



# Dry Bulk Markets to see more ships but rate volatility continues

By Louisa Follis, Global Head Dry Cargo Analysis at  
Clarksons Shipbrokers

Grain traders tend to be friendly with their freight desk – after all, the cost of shipping can make or break the conclusion of a 65,000-tonne corn deal due to discharge 10,000 nautical miles away. In turn, freight desks rely on their in-house analysts and service providers, including shipbrokers, who can give their clients market access and intelligence on what tends to be a very fragmented and highly volatile market.



Over the past five years, these relationships have become more solid as capricious shipping rates have characterised the overall dry bulk market. Unlike the relatively stable five-year period from 2015, this decade, freight rates have seen sharper month-to-month changes, in part due to unpredictable geopolitical events alongside the more fundamental and regulatory drivers.

Looking ahead, charterers in the grain market will probably be pleased to see more growth in the dry bulk fleet of around 3-4% for the next couple of years. This is certainly a factor adding downside pressure to average freight rates in some sectors and will probably outweigh any expansion in grain seaborne trade volumes in 2025. However, there are still many upside risks to consider.

## Supply

One of these supporting factors is the fleet itself. Whilst we are fairly sure about the number of new ships to be delivered into the dry bulk fleet in 2025 and can give a good estimate on those to be recycled, the net result is not always what the market feels. Today's dry bulk fleet averages 12 years old and is getting older. The share of ships under 15 years is shrinking as a proportion of the total; this at a time when more grain charterers are opting for modern and efficient tonnage to match investor requirements, mitigate carbon output, and meet industry regulations.

As they hit the 15-year mark, there's also demographic surge in the number of ships needing time-consuming special surveys and dry-docking repairs. On top of this, many shipowners are opting to have energy saving technology fitted to their vessels (to reduce

greenhouse gas emissions), which again adds to the off-hire period. This effectively squeezes fleet availability at a time of structural shift in efficiency where slower speeds have become normal even in a high freight rate environment. In 2024 to-date, we have seen a 25% rise in average benchmark freight rates for vessels servicing grain cargoes, yet average vessel speeds for this sector have fallen by 1% from 2023 as owners look to reduce emissions.

## Demand

Current forecasts by the USDA suggest grain and oilseed combined exports will fall for the 2024/25 season. But as the industry knows, it isn't as simple as that. Prices, quality, weather and substitution can lead to dramatic shifts in origin and destination for the trades, thereby leading to potentially dramatic swings in distances, tonne-mile and freight costs.

Furthermore, there's plenty of competition for tonnage. For the geared ships, grain and soybeans account for just 20% of all commodities carried. And while for Panamaxes, this share is slightly higher, we have seen a

huge increase in Pacific coal cargoes for this sector through 2024, thereby reducing suitable tonnage availability for the grain sector.

## Trade disruption

In the last few months, there's been recovery in the volume of grain cargoes moving through the Panama Canal. This trend should continue through 2025 now that water levels are back to normal, in a trend that will generally reduce tonne-mile, raise efficiency and lower freight rates. Conversely, many ships continue to avoid the Gulf of Aden. Last month bulker transits through the Suez Canal had halved from year-earlier levels and this pattern could intensify next year as more ships opt to re-route via the Cape of Good Hope, thereby generating a longer tonne-mile.

Navigating such developments and influences to keep freight costs down will be important as ever for charterers in 2025. However, with plenty of geopolitical events, regulatory pressures, and fundamental changes ahead of us, this means the volatility in the dry bulk markets will surely continue.





# Russian Supreme Court Refuses to Enforce English Arbitration Award

By John McNeilly, Darren Wall and Lucy Wickham, Hill Dickinson LLP

Upon obtaining a favourable Gafta arbitration award, a claimant may have to turn its mind to enforcement in another jurisdiction where its counterparty has assets. A recent decision of the Russian Supreme Court shows the potential difficulties with enforcement. How can a claimant seek to protect itself against this?



The Russian court refused to enforce an English arbitration award on the basis of the public policy exception under the New York Convention on Enforcement of Foreign Arbitral Awards (the “NY Convention”).

JSC Novosibirskhleboprodukt (“NKP”), a Russian company, sold 3,000 tonnes of Russian flaxseed to C. Thywissen GmbH (“Thywissen”), a German company, CIFFO Ghent, Belgium (the “Contract”). The Contract was governed by English law and provided for arbitration in London under the rules of the Federation of Oils, Seeds and Fats Associations (“FOSFA”).

Thywissen commenced FOSFA arbitration and claimed market losses for NKP’s failure to deliver. NKP failed to appoint an arbitrator, so FOSFA did so on NKP’s behalf, in accordance with the FOSFA rules. That arbitrator was a Ukrainian national.

Ultimately, the Tribunal issued an Award ordering NKP to pay Thywissen USD 600,000. NKP failed to make payment or appeal the Award. Thywissen therefore commenced enforcement proceedings against NKP in Russia.

The lower Russian courts granted the application for enforcement, but the Russian Supreme Court overturned those decisions and refused to permit enforcement of the Award.

## The Supreme Court Decision

The Supreme Court’s decision was premised on the exception under the NY Convention for enforcement of an arbitral award where it would be contrary to the public policy of the country of enforcement.

The Supreme Court took into account the risk to the financial stability of NKP and the impact

on employment and the social stability of the region in which NKP operated, if the Award was enforced against them.

However, the main reason the Supreme Court rejected the enforcement application was *“the introduction by foreign states of restrictive measures against the Russian Federation, due to political motives”*. This, the court said, created doubts about the impartiality and objectivity of the Tribunal’s decision and the fairness of the process. The Supreme Court found that the nationalities of the arbitrators (Ukrainian, British and Danish) meant that the Tribunal could not be impartial or objective because, by the time the Award was made in November 2022, those countries were *“unfriendly countries that aim to cause damage to the Russian Federation, Russian legal entities and individuals.”*

Finally, the Supreme Court held that sanctions on Russian companies and individuals meant that it was difficult for NKP to receive legal assistance in the UK or participate in the arbitration.

## Comments

The decision shows that the Russian courts can be expected to take a wide view of the public policy exception under the NY Convention, and the perception of bias against Russian parties may be a hurdle to enforcement.

There are currently 49 states on the list of “unfriendly countries” which the Supreme Court stated raises a presumption of bias, including the UK, USA, all EU Member States, and Singapore (but, notably, excluding China). Even if one were able to constitute a tribunal of arbitrators whose nationalities fell outside the “unfriendly countries” list, would the fact that the seat of the arbitration is in

an “unfriendly country” state (i.e. London, England) be a bar to enforcement in Russia? It is difficult to imagine how one could rebut the presumption of bias when looking at the other factors that the Supreme Court raised as supporting the public policy exception to enforcement.

Throughout an arbitration a claimant should bear in mind that they may be required to enforce an award down the line. Useful points to consider for that purpose are:

- The location of the respondent’s assets and whether courts in those countries are willing to enforce English arbitration awards.
- The nationality of the arbitrators nominated and whether that could give rise to any allegations of bias.
- Ensuring proper service of the notice of arbitration and other documents in the arbitration by all available means, including collecting evidence of the same (e.g. courier and email receipts). This is particularly important where a counterparty is refusing to engage in the arbitration.
- Obtaining advice from local lawyers on any specific requirements for enforcement in the jurisdiction(s) where the respondent’s assets are located.

When contracting with counterparties based in jurisdictions where it is difficult to enforce English arbitration awards, if possible it may also be worthwhile obtaining a guarantee from a third party from whom it may be easier to make a recovery.

It also remains to be seen whether any relevant Bilateral Investment Treaties could assist with the enforcement of arbitration awards in Russia.





# Gafta Sustainability Pledge in action

By Nathalie Lim, Singapore Marketing and Administration Manager, Gafta

The Gafta Sustainability Pledge, launched in January 2022, provides members with public recognition of their commitment to sustainable business practices. It enables members to promote their sustainable practices in one place and provides them with a simple, visual means of publicly demonstrating their commitment by using the Sustainability Pledge logo. I am setting up a social media campaign, aiming to highlight and promote the sustainability efforts of Gafta members in Southeast Asia. Please do share your case studies and sustainability initiatives; we aim to inspire other organisations and showcase the collective impact of Gafta members in Southeast Asia who are committed to a sustainable future. ([nathalielim@gafta.com](mailto:nathalielim@gafta.com))

Gafta now has 250 member companies around the world signed up to the Sustainability Pledge, who are committed to one or many of the wide range of statutory and voluntary initiatives available. Below are examples of the excellent environmental and social projects in action by two of our members based in Southeast Asia.



## 1. SGS

SGS has launched several sustainability initiatives, including “Spot the Orange Dot”, a global awareness campaign launched in 2023 aimed at encouraging SGS staff to act more sustainably, use fewer resources, and reduce their emissions. Other initiatives by SGS include sustainability through digitalisation, under which SGS switched to digital invoicing and laboratory results. SGS then donated the savings to the Philippine Eagle Foundation, a charity that protects the country’s endangered national bird.

### Bokashi Composting

SGS in the Philippines has taken a significant step towards responsible waste management through Bokashi Composting. This eco-friendly venture aligns with the company’s Sustainability Ambitions 2030 and is a nod to the UN Sustainable Development Goals.



In partnership with GreenSpace, a leader in food waste composting, SGS utilises this initiative to establish a systematic disposal system for food samples generated in their testing laboratories. This promotes responsible waste management and benefits local farms that receive donated compost from SGS to support nearby communities. SGS also helps turn food waste from clients into nutrient-rich compost, earning compost credits which are donated to community gardens.



## 2. Control Union

*“It is our collective responsibility to work together towards making the world a better place through sustainable initiatives.”*

### Kota Kinabalu and Tunku Abdul Rahman Marine Park Plastic Neutrality and Fish Bombing Prevention Initiative

During the Sustainable Action Conference 2023 in Malaysia, Control Union Malaysia, together with Global Sustainable Enterprise System (GSES), FGV Holdings Berhad, Dibiz Global, Carbon Space Tech, Veridapt Pty Ltd, EPIC Berhad, the Malaysian Dutch Business Council (MDBC) and the Netherlands Embassy in Malaysia, donated the remaining event funds to Blu Harapan (BluHope). This donation will kickstart the Kota Kinabalu and Tunku Abdul Rahman Marine Park Plastic Neutrality and Fish Bombing Prevention Initiative.

The project aims to catalyse essential changes by addressing mismanaged plastics, preventing ocean pollution, providing alternative job opportunities for those involved in fish bombing, promoting education and capacity building, ensuring clean water for children, restoring coral reefs and enhancing local livelihoods and tourism. Achieving these ambitious goals requires strong partnerships across the public, private and community sectors. Control Union is confident that the Sabah community will come together to create a significant impact.



Control Union representatives’ site visit at Kota Kinabalu

For more information on Gafta’s Sustainability Pledge, go to:  
<https://www.gafta.com/Sustainability-Pledge>



# Russian production outlook

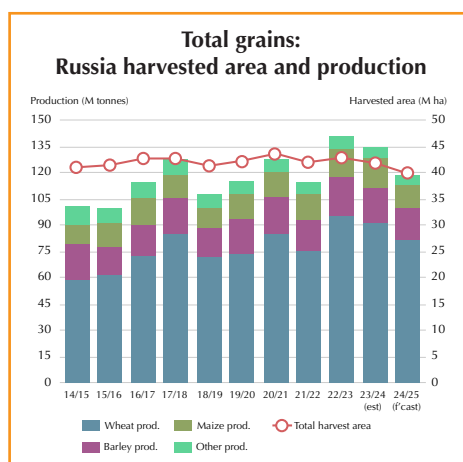
By Nathan Kemp, Darren Cooper and Diana Sarungbam, International Grains Council (IGC)



## Grains

Tied to a smaller acreage and poorer average yields, Russia's total grains (wheat and coarse grain) production declined for a second successive year in 2024/25, estimated at 118.2M tonnes, down by 12% compared to the season before, including wheat at 81.8M tonnes (-10% y/y), barley at 17.8M tonnes (-13%) and maize at 13.0M tonnes (-19%). After a favourably mild winter, unseasonably warm, dry weather took hold across southern and central cropping regions in the spring, with difficult conditions persisting through key yield formation stages. With winter crops developing ahead of schedule in some areas, late-season (May/June) frosts were also damaging, albeit with losses less severe than initially feared.

Owing to a smaller surplus and a pullback in demand in some important buyers, Russia will play a smaller role on the world export market in 2024/25 (July/June), with shipments seen 22% down from the year before. However, at 43.5M tonnes projected exports would still be the third largest on record, accounting for more than one-fifth of total trade.



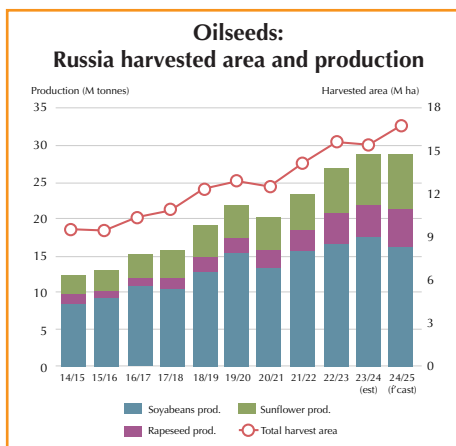
With Russia the dominant supplier of milling wheat and export price setter, local production prospects remain a key driver of global markets. However, Russian grains supply and demand analysis is complicated by difficulties

accessing official statistics and also by the inclusion of occupied Ukrainian territories in some data series. The International Grains Council's production estimates exclude estimated output in these regions.

## Oilseeds

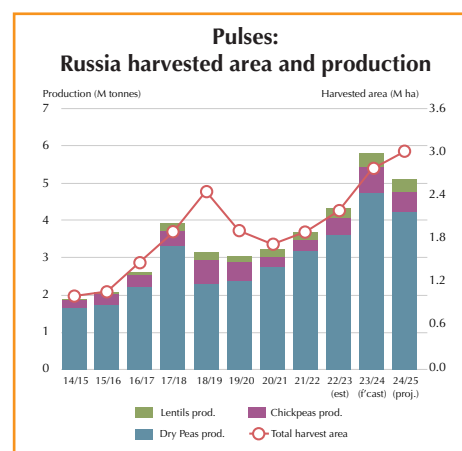
In addition to being a major player in the global grains market, Russia is a modest but important oilseeds producer. As a major supplier of sunflower meal and sunflower oil to an array of global markets, sunflowerseed is the most abundantly produced oilseed. However, alternatives, including rapeseed and soybeans, have become increasingly popular planting choices. While aggregate oilseeds output in 2024/25 is seen matching the prior year's outcome of 28.7M tonnes, the year has brought mixed results. While a smaller sunflowerseed crop is anticipated, seen at 16.2M tonnes (-8% y/y), latest (advanced) fieldwork data as at early October point to sizeable rapeseed and soybean outturns, pegged at respective records of 5.2M (+20%) and 7.3M (+8%), with y/y gains reflecting a marked expansion of acreage.

Given a smaller sunflowerseed crop, the Council predicts a modest downtick in processing and a potential reduction in sunflower product export volumes in 2024/25. In contrast, linked to demand from buyers in Near and Far East Asia, shipments of soyabeans, rapeseed and derivatives should hold up.



## Pulses

Amid growing export demand, pulses production has been growing in recent years with area under dry peas reaching above 2.0M ha in 2024/25. However, due to below average yields linked to unfavourable weather conditions during the growing period, dry peas production in 2024/25 could fall by around 11% y/y, to 4.2M tonnes. Similarly, largely because of lower expected productivity, the chickpea harvest is estimated to be smaller by more than one-fifth y/y, at 0.5M tonnes, while lentils outturn is placed broadly steady at 0.4M tonnes.







# Kazakhstan: summary of 2023/24 season and outlook for 2024/25

By Sergey Feofilov, Director General, UkrAgroConsult

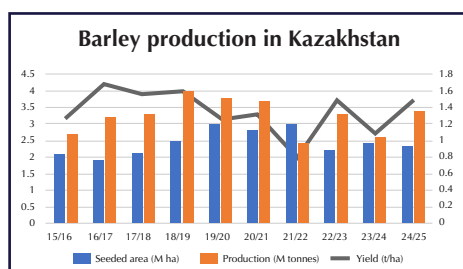
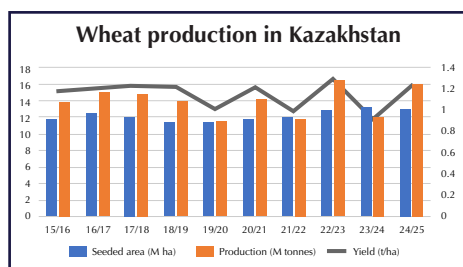
A huge country, the size of Western Europe, Kazakhstan has vast natural resources with a diverse landscape and climate. It is an important exporting country, with wheat exports frequently exceeding 60% of production. Despite heavy rains in September at the start of harvest, which led to yield and quality concerns for the 2024 wheat harvest, we currently expect a record grain harvest for the 2024/25 season.



## 2023 grain harvest

According to official statistics, Kazakhstan harvested 17.1M tonnes of grain in 2023 (-21% compared to 2022) from an area of 17.5M ha, including:

- Wheat: 12.1M tonnes (-26% compared to 2022) from 13.13M ha (+3%), average yield of 0.92t/ha (-28%).
- Barley: 2.6M tonnes (-21%) from 2.4M ha (+12%), yield of 1.08t/ha (-28%).



In the 2023/24 season, wheat exports amounted to 5.2M tonnes (-35% compared to the record 2022/23 season), marking the lowest level in the past four years.

## Top wheat importers, 2023/24

- Uzbekistan: 2.8M tonnes (-1M tonnes compared to the 2022/23 season)
- Tajikistan: 1M tonnes (-0.1M tonnes)
- China: 0.6M tonnes (+0.2 M mt)

Afghanistan, traditionally one of the main importers, was replaced by China, which increased wheat purchases from Kazakhstan by almost 50% compared to the previous season.

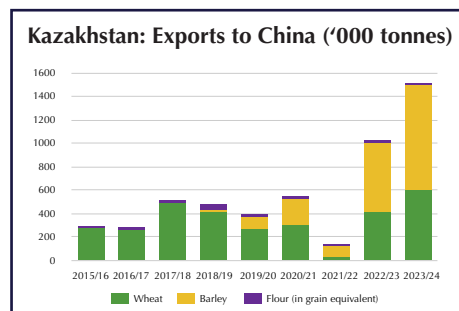
Flour exports in the 2023/24 season were 1.8M tonnes (-10%). Flour exports decreased

less sharply than wheat exports. Moreover, flour exports were higher than the average over the past five years in spite of wheat harvest decline. Kazakhstan exported flour mainly to traditional markets in Afghanistan and Uzbekistan, with smaller shipments to Tajikistan and Turkmenistan.

Barley exports in the 2023/24 season amounted to 1.2M tonnes, only 4% less than in the previous season. China was the top importer of Kazakh barley, while Iran significantly reduced imports and shifted towards Russian grain.

## Top barley importers, 2023/24

- China: 930,000 tonnes (+340,000 tonnes compared to the 2022/23 season)
- Uzbekistan: 155,000 tonnes (-10,000 tonnes)
- Iran: 74,000 tonnes (-355,000 tonnes)



## 2024/25 season prospects

Unlike 2023, with insufficient rainfall and high summer temperatures that led to reduced yields, the summer of 2024 turned out to be much better in terms of weather. Kazakhstan can expect a record grain harvest for the 2024/25 season.

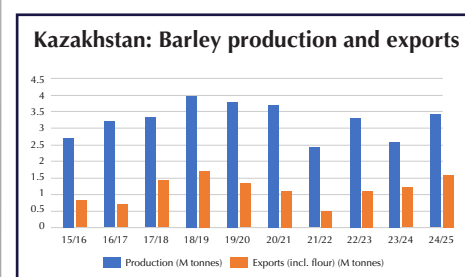
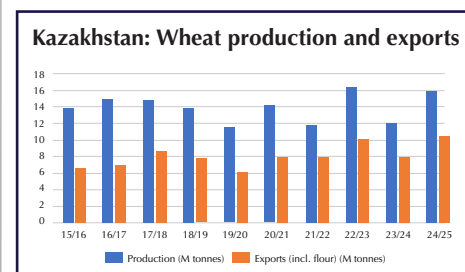
As of 8 October, more than 94% of total grain area was harvested in Kazakhstan.

## The 2024 harvest (at 8 October 2024)

- Wheat harvested area: 12.7M ha with a yield of 1.45t/ha, harvested 18.4 M tonnes.
- Barley harvested area: 2.1M ha with a yield of 1.71t/ha, totaling 3.6M tonnes.

Kazakhstan intends to increase grain exports to China. At least 2M tonnes to be shipped in 2024, primarily supplied to the near border and central provinces of China. Grain shipped into south and east of China is subject to a 65% tariff and is mainly transported in containers. Most likely, flour exports to Afghanistan will increase in 2024/25.

Iran is interested to expand barley imports from Kazakhstan in 2024/25 season. Two grain terminals at the Aktau port on the Caspian Sea will be the outlet for barley exports. Transshipment capacity of these two grain terminals at the port of Aktau is 150,000-160,000 tonnes of grain per month if the weather is favourable.



## Trade Restrictions with Russia

From August until 31 December 2024, Kazakhstan imposed a full ban on wheat imports from Russia and other countries, which prompted Russia to respond with a ban on the import and transit of Kazakh agricultural products. This situation was viewed as close to a "trade war" on the grain market. It's worth noting that Kazakhstan used Russian sea ports for grain exports to Europe and Turkey.





# Ukraine market update

By Anna Golodova, Director, Gafta Kyiv office

In September Gafta's Kyiv office held two committee meetings. The Ukrainian Regional Trade Committee (URTC) meeting was held on 16 September and the Black Sea Trade Committee (BSTC) met on 20 September. Members of the URTC discussed production and export figures for 2023/24 and the prospects for 2024/25.

The results of the 2023/24 marketing year have shown a 2% decrease in the arable area under the main agricultural products, with an average yield increase of 16%, a production increase of 14 % and an increase in exports of 5%. With regard to wheat quality the share of milling wheat decreased to 36%, with 64% of the 2023 wheat harvest being feed quality. The estimates show that 50% of the main agri-product exports, including processed products, went to the EU. The main enhancers for the export numbers have been the possibilities for export via the deep sea ports and continuation of the EU-Ukraine autonomous trade measures regime.

As of 30 September 2024, exports of grain and processed products have gone through the following routes: 64% - Black Sea ports, 17% - cross-border points, 19% - Danube ports. The routes for vegetable oils are: 32% - Black Sea ports, 32% - cross-border points, 38% - Danube ports. Total production for the 2023/24 marketing year was 83M tonnes and exports totalled 70.5M tonnes.

Gafta's Ukrainian Regional Trade Committee members discussed forecasts for the 2024/25 marketing year including estimates that the total sown arable area may increase by 5%, but yields may be down by 18% with grain production down 14% at about 72M tonnes due to the unfavourable weather conditions (unprecedented heat and drought). Exports are seen to decrease by 24% and forecasts suggest 40% of the wheat crop will be of milling



*The port of Constanta in Romania has handled significant quantities of Ukrainian export grain*

quality and 60% feed quality. If making a split per commodity the production forecasts look as follows: sunflower seeds 12.5M tonnes, soya beans 5.5M tonnes, rapeseed 3.9M tonnes, wheat 21.8M tonnes, barley 5.5M tonnes, maize 22.7M tonnes. Additionally, vegetable oil production is put in the region of 6.2M tonnes and vegetable meals at 7.0M tonnes, totaling 13.2M tonnes.

The export forecasts for 2024/25, according to member estimates, look as follows: sunflower seeds 0.214M tonnes, soya beans 3.25M tonnes, rape seed 3.5M tonnes, wheat 16.2M tonnes, barley 2.4M tonnes, maize 17.5M tonnes totalling 43.06M tonnes. Additionally,

vegetable oil exports are forecast at a total of 5.3M tonnes and vegetable meals at 4.9M tonnes, totalling 10.2M tonnes.

In the discussions on wheat quality, it was mentioned that the share of milling and feed wheat has been influenced by economic decisions relating to production costs. A decrease in inputs (i.e. fertiliser) has led to a reduction in the share of total wheat production that is milling wheat.

The recent figures show that farmers in Ukraine already harvested about 62.2M tonnes of the new crop including 40.1M tonnes of grain and 17M tonnes of oilseeds.







# 2024 Canadian Wheat Crop Progress and Harvest Assessment Update

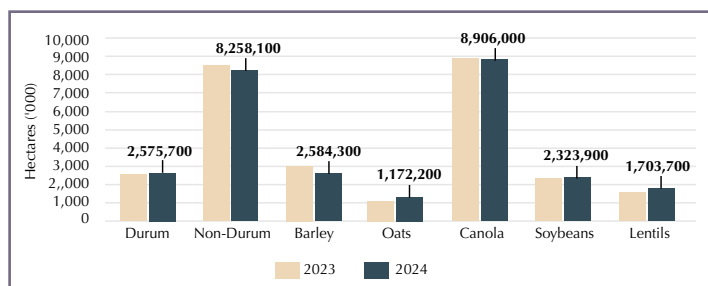
By Dean Dias, Chief Executive Officer, Cereals Canada

Cereals Canada, the national, not-for-profit, industry association representing the Canadian cereal grains value chain, recently held a webinar to highlight this year's wheat production across the Prairie provinces and Ontario. Targeted to its members and global customers, the 2024 Canadian Wheat Crop Progress and Harvest Assessment Update webinar provided insights into the growing season and preliminary harvest results provided by Cereals Canada trade and technical experts.

The 45-minute webinar is available on demand. It provides valuable information for both domestic and international stakeholders in the Canadian wheat market\*.

This year, according to Statistics Canada's June 2024 survey, Canadian farmers planted over 8.2M hectares of non-durum wheat, a 3% decrease from 2023. However, the durum wheat area increased by 5% to nearly 2.6M hectares. Despite some challenges posed by the weather, the overall outlook for Canadian non-durum and durum wheat production in 2024 appears positive, with good quality reported across various wheat classes.

## Canadian Seeded Area Estimate according to Statistics Canada June 2024 survey



Matilda van Aggelen, market and trade specialist at Cereals Canada, reports that Western Canada experienced above-average rainfall in the spring, with some regions receiving more than twice the average precipitation. This improved soil moisture levels, particularly benefiting southern Alberta and southwestern Saskatchewan, which had been experiencing dry conditions. As the growing season progressed, southern regions across the Canadian Prairies faced lower than average rainfall. Higher temperatures and drier weather in large areas of Western Canada helped advance crop development but limited yield potential.

To provide customers with information on what they can expect from new crop wheat shipments, the technical team at Cereals Canada creates composite samples from Western-grown wheat classes and evaluates their quality parameters. The three classes that Cereals Canada assesses are Canada Western Red Spring (CWRS), Canada Western Amber Durum (CWAD), and Canada Prairie Spring Red (CPSR). Throughout

harvest, Lindsey Boyd, a technical specialist at Cereals Canada, also held discussions with eight exporters to collect their insights on crop quality.

As of 25 September 2024, wheat protein content of CWRS is expected to range between 13.5% and 14.5% on a 13.5% moisture basis. CWAD is anticipated to have a wheat protein content range of 14.5-15.5%, while CPSR is expected to range between 12.5% and 13.5% on a 13.5% moisture basis. A very high percentage of CWRS samples has graded No.1 and No. 2 which is very similar to last year and for CWAD, a higher percentage is grading No.1 and No.2. Potential downgrading factors for the 2024 crop include test weight for CWAD and hard vitreous kernels (HVK) for CWRS.

Cereals Canada will continue to evaluate wheat samples from across Western Canada, and on 19 November, the organisation will release its 2024 New Wheat Crop Report during the first of two customer webinars. The report will contain a comprehensive analysis of Canadian non-durum and durum wheat, including milling properties, flour and semolina quality, and end-product quality. Customers can register for the 2024 New Wheat Crop Report webinars here:

Webinar for Customers in Asia and the Middle East: [https://us06web.zoom.us/webinar/register/WN\\_RoakXwWDSgO-a4kyssa1eQ](https://us06web.zoom.us/webinar/register/WN_RoakXwWDSgO-a4kyssa1eQ)

Webinar for Customers in Europe and the Americas: [https://us06web.zoom.us/webinar/register/WN\\_C-k8z8TS4u7\\_On73l9i2w](https://us06web.zoom.us/webinar/register/WN_C-k8z8TS4u7_On73l9i2w)

**REGISTER NOW**

## 2024 New Wheat Crop Report Webinars

**November 19 at 10 PM CST.**  
**Customers in Asia and the Middle East**  
 CWRS, CWAD and CPSR  
 Interpretation available in Mandarin, Japanese and French

**November 20 at 8 AM CST.**  
**Customers in Europe and the Americas**  
 CWRS, CWAD, CPSR and CESRW  
 Interpretation available in French, Spanish and Italian



Cereals Canada is the national, not-for-profit, industry association representing the Canadian cereal grains value chain. We value relationships and work with government and stakeholders to provide timely, expert technical information and deliver best-in-class customer experience. We are dedicated to supporting the Canadian cereals value chain including farmers, exporters, developers, processors, and our customers around the world with a focus on trade, science, and sustainability. We support our members and others in the cereals value chain with six technical laboratories located in our downtown Winnipeg, Canada, headquarters, including an analytical lab, a pilot mill, an end-products area, and a specialty milling facility. <https://cerealscanada.ca/what-we-do/>

\*<https://cerealscanada.ca/events/2024-canadian-wheat-crop-progress-harvest-assessment-update/>



# Gafta training programmes continue to grow in numbers and popularity

By Hannah Strong, Marketing and Communications Executive, Gafta

Gafta is proud to highlight the continued growth and development of **Agribility**, our online learning platform. Agribility's features enhance the learning experience through several methods: personalised learning paths for different roles within the industry, integrated multimedia support that engages learners with interactive content, real-time progress tracking that motivates students with instant feedback and insights, and mobile learning with the Brightspace Pulse app, which keeps learners connected when they are on the go, with access from any device.

Our events team works hard to continuously improve the platform's offerings, ensuring it remains a dynamic and valuable tool for students and the industry. One of our key strategies has been to collaborate with industry organisations, allowing them to host their training programmes on Agribility. Currently we have two trade associations hosting content on the platform. These partnerships reflect our ongoing efforts to expand Agribility's offerings and provide a broader range of educational opportunities. If you're interested in opportunities with Agribility, please contact us: [events@gafta.com](mailto:events@gafta.com).



In May 2024, we were thrilled to launch Module 1 of the new **Approved Registers Online Training**, entitled "**Introduction to Gafta and Supervision**". After extensive work on this project, it has been rewarding to see such an enthusiastic response. The course has exceeded our expectations, with our first-year enrolment target having been surpassed in just four months. We are particularly proud of the positive feedback we've received; 100% of students rated the course's interactivity and delivery as "Excellent" or "Good." One participant stated in their feedback: "This was a useful and very easy-to-follow course, offering great insights into the superintendent's

scope of work." We are glad to see that students are gaining valuable knowledge from the training, and we look forward to further feedback as we expand the programme. Work on subsequent modules is due to begin in 2025 with more training opportunities on the way for those in technical services.

In addition to our online offerings, Gafta is pleased to say a big thank you to all sponsors of our in-person courses for 2025. We are excited to partner with **AGA, Arizona Abogados, HFW and Hill Dickinson** throughout the year to deliver our outstanding training courses. Our in-person courses, **Gafta Professional Development (GPD)**, provide a unique opportunity to learn directly from industry experts. Participants benefit not only from skilled instruction but also from engaging discussions and real-life case studies. The GPD course is an ideal environment for individuals to enhance their knowledge and skills, and we consistently receive positive feedback from delegates who appreciate the opportunity to exchange insights with professionals from across the industry. If you are interested in joining one of our upcoming courses, we encourage you to explore our events calendar at [www.gafta.com/events](http://www.gafta.com/events).



For those who prefer a more flexible e-learning option, Gafta's **Distance Learning Programme (DLP)** serves as an online alternative to GPD, offering a dynamic and convenient way to access high-quality professional development. To find out more about the DLP visit here: <https://www.gafta.com/DLP>. Our courses are designed to provide practical knowledge and actionable insights, helping participants stay at the forefront of industry developments.



Planning for **Gafta's Annual Dinner**, which will take place on 11 June 2025, is well underway. This prominent event will take place during London Grains Week (9-13 June), a highlight of the international agricultural calendar. Although we are keeping the 2025 theme under wraps for now, be prepared for a seasonal shift in style that will keep you on your toes! The Annual Dinner is always a fantastic occasion, bringing together colleagues and friends from across the globe to celebrate our vibrant industry. With over 100 tickets already sold, we are confident this will be another sold-out event. We encourage those interested to secure their tickets as soon as possible to avoid missing out on what promises to be a memorable evening.





## Gafta Professional Development and Trade Diploma Examination - Testimonial with Philippe Gielis



Philippe Gielis works for Vanbreda Marine, a marine insurance company based in Belgium. He has recently passed the Gafta Trade Diploma exam. We asked him how he had benefitted from Gafta's GPD courses.

*"If you have the chance to take the exam, go for it"*

### 1. Can you tell us a bit about your background and how you got into the trade?

After graduating from law school in Belgium, I chose to pursue an advanced master's degree in maritime law. One of the courses that immediately captured my interest was marine insurance law. After writing my thesis in this field, I decided to pursue a career in the marine insurance industry. In my first few years as an insurance broker, it became clear that my passion lies in (soft) commodities and the business surrounding them, particularly due to their importance in our daily lives. Consequently, although I am not directly involved in the grain trade, I consider it my primary area of focus.

### 2. What made you decide to pursue the Gafta Professional Development courses? How did you hear about them?

Insurance is a small part of the international grain trade, but I like to think it is an important one, as it facilitates trade in various ways, such as for financing purposes, protecting valuable assets, and managing

contractual risks. To be effective at my job, it's crucial for me not only to have specialist knowledge of marine insurance but also a solid understanding of the trade. The best way to gain that knowledge is by learning from industry experts, which is precisely what the GPD courses offer. These courses are well-known in the marine insurance industry, making the decision an easy one for both my employer and me.

### 3. Can you tell us about your experience with the courses, and how they helped you prepare for the Trade Diploma?

I act as a service provider, rather than being directly involved in the trade, so I don't regularly encounter certain key documents, such as sales contracts and letters of credit. Studying these documents in the courses was extremely valuable, not only from a theoretical perspective but also through practical examples and case studies. Additionally, the courses offered the opportunity to engage with professionals active in the trade, providing valuable insights.

### 4. What advice would you give to someone who is considering taking the Trade Diploma?

If you have the chance to take the exam, go for it. While it requires an investment of time and effort alongside your daily job, it is absolutely worth it! You will gain a lot of useful theoretical knowledge and meet interesting people from around the world who share an interest in the grain trade. The diploma also provides a clear way to demonstrate your expertise to counterparties and future employers.

### 5. Finally, what do you think is the most important benefit of doing Gafta training? And how do you think our offerings contribute to the overall success of the industry?

For me, the two main benefits are knowledge and networking. The courses provide an excellent framework for expanding both while establishing a standard in the industry that benefits all parties involved.

## WTO Public Forum - "Reglobalisation: Better Trade for a Better World"

June Arnold represented Gafta at the WTO Public Forum on 10-13 September in Geneva. The theme for the 2024 Forum was "Reglobalisation: Better Trade for a Better World" and it was attended by over 4,400 people, a record number. As the WTO celebrates its 30th anniversary, the Forum looked at how reglobalisation can help to make trade more inclusive, ensuring that its benefits reach more people. The first day of the Public Forum saw the presentation of the WTO's 2024 World Trade Report, focusing on inclusiveness, by Director-General Ngozi Okonjo-Iweala and Chief Economist Ralph Ossa as well as the launch of the WTO's new Trade Concerns Database.

Director-General Okonjo-Iweala said at the launch: "A key message from the report is that protectionism is not an effective, or cost-effective, path to inclusiveness. More and better trade is the path of bringing people and places from the margins to the mainstream of the global economy. But the report also makes clear that trade policy alone is insufficient to achieve this goal. Complementary domestic policies are necessary to make trade - and the wider economy in general - work for everyone."

WTO Chief Economist Ralph Ossa, presenting the report in detail, noted that the gap in income levels between economies has dramatically narrowed since the WTO was established 30 years ago. He pointed to new findings of strong links between trade participation and the narrowing of income disparities among economies and fresh evidence that membership of the WTO has boosted trade between members by an average of 140%. Within economies, the report also finds that income inequality among people is not strongly correlated with trade openness. Nevertheless, not all people nor economies are fully enjoying the gains from trade, he said. The full report is available here: [https://www.wto.org/english/news\\_e/news24\\_e/wtr\\_09sep24\\_e.htm](https://www.wto.org/english/news_e/news24_e/wtr_09sep24_e.htm)

There were many interesting panels including "Speaking up for trade", "Women in the global economy", concluding with a focus on the youth perspective regarding trade and inclusiveness. All panel discussions are available at: [https://www.wto.org/english/forums\\_e/public\\_forum\\_e/public\\_forum\\_e.htm](https://www.wto.org/english/forums_e/public_forum_e/public_forum_e.htm)

### Launch of the WTO Trade Concerns Database

At the official launch of the WTO's new Trade Concerns Database, Deputy Director-General Angela Ellard said: "This initiative marks a milestone in the WTO's ongoing efforts to enhance transparency, inclusivity and access to critical information within the multilateral trading system...By providing an extensive repository of data on trade concerns discussed across various WTO bodies, the Trade Concerns Database equips stakeholders with the information and insights necessary to grasp and act on emerging issues that may be affecting their commercial interests."

The Database includes detailed information on the type of trade concern raised, including the specific issues raised, the affected sectors, the members raising the concern and to whom it is addressed. Over 1,800 trade concerns in total have been raised in the bodies covered by the Database since 1995, of which nearly half were discussed in the Committee on Technical Barriers to Trade. The SPS Committee has discussed 585 concerns.

The Trade Concerns Database can be accessed here: <https://tradeconcerns.wto.org/en>





## Gafta committee meetings and training course in Athens

Gafta had a productive week in Athens on 8-11 October. The week kicked off with an engaging and well-attended Commodity Dispute Resolution training course, the final part of the GPD programme. A special thank you to our sponsor, AGA Partners, and speakers Jaïne Chisholm Caunt OBE, Gafta Director General, Jonathan Waters, Gafta General Counsel, Iryna Moroz, Partner at AGA Partners Law Firm, and Antonios Papanikolas, Gafta Qualified Arbitrator, for delivering an exceptional course.



*Class photo at the Commodity Dispute Resolution Course in Athens*

In addition to the training course, Gafta held its Council Meeting and meetings of the Approved Registers Committee, International Contracts Committee, Global Trade Policy Committee and the Arbitration Committee. On 9 October, Gafta hosted a joint committee dinner, welcoming 48 guests. It was a fantastic opportunity to connect, and we look forward to seeing everyone again soon.



*Gafta Council meeting*

## Commodity Shipping Course, Bucharest

On 11-12 September, Gafta ran a sold-out, two-day Commodity Shipping course in Bucharest, Romania. It was fantastic to meet so many members and engage with individuals interested in pursuing the Trade Diploma Exam and Gafta Arbitrator Exam. The presentations were filled with insightful knowledge, making it a great experience for all delegates. A big thank you to Jaïne Chisholm Caunt OBE, Gafta Director General, for chairing, as well as to our sponsors and expert speakers from AGA, Ivan Kasynyuk, Partner, Iryna Moroz, Partner, and Anastasiia Shevchuk, Associate. We look forward to seeing you at other events soon.



*Course photo in Bucharest*

## Careers Advice Clinic

Jaïne Chisholm Caunt OBE attended the Women In Agribusiness event in Denver on 24-26 September. Whilst there Jaïne ran a "Careers Advice Clinic" alongside Gafta President, Rebecca Jones. This was a fully booked event and received great feedback! Gafta looks forward to offering more opportunities like this in the future to support professional development in the industry.





## Proposed changes to the calculation of the deemed date of default in CIF contracts

By Roger Rookes, Gafta Arbitrator and Chairman of International Contracts Committee

The current structure has been in place for many years and requires consideration of two clauses:

- (a) First the Appropriation Clause states the number of days after the date of the bill of lading for the Shipper to send the appropriation to his buyer;
- (b) The Default clause then allows a number of days for intermediate sellers to pass on their appropriation in string to their own buyers;
- (c) At the end of those days, if no appropriation is sent, then the sellers are deemed to be in default on the following business day.

For example, in Gafta 100, the Shipper is required to send the appropriation within 10 consecutive days from the date of the bill of lading, and the Default clause allows a further 10 consecutive days for passing on.

Therefore, when no appropriation has passed, the seller is deemed to be in default on the 21st day (10 + 10 + 1) after the last date allowed for the bill of lading. In the 40 or so CIF contracts, there are 10 different variations of the same structure.

The International Contracts Committee considered that it was time to consider some updating and, to a relevant extent, standardisation. The Committee recognised that modern forms of communication allow

for the transmission of messages more quickly than in previous years, and that strings are not usually so long. In addition, the Committee was aware that the terms for short sea voyages would be different from deep sea shipments.

The Committee therefore proposes:

Contracts 1, 2, 5, 8, 9, 10, 15, 19, 21, 24, 25, 27, 30, 31, 40, 41, 43, 45, 59, 60, 61, 62, 81, 83, 88, 96, 99, 100, 103, 104, 101, 112, 122, 201

The Appropriation clause should require the Shipper to send the appropriation within 5 business days of the date of the bill of lading, and the Default clause would allow a further 5 business days for passing on, before the seller is deemed to be in default.

Contracts 48, 54A, 79, 80, 80A, 102, 114

The equivalent dates should be 3 business days for the appropriation and 5 business days for passing on.

A business day is measured as the date of the sender.

As this is a significant change, the Committee thought it advisable to alert the trade for any comments before the intended change. Please send any comments you may have by 31 January 2025.



## New Qualified Arbitrator - Dr Matthias (Matty) Spaink

Many congratulations to Matty Spaink, who has recently qualified as a Gafta Arbitrator. Gaftaworld put a few questions to him about his career to date and how he sees his new role within the international agri-commodity trade.

*Could you tell us about your current job, the company you are working for and where you are located?*

My experience in international business spans over 25 years, beginning with Royal FrieslandCampina in the Netherlands. About 14 years ago, I joined Cargill and have been based in Geneva since 2012, working as Senior Regional Manager Middle East & Africa in the World Trading Group. In my role, I'm responsible for export flows of agricultural commodities such as wheat, corn, soybeans, soybean meal and vegetable oils to selected destinations in the Middle East and Africa.

*What relevant experience do you have that will help you with your new role as a Gafta Qualified Arbitrator?*

To be effective as an arbitrator, I believe you need experience with different perspectives and in different situations. As an arbitrator with Gafta, and with FOSFA, where I was also recently appointed an arbitrator, my role is to see both sides of the story and

understand the intent behind actions. That perspective only comes with time.

I've always had a deep interest in understanding the different perspectives with which people look at the world, and how this drives their behaviour. This led me to pursuing a mid-career PhD in Business Administration. My dissertation, Bridging Cultures in International Business, reflects that, and it also ties into arbitration. There is incredible diversity in the international grain and feed trade. I feel that the combination of my practical experience, my PhD research and my teaching experience in International Business enables me to look at cases from different angles until I grasp the full picture, which allows me to provide a fair and informed opinion.

*Have you any comments on the Gafta training process and its arbitration procedures?*

What I really respect about Gafta contracts and arbitration is that it's a system rooted in English law, but it's also designed for the industry and by the industry. Gafta arbitration values people with industry experience, not just those with legal backgrounds. Being able to see the nuances in a case and understand the intent behind a contract is essential. It's not just about enforcing rules but understanding the broader context and ensuring fair outcomes. While a strong legal foundation is essential, the main goal is to keep trade flowing, resolve disputes efficiently, and consider the intent behind each transaction.

It feels like a natural progression that I've ended up here. At this point in my career, I feel a responsibility to participate in this process and take what I've learned, in my own work experience and from the Gafta training, to serve the grain industry in another capacity. Arbitration isn't always black and white; there are two sides to every story, and that's what drives my interest.



# Romania leads on EU exports despite two poor harvests

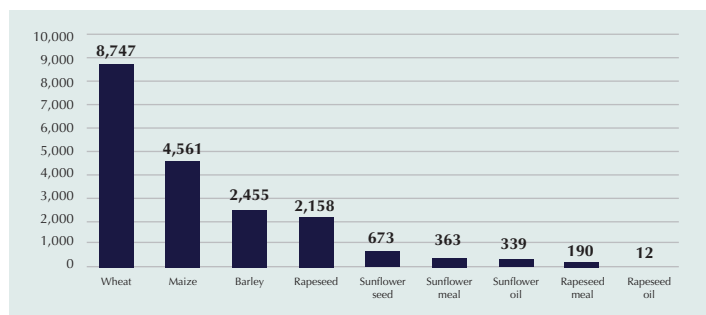
By Cezar Gheorghe, founder of AGRIColumn

For the 2024/25 season, a terrible drought has reduced maize production by 50% and sunflower seed production by 35%. A further reduction of around 1M tonnes of wheat was the direct result of forced maturation in May due to high temperatures. Romanian farmers lost goods to the value of 1.8 billion euros and a further 1 billion euros from wasted inputs into fields. The paradox will be that Romania, even after a dire harvest, will continue to lead on EU wheat export quantities until the end of the season. After two months of the 2024/25 season, we were at 2.1M tonnes exported via Constanta.



This follows on from the high level of exports seen in 2023/24, which saw Romania as the second largest EU exporter of wheat as well as the second largest for cumulated exports of wheat, barley and maize. Total exports of these commodities amounted to 19.5M tonnes, despite the drought that affected much of Romania in 2023.

**Romania origin exports via Constanta in 2023/24 ('000 tonnes)**  
(total of 19.5M tonnes including some tonnages of Ukranian goods)



Ukrainian grain and feedstuffs have continued to flow into Romania for trans-shipment to end destinations. This has put pressure on domestic logistics and intake at Constanta port, and the trade has seen significant increases in transport costs in the country. In terms of traffic, we estimate that from 15 March 2022 to 30 June 2024, 39M tonnes of Ukrainian goods have crossed through Romania. Roughly, around 19M tonnes were trans-shipped in 2022/23, another 19M tonnes in the

2023/24 season and we estimate a further 1M tonnes at least since the start of the 2024/25 season on 1 July.

Romania has also imported a large quantity of Ukrainian commodities and the breakdown by commodity is shown in the table below.

**Romanian imports of Ukrainian agri-commodities**  
1 March 2022 to 30 June 2024

Commodity	Tonnes
Maize	1,946,864
Wheat	1,445,966
Sunflower seeds	982,761
Rapeseed	456,610
Sunflower oil	376,135
Barley	126,345
Total	5,334,681

## Aflatoxin levels higher than normal in Eastern European maize

The very high temperatures during the summer of 2024, as well as leading to drastically reduced yields, have affected aflatoxin levels in maize samples from several Eastern European countries. The maximum level for Aflatoxin B1 in the EU is 5 parts per billion (ppb) for human consumption if subject to processing/sorting before consumption and 20ppb for feed. There have been rejections at the port for high levels of this mycotoxin and we expect some consignments with very high levels to be used as biofuel for generating power and steam.

## Progress on gene edited crops legislation in England

The UK's food security minister confirmed on 30 September that, as soon as Parliamentary time allows, the UK Government will press ahead with the introduction of secondary legislation to implement the Genetic Technology (Precision Breeding) Act 2023. This will provide a route to market for gene edited products in England (administrations in Northern Ireland, Wales and Scotland are responsible for regulation of genetic technologies in their regions). "This Government recognises that food security is national security. That is why today we are introducing legislation to unlock precision breeding to boost Britain's food security, support nature's recovery and protect farmers from climate shocks," said Mr Zeichner at the World Agri-Tech Innovation Summit.

The UK's Department for Environment, Food and Rural Affairs has informed Gafita that it is working closely with the Food Standards Agency regarding precision bred food and feed and will further engage as progress is made.

Further to this, the scientific community welcomed the announcement on 8 October of a new Regulatory Innovation Office (RIO) in the UK, aiming to reduce the burden of red tape and speed up access to new

technologies. Engineering biology, which includes the use of synthetic biology and biotechnology, has been singled out as one of the four innovation areas the RIO will focus on initially. The government is also funding a programme to test cell-cultivated products to ensure food produced this way is safe for consumers.

### New scientific report in EU is positive on NGTs

The EU continues to discuss the future regulatory regime for new genomic techniques (NGTs), which includes gene editing, following the EU Commission's proposed regulation issued in 2023. A report issued by the European Food Standards Agency in early October confirmed that Category 1 NGT plants present no additional hazards compared to those produced through conventional breeding. A new video released by the American Seed Trade Association features experts from across the agricultural supply chain on the transformative potential of NGTs as farmers face the challenges of a changing climate and environmental concerns:

<https://www.youtube.com/watch?v=nBzyK5s7eP8>





# EU Deforestation Regulation – additional time for action

By Flora Dewar, Director Sustainability & Trade Policy, COCERAL

Surprise came on 2 October 2024, when the EU Commission announced a proposal to delay the application of the EU Deforestation Regulation by 12 months, following mounting concerns expressed by several global partners, especially during the United Nations General Assembly week at the end of September. How did we reach this point?



All agree that international trade markets play a key role in addressing the issue of global deforestation. International trade and use of agricultural commodities are estimated to be responsible for around one-quarter of forest loss in tropical regions and between 29% and 39% of tropical deforestation-related carbon emissions.

An absence of a comprehensive EU legal framework pushed the EU to tackle deforestation, as the Commission considered that the global and regional political commitments to forest protection have not effectively addressed deforestation. It stated that markets fail to account for the environmental costs of deforestation. Additionally, an increasing number of companies sourcing sustainably produced agricultural commodities considered that they were facing unfair competition from those without sustainability commitments. This led to calls for binding EU regulations to level the playing field.

At its core, the EU Deforestation Regulation (EUDR) can be summarised in three main points:

- A ban on placing or making available of listed agricultural commodities and products on the EU market, or their export from the EU, unless they are “deforestation-free” and produced in compliance with the relevant laws of the country of origin. All products must have an associated geolocation demonstrating the place of harvest.
- A requirement for companies to conduct due diligence to ensure compliance to these criteria prior to placing agricultural commodities and products on the market or exporting them.
- A benchmarking system to assess the risk level of deforestation or forest degradation (high, standard, low) of EU and non-EU countries or parts thereof.

Throughout the EU decision-making process, prior to the date of publication of the EUDR proposal in November 2021, COCERAL worked together with FEDIOL, the EU vegetable oil and protein meal industry association and FEFAC, the EU Compound Feed & Premix Industry association, to identify the impact of this regulation on soy and

palm oil trade and processing, and on the manufacture of animal feed.

The three associations gave input to European institutions and continued doing so following the publication of the EUDR, such as sharing with the Commission four sets of questions and requests for clarification. It was clear that guidance and legal clarity was essential in order to have an effective implementation of the regulation. While the Commission issued a set of FAQs, at the request of the EU Parliament, many uncertainties remained. As such, in September 2024, COCERAL and FEDIOL released the draft “*Common Practices and Recommendations on Implementation of the EU Deforestation-free Regulation*”. It reflects COCERAL and FEDIOL’s understanding of the legal requirements of the EUDR, based on informal and/or non-legally binding feedback from the EU Commission and Member State authorities.

Following the publication of the EUDR, the Commission faced important backlash from third country partners but also internally, from Member States as the responsibility for controls and checks fell on them. After many months of rumours and delays in the release of key documentation, the Commission finally announced early October 2024 a proposal to postpone the date of application by 12 months. If approved by the EU Council and European Parliament, the regulation would apply on 30 December 2025 for large companies and 30 June 2026 for micro- and small enterprises. The additional time is to be used as a “*phasing-in period to ensure proper and effective implementation*”, per the Commission’s press release. Along with this announcement, the Commission shared the long-awaited guidance and third version of the FAQs. At the time of writing, the EU Council approved the delay, and the decision now rests with the EU Parliament.

There is a common understanding within COCERAL’s membership that the EU Deforestation Regulation is here to stay. If the EU institutions approve the postponement, companies must use the additional time wisely to deepen their understanding and commitment to meeting the regulation’s requirements. COCERAL will continue to provide information and support to its membership on any development related to EUDR.

## EU Corporate Sustainability Due Diligence Directive published

Following on from the article by CELCAA Secretary General Nelli Hadju in the July 2024 edition of Gaftaworld, the EU’s Corporate Sustainability Due Diligence Directive (CSDDD) has now been published (Directive 2024/1760) and it entered into force on 25 July 2024. It imposes due diligence obligations for large companies to carry out measures to address any adverse effects on human rights and the environment arising from their operations worldwide. These obligations relate to their own operations, those of their subsidiaries, as well as those of their direct and indirect business partners (upstream and downstream). The CSDDD also requires large companies to adopt and implement a climate transition plan that is in line with the Paris Agreement. Full

details, including details on enforcement, penalties and civil liability and answers to frequently asked questions can be found on the EU Commission’s webpage:

[https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence\\_en](https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en)

The EU is also due to publish its **Forced Labour Regulation** this year, expected to apply from 2027. This will operate alongside and reinforce the CSDDD, effectively banning all products from the EU market for which forced labour has been used in any part of its supply chain.



## Gafta's Global Trade Policy Committee meeting

Gafta held a meeting of its Global Trade Policy Committee on 8 October, engaging with Bioceres on the global regulatory status of HB4 soy and wheat (which have increased drought resistance traits). Gafta raised challenges with asynchronous approvals and comingling was underlined, together with the importance of stewardship, identity preserved systems and best practices as well as the need for timely approvals to avoid trade disruption. Bioceres continues to pursue an approach in key import markets such as the EU.

Members of the committee agreed key market access priorities for the next quarter including feedback relating to the new agreement to provide for safe shipping of all goods (formerly Black Sea Grain Initiative), and on increases in insurance premiums following the escalation in attacks in the Black Sea region. The committee supported the postponement of the EU Deforestation Regulation as it passes through the legislative process in Brussels. Other issues that were discussed include EU-Ukraine autonomous measures, China's anti-dumping investigation of Canadian canola and market uncertainty, EU discussions on traceability and labelling of crops produced by new genome techniques and the potential impacts on EU exports.

## Gafta proposes to simplify oil and moisture thresholds for seedcake across all UN codes

As previously reported (in the September 2024 edition of Gaftaworld), Gafta presented a proposal to simplify and harmonise UN seedcake entries at the UN Sub-Committee of Experts on the Transport of Dangerous Goods (UNTGD) in June 2024, an issue on the table for many years in various IMO and UN committees. Following a series of questions from UN member countries during the meeting in June, Gafta has submitted a second proposal for discussion at the next meeting of the UNTGD in November. Whilst the first paper was positively received, countries requested more data to support our request for streamlining the tolerances for oil and moisture across all UN transport codes.

Gafta would like to thank its working group members, regional organisations and all those companies who have shared data from across the globe on oil/moisture content of soybean meal, rapeseed meal, sunflower seed meal and cotton seed meal and at what point these commodities can be shipped safely. The data included in the Annex of our submission supports a proposal for setting the thresholds for the four seedcakes involved at 4% oil and 13% moisture, below which a UN N.4 self-heat test should not be required. Based on the data that we have provided, the four types of seed specified in SP142, when transported at  $\leq 4\%$  oil and  $\leq 13\%$  moisture content, do not meet the definition of a dangerous good and therefore do not need to be regulated as such. Any seedcake with oil or moisture content over these thresholds, or any other type of seed cake, would be required to undergo the N.4 test to determine the possibility of self-heating in transport. The results of that test would determine whether that specific shipment should be classed as a Division 4.2 or not.

Members are encouraged to access the Gafta submission, which can be found here: <https://unece.org/sites/default/files/2024-10/ST-SG-AC10-C3-2024-95E.pdf>

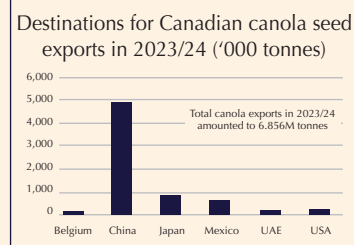
Advocacy is now underway to seek country and NGO support for the Gafta paper ahead of the UNTGD meeting on 25 November to 3 December. A further update will be shared in the December issue of Gaftaworld.

## Raising trade concerns with Chair of WTO SPS Committee

June Arnold represented Gafta in a meeting between the International Agri-Food Network's (IAFN) Codex Coalition and the WTO Sanitary and Phytosanitary Committee Chair, Ms Cecilia Monica Risolo, on 20 September. The IAFN Codex Coalition, which represents 29 commodity sectors including grains, tea and cocoa, all facing similar trade challenges, was introduced. These challenges are due to the lack of alignment in global maximum residue levels (MRLs) and the overzealous use of the precautionary principle by some countries. The coalition emphasised the need to continue basing the establishment of MRLs on science, which provides for safe food and feed and facilitates trade. It stressed that the reduction of MRLs in individual countries to meet environmental concerns restricts international trade and harms exports from many countries and developing economies, which leads to trade fragmentation among other issues. With more recognition of links between the WTO and the FAO, and the importance of Codex, the coalition will continue to engage with the WTO as the Sixth Review (of the operation and implementation of the SPS Agreement) and the SPS work programme evolve.

## China launches anti-dumping investigation on Canadian canola

China's Ministry of Commerce announced in September plans to initiate an anti-dumping investigation into imports of Canadian canola. China is the largest importer of canola seed and the second largest importer of all canola products from Canada (after USA). This follows Canada's decision to impose additional tariffs on imports of Chinese electric vehicles, steel and aluminium. China has also imposed temporary anti-dumping tariffs on European brandy and started investigations into EU pork and dairy subsidies following the imposition of additional import tariffs by the EU on Chinese electric vehicles.



Source: Canola Council of Canada

## Progress on EU-Mercosur FTA agreement

There has been fresh impetus to the EU-Mercosur trade agreement discussions in recent weeks. An agreement was reached in principle in 2019 after 20 years of negotiation, but this has not been finalised, signed or ratified by the two parties. It has been reported that an extra side agreement on environmental commitments is close to finalisation following a meeting between chief negotiators on 7-9 October, with the aim of finalising the deal in time for the next G20 leaders' summit on 18-19 November in Rio de Janeiro. Eleven EU members sent a letter in September to the European Commission urging a final agreement. Within the EU, strong opposition remains in Austria and France to an FTA, with some reports suggesting the EU Commission is working on the possibility of a compensation fund for EU farmers who are negatively impacted from any final agreement.

## Digital evolution in container shipping – report by DCSA

The Digital Container Shipping Association has published a report on the state of digital evolution in container shipping. It is based on research of seven types of supply chain participants: cargo owners, carriers, banks, freight forwarders, ports and terminals, cargo insurers and technology solutions providers. It states that 5% of all Bills of Lading are now digital, double the number at the start of 2023. The report "The State of the Industry 2024 – Insights on Digital Evolution in Container Shipping" can be accessed here: <https://dcsa.org/>





## NEW MEMBERS

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

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### Inter-state movement of goods improved by India's GST

A study\* published in September quantified the impact of the introduction of India's Goods and Services Tax (GST) in 2017. The imposition of nationwide tax rates by the GST eliminated the need for tax-collection posts at state borders within the country. As logistics costs in India are estimated at 14% of the value of goods, the aim of the GST was to improve the ease of doing business domestically, thereby promoting internal economic integration and making India's exports more competitive in global markets. The study showed a significant reduction in inter-state trucking times and improved economic conditions where the GST had most improved market access. The reduction of land border delays is an important issue for many regional groupings, including member countries of the African Continental Free Trade Area which concluded its second Business Forum on 11 October.

\*Internal Trade Barriers in India



## 2024/25 CALENDAR



### Commodity Shipping

1-2 Apr 2025 Barcelona  
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### Commodity Dispute Resolution

23-24 Sep 2025 Vienna  
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### Trade Foundation Course

25-28 Feb 2025 London  
9-12 Sep 2025 Istanbul



### Social Events

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11 Jun 2025 Gafta Annual Dinner, London



### Commodity Contracts

26-27 Mar 2025 Rome  
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28 Nov 2024 Arbitrators' Masterclass, London  
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## CELCAA delegation to WTO Public Forum, 10-13 September 2024

June Arnold participated in several bilateral meetings organised by CELCAA (the European Liaison Committee for Agricultural and Agri-Food Trade) at the WTO Public Forum in September. These included meetings with UN Trade and Development (UNCTAD), WTO Deputy Director General Jean-Marie Paugam and the WTO's Commodities and Markets Division to discuss many trade challenges, including the ongoing WTO agricultural negotiations which have not advanced over the last few months and WTO reform. Discussions on the dispute settlement system, which are now moving, were covered, as well as other trade concerns including the EU Deforestation Regulation which has been a concern of many WTO member countries.

Sustainability is firmly on the agenda and many countries with very diverging views were engaged on this issue. Although there is no consensus on WTO reform, there is continued progress and agreement that WTO must address the increasing fragmentation and regulatory divergence surrounding environment and sustainability issues. Meetings were held with the Global Alliance for Trade Facilitation, which is a project supporting developing countries (33 projects in 55 countries, focusing on sub-Saharan, Latin America and ASEAN countries) in adopting the ePhyto solution for agricultural produce, as well as the

adoption of SPS procedures, with its latest initiative being a working group to help with the specific challenges of ESG reporting.

The private sector is encouraged to highlight technical challenges and bottlenecks in the market and can engage by putting forward projects to the Standards and Trade Development Facility (STDF), a global partnership to facilitate safe trade,

contributing to sustainable economic growth and the reduction of poverty. It is also working on issues such as the environment (including the divergence of regulation in this area), climate, gender, one health and food systems. There have been discussions around the possibility of expanding its mandate, with a new Strategy currently being developed to meet future needs, challenges and opportunities in 2025 and beyond.



The CELCAA delegation with WTO Deputy Director General. L to R: June Arnold (Gafta), Nelli Hadju (CELCAA), Jean-Marie Paugam (DDG of WTO), Jochem Versloot (President of CELCAA), Flora Dewar (COCERAL), Juliette Moinereau (CEEV) and Alice O'Donovan (Eucolait)

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



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