Gaftaworld
PROMOTING INTERNATIONAL TRADE
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Gafta in Warsaw

While in Warsaw for the European Commodities Exchange, Gafta took the opportunity to host our International Contracts Committee, Approved Registers Committee, Finance Sub-Committee and Council, with meetings held across 11-12 October. These meetings were insightful and productive. Thank you to everyone who attended; we value your input and look forward to seeing you again soon.

The European Commodities Exchange took place on 12-13 October, where thousands of commodity professionals came together to learn and do business. Gafta shared a stand with members Control Union, where we promoted Gafta's Sustainability Pledge, membership and other services as well as previewing our new online training for Superintendents. Thank you to Control Union for having Gafta as your guest, and thanks to all who came to the stand. We were delighted to meet and reconnect with so many of our members.

Gafta Director General Jaine Chisholm Caunt OBE and President Jean-Raymond Senger at the European Commodities Exchange in Warsaw

Management Review & Risk Assessment – Member Support

Feedback from NSF International regarding the audits of the Gafta Standards indicates that some members require some additional support on the important business processes of Management Review and Risk Assessment. Working with NSF International, Gafta has developed a new online short training module covering these topics to help members structure and complete management reviews and risk assessments. This module complements other short training courses aimed at supporting members with the audit process, such as Internal Auditing and Preparing for Audit. Please visit: **https://www.gafta.com/Online-Short-Courses** for more information.

We are grateful to **Soumitra Prasad Bhowmik**, Senior Manager at Alex Stewart International (India), a Gafta Approved superintending company, who has looked at the issue of risk management for companies on the Approved Registers list (as well as other agri-commodity companies). Please see his article on pages 11 and 12.

WTO Public Forum: "Time for Action"

WTO's largest outreach event, the WTO Public Forum, took place on 12-15 September. Gafta was represented by Head of Policy **June Arnold** and **François Guerin**, Government Relations Director EMEA at ADM. Critical themes discussed were geopolitical tensions, the increasing trends towards deglobalisation and fragmentation of trade policies at the multilateral level, the impact of climate change and how digital technologies can help deliver on greener supply chains.

Geopolitical tensions, rising inequalities and climate change have led to fears that globalisation has exposed countries to more risks. This is in contrast to previous views that interdependence and cooperation contributed to peace and shared prosperity. All these fears have increased pressures to unravel trading relationships and turn to unilateral policies. In response, the WTO launched its trade report focusing on re-globalising for a resilient, inclusive and sustainable future. The report argues that, to make economies more secure, inclusive and sustainable, re-globalisation is a much more effective solution to global challenges than fragmentation.

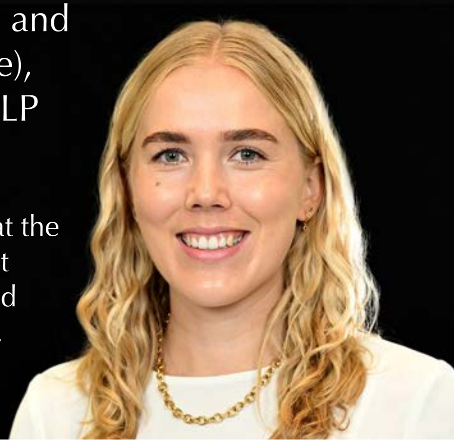
The World Trade Report was published on 12 October: **https://www.wto.org/english/res_e/publications_e/wtr23_e.htm**

During the WTO Public Forum, CELCAA, representing the EU agri-food trade, organised bilateral meetings to discuss agricultural negotiations, WTO reform and the SPS declaration. Policies to address deforestation, and how they are impacting on the agri-food trade, were also raised.

CELCAA delegation meeting with Ambassador Jean-Marie Paugam (fourth from right), Deputy Director-General of WTO

A Thumbs Up to Seal the Deal? Lessons from SWT v Achter

By Emma Skakle (Partner) and Kelly Hubble (Associate), Stephenson Harwood LLP



A Canadian court has found that the use of a 👍 emoji in contract negotiations constituted valid acceptance of the contract.

This case acts as a timely illustration of the importance of clear communication in the rapidly moving world of international commodities trading where the use of informal language is commonplace. This article focuses on aspects of the case that may influence English courts should a similar question come before them.

Background

South West Terminal Ltd ("**SWT**") agreed to buy, and Achter Land & Cattle Ltd ("**Achter**") agreed to deliver, 87 metric tonnes of flax for a price of CAN$669.26 per tonne with delivery between 1 and 30 November 2021 (the "**Contract**").

SWT sent a tender by text message to Achter and others, and Achter confirmed their interest in the contract by phone call. Following the phone call, SWT signed the contract, took a picture of it, and sent it to Achter's representative asking them to *"please confirm flax contract"*. Achter responded with a 👍 emoji.

Achter failed to deliver the flax within the delivery period, arguing that the use of the 👍 emoji was merely an acknowledgement of receipt of the message, and did not amount to acceptance of the Contract. SWT argued that the use of the 👍 emoji amounted to acceptance of the contract, which was then breached for failure to deliver.

The court, when reaching its decision, looked at the principles of contract formation; namely whether the conduct between the parties amounted to a consensus *ad idem* (a meeting of the minds) from the viewpoint of an objective reasonable bystander, and whether there was certainty of terms. This broadly accords with how English law courts would approach this question.

Decision

In deciding to grant SWT summary judgment, the court held the following:

1. There was a consensus *ad idem* between the parties. SWT and Achter had a long-standing relationship going back to at least 2015 during which they entered into multiple deferred delivery purchase contracts (mainly in relation to durum). Each time, SWT would take a photo and text it to Achter asking them to *"please confirm terms of durum contract"*. Achter would reply with *"looks good"*, *"ok"* or *"yup"*, following which the contract was performed. The parties therefore clearly understood these brief words to be confirmation of the contract, rather than simply an acknowledgement of receipt. The court found that the Contract in question was very similar to the durum contracts, save that this time instead of using *"looks good"*, *"ok"* or *"yup"*, Achter replied with a 👍 emoji to signify their confirmation.
2. The court did not agree with Achter that the Contract failed for certainty of terms. Although SWT did not text a photograph of the "General Terms and Conditions" found at the back of the Contract, the terms and conditions in the parties' previous contracts were standard boiler plate terms that did not change, and therefore Achter would have known by virtue of the previous course of dealing that these terms were incorporated. The court also found that there were no missing or unascertainable essential terms in the Contract as the parties, property and price were *"crystal clear"*.

Commentary

Although the outcome of this case rested heavily on the previous course of dealings between the parties, the court was careful to accept that it could not *"attempt to stem the tide of technology and common usage"*. As emojis are likely to become more rather than less prevalent with the increase in the use of instant messaging to agree contracts, courts globally will need to be ready to deal with similar questions. This will not be limited to the use of the 👍 emoji and will require them to take into consideration cultural nuances in interpretation. For example, the use of the 🙏 emoji could have multiple meanings (thank you, hoping/praying for an agreement, or a request).

Therefore, while this decision is not binding on English courts, it is one of the first cases to deal with the use of emojis in contract negotiations and highlights the dangers of using them when negotiating or agreeing contracts.

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Kai Yue Chua becomes a Gafta Qualified Arbitrator

Many congratulations to **Kai Yue Chua** of Midstar (Singapore) Pte Ltd who has recently passed the Gafta Arbitrators' Diploma Exam and is now a fully qualified Gafta Arbitrator. He is currently working as a Senior Execution Executive for Midstar Singapore, where he is responsible for contract drafting and issuance, as well as shipment execution work. Kai Yue started his career in the commodities industry at Louis Dreyfus Commodities (LDC) Asia as a finance analyst involved in daily trade position reporting, mark to market and other finance-related transactions. "Back then, I had absolutely no idea about physical commodity trading as I majored in finance during my tertiary school days, and therefore struggled to understand how the industry works," Kai Yue told Gaftaworld.

"With a stroke of luck, I was transferred to the Grains execution team and received the opportunity to do various hands-on operation work, slowly gaining an understanding about physical commodities, especially grains. My colleagues and seniors in LDC were very helpful and gave their all to guide and show me the ropes, but it was not until my first Gafta training when I finally managed to put all the pieces together. I attended the 'Formation and Fulfilment of Contractual Obligations' workshop held in Singapore in 2011 which helped connect everything I learned from my colleagues and seniors."

After he joined Midstar Singapore in 2014, Kai Yue started Gafta's Distance Learning Programme (DLP) with the strong support of the company management and eventually managed to complete all six modules. "The entire programme covered all aspects of the grain trade in detail and to my surprise, I discovered that my understanding of certain aspects of the grain trade contained misconceptions. These misconceptions were eventually clarified with the guidance of trainers during in-depth tutorial discussions."

Midstar supports learning and growth of its employees, and the management team encouraged Kai Yue to make further progress and take the Arbitrators' Diploma Exam. "Thanks to the knowledge acquired from the DLP, coupled with the work experiences from LDC and Midstar, I managed to pass the Arbitrators' Exam which will definitely assist me in my ongoing work in the grains industry," said Kai Yue.

Arbitral Awards: Defaulters and Set-Off

By Chris Felton and Katie Dyson, Partners, Gardner Leader LLP

While the English law principle of set-off is well known, parties are often surprised by the limited circumstances in which it may apply. To take an example, two contractual counterparties have determined multiple disputes by way of arbitration. In one set of arbitration proceedings, Party A obtains an award of arbitration in its favour whereby Party B must pay it US$1 million. In separate arbitration proceedings, Party B obtains an award of damages against Party A for US$2 million. Can Party B resist enforcement or somehow offset the US$1 million award on the basis that Party A owes it US$2 million?

As Gafta contracts do not explicitly permit debts to be offset against one another, a party who wishes to invoke the principle of set-off may only do so on two narrow grounds[1]:

- **Legal set-off:** Where proceedings have been issued, a respondent may cross-claim for a debt owed to it by the claimant, thereby either reducing or extinguishing the value of the original claim. It should be noted that legal set-off may only be invoked while proceedings are ongoing (and should therefore be included within the defence). Once a court judgment or arbitral award has been rendered, a respondent cannot rely on legal set-off to reduce the damages it owes to the claimant.

- **Transaction (or equitable) set-off:** A respondent may also invoke set-off where its cross-claim is *"so closely connected"* with the original claim that it would be *"manifestly unjust"* to fail to take it into account[2]. Unlike legal set-off, there is no requirement that proceedings be on foot: the respondent may simply net the sums owed by each party and pay any balance to the claimant. The question of whether two claims are sufficiently closely connected is often complex.

The application of set-off in the above example is perhaps of most practical assistance in the context of enforcement. Should a party fail to comply with an arbitral award, Gafta will issue two standard form letters requiring settlement of the sums owed. If those sums remain unpaid, the Council of Gafta may draw the omission to the attention of its members by posting a defaulter's notice.

This remains the case even where the defaulting party has a cross-claim which it seeks to offset against the sums awarded. The authorities are clear that generally a respondent cannot raise set-off or counterclaim as a means of defeating a claim to enforce an adverse arbitral award. In *Margulies Bros Ltd v Dafnis Thomaides & Co (UK) Ltd* [1958] 1 Lloyds Rep 250, Diplock J said:

"No authority has been cited to me in which the existence of a counterclaim has been held to be a good reason for refusing to allow an award to be enforced as a judgement. I do not think that the existence of a counterclaim is a good reason."

As we explain above, the principle of set-off is legally complex and it is therefore not for Gafta to adjudicate, post the handing down of an award, as to whether or not it has been validly applied.

Gafta's role is restricted to determining whether an award has been complied with, or not. If it has not been complied with, then the party who has failed to pay will be in default and will run the risk of being posted as a defaulter.

Although the principle of set-off can be complex, in order to avoid falling foul of Gafta's defaulter process, parties who wish to set-off need to seek written confirmation from their counterparty that the two debts may be offset against one another. Should the counterparty fail to agree to this, then the Award of Arbitration needs to be paid in full and (if appropriate) separate proceedings brought in respect of any remaining unpaid debt.

[1]While there are other forms of set-off, they are unlikely to apply to Gafta arbitrations.
[2]*Geldof Metaalconstructie NV v Simon Carves* [2010] 4 All ER 847, at [43(iv)].

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 21 September and the Black Sea Trade Committee met on 25 September. Both meetings went very well and were productive, with discussion on a number of issues of concern for Gafta members in Ukraine as well as for members representing Turkey, Romania and Bulgaria.

The members of the URTC discussed the prospects for crop production and exports in 2023/24. Estimates suggest that total production may reach about 79-80M tonnes (sunflower seeds: 14.2M, soybeans: 5.0M, rapeseed: 4.0M, wheat: 22.0M, barley: 5.8M, corn: 29.0M) plus 13M tonnes of vegetable oil and meals (veg oils: 6.1M, meals: 6.9M). The total exportable surplus may be 66M tonnes (sunflower seeds: 0.8-1.0M, soybeans: 3.1M, rapeseed: 3.5M, wheat: 16.0M, barley: 3.1M, corn: 28.0M, meals: 5.5M, veg oils: 5.8M).

The final export numbers rely fully on the export routes which are available now and which will be available in the future. After analysis of the existing export routes, members have estimated the existing capacities and what actually works for the Ukrainian export at the moment.

Summarising the potential capacities, members confirmed that the Ukrainian deep seaports of Odessa, Pivdenni and Chornomorsk (Big Odessa ports) have an export capacity of 55M tonnes. Instead, Mykolaiv, Ochakiv and Olvia used to have a total export capacity of 37M tonnes, while the Danube ports in total can trans-ship about 18M tonnes. The cross-border export possibility is about 16M tonnes. Therefore, in total the export capacity of Ukraine with the deep seaports is quite substantial. Exports through the borders to Poland, Hungary and Slovakia totalled around 7M tonnes in 2022/23, but due to the ban on exports to five Eastern European countries there will be no such possibility in 2023/24.

If under the existing circumstances Ukraine is left with only the Danube port possibilities and the rest of the cross-border points the export forecast does not exceed 26-27M tonnes. Even with trans-shipments on roads it is still below 30M tonnes. If the Big Odessa ports are operating and can accept the vessels, then the total exportable surplus of 66M tonnes is achievable. There is no alternative to exports through the deep seaports in Ukraine. Currently, shipments from the deep seaports of Big Odessa are being confirmed and agreed upon by the Ukrainian Sea Ports Administration with the consent of the Ukrainian military forces, but export pace is very slow.

The Ukrainian Government has been looking into the possibilities for exporting to the five EU countries of Poland, Hungary, Slovakia, Bulgaria and Romania within the framework of a licensing procedure. The Ukrainian government would issue those licences upon the confirmation of existing demand from the authorities of these five countries. It has been previously announced that there will be no ban from those countries for Ukrainian exports of meals, which had been a concern. Currently, the ban refers to wheat, corn, rapeseed and sunflower seeds.

Members also analysed the winter crop sowing campaign and stated that the area sown to wheat is 2% lower than last year, while the barley area is 13% higher. The area sown to winter rapeseed is more than 1M hectares and total winter crop area is forecast 3% lower than last year.

Ukraine is doing everything possible to realise its export potential and sow its winter crops for the 2024 harvest.

Kazakhstan: the 2022/23 marketing year and prospects for harvest and exports in 2023/24

By Sergey Feofilov, Director General, UkrAgroConsult

2022/23 campaign

According to official statistics, in 2022 Kazakhstan harvested 22M tonnes of grain (+34% compared to 2021) from 16M ha (+7%) with an average yield of 1.36t/ha (+24%), including:

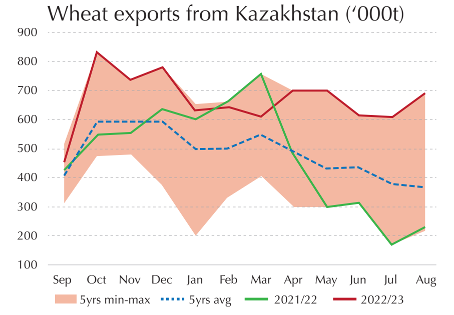
- wheat: 16.4M tonnes (+39%) from 12.8M ha (+7%) with an average yield of 1.28t/ha (+30%),
- barley: 3.3M tonnes (+39%) from 2.2M ha (+7%) with an average yield of 1.51t/ha (+30%).

In 2022/23, wheat exports totalled almost 8M tonnes (+39%), which was an absolute record, mainly due to traditional buyers who increased their purchases compared to the previous year:

- Uzbekistan: +50%
- Tajikistan: +24%
- Afghanistan: +60%

Wheat shipments to China increased 17 times to 415,000 tonnes.

Wheat exports from Kazakhstan ('000t)

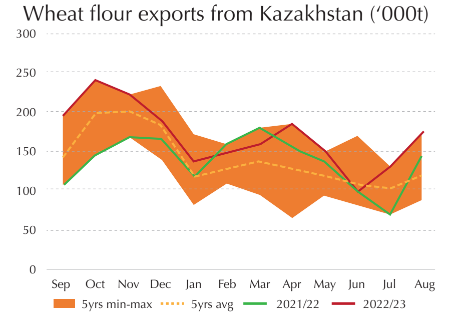


In 2022/23, Kazakhstan produced 3.31M tonnes (+4%) of wheat flour. Exports of this product increased to 2M tonnes (+23%), similar to wheat, due to the growth of demand from traditional importers:

- Afghanistan: +21%
- Uzbekistan: +36%
- Tajikistan: +7%

Flour exports to China also exceeded last year's by 68%, but in quantitative terms these are still insignificant volumes.

Wheat flour exports from Kazakhstan ('000t)

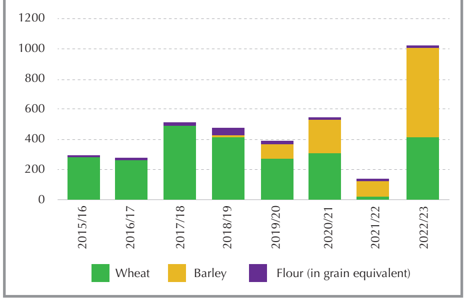


Barley exports in 2022/23 amounted to 1.269M tonnes (almost 3 times more than in 2021/22). The demand growth is observed from all importers without exception:

- Iran: 2 times,
- China: 6 times,
- Uzbekistan: +44%,
- Tajikistan: +57%.

Due to the fact that China had to look for an alternative to grain from Ukraine (one of the main suppliers of barley to China), the volume of grain imports in China from Kazakhstan last season reached a historical record.

Exports of Kazakh grain to China ('000t)



Prospects for the 2023/24 season

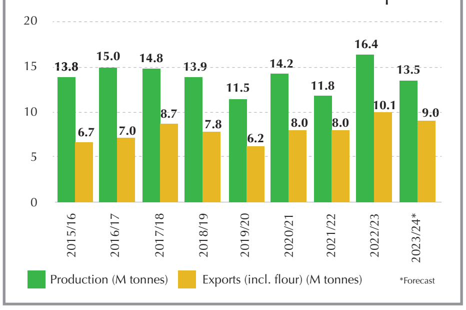
This year, Kazakhstan faced unfavourable weather conditions. During the summer, the north of Kazakhstan, where almost 80% of the total wheat harvest is grown, experienced a shortage of precipitation with excessive temperatures, which led to a lag in crop development. In July, the condition of almost 40% of grain crops was assessed as poor and very poor. Later, during the harvest, rains had a negative impact on grain quality.

As of 11 October, grain harvesting was completed on 86% of the planned areas, with yields of only 0.92t/ha, much lower than last year. Estimates of the wheat harvest vary between 12M and 14M tonnes. Usually, almost all wheat is classified as milling wheat, but this year there will be a high share of sub-standard grain. The official estimate of the share of sprouted wheat is 15%, but according to some estimates, it could reach half of the total grain harvest.

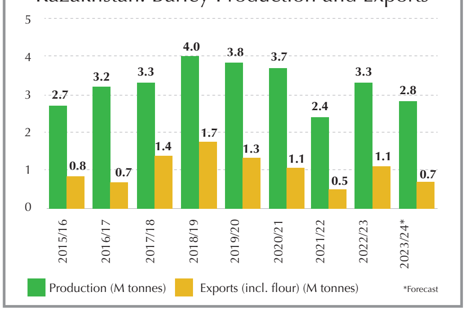
The harvested grain will be enough for the needs of processing companies, given the rather large balances from the previous season and the possibility of imports from Russia. In response to competition from Russia, in April 2023, Kazakhstan imposed a ban on wheat imports by road and restricted imports by rail. However, wheat can still be imported to licensed elevators, flour mills and poultry farms. Given the second consecutive bumper wheat harvest in Russia and oversupply, Kazakhstan's imports of Russian grain are expected to increase.

Due to the decline in quality, Kazakhstan may face a shortage of seed for next year's sowing. The government is already considering restricting exports of seed grain and providing subsidies to farmers for its purchase.

Kazakhstan: Wheat Production and Exports



Kazakhstan: Barley Production and Exports



Russia's 2023 Harvest

By Nathan Kemp, Senior Economist, International Grains Council

Grains

Buoyed by another year of strong yields, Russia's total grains (wheat and coarse grain) production is forecast to be much larger than average in 2023/24, placed at 130.2M tonnes, potentially the second largest on record, but still 7% below the previous season's exceptional results. With harvesting of some spring crops still ongoing as of early October, the International Grain Council's forecasts for wheat production stands at 89.0M tonnes (-7% y/y), with barley at 20.2M tonnes (-9%) and maize at 14.9M tonnes (-6%).

Linked to softer local prices and excessive planting-time rains in some regions, acreage sown to the main winter wheat crop dropped for a second successive year. As winter crops exited dormancy, unusually wet and cool weather favoured development, bolstering yield outlooks, most notably in the Southern and North Caucasus Federal Districts. Showers continued in many areas into July, resulting in widespread harvest delays and quality downgrades, with anecdotal reports of an overall decrease in protein content compared to last year. Heavy late-season rains have also complicated harvests in the eastern spring wheat regions, giving rise to similar concerns about quality losses.

Russia has tightened its grip on the world wheat export market in recent months. Aided by competitive prices, tied partly to a weak rouble and ample supplies, cumulative 2023/24 marketing year (July/June) dispatches through early October are privately estimated at close to 15.0M tonnes, up by 59% y/y, including heavy shipments to Algeria, Egypt, Iran, Saudi Arabia and Turkey. The Council's marketing year projection is placed at 48.5M tonnes, potentially a new record and accounting for around one-quarter of global trade.

Oilseeds

In addition to being a major player in the global grains market, the past decade and more has seen Russia emerge as a modest but important oilseeds producer against the backdrop of expanding local and international demand for processed products. As a key exporter of sunflower meal and sunflower oil, sunflower seed is the most abundantly produced oilseed. However, alternatives, including rapeseed and soybeans, have become increasingly popular options.

Against the backdrop of mostly favourable conditions and an associated improvement in yields, aggregate oilseeds output in 2023/24 is seen reaching an all-time high of 27.7M tonnes (+3%), including record harvests of sunflower seed, placed at 17.0M tonnes (+4%), rapeseed at 4.6M tonnes (+3%) and soybeans at 6.1M tonnes (+1%). In addition, field reports point to crops being of good quality. With bigger outturns set to ensure sizeable domestic availabilities, prospects for local uptake and shipments of oilseed products appear especially positive, with exports of sunflower products potentially establishing respective highs during the 2023/24 (Oct/Sep) trade year.

Pulses

Russia is set to remain the world's largest dry peas producer for a third consecutive year, with 2023/24 output projected at 3.7M tonnes (+3%). Production of chickpeas and lentils could also be slightly higher y/y, assessed at 0.4M and 0.2M tonnes, respectively. With yields seen slightly poorer overall, but close to average, the predicted gains in production are driven by an expanded planted area amid solid export demand prospects, including from China and Turkey, and an absence of trade restrictions on pulses.

More Data, Less Paper

By Desmond Hakim, Chief Product Officer at Havona

The Digital Transformation of Commodity Trading: Progress and Implications

International commodity trading plays a vital role in the global economy, facilitating the exchange of trillions of dollars worth of goods each year. However, the sector has long been plagued by inefficient, paper-based processes that slow down transactions, increase operational costs and present environmental, social and governance (ESG) challenges.

The Weight of Historical Paper Processes

In the history of international trade, paper documents have been deeply ingrained, dating back to medieval times. The bill of lading, one of the most critical documents in trade, has its roots in the maritime practices of the Mediterranean in the late Middle Ages, approximately in the 14th century. These documents served as evidence of the contract for the carriage of goods and as a receipt issued by the carrier. They were essential for the functioning of long-distance and international trade routes.

Documents like the bill of lading have been crucial for centuries in verifying and securely transferring goods. Over time, international laws and protocols, such as the Hague Rules (1924) and the Hamburg Rules (1978), have solidified the importance of paper-based documentation in the sector.

Laying the Legislative and Legal Framework

The Rise of Electronic Transferable Records (ETRs)
The practical relevance of electronic transferable records (ETRs) is becoming more prominent with the implementation of the UK's Electronic Trade Documents Act 2023 (ETDA) in September. ETRs enable secure and legally valid exchanges of trade-related data and ownership rights, eliminating many of the drawbacks associated with paper-based systems.

Regulatory Catalysts: UN MLETR and ICC URDTT
The United Nations **Model Law on Electronic Transferable Records (UNCITRAL MLETR)** and the International Chamber of Commerce **Uniform Rules for Digital Trade Transactions (ICC URDTT)** are crucial international frameworks driving the transition to digital trading practices. Adopted in 2017, the UN MLETR has played a vital role in defining the legal parameters of ETRs, from functional equivalence to control and transfer. Similarly, the ICC URDTT provides a common set of rules for digital transactions, including error management and compliance criteria. Together, these frameworks contribute to a more secure and efficient digital trade ecosystem.

The UK's Progressive Stance: ETDA 2023

The Electronic Trade Documents Act 2023 (ETDA) received Royal Assent in the UK on 20 July 2023, and took effect on 20 September, marking a significant moment for the UK in embracing digital trade. This legislation legitimises electronic versions of essential trade documents, such as bills of lading, warehouse receipts and bills of exchange, filling the legal gaps that previously existed in English law regarding digital trade documentation. The ETDA aims to enhance transaction speed while reducing costs, thereby boosting overall trade activity and broadening access to trade finance.

Prior to the ETDA, electronic documents did not have the same legal status as their paper-based counterparts under English law. This discrepancy has now been rectified, granting electronic formats of trade documents identical legal ramifications, functionalities and effects as their traditional versions.

It's worth noting that the UK is not alone in transitioning towards digitalisation. Countries like Papua New Guinea, Belize, Kiribati, Bahrain, Paraguay, the Abu Dhabi Global Markets in the United Arab Emirates and Singapore have already adopted the United Nations MLETR, further emphasising the global shift towards a modern and efficient trading ecosystem.

This legal evolution in the UK, combined with international trends, creates an environment conducive to trade innovation and makes a compelling case for the adoption of digital solutions in trade operations.

Securing Your Post-Trade Trade Network

Havona, a new member company within Gafta, is conducting live trials with various stakeholders, including chambers of commerce, commodity traders and single trade windows. Post-Trade, our platform's flagship product, is designed to facilitate a reliable, transparent and traceable exchange of digital trade documents. This is particularly important given the traditional requirement to physically possess or secure custody of vital, negotiable paper title ETRs such as bills of lading and warehouse receipts.

Utilising state-of-the-art technologies such as distributed ledger and cryptography, software providers like Havona can work with clients to create secure digital trade networks within the commodity services market. The platform aims to expedite the exchange of value, data and information in a way that is not only faster but also more transparent and secure.

Additionally, the ability for any participant to grow a secure network is becoming a reality, whether you are a farmer, importer, exporter, trader, chamber of commerce or customs authority or surveyor. Secure networks built on reliable systems have the potential to positively impact the transition to increased levels of secure electronic data being exchanged.

Furthermore, the implementation of secure, reliable systems has demonstrated significant operational advantages. Streamlining the documentation process has resulted in time savings of 12-15 days, accompanied by cost savings of up to 40%.

Many organisations within the commodities sector have commenced the integration of digital technologies across their value chains. As the last remaining challenges, specifically in the realm of post-trade processes, are being addressed, the aspiration for a wholly digital commodity trade landscape is finally becoming attainable.

FIT Alliance and Developments Towards a Universal Electronic Bill of Lading

On 5 September, 2023 the FIT Alliance, consisting of five founding members who work together to generate awareness about the benefits of going digital and the importance of common and interoperable data standards and common legislative conditions, introduced the eBL Declaration, aiming to encourage the widespread adoption of electronic bills of lading (eBL). Currently, nearly 100 organisations, encompassing carriers, shippers, freight forwarders, banks and technology providers, have signed up. In a virtual meeting with Gaftaworld, BIMCO, represented by **Mads Wacher Kjærgaard** (Manager, Standards, Innovation & Research) and the ICC Digital Standards Initiative (DSI), represented by **Hannah Nguyen** (Director - Digital Ecosystems), explored the transformative potential of this global movement and how Gafta members could actively participate.

What is the FIT Alliance and the eBL Declaration all about?

BIMCO: The FIT Alliance signifies a unified approach to trade digitalisation, contrasting with previous fragmented attempts. It brings together industry stakeholders such as ICC for the trade community, DCSA for container carriers, FIATA for freight forwarders and Swift for banking, along with ourselves, representing the broader shipping community.

DSI: The eBL Declaration calls on all stakeholders to publicly endorse digitalisation, starting with eBLs, and to collaborate broadly to drive this transformation within their respective industries.

How would Gafta members benefit from embracing this movement?

BIMCO: The trade often depends on the original BL's arrival at discharge port. Unfortunately, that original can be stuck somewhere in the system, and industry frequently resorts to issuing letters of indemnity as a pragmatic solution. However, eBLs offer a compelling alternative, ready to address such issues with tried-and-tested technology solutions. In the iron ore trade, some companies are already conducting more than 25% of shipments via eBLs.

DSI: Digitalisation makes trade faster, simpler and cheaper and this is critically important, especially for small businesses trying to grow their international footprint. More importantly, the same data and trusted references that smooth interactions in the physical world are also important for financing. According to the Asian Development Bank, the world has a 2.5 trillion USD trade finance gap. Digitalisation would help collect and share important data points about the goods, their movement and even ESG attributes that help banks lower the costs to serve, unlock more liquidity and enable more trade to flow.

eBLs have been around since the nineties. What's different now and what's taken the industry so long?

BIMCO: Again, the answer here would be the unified approach. You have industry organisations working together towards the same goal rather than taking a siloed approach. We in the FIT Alliance are developing industry standards that are entirely aligned and free to use. This will allow for interoperability across eBL solution providers and also integration into other systems.

DSI: In addition to the unified industry approach, we also need to update the laws which have been governing trade for decades, as these help businesses gain clarity on where they stand, and mitigate risks. Today more countries are aligning domestic laws with the UNCITRAL Model Law on Electronic Transferable Records (MLETR), making electronic transferable records like eBLs legally recognised. The recent enactment of the UK's Electronic Trade Documents Act is one key milestone. Additionally, global banks' early support for the Declaration has galvanised both the physical and financial supply chains.

What is the current level of digitalisation in the agricultural commodities trade, and what do the next 3-5 years hold?

BIMCO: While some agricultural companies have made progress in digitalisation, paper BLs remain prevalent. In sectors like iron ore and steel, major mining companies already ship over 20% of their annual volume via eBLs, with further growth expected.

Any plans to digitalise other trade documents like Certificates of Origin and phytosanitary certificates?

DSI: Absolutely. We are on track to release a globally interoperable data and standards map for the entire supply chain by 2024, encompassing all key trade documents including COO and phytosanitary certificates.

For Gafta members interested in joining this journey, what's the first step?

DSI: Sign the eBL Declaration and start engaging with like-minded signatories! Everyone can play a part and your readiness to change can send ripples through the entire supply chain.

BIMCO: It is vital for companies to have a high-level discussion and prioritise digitalisation within their organisation. The FIT Alliance has issued a *Complete Guide to eBL Adoption for Bulk Trades**, which serves as an excellent starting point. We also encourage you to reach out to us for further discussion.

Any final thoughts to inspire Gafta members to embark on this transformative journey?

BIMCO: eBLs are safer, faster and greener. They reduce fraud risk, reliance on Letters of Indemnity, process times and carbon footprints. Embracing eBLs is not only beneficial for your business but also the planet.

DSI: Going digital offers greater visibility, agility and resilience, especially during uncertain times. Companies that embrace digitalisation will thrive, while those that don't risk falling behind. Prepare for the future now!

**https://www.bimco.org/insights-and-information/general-information/20230828-ebl-guide*

For more information on the FIT Alliance and the eBL Declaration go to: ***https://www.fit-alliance.org/***

Commodity Contracts sponsored by HFW

It was a pleasure to welcome 22 students on our Commodity Contracts course held on 10-11 October, in Warsaw. The course was chaired by **Jaine Chisholm Caunt OBE**, Gafta Director General and **Sophie Webber**, Head of Training and Events, and presented by **Jonathan Waters**, General Counsel and **Michael Buisset** and **Brian Perrott**, Partners at headline sponsor HFW. Thank you to all our speakers and delegates for making this another excellent course.

A comment from one of the course participants:

"This course is great and serves a valuable purpose for everyone in the grain industry. I strongly recommend it."

Participants at Gafta's successful Commodity Contracts course in Warsaw, sponsored by HFW

Know Your Gafta Contracts – October course

Gafta welcomed 21 students to the online seminar Know Your Gafta Contracts on 3 and 5 October. The seminar, presented by Director General **Jaine Chisholm Caunt OBE** and General Counsel **Jonathan Waters**, 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 events.

Calling all Gafta Arbitrators!

Join us on 30 November for a one-day masterclass exclusively for Gafta Qualified Arbitrators. We shall focus on the latest developments and topics of interest in the trade related to arbitration. It is an ideal opportunity to gain valuable CPD.

This masterclass is designed to provide a platform for in-depth learning and engaging discussions among our current arbitrators, providing professional growth and an opportunity of knowledge sharing. We are delighted to have **Paul Toms**, Junior Barrister from Quadrant Chambers, as our guest speaker plus three presenters from our sponsor, Gateley: **Kieran John McCarthy**, Partner, Co-head of International Arbitration, **Michael Lightfoot**, Partner, Co-head of International Arbitration, and **Nicholas Walser**, Consultant.

Join us as we delve into advanced discussions and share insights on Gafta's arbitration statistics, impartiality and perceived bias, updates to the Arbitration Act and the latest legal developments affecting the industry.

To register, go to: **https://www.gafta.com/Events/Arbitrators-Masterclass-l-30-November-2023-l-London-UK/80418**

Commodity Shipping sponsored by Clyde and Co

A total of 31 students attended the sold-out Commodity Shipping event in London on 13-14 September. The course was chaired by **Jaine Chisholm Caunt OBE**, Gafta Director General, and presented by sponsors **Eurof Lloyd-Lewis**, Partner, **Hatty Sumption**, Partner, and **Alexander George**, Associate, from Clyde and Co. Thank you Clyde and Co for sponsoring the event. It was an excellent course and we were thrilled to see the delegates engaged and asking questions throughout the two days.

"A must have for commodity trading professionals"

Speakers at the Commodity Shipping course sponsored by Clyde & Co

In-house training

Gafta was delighted to visit Gafta member Deutsche Forfait-Gruppe in Cologne, in September, to deliver three days of private training on Gafta contracts. Thank you to all the delegates for a great week! Bespoke training is an excellent opportunity to connect one-on-one with member companies and we are pleased to get such good feedback from attendees:

"Very experienced speakers"
"One of the best courses I ever joined"

If you're interested in in-house training please visit: **https://www.gafta.com/In-House-Training**

In-house training course at Deutsche Forfait-Gruppe

Risk Management – A Competitive Edge

By Soumitra Prasad Bhowmik, Senior Manager,
Alex Stewart International (India)

Risk is Omnipresent

The more an organisation is able to Identify, Assess and take Control measures in advance, it will be in a better space in this highly competitive global market of today.

What is RISK?

Risk can be defined as the combination of the probability of an event occurring and the consequences if that event does occur. Thus, a simple formula to measure the level of risk in any situation is:

- **Risk = Likelihood x Severity**.

In business parlance, risk is anything that threatens an organisation's ability to generate profits at its target levels; in the long term, risks can threaten an organisation's sustainability.

Who uses Risk Management?

A strong risk management culture is better for all parties: frontline employees, risk managers, executives and decision-makers. It creates a mindset of prevention and safety that protects the organisation and influences the actions of employees in the particular domain they are working.

Risk management is a process carried out by an organisation that seeks to identify, measure, monitor and control risks an organisation faces. Business is complex and where there is complexity there is risk. Business managers find themselves with many decisions to make, constrained resources, competing priorities and environmental factors to consider as well. The different risks they face include environmental risk, political risk, business risk, financial risk and more.

What is the Objective of Risk Management?

Risk management's objective is to find out which risks a business faces, find ways to quantify and measure those risks, create methods to monitor risks and finally come up with treatment methods which mitigate or eliminate risk. The overall objective is to create a business that is less susceptible to risks and therefore enhance the safety of investors in the business. Make no mistake, all business should be carried out in a socially responsible way and every one of us has a role to play in this.

Thus, the fundamental objective of risk management is to identify risk at an early stage and take the necessary steps or measures to mitigate its harmful effects.

The goal of risk management is to identify potential problems before they occur and have an effective plan in place for addressing them. Risk management looks at internal and external risks that could negatively impact an organisation.

What is Agriculture Risk Management?

Risk and uncertainty are inherent to agriculture. The most common sources of risk are weather, climate, diseases, natural disasters, and market and environmental shocks. There exists one or more of the five major types of risk in agriculture: production risk, market risk, institutional risk, personal risk and financial risk. Farmers manage multiple risks at the same time and unanticipated events continue to have substantial impacts on farmers.

What are the five Basic Techniques of Risk Management:

Avoidance; Retention; Spreading; Loss Prevention and Reduction; Transfer (through insurance and contracts)

What are the Essential Steps of Risk Management?

Risk identification and assessment should be an integral part of the planning and development of all departments or activities of an organisation. To assess the risks posed by a programme or activity, the following steps are necessary:

1. **Identify the tasks associated with the programme or activity**;
2. **Identify the hazards associated with each task**;
3. **Evaluate and select risk management techniques**;
4. **Assess the risks associated with the programme or activity** with the selected risk controls or transfers in place;
5. **Determine whether to modify or proceed** with the programme or activity based on the risk assessment;
6. **Implement the selected risk management techniques and monitor the results**. Designating who will implement the selected risk management measures and setting a timetable for completion of those tasks. In short, an action plan is what is required;
7. **"Frequency" and "Severity" are used to measure the risk remaining** after appropriate risk management techniques have been implemented.

Let us identify some of the Hazards associated with the Tasks under the three different Gafta Accreditation (Approved Registers) categories:

FUMIGATION HAZARDS: Preparing and applying the correct type (PH3) and dosage of fumigants; ensuring the fumigated area is clearly signed and cordoned; safely ventilating the fumigated area and disposing of spent fumigant/residues; ensuring proper fumigation level is maintained throughout the transit period.

RISK MITIGATION PLAN (RMP): Using real-time monitoring gadgets for checking the desired fumigation levels at all stages of the fumigation process; checking the air in the workspace after de-gassing at the discharge port to make sure that the concentration of fumigant gas has fallen to safe levels.

ANALYSIS HAZARDS: Setting up the analysis equipment correctly, selecting the correct mode of operation and reporting format; ensuring the proper functioning of the equipment by suitable standard sample check using CRM/RM.

RISK MITIGATION PLAN (RMP): Ensuring a backup instrument/procedure is in place where the instrument is found to be malfunctioning; resort to sub-contracting complying with the Gafta procedures.

SUPERINTENDENT HAZARDS: Taking and preparing representative (homogeneous) samples is the main challenge for a superintendent; maintaining the traceability and integrity of the samples throughout all stages of handling, transport and retention.

RISK MITIGATION PLAN (RMP): The above hazards may be addressed through internal training, GHP (Good Handling Practices) and monitoring by supervision; strict adherence to the sampling plan (Gafta 124 Sampling Rules) of the particular commodity is recommended.

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Consequence of not having an effective RMP

Nowadays, many public and private sector organisations exposed to agricultural commodities fail to make full use of modern risk management techniques. Instead, they blame suppliers and traders for shortages and price spikes that hit their balance sheets. In fact, agricultural commodity risk is just like any other type of commodity risk, and needs to be managed properly. Naturally volatile, agricultural commodities can be easily spoiled and are also affected by the usual problems, such as shipping capacity and transport costs. Although such risks can be absorbed by firms and governments with large balance sheets, they might prove fatal for others who don't anticipate such risks and fail to take desired pre-emptive measures.

Mr. Soumitra Prasad Bhowmik is currently working as a Senior Manager for Alex Stewart International (India) Private Limited. He has a background in MBA (Systems), MCA and B.Sc. with 26 years of rich industry experience in the domain of Inspection, Sampling, Testing, Quality Assurance, Training, Auditing and various Accreditations of Laboratory & Inspection Bodies in India and elsewhere.

Alex Stewart International (India) Private Limited is one of the leading independent Inspection, Surveyors, Superintendents & Analytical Services providers in India.

Go to ***https://www.gafta.com/Online-Short-Courses*** *for information on the new Gafta short courses related to risk management and preparing for audit.*

The ABCs of Ag at WIA Summit: AI, Bio-based Solutions, Co-ops, and More!

By Michelle Pelletier Marshall, Women in Agribusiness Media

Nearly 1,200 women in ag attended the 12th annual *Women in Agribusiness (WIA) Summit* on 26-28 September in Nashville. Participants represented 47 U.S. states and 13 countries, including Brazil, Canada and Kenya, and 60% were first-time attendees. More than 60 sponsors contributed to help make this event a success, and over 65 speakers and more than 250 attending organisations created the buzz of activity, networking, and excitement that are the hallmark of this premier event.

Women from all levels across the agricultural value chain convene at the Summit to exchange ideas and share in dynamic dialogue about key industry topics and benefit from unparalleled networking opportunities.

This year, featured speaker **Meggie Palmer**, a globally renowned speaker, facilitator and executive coach, was a hit, not only for her keynote address "Write Your Success Story," but for her workshop "Negotiate Like a Pro".

Dozens of expert speakers from the likes of ADM, Bunge and Cargill gathered at this three-day event that covered the value of U.S. farmland, strategies for navigating Ag to Gen Z, transportation and logistics solutions, and updates on commodity markets, regenerative ag practices and trends in the edible oils industry. Gafta Director General **Jaine Chisholm Caunt OBE** and Gafta Deputy President **Rebecca Jones** (Chief Counsel Ag & Oilseeds ADM) also ran a well-received roundtable on 'Working with International Colleagues'.

Jaine and Rebecca in Nashville

WIA has nurtured a recognised agri-business community that gathers year-round to network and share business knowledge with the goal of helping women excel in the sector. The first *Women in Agribusiness Summit* took place in New Orleans in 2012. WIA initiatives have grown to include WIA Membership, WIA MeetUps, WIA Demeter Award of Excellence, Student Scholarships, WIA Career Connector, and the WIA Today blog.

The next WIA Summit will be in Denver on 24-26 September 2024. Learn more at **womeninag.com.**

Gafta's Approved Registers Committee meet in Warsaw

Gafta's Approved Registers Committee (ARC) met in Warsaw in October, chaired by **Johny Boerjan**. The ARC is responsible for overseeing the operation of the Approved Registers including the associated codes of practice, standards, methods and rules.

The Committee heard that there are now over 800 approved members across the three categories of Analysts, Fumigators and Superintendents, in 85 countries. This continues to increase year on year. Audits to the Gafta Standards since January total 343, with 74 of those being on-site audits. The Committee agreed a review of the Standards for Analysts and Superintendents over the next six months, as well as a review of the mycotoxin ring test scheme and the auditing protocols, particularly for fumigator members. A marketing plan to raise awareness and increase membership of the Approved Registers in South-East Asia was also agreed.

The Committee also reviewed all of the feedback received following the review of the Gafta No.124 Sampling Rules earlier this year. The result of this will be the publication of a slightly amended version of the Rules later this year.

Left to Right: ARC members Johny Boerjan (SGS), Kathy Malone (Viterra), Maite Cuhna (BTG), Sylvia Polm (Control Union), Hans van der Moolen (Eurofins), Holly Sisman (Gafta), Sarah Mann (Gafta)

Australia Pulses Outlook for MY 2023/24

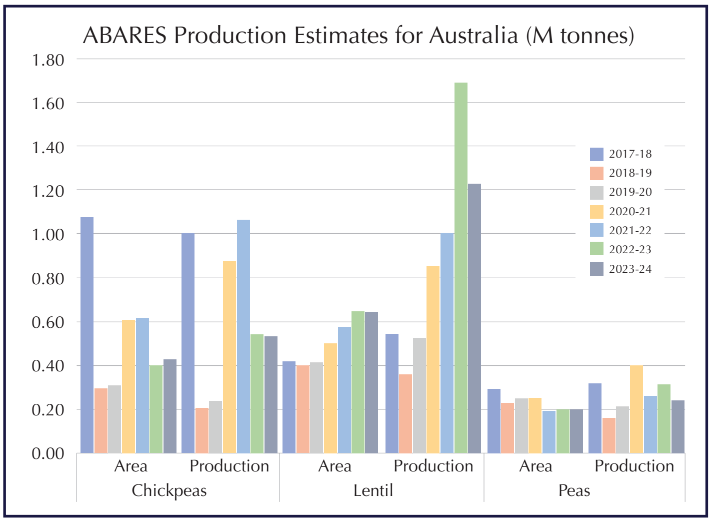
By Gaurav Jain, CEO and chief analyst at AgPulse Analytica

One of the key pulse exporters, Australia is en route to another sizeable crop this year. The harvest has started in the country and given the conducive weather during the growing season and the acreage, we project yet another large pulse crop, particularly of lentils.

Australian lentils largely compete with Canadian origin at most of the destinations. Its desi chickpea crop has competition from Tanzania while faba beans face competition from the European Union and United Kingdom. The dry pea crop is small and doesn't have the pricing authority.

Production

The official statistics, released by ABARES last month, put this year's lentil harvest at 1.23M tonnes, the second highest on record, only after last year's harvest figure of 1.69M tonnes. For peas and chickpeas, it estimates a normal crop at 238,000 tonnes and 533,000 tonnes respectively. AgPulse production estimates do not differ much from the September official release for dry peas and chickpeas. However, for lentils, the weather was conducive in Victoria and South Australia and our yield model points to a production figure of 1.374M tonnes (above the ABARES figure of 1.228M).



Export Potential and Competition

Canada

Dry weather in Canada earlier this spring, when most of its crops are sown, caused large production cuts, pushing the local lentil crop to the lowest level in more than 10 years. The pea crop was adjudged to second lowest in two decades, marginally higher than the 2021 harvest.

Low supply environment from Canada has boosted the demand for Australian pulses this year, specifically for lentils.

India

Demand from India has been on the rise, to meet the higher consumption, as lentils are substituting for pricier pigeon pea crops in the local market. The price spread between pigeon peas and lentils has widened considerably in recent weeks. The production gap for pigeon peas could not be met by the supply from international markets, despite multiple efforts by the government and the local prices have remained higher throughout the year. The upcoming December crop of pigeon peas (also known as arhar or tur) is expected to be even smaller than last year, which will further boost the lentil demand. For the MY 2023/24 (Apr-Mar), we estimate India to import closer to 1M tonnes of all lentils, mostly reds. NAFED's latest move to procure domestic and imported lentils to create a buffer stock will also increase the import demand, which is to be fulfilled by Australia and Canada.

Indian Lentil Balance Sheet ('000 tonnes)
(MY runs from April to March)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Carry In	419	228	134	196	498	539	394
Production	1,224	1,622	1,228	1,103	1,494	1,269	1,590
Imports	797	249	854	1,116	667	858	970
Export	12	15	20	18	21	87	100
Supply	2,439	2,099	2,216	2,415	2,659	2,666	2,884
Consumption	2,200	1,950	2,000	1,900	2,100	2,185	2,425
Balance	228	134	196	498	539	394	429

Australia

The lower Canadian supplies and large demand from India will keep the Australian exporters busy this season. Compared to an export volume of 1.528M tonnes between July 2022 and June 2023, we expect the country to export 1.375M tonnes between July 2023 and June 2024, the most significant share of which will be destined for India.

Australia Lentil Exports ('000 tonnes) (Jul-Jun)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
India	110	27	133	102	190	687	660
Turkey	4	0	12	31	7	90	40
Bangladesh	209	221	324	281	367	273	260
UAE	28	0	12	20	99	107	95
Sri Lanka	86	67	119	136	101	162	140
Egypt	35	12	44	77	94	83	70
Pakistan	12	10	50	70	20	41	50
Others	18	12	22	36	37	86	60
Total	502	348	716	754	915	1528	1375

Summary:

- Smaller crop from Canada
- Large Indian demand
- Demand from South Asia to remain strong for Australian lentils this season

Midway point of 2030 Agenda - UN takes stock and reaffirms goals

Heads of State and Governments met at the United Nations (UN) headquarters in New York on 18-19 September to take stock and assess the challenges facing the 2030 Agenda for Sustainable Development. The President of the UN General Assembly opened the Summit, stating that 1.2 billion people currently live in poverty and that 8% of the global population are likely to still be facing hunger by 2030. He stressed the "complex and intersecting crises" that have dramatically altered the trajectory of the entire world, with those in the most precarious circumstances suffering the most from the effects of the covid pandemic, impacts of climate change and the Ukraine war.

The Political Declaration, adopted at the Summit, reaffirmed the commitment to effectively implement the 2030 Agenda and its Sustainable Development Goals: "The 2030 Agenda remains our overarching roadmap for achieving sustainable development and overcoming the multiple crises we face. We will act with urgency to realize its vision as a plan of action for people, planet, prosperity, peace and partnership, leaving no one behind. We will endeavour to reach the furthest behind first."Among the commitments was one to *"accelerate actions to end hunger, food insecurity and all forms of malnutrition, and the realization of the right to adequate food, including through access to sufficient, safe and nutritious foods all year round, the promotion of sustainable and resilient agriculture and food systems, as well as safe, nutritious and healthy diets. We commit to keep trade channels and markets open for the movement of food, fertilizers and other agricultural inputs and outputs, while recognizing the importance of shorter supply chains at the local levels. In this context, we also commit to supporting developing countries to address extreme food price volatility"*.

https://news.un.org/en/story/2023/09/1140857

Secretary-General António Guterres (at podium) addresses the opening of the SDG Summit. "The SDGs aren't just a list of goals. They carry the hopes, dreams, rights and expectations of people everywhere. And they provide the surest path to living up to our obligations under the Universal Declaration of Human Rights, now in its 75th year," said the Secretary-General.

Pilot GM plantings to increase in China

In September, China's Ministry of Agriculture and Rural Affairs (MARA) announced China will expand pilot planting of GM maize and soybeans to more regions. The pilot GM planting began in 2021, and this was expanded to farmland in North China's Inner Mongolia Autonomous Region and Southwest China's Yunnan Province in 2022. The programme was then expanded to 20 counties in five provincial-level regions: Hebei, Inner Mongolia, Jilin, Sichuan and Yunnan. Seed production was arranged in Northwest China's Gansu Province, according to a post on the official website of MARA. Results of these pilots have been outstanding in terms of pest and herbicide resistance. The control effect on Lepidoptera pests surpassed 90%, and the weed suppression effect was over 95%. Yields of GM maize and soybeans were up by 5.6% and 11.6% respectively.

Further support for seed industry announced

China will further promote the vitalisation of the seed industry, on the basis of current phased progress, according to a MARA official. The country will accelerate the cultivation of quality germplasm resources, promote innovations in the seed industry and nurture leading enterprises in the sector, said **Zeng Yande** of MARA. He added that efforts will also be made to improve the capacity of seed industry bases and ramp up intellectual property protection within the industry. A slew of measures will be taken, including releasing the catalogue of agricultural germplasm resources available for utilisation, accelerating the breeding of a batch of urgently needed varieties, as well as supporting the development of leading companies engaged in the industry.

European Parliament paper on EU protein strategy

Members of the European Parliament recently supported the report *'European protein strategy'* produced by the Parliament's Committee on Agriculture and Rural Development. This calls for a "comprehensive and ambitious EU protein strategy covering the sustainable production and consumption of all types of protein in the EU, especially plant- and animal-based protein, and introducing effective measures to boost open European protein autonomy in the short, medium and long term" with priority to be given to the production of protein crops and plant-based protein. It stresses the need for the EU to diversify its food and feed supply chains following the covid pandemic and the Russian invasion of Ukraine. While the EU produces 77% of the feed protein it uses, only 29% of the high-protein feeds, required to balance animal feed, originate in the EU, it states. Due to the environmental benefits of leguminous crops and grassland, increased production of these is in line with Green Deal objectives. The report also recognises the need to shorten authorisation periods for feed additives that help to decrease greenhouse gas emissions as well as the need for swift adoption of legislation on new breeding techniques "to allow for further development of new and robust plant varieties."

The EU Commission is expected to present its review on protein crops in light of current market realities and changed policy environment, during the first quarter of 2024.

The European Parliament report can be found here:
https://www.europarl.europa.eu/doceo/document/A-9-2023-0281_EN.html#_section2

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EU to tax carbon emissions from ships in 2024

As part of its "Fit for 55" package, the EU Commission has introduced several measures to address greenhouse gas (GHG) emissions in the shipping sector, which currently accounts for 3-4% of total EU greenhouse gas emissions (and 13.5% of transport emissions). The recent IMO strategy decision to bring forward the net zero target for shipping from 2070 to "by or around" 2050 and reduce carbon dioxide emissions by at least 40%, compared to 2008, by 2030 was welcomed by the EU.

One of the policies arising out of the "Fit for 55" package is the inclusion of the maritime sector in the EU's Emissions Trading Scheme (ETS) from January 2024. This 'cap and trade' system has helped to reduce emissions from the sectors that are already part of the ETS by 35% since 2005 according to the Commission.

For more information, including a webinar held in September by EMSA and the EU Commission, go to: **https://climate.ec.europa.eu/eu-action/transport/reducing-emissions-shipping-sector_en**

2023/24 CALENDAR

Commodity Shipping

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

Commodity Contracts

13-14	Feb 2024	Chicago *Sponsored by*	SQUIRE PATTON BOGGS
6-7	Nov 2024	Cape Town	

Commodity Dispute Resolution

15-16	Nov 2023	Sofia *Sponsored by*	HFW
7-8	Feb 2024	Sao Paulo *Sponsored by*	HFW
8-9	Oct 2024	Athens *Sponsored by*	GAA

Seminars

30	Nov 2023	Arbitrators' Masterclass, London *Sponsored by* Gateley
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

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

Pulse trade meetings in Cologne

June Arnold, Head of Policy, represented Gafta as Co-Chair of the Market Access Committee (a joint Gafta/GPC committee) at the meeting of the Global Pulse Confederation (GPC) Board in Cologne on 6 October, as well as at a Strategy Session on the same day. Very constructive discussion took place on the contribution of pulses to food security and sustainability due to their low carbon footprint, water efficiency and biodiversity, soil health and economic benefits.

GPC Board and Strategy Session participants

June Arnold and Tim McGreevy, Chief Executive officer of the USA Dry Pea & Lentil Council

GPC has recently launched its **Pulse Atlas**, which is the industry's largest and most comprehensive database on pulse supply and demand. Visit the GPC website for more information.

While in Cologne, June also visited the food fair Anuga, which had over 20,000 visitors between 4 and 8 October, including several Gafta members.

June Arnold of Gafta with Huseyin Arslan, Chairman and President of The Arbel Group, AGT Food & Ingredients Inc and Kerolos Atef Tadros, Associate Managing Director of TK Atef Tadros Company, Egypt

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