowledge acquired over the years, affirming both my expertise and commitment to continuous growth within the field."

**See back page for future Gafta course dates.**



# Has the die been cast? Europe is advancing on New Genomic Techniques

By Corrado Finardi, Director, Agri-policies, COCERAL

On 5 July, the European Commission released the New Genomic Techniques Draft regulation, in a much-anticipated move following an intense debate, and a previously leaked version (7 June), aimed at testing the waters with Brussels' stakeholders. The proposal is part of a package of legislative proposals to support the EU's Farm to Fork and Biodiversity strategies and promises to bolster the Green Deal objectives of making EU agriculture more resilient and sustainable.

New genomic techniques (NGTs) are new techniques which emerged after the establishment of the EU's GMO Directive (Directive (EU) 2001/18), and somehow derogating from the GMO legislation, as in most cases these new techniques lead to *more precise and faster changes* than conventional breeding or established genomic techniques.

The overall idea is to have just a verification or a proportionate risk assessment (including, if need be, an environmental risk assessment) for plants which could have happened in nature or inside the "breeder's pool", with no transgenesis implied but only genetic material from sexually crossable species. The scope is about targeted mutagenesis, cisgenesis (including intragenesis) (referred then as "NGTs"). Transgenic plants (which contain genetic material from non-crossable species) will remain subject to the GMO legislation as it stands today.

## The objectives of the legislation

The EU institutions intended to achieve a few goals with this framework law, including maintaining a high level of protection of health and the environment, while contributing to the sustainability of the agri-food system. However, another fundamental goal is about creating an enabling environment for research and innovation, especially for SMEs.

## Two categories of NGTs

For some varieties (Category 1) there will not be hard requirements of traceability and labelling; for these, there will be a "verification" only decision, coherently with prior evaluation by the European Food Safety Authority to exclude specific risks. "Category 1" NGTs will, however, still be considered as GMO for organic production ("incompatible" in the official draft). Farmers will be able to purchase or not these varieties, as properly informed through B2B labelling on plant reproductive material (seed). A database of the events will also be in place to guarantee proper transparency. The Novel Food

framework in addition will apply to food produced from Category 1 varieties with significantly changed nutritional composition or structure.

For other varieties (Category 2), a light (or proportionate) GMO risk assessment, plus traceability and labelling, will be in place. Coexistence rules to preserve the organic and conventional crop sectors will be established at member state level and EU farmers must respect these to cultivate Category 2 varieties. Incentives will be provided for traits beneficial to sustainability (increased yields, nutritional benefits, resistance to biotic and abiotic stressors, but excluding herbicide-tolerant traits). Conventional GMO labelling (as per Regulation no. 1830/2003) will apply, but with additional positive labelling possible to gain public opinion and consumer support.

It is still a preliminary document, and could take a different shape later in the discussion because of opinions from the European Parliament and Council.

## Positives of the draft law

Among the positives of the draft, is for sure the clear existence of Category 1 (and clear criteria to identify these varieties), which holds the promise

of bringing the EU into alignment with exporting third countries which have already regulated NGTs.

Another favourable characteristic is the so called "future proofing" i.e., making the law adaptable in view of the scientific and technical progress, with an open list of NGT varieties and criteria for risk assessment. Also, there will be an evaluation of the impact in three and then five years, in an attempt to better inform public opinion about the benefits of NGTs.

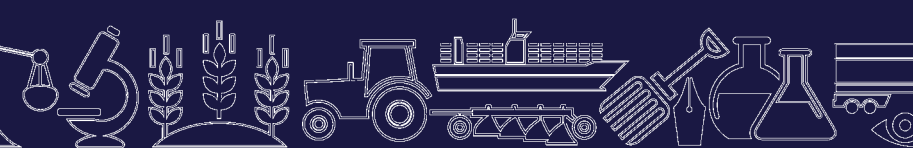
## Possible improvements

However, at the very core of the draft lies a fundamental uncertainty about what constitutes or not a GMO. The organic sector could continue to consider all NGTs, including those in Category 1, as GMO in a radical blow to legal clarity, with unclear provisions for traceability and labelling. Another difficulty stems from coexistence plans for cultivation, which is left to the discretionary power of member states, with fragmentation of the legal EU apparatus. Finally, it is not clear how it will work in consumers' minds, with the presence of both the standard "contains GMO" labelling, which may constitute a red flag, with positive claims about beneficial properties of the product.



[https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_23\\_3568](https://ec.europa.eu/commission/presscorner/detail/en/qanda_23_3568)





# Codex Committee on Pesticide Residues agree new MRLs for 30 pesticides

The 54th Session of the Codex Committee on Pesticide Residues (CCPR54) was held in Beijing from 26 June to 1 July 2023. **Mr Xingwang Zhang** of China's Ministry of Agriculture opened the meeting, welcoming participants and commending the Codex Alimentarius Commission for its achievements, including the protection of consumer health, the facilitation of international trade and its contribution to the UN's Sustainable Development Goals.



Alan Ding at CCPR54

China has discussed and adopted over 5,000 maximum residue limits (MRLs) for pesticides, he told participants. CCPR has also revised and developed the classification of food and feed along with other Codex texts, "achieving fruitful results and playing an increasingly important role in the development of the international food safety system." The Session, which was attended by over 300 participants, was chaired by **Dr Weili Shan** and **Dr Lifang Duan**. **Mr Tom Heilandt**, Codex Secretary, informed the meeting that the Codex website is being overhauled, with the Codex Secretariat now in the planning phase that will lead to the publication of the revised classification of food and feeds along with the new database for MRLs.

**Alan Ding** attended the meeting as an Observer on behalf of Gafta members. Items 6, 11 and 13 of the agenda, which included reviews of the MRLs for pesticides in food and feed, and the establishment of Codex schedules and priority lists of pesticides for evaluation by JMPR (FAO/WHO Joint Meeting on Pesticide Residues), were of particular relevance to the trade in grain, feed, oilseeds and general produce.

## Proposed MRLs for pesticides in food and feed (Agenda Item 6)

The EU informed the meeting that the Codex MRLs (CXLs) that were adopted by the Codex Alimentarius Commission in 2022, and for which the EU had not introduced reservations

during CCPR53, have now been established in the trading bloc. The EU also advised on the conditions under which they would make reservations to the advancement of the proposed CXLs during the discussions on the specific substances. One such condition was "if the proposed CXLs are not sufficiently supported by data, as well as environmental issues of global nature (such as the decline of pollinators or the accumulation of persistent bioaccumulative and toxic substances in the environment)". Switzerland advised that they would be supporting all EU reservations as their residue risk assessment approach and policies were the same as that of the EU (in 2022 the EU had implemented 67% of barley CXLs, 64% of wheat CXLs, 65% for maize, 76% for soybeans, 78% for rapeseed and 64% for sunflower seeds). The Codex Secretariat reiterated previous comments and recalled that environmental issues are outside the scope of CCPR and Codex and that these questions should rather be addressed in the broader context of the ongoing discussions on the Future of Codex in meetings of the Codex Alimentarius Commission (CAC). Qatar requested the establishment of more CXLs for rice, which is a major crop in Gulf countries.

In the discussions on proposed new MRLs, the EU and Switzerland raised several concerns for different pesticides. Following these discussions, 30 different pesticides were put forward for the Codex Alimentarius Commission to finalise MRLs for a wide variety of commodities in November (CAC46, from 27 November to 2 December

2023), totalling 429 MRLs. Please contact Gafta if you would like the list of proposed new commodity/pesticide MRLs and the list of revoked MRLs following these discussions. The establishment of Codex schedules and priority lists (agenda item 11) of pesticides for evaluation by JMPR in 2024 is also available on request or at the web link below.

## Enhancement of the operational procedures of CCPR and JMPR: opportunities, challenges, and recommendations on next steps (Agenda Item 13)

Due to considerable concerns (which have been raised by Gafta and many other organisations involved in international trade) that the current CCPR/JMPR system is unable to keep up with global demand for the evaluation of new compounds, uses and periodic reviews, the growing demands on JMPR and its implications have been an important topic of discussion at several previous sessions of CCPR. A paper prepared by the Electronic Working Group on this issue, which summarised opportunities and challenges for enhancing the work on pesticide residues at Codex, was discussed, and this will be put to the JMPR for its meeting in September. Following feedback from that committee, CCPR aims to conduct an assessment to identify priorities for CCPR and JMPR enhancement and develop an implementation roadmap, with recommendations to be discussed at CCPR55, tentatively scheduled to be held in China on 3-8 June 2024.

The draft report of CCPR54 plus all the papers from this meeting are available at:  
<https://www.fao.org/fao-who-codexalimentarius/meetings/detail/en/?meeting=CCPR&session=54>



## Potential ban on AVK rodenticides in EU prevented

In June 2023, Gafta collaborated with a number of EU organisations, including COCERAL, CELCAA and FEFAC, to support action taken by CEPA, the European pest management services trade association, to prevent a potential ban on AVK (anti-vitamin K) rodenticides for controlling all mouse infestations indoors.

The letter to the EU Commission's Health and Safety Directorate, signed by almost 20 associations, put forward a strong and unified view ahead of a meeting of the Standing Committee on Biocidal Products, at which this topic was to be discussed. The letter highlighted the importance of effective and efficacious rodent control management across all sectors of the food chain, to meet hygiene requirements and to prevent the spread of zoonoses and other diseases often carried by rodents. In response to the letter, the Commission met with CEPA who were able to reiterate the position.

Following the Standing Committee meeting, a responding letter from Mr Klaus Berend of the EU Commission clarified that the decision will not ban any anticoagulant rodenticide active substance at EU level as the forthcoming decision will only serve as advice for member state competent authorities, supporting them when they perform a comparative assessment on anticoagulant rodenticide biocidal products. Any possible restrictions of anticoagulant rodenticide active substances at EU level would come only at the time of the renewal of approval of anticoagulant active substances used in rodenticides. For these, the process for renewal is ongoing and is not expected to be finalised before 2025, by which point further feedback from the member state experts would have been collated. The elements provided in the letter, as well as other arguments put forward by other industry stakeholders, have been shared with member state authorities.

## China cancels anti-dumping and countervailing duties on Australian barley imports

China's government announced on 4 August the end of anti-dumping and countervailing duties (totalling 80.5%) that have been imposed by China on Australian barley imports since May 2020. China agreed to undertake an expedited review of the duties in April following a request by China's Alcoholic Drinks Association, which represents beer manufacturers. China's Ministry of Commerce ruled that, "in view of the changes in the market situation of barley in China, it is no longer necessary to continue to impose anti-dumping duties and countervailing duties on the imported barley originating in Australia." The ruling came into effect on 5 August. Australia agreed to temporarily suspend proceedings at the WTO in April and will now discontinue legal proceedings on this case, the government announced.

Earlier in July, a spokesperson from the Ministry of Commerce stated: "We are willing to work with Australia to continue to properly resolve economic and trade concerns in the spirit of dialogue, consultation and co-operation, and jointly promote the development of bilateral economic and trade relations."



*Maltsters in China will resume imports of Australian barley, now the tariffs have been removed*

## Dutch Authority final decision on phosphide fumigation products

On 28 June the Dutch Board for the Authorisation of Plant Protection Products and Biocides (Ctgb) made the final decision on amending the rules of use of phosphides on the Dutch market. It concerns six products (with the active substances magnesium phosphide or aluminium phosphide) for the Dutch market from two manufacturers (UPL and Detia Degesch).

The changes to the instructions for use have been announced in accordance with the Ctgb, i.e. loose pills only at fixed locations and not during transport via inland shipping, truck and trains (but still permitted for sea shipping). The changes will take effect on 7 January 2024, with a period of use until 7 April 2024.

## UK introduces Electronic Trade Documents Act

Further to the Law Commission's recommendations, as discussed in the February 2022 edition of Gaftaworld, the Electronic Trade Documents Act received royal assent on 20 July. This accords digital trade documents the same legal status as physical ones, with the aim of making foreign trade more efficient, more sustainable and cheaper. It has been developed in line with the Model Law on Electronic Transferable Records (MLETR) produced by the UN Commission on International Trade Law; other countries are expected to develop similarly compatible legislation in the future (Singapore and Bahrain already have). The Act is expected to come into force in September. The UK is also aiming to digitalise and simplify customs processes through the use of a Single Window and new technology. For a briefing on the new Act, with discussion on the clauses defining and regulating electronic trade documents, go to: <https://researchbriefings.files.parliament.uk/documents/CBP-9641/CBP-9641.pdf>

## Egypt – recent changes in public tender system

Gafta received a letter on a recent change to the public tender system for the supply of wheat to Egypt. Public tenders are now announced on the official website of the General Authority for Supply Commodities (GASC) to supply wheat to Egypt. Companies wishing to participate in tender bids need to register through an agent or representative of the company in Egypt, with required documents to be sent with an application to His Excellency the Minister of Supply and Trade. Further details are available from: [JuneArnold@gafta.com](mailto:JuneArnold@gafta.com)

## HB4 Wheat Receives Approval in Paraguay

The Instituto de Biotecnología Agrícola (INBIO) of Paraguay announced at the end of June the approval of the HB4 wheat event for wheat improvement programmes in the country. The event shows tolerance to drought through the insertion of a sunflower gene, and INBIO suggests new wheat varieties including this technology may be ready for production and commercialisation within four to five years. "The current situation of climate change puts food production in the world at risk, HB4 technology seeks to provide a tool to face these new challenges," INBIO stated. HB4 wheat is already approved for cultivation and processing in Argentina and Brazil and for food and feed processing in Australia, Colombia, Indonesia, New Zealand, Nigeria and USA.

## World Spice Congress 2023

Spices Board India will host the 14th World Spice Congress (WSC) in Mumbai, India on 15-17 September 2023. Organised on the sidelines of the G20 meetings in India in September, the 14th edition of the WSC "will be an upgraded mega event, supported by the Government of India." The event will be attended by key policy makers, regulatory authorities, spice trade associations, Government officials as well as technical experts from key G20 countries, among others. For more information, go to: [Worldspicecongress.com](http://Worldspicecongress.com)





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

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## Gafta at Global Grain Geneva

We look forward to seeing many of our members at Global Grain Geneva, to be held on 7-9 November 2023. The programme is now available on the website, and it promises to be a great opportunity for the trade to discuss the 2023/24 market situation, including crop quantity and quality, regional issues, legislative and policy developments, changing trade flows, sustainability, the fertiliser market, risks, challenges and opportunities for the grain and feed trade.

**June Arnold**, Gafta's Head of Policy will moderate a session on Wednesday 8 November at this event. Titled **"Digitalisation as a tool for the greening of supply chains"**, the panel will discuss "actions across commodity, banking and shipping for greening supply chains for a better tomorrow." Global food systems currently face unprecedented challenges from a growing population, climate change, dwindling water sources and conflicts; this session will address how we are acting to meet these challenges, from reducing emissions across our global supply chains to building sustainable practices into farming processes around the world. The development dimension and access to digitalisation for everyone will be an important aspect of this discussion.

The panel will consist of four experienced speakers who will join June to address the important issue of digitalisation in the grain market from their respective and differing perspectives: **Deia Markova**, Head of Trade and Sustainable Commodity Finance, Societe Generale; **Jeremy Cheon**, Director, Global Trade Execution, Bunge; **Sorin Albeanu**, Head of Commercial, Covantis; **Suddha Chakravarti**, Director, CUTS International.



## 2023/24 CALENDAR



### Commodity Shipping

13-14	Sept 2023	London	Sponsored by <b>CLYDE&amp;CO</b>
22-23	May 2024	Lisbon	
11-12	Sept 2024	Bucharest	Sponsored by <b>G A A</b>



### Commodity Contracts

10-11	Oct 2023	Warsaw	Sponsored by <b>HFW</b>
13-14	Feb 2024	Chicago	Sponsored by <b>SQUIRE PATTON BOGGS</b>
6-7	Nov 2024	Cape Town	



### Commodity Dispute Resolution

15-16	Nov 2023	Sofia	Sponsored by <b>HFW</b>
7-8	Feb 2024	Sao Paulo	Sponsored by <b>HFW</b>
8-9	Oct 2024	Athens	Sponsored by <b>G A A</b>



### Seminars

3&5	Oct 2023	Know Your Gafta Contracts Online - AM (UK time)
30	Nov 2023	Arbitrators' Masterclass, London Sponsored by <b>Gateley</b> /
5&7	Mar 2024	Know Your Gafta Contracts Online - AM (UK time)
17&19	Sep 2024	Know Your Gafta Contracts Online - PM (UK time)



### Social Events

1	Dec 2023	Arbitrators' Luncheon, London
12	June 2024	Gafta Annual Dinner, London



### Trade Foundation Course

23-26	Apr 2024	London
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For more information on all  
Gafta events, go to:  
[www.gafta.com/events](http://www.gafta.com/events)

## International Fertilizer Association sets up London office at Gafta HQ

Gafta's Director General, **Jaine Chisholm Caunt OBE**, welcomed the International Fertilizer Association (IFA) to its London office in Lincoln's Inn Fields in June. "I am excited to be opening the new IFA London office today, and to be co-located with Gafta in this historic building," said **Alzbeta Klein**, IFA Chief Executive Officer and Director General. "IFA has been a UK registered company since its inception in 1927 and the establishment of this office will enable us to become a dual-centered organisation, while retaining our strong, experienced employee base in Paris. Gafta and IFA have complementary offerings and I believe our two industries will also benefit from this closer association." "Gafta and IFA are both members of the International Agrifood Network (IAFN) and have worked together for many years on UN-focused work to ensure global food security remains a vital priority for policymakers," said Jaine. "I am sure that this new development will enable further fruitful opportunities for collaborative activities, which will benefit all our members."



Gafta and IFA staff at Lincoln's Inn Fields



@Gaftaworld

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