Gaftaworld
PROMOTING INTERNATIONAL TRADE

Issue 278
February 2026

Brian Arnold becomes new Gafta President

We are delighted to welcome **Brian Arnold** as Gafta's new President and **David Vilà i Bajona** as Gafta Deputy President, both having assumed these roles at Gafta's AGM on 15 January 2026. The meeting at the Caledonian Club in the heart of London brought together members to review the previous year's activities, conduct formal business and discuss objectives for the year ahead.

Brian Arnold, Gafta President

Brian Arnold is a Senior Manager in the Export Division of The DeLong Co., Inc., a U.S.-based, family-owned agricultural company built on a six-generation legacy of long-term relationships and practical innovation across the global grain supply chain. Today, The DeLong Co. is the largest containerised grain exporter in the United States, shipping more than 2M tonnes annually to nearly 30 countries worldwide.

Over his career at The DeLong Co., Brian has played a significant role in the growth and expansion of the containerised export trade, helping to strengthen core assets and enhance the company's global competitiveness. His experience spans international trade, logistics, and risk management, with a consistent focus on efficiency, reliability, and long-term customer partnerships across the global feed and food industries.

As he steps into this role, Brian intends to maintain and build upon the important work already underway, with particular emphasis on advancing digitalisation and sustainability. These themes are increasingly central to the efficient, transparent and responsible functioning of the international grain trade, and Gafta has an important role to play in supporting its members as these priorities continue to evolve.

Brian told Gaftaworld: "Guided by the principle of "for the trade, by the trade," Gafta's role extends well beyond arbitration. Its work in developing contracts, providing training, registering superintendents, and offering policy insight delivers practical tools that support all levels of the trade. As sustainability and innovation become ever more important in agribusiness, technologies and practices that improve supply-chain transparency and efficiency-driven logistics are no longer abstract concepts but commercial realities. In this context, the certainty Gafta provides remains invaluable to both the industry and its members."

Mr. **David Vilà i Bajona**, Gafta's new Deputy President, is Vice President of the Riera Roura Group, a distinguished corporate group with a long-standing tradition of excellence. The Group is engaged in the import of a wide range of agricultural commodities and operates as Spain's principal distributor. Its infrastructure includes maritime and railway terminals, complemented by environmentally sustainable transport solutions, with particular emphasis on its facilities in Tarragona, the Mediterranean's foremost port for grain discharges.

Mr. Vilà is Consul of the Sea (Consolat de Mar), a widely recognised secular institution, founded over 750 years ago as the origin of maritime law. It continues to operate in its full role as a Conflict Resolution Centre. Elected as Gafta Council Member in 2022, he also serves on the International Contracts Committee. He is a qualified arbitrator and mediator in various courts, organisations, and international arbitration chambers, and he remains the first and only Spanish Gafta arbitrator.

In addition to his commitments, he is on the Board of Directors of the Llotja de Cereals de Barcelona (Barcelona Grain Exchange), among the most significant and historic grain exchanges, where he also contributes to the Pricing Committee. Moreover, he is a member of the Commercial Law and Commercial Practices Commission of the International Chamber of Commerce (ICC) in Paris.

During his presidential term, Mr. Vilà will focus on further strengthening free and high-quality trade, and in particular, on advancing the sustainable development goals of nourishing the world, protecting the planet, and enriching communities, while acknowledging the key role that companies and market participants play in achieving these global objectives.

Mr. David Vilà i Bajona, Gafta Deputy President

Pages 3–7, 12–13

Plentiful crops in southern hemisphere

Page 10

Collaborative seminar in Chicago

Page 11

Meet new Gafta Arbitrator Daniel Sheard

President, Future President and Past Presidents gather for Gafta AGM

Gafta hosted its 2026 Annual General Meeting at the Caledonian Club in the heart of London on 15 January. It was a pleasure to be joined by so many individuals engaged in the trade including a number of former Gafta Presidents.

Many former Presidents of Gafta attended the AGM and lunch that followed at The Caledonian Club on 15 January

From left to right: Brian Arnold, Gafta President; David Vilà, future President; and Paul Harrison, past President, at the AGM

We were delighted to welcome Brian Arnold as Gafta's new President. His extensive industry knowledge, international trading expertise, and long-standing involvement in the sector will be invaluable as Gafta continues to support and represent its global membership. We look forward to working with Brian and are confident that his leadership will help guide Gafta towards another productive year.

We would also like to extend our sincere thanks to **Paul Harrison**, the outgoing President, for his dedication and leadership over the past year. During his tenure, Paul represented Gafta at events across the globe, strengthening relationships with members and promoting the organisation's work internationally. His commitment and positive impact have made a significant and lasting contribution to Gafta, and we are grateful for his service. "Paul represented Gafta globally with professionalism, energy and genuine commitment to both the organisation and its members," said Brian Arnold. "His leadership strengthened relationships across the international grain trade and established a strong foundation for the year ahead."

Meet our new Accounts Assistant: **Niah Jacobs, MSc**

Hi, my name is Niah Jacobs and I joined Gafta in September 2025 as an Accounts Assistant. I have a Master's Degree in Accounting and Finance and am currently studying to complete my Association of Chartered Certified Accountants (ACCA) qualification.

I started my career working in hospitality, meeting a variety of people from all backgrounds. I enjoyed the fast-paced environment and no two days were the same. I had so many interesting conversations with customers at every event and it was a pleasure to get to know them. I then moved on to work as an Assistant Business Manager and Accountant for a music accounting firm, dealing with tax returns, invoicing and online banking. There, I was able to broaden my knowledge of things that I had previously learnt from my parent who is a fully qualified accountant.

Outside of work, I have several hobbies and interests, some of which are quite random. I love the topic of meteorology as it was a lifelong dream career of mine until I discovered my passion for accounting. I was even prepared to move to Exeter to study a meteorology course at university. Also, I have been learning British Sign Language, as inclusivity is something that I value deeply and I have used it since. Travelling is always exciting for me, even down to getting on the plane for a long-haul flight. I would love to learn as much about other cultures as possible and possibly learn a few more languages along the way.

Australian harvest overview for the 2025/26 season

By **Philip Hughes**, Vice President ANZ, Bunge

The 2025/26 season delivered another strong year for Australian winter crop production, with national output reaching just over 66M tonnes, marking the second largest harvest on record and sitting only 3M tonnes below the 2022/23 peak.

This outcome was despite an extremely dry start to the year across southern Australia, where much of the crop was dry sown in Western Australia (WA), South Australia (SA), Victoria (VIC) and southern New South Wales (NSW). Despite these early challenges, well-timed rainfall later in the season, particularly across WA and parts of NSW, supported these areas becoming the major contributors to this year's above average national crop.

Conditions across Queensland (QLD) and northern NSW were more favourable from the outset. Both regions entered the season with solid summer rainfall, followed by steady winter moisture that set up crops well ahead of spring.

Insights by region

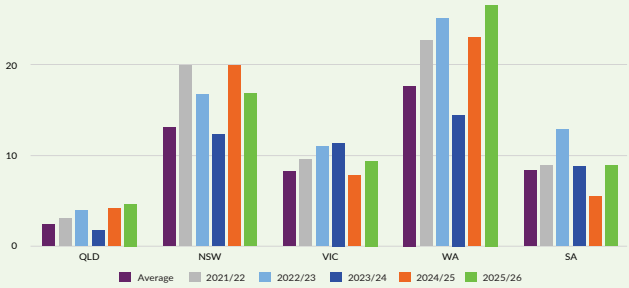
WA was the standout performer in 2025/26, producing around 27M tonnes, well above its long-term average and setting a new state record. A significant expansion in planted area supported this result, driven largely by farmers shifting hectares from sheep into cropping following changes to sheep export regulations. Timely above average rainfall in June, July and August was essential to the crop development and helped convert increased hectares into exceptional tonnage.

NSW achieved close to 17M tonnes, a lower result than the previous season yet still comfortably above average. Lower rainfall during the growing period reduced overall performance, particularly in the south. Northern NSW, however, delivered well above average yields, supported by the favourable start to the season.

SA and VIC experienced similar seasons. Both states rebounded to nearly 9M tonnes respectively, a significant improvement following the below average results of 2024/25. SA in particular emerged from the driest season on record the year prior. Early in 2025, rainfall remained well below average, with each state recording less than 60 millimetres across the first five months, but mild spring conditions extended the growing window for many districts which then benefitted from later rainfall. While earlier maturing areas saw limited benefit from the October rains, later crops finished better than anticipated.

QLD delivered 4.6M tonnes, surpassing last year's record and exceeding more than double its long term average. Although QLD contributes a smaller portion of national production, its reliability in favourable seasons remains important for containerised and domestic markets, particularly for wheat and chickpeas.

Australian winter crop production by state (M tonnes)



Commodity production

Australian **wheat** production rose to more than 35M tonnes, driven by strong results in WA and NSW. **Barley** output increased to a new national record of over 16M tonnes, supported by expanded plantings in southern states, where a lack of early rainfall encouraged farmers to shift toward barley and the shorter season varieties.

Canola production reached around 7.8M tonnes, a rebound from the prior season though still below record levels. Adoption of genetically modified canola continues to be varied across regions, with approximately 70 percent of WA's crop genetically modified, around 50 percent in SA and under 20 percent on the east coast.

Pulse crops totalled almost 6.7M tonnes nationally. Lentils had a standout year, reaching record production as SA increased planting by 10% and Victoria maintained steady hectares with strong yields. Chickpea planting grew by 20% in Queensland and NSW, supported by favourable prices at sowing.

Export and market dynamics

Exports in 2025/26 are expected to be substantial, reflecting the scale of national production. Southeast Asian markets continue to be Australia's most predominant trading partners, accounting for approximately 75% of export demand.

Domestic consumption continues to rise, with feed and crush markets continuing their upward trajectory and consistent milling demand.

Conclusion

The 2025/26 season again demonstrated the strength and adaptability of Australian grain production. Despite early season dryness and regional variability, farmers across the country delivered one of the largest national crops on record. With strong export demand, growth in domestic markets and continued investment in agronomic and technological improvements, the sector is well placed to navigate upcoming challenges and maintain its position as a reliable supplier to international markets, particularly across Asia.

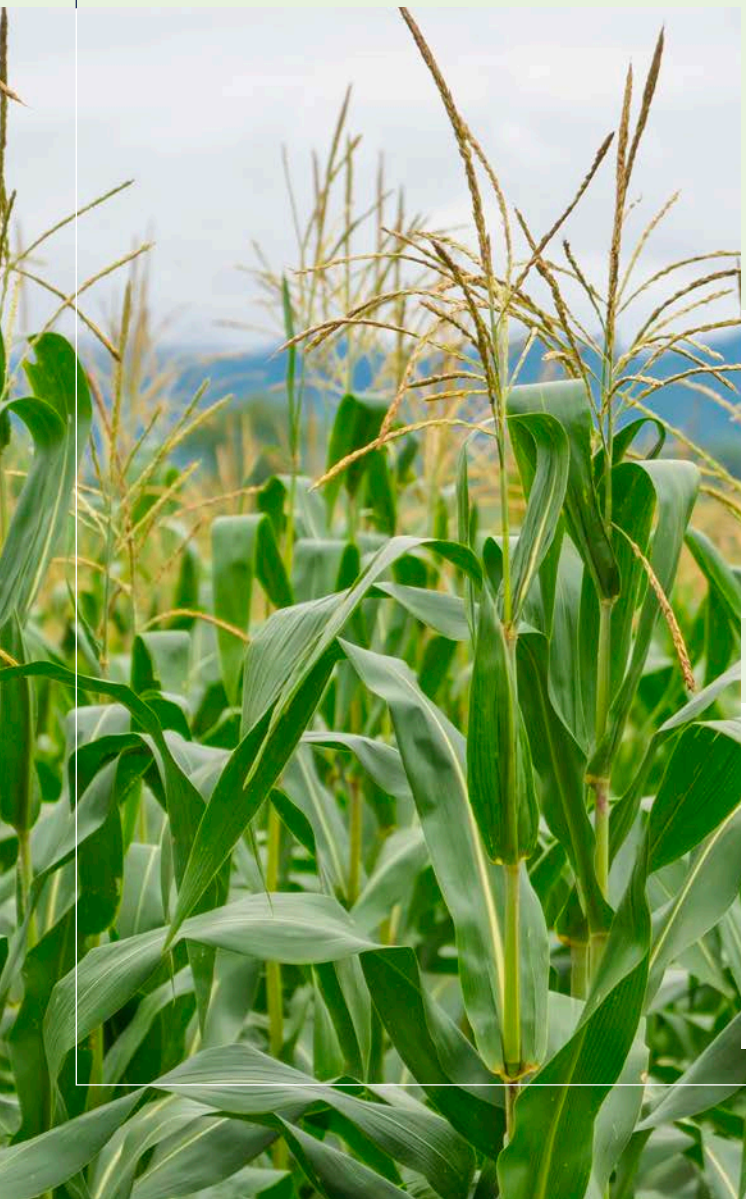
(Bunge connects farmers to consumers to deliver essential food, feed and fuel to the world. In Australia, we operate around 60 storage and handling sites and seven port terminals across southern Western Australia, South Australia and western Victoria, two import sites in Victoria and NSW, and are one of the largest buyers and exporters of agricultural commodities including cereals, oilseeds, pulses and cotton. Bunge and Viterra combined to become one company on 2 July 2025, bringing together two highly complementary businesses to create a premier agribusiness solutions company.)

By **André van der Vyver** & **Juan-Pierre Kotze**, South African Cereals and Oilseeds Trade Association (SACOTA)

A volatile year has set back South Africa's export market – will it recover in 2026?

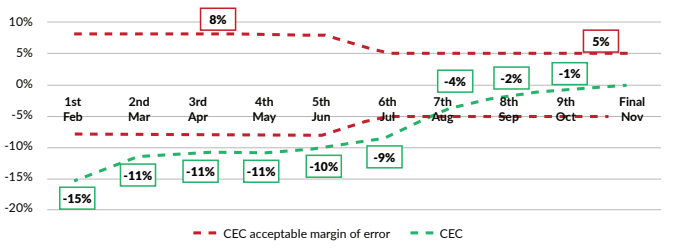
A year of poor crop estimates

Going back a year, I commented on the impact of the drought year of 2024, and expressed the hope that 2025 would be a much better year. It was indeed, as can be seen from the numbers below. However, in the lead-up, South Africa had the most unusual season. Around October-November 2024, farmers experienced a dry spell and struggled to plant their summer grain crops. Many could only complete plantings by mid-January 2025, 4-6 weeks late. Another dry spell followed during the latter part of January and early February 2025. However, when the rains resumed again, the production areas received excessive rainfall until the end of April. This gave reason to believe that the summer grain and oilseed crops would be negatively affected. Coming off the previous drought season, there was also a general sense of pessimism in the industry, particularly among farmers.



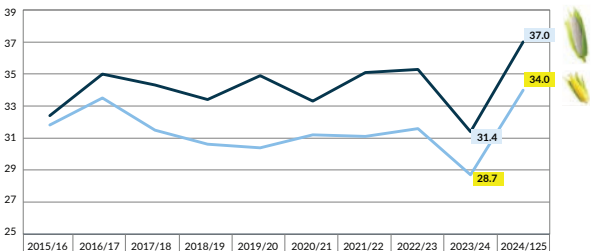
The Crop Estimates Committee (CEC) production forecasts therefore initially underestimated the size of the maize and soybean crops. It was only in November 2025, after most of the crop had been delivered, that government and industry realised how big the crops were. The maize crop of 16.44M tonnes was eventually the second largest in history, and the soybean crop of 2.771M tonnes was a new record. The diagram below illustrates that in the first four estimates (February to July 2025) the maize crop was underestimated by between 9% and14%. Though harvesting started in May 2025, it was only in August that the CEC realised the quantum of their error. However, it took them a further three estimates (or months) to finalise the crop size in November 2025.

CEC maize crop estimates 2024/25 production season



The signs were there that a larger than expected crop was being harvested. Interestingly, a composite sample from every storage facility is

100 Kernel mass over ten seasons



	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/125
White Maize	32.4	35.0	34.3	33.4	34.9	33.3	35.1	35.3	31.4	37.0
Yellow Maize	31.8	33.5	31.5	30.6	30.4	31.2	31.1	31.6	28.7	34.0

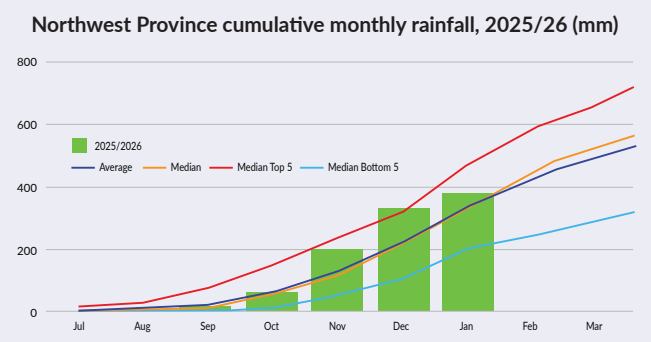
sent to the SA Grain Laboratory (SAGL), which analyses the crop quality. This analysis includes the determination of the kernel weight. The increased kernel weight in 2025, compared to the average weight for previous years (excluding the drought year), correlates very well with the maize crop size that was underestimated.

However, the key question is what the impact of the underestimation of the maize and soybean crops on industry was? Early in the season with the expectation of a normal crop, SA saw four export vessels sailing, including a vessel carrying non-GMO maize. However, once it was perceived that rain received was excessive, the sentiment turned negative in the second quarter of 2025, prices increased and made profitable exports impossible. In fact, due to the unique logistical cost structure for the Cape, we saw three imported vessels arriving from Argentina to service the large broiler industry and combat excessive procurement cost from the inland areas. By the time the mistake on the crop size was recognised, and based on global export patterns, South Africa missed the opportunity to export. In any event, prices remained stubbornly high, refusing to decline, and are now "waiting" for certainty on another large crop in 2025/26. This in turn has led to much higher anticipated end of season stocks for maize (2.47M tonnes) (30/04/2026), and soybeans (340,000 tonnes) (28/02/2026).

Outlook for the 2026 season

Already at planting time in September and October 2025, weather analysts predicted La Nina conditions for South Africa, implying above normal rainfall. This materialised and we had an early and excellent start to the rainy season, resulting in early plantings as well as a slight increase in hectares.

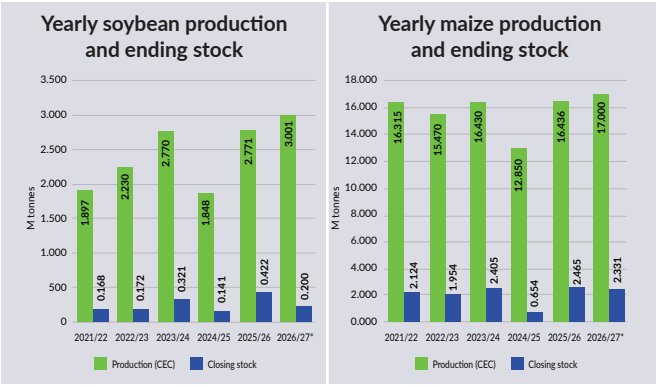
The graph below illustrates the above normal rainfall received in the Northwest Province (NWP), a barometer for the total production area. NWP produces approximately 16% of the maize and 13% of the soybeans.



Sub-soil moisture levels are also at record high levels. If normal rainfall patterns continue, we are likely to see a 17M tonnes maize crop, a new record, and a 3M tonnes soybean crop, another new record. Coupled with already high carryover stocks to start with, we could see deep-sea exports of around 2.7M tonnes for maize and 575,000 tonnes for soybeans; the numbers already exclude cross-border exports and end-of-season pipeline stocks for 2027.

Supply and demand:
An early 2026/27 S&D table could look as follows:

Maize	M tonnes	Soybeans	M tonnes
Opening stock	2.47	Opening stock	0.34
Production	17.00	Production	3.00
Retentions	0.61	Retentions	0.04
Available to market	**18.86**	**Available to market**	**3.30**
Local demand	12.45	Local demand	2.31
Exports: Products	0.43	Cross border exports	0.21
Exports: Whole grain	3.65	Deep-sea exports	0.58
Closing stock	**2.33**	**Closing stock**	**0.20**



*estimate

Challenges: Road/rail and harbours

The cost of using rail transport, particularly as it relates to deep-sea exports, is approximately two-thirds of the cost of transporting by road. Rail can supply about 30% of the export capacity in the Port of Durban. Unfortunately, rail efficiencies have deteriorated to such an extent that it could only supply about 6% of the capacity during the last export programme, which was two years ago. Also, at that time, the Government had decided to deregulate the rail industry. If rail could achieve its historic capacity targets, it would result in an across-board saving of approximately $4.00 per tonne in direct financial transport costs, plus savings from higher efficiencies such as lower turnaround times. This could be very positive in a globally competitive environment. However, it is unlikely that any of the privatisation benefits will be seen in this season.

Sunflower seed

While most of the industry's attention in the last year was focussed on maize and soybeans, the two dominant summer grain crops, sunflower seed still plays a very important role. Hectares planted and production have both declined over the last 10 years. Area declined from 719,000 hectares to last year's 555,700 hectares, and production from 755,000 tonnes to 708,300 tonnes. There are several reasons for the decline; the industry is plagued by sclerotinia, low yields, low profitability compared to maize and soybeans, and low oil content. In comparison maize and soybean yields grew exponentially through the introduction of new GMO cultivars, resulting in higher profitability. However, sunflower seed fills an important gap for farmers since it is more drought tolerant and can always be planted last, when all other crops have outrun their planting windows.

In 2024/25 sunflower seed was, again, planted as a last resort, given the late rains, resulting in reduced hectares and yields. The end result was that there was insufficient product available for the crushing industry.

Sunflower seed is not a product that is imported or exported, given its high volume to low weight ratio, and high inland transport cost in South Africa. Usually, sunflower oil and cake will be imported to supplement shortages. As is so often the case with agriculture, in 2025/26 there were new dynamics at play in the industry. The war between Russia and Ukraine resulted in only limited volumes of sunflower seed and oil being exported from Ukraine, pushing the price of sunflower oil sky-high. South Africa benefited from this and for the crushing industry, it became worthwhile to import high oil content sunflower seed from Argentina (50% oil content compared to the local 37%). The first vessel arrived early January 2026, the second will arrive around 10 February, and possibly a third vessel at the end of February 2026. This is unheard of in South Africa and when the news hit the market, prices came crashing down.

The outlook for 2026/27 is for a normal to above normal year. Estimated hectares planted is 1% higher at 560,700, while yield will also be on the high side. An early estimate of crop size is around 780,000 tonnes. It therefore is unlikely that we will see additional imports in the new season, particularly if global oil prices decrease.

Conclusion

Agriculture remains very important for Africa including South Africa. The free flow of product in Southern Africa is on the increase. Often South Africa will export maize north to Zimbabwe, or east to southern Mozambique (Maputo) while importing maize in Cape Town. The outlook for 2026 is positive and if the large, anticipated summer grain crops materialise, we should experience an active deep-sea export season.

"The best way to predict the future is to create it."
Peter Drucker

Argentina Grain and Oilseed Market Report

By **Ezequiel Hajnal,** Agrosud SA, Buenos Aires, Argentina

Macro, policy, and commercial context

Argentina's 2024/25 and early 2025/26 campaigns unfolded under a materially different macro and policy framework than in prior seasons. The government's pro-market stance, steps toward FX normalisation, and deregulation agenda reshaped both farmer behaviour and commercial execution across the grain and oilseed complex.

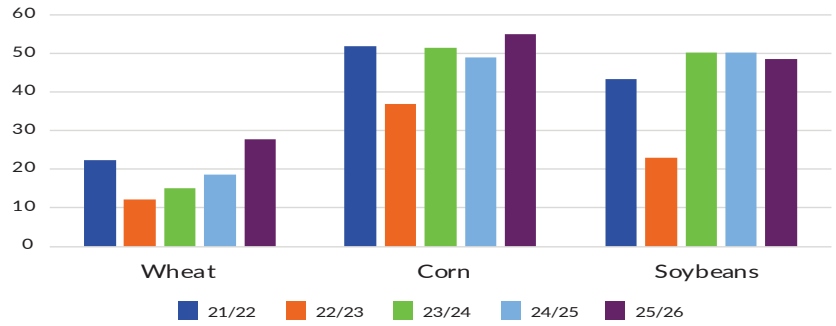
At a broader macro level, Argentina's sovereign risk premium fell below the 500-basis-point threshold for the first time since mid-2018, a level widely viewed by market participants as reopening the discussion about the potential return to international debt markets. This improvement in risk perception has coincided with a period of foreign exchange reserve accumulation at the Central Bank, supported by strong agricultural export inflows and rising contributions from the energy and mining sectors. These domestic developments have taken place against a backdrop of relatively weaker U.S. dollar conditions in global markets, which has tended to encourage international investors to diversify risk toward selected emerging markets showing signs of macro and policy stabilisation, including Argentina.

Beyond the nominal level of export taxes, the market impact has increasingly come from expectations. Signals that further reductions remain a policy objective have been incorporated into producer decision-making, assigning option value to holding physical inventory. This dynamic has been most visible in soybeans and corn, where the farmer selling pace now acts as a primary driver of nearby basis, FAS availability, and crush or export timing.

During 2025, political developments around Argentina's midterm elections became a meaningful driver of market sentiment and financial volatility, with direct spillovers into FX expectations, asset prices, and agricultural commercialisation. Between July and October, uncertainty over the administration's ability to sustain its reform agenda contributed to heightened peso volatility and wider sovereign risk premiums, as market participants priced the risk of legislative gridlock.

For the physical market, this translated into more cautious origination and greater variability in nearby basis and forward spreads, particularly in soybeans and corn.

Huge crops for Argentina in 2025/26 (M tonnes)



Following the October midterm results, which strengthened the governing coalition's representation in Congress, markets responded with improved confidence in policy continuity, contributing to partial stabilisation in FX expectations and forward curves and restoring greater visibility for export pricing and commercial execution into the late-2025 and early-2026 shipment window.

A brief but commercially meaningful policy episode in late September 2025, when export taxes were temporarily removed, highlighted this sensitivity. Export registrations surged across the soy complex, wheat and corn, advancing forward coverage and reshaping shipment profiles into early 2026. While temporary, the episode reinforced the perception that policy remains a live variable in forward pricing rather than a static background condition.

On the international front, Argentina's competitive positioning continues to be framed by Brazil and the United States in soybeans and corn, and by the Black Sea and European origins in wheat and barley. At the same time, sustained demand growth from Southeast Asia, the Middle East and North Africa (MENA) and China continues to anchor Argentina's role as a flexible origin capable of supplying both bulk feed grains and higher-value processed products.

Wheat

The 2024/25 wheat campaign marked a recovery year, with national production estimated at 18.5M tonnes. This restored Argentina's export programme after weather-affected prior cycles, allowing exports in the range of 12-13M tonnes. Brazil remained the core destination, absorbing 5.5M tonnes, driven by geographic proximity and Mercosur trade dynamics. Southeast Asia accounted for a significant secondary flow, with Indonesia and Vietnam together taking 2.5M tonnes, while Bangladesh and Sub-Saharan African markets collectively absorbed 1.8M tonnes, primarily during periods of tighter Black Sea availability.

Market focus has now shifted decisively to the 2025/26 campaign, which represents a structural change in Argentina's wheat balance. **Production is estimated at 27.8M tonnes, the largest wheat crop on record**. What sets this crop apart commercially is its confirmed lower average protein content measured on a dry basis. Quality surveys indicate average protein levels around 9.5-10.0%, with a substantial share of samples falling below traditional milling benchmarks commonly associated with 11-12% specifications.

This quality profile is already reshaping trade flows. Argentina's wheat is attracting strong

interest from price-sensitive and blending-oriented destinations, while buyers requiring higher-protein grades are increasingly supplementing with alternative origins such as Australia and Black Sea suppliers. The combination of very large volumes and lower protein is therefore expected to broaden Argentina's export window into Southeast Asia, Sub-Saharan Africa, and parts of MENA, even as traditional core markets like Brazil concentrate demand on higher-spec parcels and apply wider quality premiums and discounts.

Corn

The 2024/25 corn campaign (Mar-Feb) closed with production near 49M tonnes. The bulk of exports was executed between April and August, reinforcing Argentina's role as a supplier during the gap between northern hemisphere exports and the full arrival of Brazil's second-crop corn. By late January, cumulative shipments stood at 26M tonnes, and February exports are projected to remain capped at less than 2M tonnes, reflecting forward coverage already in place and a seasonal slowdown in farmer selling.

Exports remained diversified across key demand centers. Vietnam and Malaysia together absorbed 6.5M tonnes, while Saudi Arabia, the UAE and Algeria collectively took 5.5M tonnes. Regional Latin American markets, led by Chile and Peru, accounted for an additional 3.5M, with the balance distributed across smaller Asian and African buyers. Ending stocks for the 2024/25 campaign are estimated at almost 8M tonnes, providing a meaningful supply base rolling into the next cycle.

For 2025/26, early projections point to a **potentially record crop of 55M tonnes**. While initial forecasts were closer to 60M tonnes, dryness during January reduced yield expectations. From a commercial standpoint, the key variable is not production availability but the pace of farmer selling tied to exportable surplus. A large share of corn linked to the projected export programme remains unpriced, making basis levels and FOB spreads particularly sensitive to policy signals and FX expectations. If the crop materialises as expected, Argentina is positioned to maintain a strong presence in MENA and Southeast Asian feed markets during its traditional April to August competitiveness window.

Soybeans and the crush complex

Total soybean production for 2024/25 is set at 50.3M tonnes, reaffirming Argentina's position as a global processing hub rather than a primarily raw-bean export origin.

Installed crushing capacity is estimated at 70M tonnes, but utilisation during the campaign averaged close to 60%. Approximately 43M tonnes were crushed, while whole-bean exports surged to 11-12M tonnes, driven largely by Chinese demand, accounting for 9.5M tonnes. The export profile continued to reflect Argentina's structural strengths. Soymeal shipments were concentrated in the EU, Southeast Asia and the Middle East (together absorbing 23M tonnes), while soyoil exports, totalling 5.8M tonnes, moved primarily into India, South Asia and MENA, with secondary flows into regional Latin American markets.

Looking into 2025/26, early institutional estimates place **production in the range of 47-48M tonnes**, making soybeans the most weather-sensitive component of the Argentine complex in the near term.

Barley

Barley production in 2024/25 is estimated near 5M tonnes, with exports in the range of 3.6M. Monthly shipment data shows two distinct export peaks, reflecting the segmentation between early-season feed barley flows and later execution of higher-spec malting parcels. Higher-quality malting barley moved primarily toward China (1.4M tonnes), along with smaller volumes into regional brewing markets. Lower-spec feed barley cleared largely into Saudi Arabia and broader MENA, which together accounted for 1.8M tonnes.

For 2025/26, planted area is expected to remain broadly stable, with export performance hinging on Argentina's competitive positioning versus Australian and Black Sea barley, particularly in China, which remains the principal swing buyer for malting-quality supplies.

Sorghum

Sorghum continues to function as a single-market export programme. Gone are the days when Japan, Chile, Colombia and Saudi Arabia were the usual destinations for Argentine sorghum. Production in 2024/25 is estimated near 3M tonnes, with exports around 1.5M tonnes. China absorbed nearly all the commercial volumes.

For 2025/26, export potential is projected around 1.5M tonnes, contingent almost entirely on Chinese import economics and substitution dynamics versus feed corn.

Sunflower

Sunflower production in 2024/25 reached 5M tonnes, with crush volumes near 4.2M, translating into one of the strongest export years on record for sunflower products.

Sunflower oil exports, totalling 1.3M tonnes, were directed primarily toward India (550,000 tonnes), followed by MENA markets such as Saudi Arabia and the UAE (350,000 tonnes) and regional Latin American destinations accounting for most of the balance. Sunflower meal exports, estimated near 900,000 tonnes, were heavily oriented toward Europe and the UK, which together accounted for 90% of the total. Sunflower seed exports remained mostly dedicated to niche specialty food channels, although there was some volume exported into EU and other destinations.

For 2025/26, planted area is forecast to rise toward 2.7M hectares, with production and crush both expected to approach record levels, further reinforcing sunflower's growing role within Argentina's vegetable oil export complex. **Production is expected to reach 4.9M tonnes**, and we expect a more considerable export programme of sunflower seed during the first semester of 2026.

Peas

Production in 2024/25 reached 258,000 tonnes, with exports near 140,000 tonnes (green peas 110,000 tonnes and yellow peas 29,000 tonnes). Monthly shipment data shows highly episodic flows, reflecting project-style execution rather than a continuous export programme. Primary destinations included China (60,000 tonnes) and India (27,000 tonnes), with smaller volumes distributed across regional buyers.

For 2025/26, production is projected to rise toward 310,000 tonnes. The phytosanitary framework with China positions Argentina to access a scale buyer, but the re-opening of the Canadian origin peas into China could mitigate this growing market. Still, growth in pea demand could potentially shift peas from a niche, project-driven programme into a structurally growing export segment.

Closing market perspective

Based on current estimates for the 2025/26 cycle, **Argentina is on track to reach 150M tonnes of total grain and oilseed production for the first time on record**.

The commercial significance of this milestone lies in its market structure. A larger and more diversified supply base is feeding into an increasingly market-driven pricing framework, where policy signals and FX expectations are rapidly transmitted into basis, spreads and forward curves. Across both bulk commodities and niche products, Argentina's role continues to evolve toward that of a reliable and competitive origin, with a growing emphasis on value-added exports and flexible destination coverage.

(Market data and institutional references as of mid-January 2026 unless otherwise stated. Sources include Bolsa de Cereales de Buenos Aires, Bolsa de Comercio de Rosario, USDA/FAS, Secretariat of Agriculture and industry sources.)

Q&A with Andrey Sizov

Can you briefly introduce yourself, SovEcon, and what you provide to the global grain trade?

I am Andrey Sizov, CEO of SovEcon. The firm was founded in 1991 by my father, Andrey Sizov Sr. We provide data, analysis and regular market intelligence to help global traders, grain consumers and hedge funds understand developments in the Black Sea region and their potential impact on global grain markets. If clients need boots on the ground in the Black Sea, we are here to help.

What are the key factors global grain and feed markets should watch in 2026?

It is an unusual mix of traditional and non-traditional drivers. On the one hand, markets are still focused on the usual fundamentals: global supply and demand, weather, South American corn and soybean crops, and the outlook for the northern hemisphere harvest.

On the other hand, non-fundamental factors are playing a much larger role than usual. Geopolitics remains a key risk, from the ongoing war in the Black Sea to elevated tensions in the Middle East. Trade policy is another major uncertainty, particularly around US-China relations and the broader trade war narrative under an unpredictable Trump administration.

While the Middle East has limited direct impact on grain flows, it is critical for energy markets, and oil prices remain closely linked to grain markets. In addition, broader macro themes, particularly broad commodities index rally thanks to metals ripping higher, are influencing grains noticeably.

How do you see the global wheat and coarse grain balance developing this year?

For months the market has been dominated by a "grain glut" narrative, i.e. oversupply and weak demand, and to some extent this is justified. We have seen larger crops in the US corn balance, solid southern hemisphere wheat output, and rising estimates of the wheat crop in Russia.

However, we believe this story is now largely priced in. Supply looks heavy mainly when compared with last season, but in a longer historical context the balance is not exceptionally loose. Stocks-to-use ratios for major wheat and corn exporters remain well below levels seen a decade ago (2016-2018), when the market was genuinely oversupplied.

There is also an important divergence between crops. In wheat, we believe the market has likely passed the point of maximum bearishness, with most negative news already reflected in prices. Corn is somewhat different, and we cannot rule out further downside. Overall, global supply and demand is tighter than headlines alone might suggest.

How critical is the Black Sea region for global food security today?

The Black Sea remains a critical hub for global grain exports, particularly wheat. In many ways, its role in the wheat market is comparable to the importance of the Persian Gulf for global crude oil.

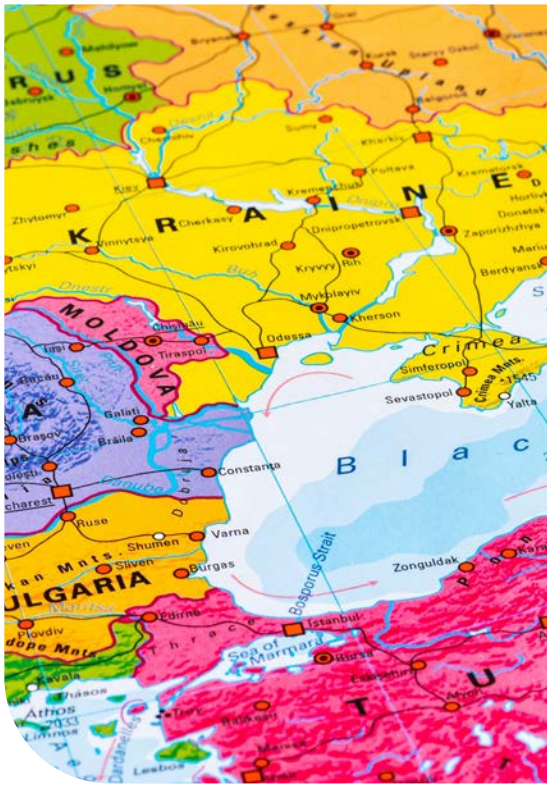
Russia is by far the world's largest wheat exporter, Ukraine remains a major supplier of both wheat and corn, and Russia also exports several million tonnes of corn. If we add landlocked Kazakhstan, which ships around 10M tonnes of wheat annually, as well as Romania and Bulgaria (that export largely via Black Sea ports) the region's importance becomes even clearer.

Taken together, the broader Black Sea region accounts for more than one-third of global wheat trade, making it structurally essential for global food security and price formation.

Which importing regions are most vulnerable to disruptions in Black Sea supply?

Global grain markets are highly flexible, and most large importers can usually replace Black Sea supplies with alternative origins if needed. Physical dependence is therefore limited.

The real exposure is price-related rather than logistical. When Black Sea supply is disrupted, global prices rise, and the biggest impact is felt in low-income countries where food accounts for a large share of household spending. In such markets, even relatively small price increases can quickly translate into food security risks.



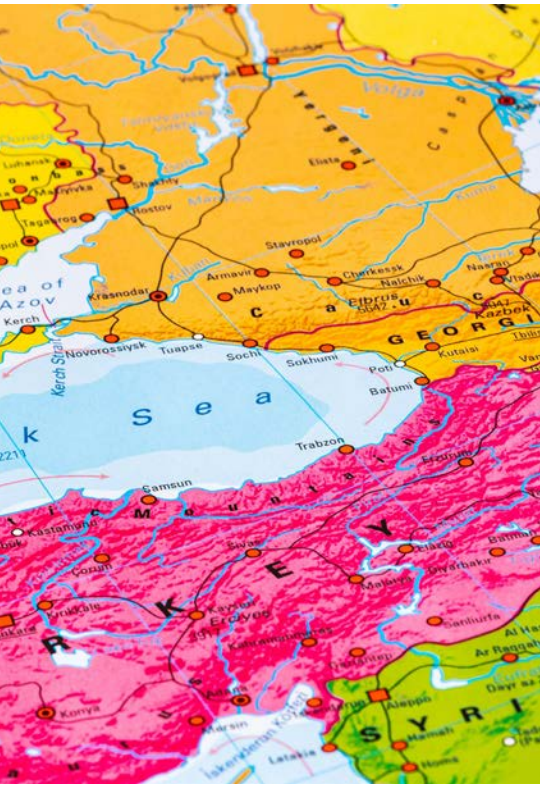
In trade terms, Black Sea wheat is most commonly sold into nearby markets, particularly Turkey, the Middle East and North Africa, mainly due to freight economics. Wheat also plays a central role in diets across the region, reflecting its historical origins in the Levant, broadly corresponding to modern-day Syria and neighbouring regions.

What structural changes are taking place in Russia, Ukraine and Kazakhstan in terms of crops, yields and farming practices?

Following the collapse of the Soviet Union, all three countries saw a major expansion in grain production, driven largely by the shift from a planned economy to market-based farming. This led to sharp gains in output, particularly in Russia and Ukraine.

In recent years, however, their trajectories have diverged. In Ukraine, the war has become the dominant factor. While cultivated area has declined due to the loss of territory, production has proven more resilient than many expected. Yields have held up relatively well, partly because some of the southeastern regions were not among the most productive. Russia's situation is different and largely policy-driven. Since 2021, strict export taxes and restrictions have reduced farm revenues, encouraging farmers to cut wheat area and diversify into oilseeds. Kazakhstan shows a similar pattern.

Taken together, these factors suggest that the strong upward trend in Black Sea grain production seen over the past decade has been interrupted.



What are the longer-term implications of climate change for Black Sea grain production and exports?

So far, climate change has mostly benefited grain production in Russia and Ukraine. In Ukraine, warmer conditions allowed corn to overtake wheat as the main grain crop. The country's corn production grew by more than 10 times. In Russia, milder winters reduced winter-kill risks and encouraged a shift toward higher-yielding winter wheat, supporting rising average yields and a larger total crop.

However, this trend may not be sustainable. Southern Russia and southern Ukraine, key producing regions, are increasingly exposed to more frequent weather anomalies. Russia's south has experienced repeated droughts in recent seasons, sometimes combined with late cold snaps. If such volatility becomes more persistent, climate change could limit further production growth and increase year-to-year variability.

How are new shipping and overland routes reshaping Black Sea grain flows?

For Russia, major export routes and destination markets have changed little. More than 95% of grain exports remain seaborne, shipped primarily via Black Sea and Azov Sea terminals to the Middle East, North Africa, Africa, the Gulf and Southeast Asia.

Some diversification is underway. New and expanding terminals in Russia's northwest, particularly Vysotsk and Ust-Luga, are increasing capacity and may gradually draw flows away from Baltic ports.

Ukraine's logistics have shifted more dramatically. Due to the war and blockade of main deep sea terminals in Odesa and Mukolaiv the country had to rely more on the Danube exports and land routes. Now Odesa is the main export hub again. If a truce is reached, Mykolaiv ports could resume operations.

However if there is no truce, Odesa could face rising risks, as attacks on port infrastructure and merchant vessels have become more frequent in recent months. It's also worth noting that escalation here is also impacting Russian exports as there are growing numbers of attacks on vessels going to its ports.

If geopolitical tensions ease in 2026, how quickly could the Black Sea region regain lost export capacity?

In the near term, the probability of a truce remains limited, although diplomatic signals suggest some gradual movement toward de-escalation. From a market perspective, headline risk is more important than fundamentals. Any announcement of a ceasefire would likely trigger a sharp reaction in wheat prices. However, the actual impact on production and export volumes would likely be modest.

Ukraine's farming sector has proven resilient, while in Russia the main constraints remain policy-related rather than military. The most tangible effects of easing tensions would be logistical (lower insurance and freight costs and fewer disruptions) leading to incremental, not transformational, improvements in export flows.

Are export restrictions and taxes likely to remain a key policy tool in the region?

There are few signs that export policy will change materially in the near term, although approaches differ sharply. In Ukraine, restrictions are limited and largely administrative. The government needs free exports, as food exports are a vital source of hard currency. Russia's approach is very different. Since 2021, export taxes and quotas have been used to supposedly dampen domestic food inflation, although our research suggests their actual impact has been negligible, while also generating fiscal revenue.

We think that the Russian restrictive export policy is unlikely to change short-term. A big crop failure driven by a combination of weather anomalies, the current decline in area and radical cost cutting by farmers, could fuel the change in policy to make it less restrictive.

How are AI, satellite data and other technologies helping SovEcon improve the accuracy, timeliness and reliability of its data?

Over the past two decades, the expansion of the internet, social media, satellite imagery and, more recently, AI has dramatically lowered the cost of information. Much of what once required expensive subscriptions is now widely available to anyone who knows where to look.

As a result, the main challenge today is no longer access to data, but filtering noise and deciding what actually matters. For SovEcon, technology is primarily a productivity tool. We use AI to speed up routine tasks such as processing, checking, translating and formatting information, which frees up more time for analysis rather than changing the analysis itself. AI-driven improvements in weather forecasting are also gradually feeding into better crop assessments.

What technology does not replace is judgement, local knowledge and context. Our work still relies heavily on regional expertise, proprietary datasets and an on-the-ground network in the Black Sea. AI can process data, but it cannot replace a phone call to someone who is actually in the field.

Chicago Commodity Trade, Contracts and Arbitration Seminar

Gafta, in partnership with the North American Export Grain Association (NAEGA) and the US National Grain and Feed Association (NGFA), brought together traders, lawyers, risk managers and commercial professionals for an in-depth afternoon on 29 January exploring the frameworks that underpin global commodity trading.

Gafta Director General, Jaine Chisholm Caunt OBE, set the scene with an overview of Gafta standard contracts and counterparty obligations, offering practical insight into how Gafta's arbitration framework operates in practice. NAEGA Director of Contracts Dana Clarke followed by outlining NAEGA's approach to contracts and dispute resolution, with particular emphasis on consistency and alignment with other trade bodies. Speakers highlighted how cooperation between organisations helps reduce friction in cross-border trade and supports confidence in contractual enforcement. NGFA Executive Vice President Charlie Delacruz concluded the individual presentations by sharing his association's perspective on trading rules and arbitration, alongside an update on trading under the Barge Digital Transformation (BDT) Platform.

Representatives from all organisations then addressed audience-led questions on arbitration in practice, managing counterparty risk, adapting contracts to new technologies, and the future direction of industry collaboration. The discussion reinforced the value of shared standards and open dialogue across trade bodies. The seminar closed with a Presidential Drinks Reception, giving attendees the opportunity to continue conversations in a more informal setting and build connections across disciplines and organisations.

Overall, the seminar delivered practical, experience-led insights into contracts, arbitration and innovation in commodity trading, leaving attendees better equipped to navigate both current challenges and future developments in the sector.

Gafta Committee Meetings

2026 kicked off with a fast start; the first meetings of the year for many of the committees were held in January. The Arbitration Committee, International Contracts Committee as well as Gafta Council met to discuss new updates and look ahead as Gafta plans a bustling 2026 with diverse advocacy work, multiple training courses, publications, presentations and of course the Gafta Annual Dinner on 10 June.

Gafta Council met on 15 January

Kathy Malone, Director of Trade Execution at Bunge and Gafta Council member, with Gafta President **Brian Arnold** in Chicago

June Arnold (centre) attended the FOSFA International Dinner in Madrid in November, where she met **Iain Nicol**, Chief Executive Officer of FOSFA (left) and **Paul Harrison**, Gafta President at the time . It was a sparkling event with more than 650 guests enjoying wonderful hospitality.

From Scientist to Arbitrator: A Profile of Daniel Sheard

Daniel Sheard, an experienced marine scientific consultant, recently qualified as a Gafta arbitrator. With a strong background in natural sciences, he has added to his skills in providing technical expert evidence on cargo deterioration by mastering the commercial and legal aspects of the maritime industry. Contact details for Daniel can be found on the Gafta website.

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

I have been a marine scientific consultant since the mid-1990s, giving advice on carriage and deterioration of all sorts of cargoes, with a large focus on grain and feedstuffs. I hold degrees and a Ph.D in the natural sciences, but most of my knowledge and expertise comes from the years of experience dealing with cargoes, seeing how they behave on ships, and applying science and mathematics to explain that behaviour.

In 2021, my wife and I founded Sheard Scientific, an independent maritime scientific consultancy. Not only does this guarantee full independence, it has allowed me to develop my work and become an arbitrator.

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

I've been familiar with Gafta as an organisation throughout my working career, and am very pleased that Sheard Scientific is, and will continue to be, a member. I recently completed the Diploma in Maritime Arbitration run by the Chartered Institute of Arbitrators. Following that, I wanted to qualify as a Gafta arbitrator and I used the Gafta website to find out what the qualification process was. I also viewed the Gafta training and development courses as a way of expanding my knowledge into the more commercial aspects of the trade, with which I haven't been directly involved as a scientist/consultant. I wanted to understand the details of how the trade works and to be able to apply that knowledge alongside my scientific and technical expertise.

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

I have many years of experience of inspecting grain and feedstuffs cargoes and providing expert evidence in relation to cases. My work over the years has involved advising on cargo self-heating, infestation, fumigation, ventilation and cargo deterioration. I am co-author of a published book on cargo ventilation. My expertise and experience allow me to offer a deep understanding of cargo behaviour during transport and in storage.

4. Can you tell us about your experience with the courses, and how they helped you prepare for the Arbitrator Examination?

I followed the Gafta Distance Learning Programme, which consists of six modules. The ability to study remotely and schedule much of the study time to suit my day to day availability was very helpful. There was a choice of timing for the live tutorial sessions, and recordings of the sessions were available in case I missed one or wanted to check something.

The case studies in each module were invaluable to me in making sure I fully understood all of the material and how the different pieces of information fit together in real-world situations. At the end of each module, there was a written exercise covering the material from that module. These were all a challenge and required a thorough understanding of that part of the course. I found that completing the end of module tests (and reading the feedback from the examiners) helped me in making sure I had properly studied the course topics.

5. What advice would you give to someone who is considering taking the Arbitrator examination?

The Arbitrator examination is a tough test. You are under considerable time pressure and have to be able to apply all of the concepts studied during the course modules to real scenarios.

My advice to someone considering taking the examination is to know and understand the material thoroughly and ensure that you have checked through the case studies and end of module assignments. Then go for it!

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

The online learning course couldn't have suited me better. The modules cover the aspects a prospective arbitrator will need to be familiar with and the material could be reviewed to check topics I found more challenging. Some of the modules contained material which was very familiar to me from my work as a consultant. Other modules were wholly new, particularly those relating to the more commercial sides of the trade and I had to learn the concepts from scratch.

I felt that the courses were pitched exactly right to be accessible for non-legally trained candidates, and provide an excellent framework for understanding how Gafta arbitrations proceed.

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

Having an understanding of the grain trade is very valuable to me. The trade in grain and feedstuffs underpins how the world is fed, and having Gafta arbitrators who can ensure trade is conducted fairly and equitably is essential for the industry to have confidence in its future. I hope to continue to be a part of that future as a Gafta arbitrator.

https://www.gafta.com/membership/member-profile?id=1297811

Outlook 2026: Brazil's Crops Sector in a Shifting Global Trade Environment

By **Jean Carlo Budziak**, Agronomist, Market Intelligence Officer at ANEC

In 2025, Brazil recorded its largest grain harvest on record, reaching 352.1M tonnes. Soybeans alone accounted for almost half of this volume, reaching an all-time high of 171.5M tonnes. Maize production also set a record of 141.0M tonnes. Despite these volumes, Brazilian producers have faced tight margins in recent seasons, driven by higher production costs and lower selling prices.

Exports also reached historic highs, with soybean shipments recorded at 108.9M tonnes and maize exports reaching 41.6M tonnes. Soybean processing has continued to expand domestically, increasing internal consumption to 58.5M tonnes and supporting higher exports of soybean meal, which reached 23.1M tonnes in the previous year. Maize processing has exceeded market expectations due to the fast expansion of maize ethanol production, resulting in larger volumes of DDG/DDGS available for both the domestic market and exports, positioning the product as a commercially relevant co-product.

Despite the pressure on crop profitability, expectations for the 2025/26 season remain positive. Even under margin pressure, producers are maintaining the level of input required to reach the productive potential of each crop.

Total grain production in 2025/26 is estimated at 353.1M tonnes. Soybean output is projected at 176.1M tonnes, although some private consultancies estimate production potential above 180M. Maize benefited from exceptional conditions in the previous season, which significantly boosted yields. In the coming season, productivity is expected to ease, resulting in a slightly smaller crop despite a 4% increase in planted area, with production forecast up to 138.9M tonnes.

Regarding exports, 2026 is expected to deliver another record for soybean shipments, estimated at 110M tonnes. Maize exports may reach the second-highest level on record, up to 44M tonnes, surpassed only by 2023, when shipments reached 55.6M tonnes. Soybean meal exports are expected to continue growing in line with recent years, reaching up to 24M tonnes.

Recent geopolitical developments have reshaped global trade flows, with direct implications for grain markets. China has historically been the biggest importer of Brazilian soybeans and, last year, accounted for around 80% of total exports, reaching nearly 87M tonnes. As a result of the tensions, China suspended purchases of US soybeans and redirected its demand towards Brazil, providing support to global demand and allowing Brazil to export the volumes observed in the previous season.

As US soybean supplies resume, Brazil is expected to maintain export volumes in line with those recorded in recent seasons, with at least 70% of total shipments destined for China. In absolute terms, this corresponds to an estimated minimum volume of 77M tonnes.

China soybean import sources (M tonnes) (calendar year basis)

	2020	2021	2022	2023	2024	2025	2026*
Brazil	61.04	61.05	53.78	75.56	73.40	87.08	**77.16**
USA	34.17	27.37	30.23	26.39	26.81	5.93	25.00
Others	3.32	11.34	7.55	10.04	7.79	18.99	9.84
China imports	**98.53**	**99.76**	**91.56**	**112.00**	**108.00**	**112.00**	**112.00**

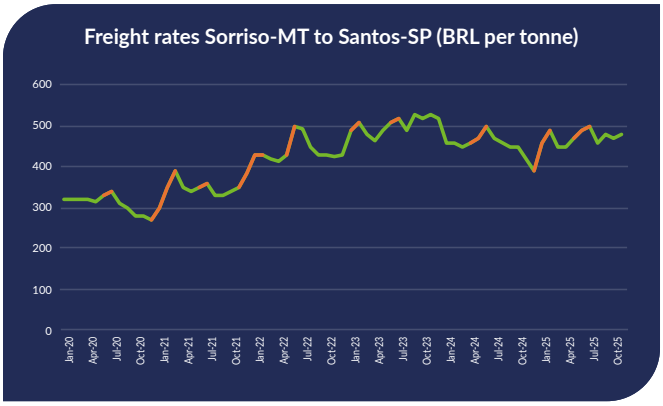
*Forecast

The trade patterns seen in 2025 were shaped by an atypical market environment, resulting in temporary shifts in global demand. This environment remains a point of attention, as geopolitical tensions continue to unfold, despite the announcement of a bilateral agreement. Within this context, the market remains dynamic. Greater soybean availability throughout the year, combined with the competitiveness and quality of Brazilian supplies, is expected to enhance the country's ability to gain market share relative to other exporters.

Part of this volume is likely to be absorbed by other destinations, particularly in Southeast Asia, Europe and the Middle East, which already rank among Brazil's regular grain buyers. Key markets include Spain, Thailand, Türkiye, Iran, Pakistan, Vietnam, Mexico, Taiwan and the Netherlands, among others.

Growing production drives higher demand for road freight, reflecting Brazil's strong structural reliance on this transport mode. In Brazil, the soybean harvest calendar typically begins in late January, with freight rates already showing upward pressure from that month onwards. A similar dynamic is observed with the start of the second maize crop harvest in July. This pattern is illustrated in the chart below, which analyses the 2020–2025 period, based on the Sorriso (MT)–Santos (SP) corridor.

Beyond logistical considerations, 2025 also saw meaningful progress in market access, particularly with China. This included the signing of phytosanitary protocols covering sorghum and maize by-products from the ethanol industry (DDG/DDGS), with initial exports expected from the 2026 crop onwards. In parallel, the sector introduced ANEC's standard contract for sorghum, aligned with international physical quality standards, further strengthening Brazil's competitiveness. These developments represent an important milestone in the diversification of grains and value-added products destined for the world's largest importer.



Brazilian Soybean Balance in 2025 and Prospects for 2026

By **Daniel Furlan Amaral**, Director of Economics and Regulatory Affairs, ABIOVE

The Brazilian soybean supply chain continues to deliver impressive figures. In 2025, the country harvested approximately 171.5M tonnes, marking an all-time record. The data come from the National Supply Company (CONAB), a public institution linked to the Ministry of Agriculture, Livestock and Food Supply (MAPA) and responsible for official statistical surveys. In this regard, it is worth noting that, as of January 2026, ABIOVE will begin using the official crop data in its statistics.

Last year, Brazil also stood out in several other respects. Soybean crushing reached close to 58.5M tonnes, supplying the market with 45.1M tonnes of soybean meal and 11.7M tonnes of soybean oil. It is also relevant to highlight the 108.2M tonnes exported, according to official data, which consolidates Brazil's position as the global leader.

With regard to meal, external demand has been the main driver, positioning the country as the world's second-largest exporter, with uninterrupted annual growth for the past ten years. Soybean oil, in turn, has gained renewed momentum following the increase in the mandatory biodiesel blend to 15% (B15) in commercial diesel, becoming an even more influential factor in decisions on soybean processing.

The outcomes of these developments have undoubtedly included lower vegetable protein prices, benefiting both domestic meat production and importing countries. In other words, consumers now have access to more affordable (and, one might say, higher-quality) food products, given the nutritional attributes of this key ingredient in animal feed. Society, and particularly Brazilian society, has also gained from cleaner, renewable transport, with greenhouse gas emissions reduced by nearly 80% and particulate matter by 50% compared with petroleum-derived diesel.

In 2026, new challenges arise alongside the new records anticipated on the horizon. The crop, estimated by CONAB at 177.1M tonnes, is developing in a context of rising production costs and falling international soybean prices; factors that have direct consequences for the agricultural sector. Industry projections also indicate growth, reaching 61M tonnes, while exports are expected to total 111.5M tonnes, an unimaginable figure just a few years ago.

The realisation of these forecasts, particularly regarding industrial output, will depend heavily on the markets for soybean meal and oil.

Buses powered by biodiesel in Brasilia

In the case of meal, end-of-year stocks remain extremely high, exerting downward pressure on prices. Soybean oil also faces uncertainties, the most significant of which concerns the potential increase in the biodiesel blend rate. Despite abundant raw materials and available installed capacity, the decision ultimately lies with the Federal Government, and no definitive position has yet been presented.

These are the long-term fluctuations typical of agricultural markets, though they remain challenging precisely because of their well-known characteristics. As always, discussions with long-term impacts are also expected; for instance, on railway and waterway infrastructure projects, the integration of biofuels into maritime and aviation fuels, and the continuation of sector-wide quality programmes. From the government's perspective, efforts also continue to secure new trade partnerships that expand business opportunities, as well as, of course, to advance the effective implementation of the Mercosur–European Union agreement.

Wishing everyone a successful year ahead.

EU-Mercosur FTA – signed but not yet delivered

After more than 25 years of negotiations, the two largest economic blocs in the world signed the Partnership Agreement between Mercosur and the EU on 17 January 2026, together with the Provisional Trade Agreement. Details of the trade agreement with regard to the main agricultural products were discussed in the April 2025 edition of Gaftaworld, showing some of the EU TRQs to be opened under this agreement.

Following the signing of the deal, the EU Parliament on 21 January narrowly voted to refer the agreement to the European Court of Justice to assess whether it is compatible with EU treaties. This means there will be a further delay of up to two years before the full agreement can be implemented (depending on the judgment), although it is possible that the trade provisions could be implemented on a provisional basis before the Court judgment is issued. Such action would be strongly opposed by interests in the countries that have already expressed their opposition to this deal.

The EU Commission published a Q&A sheet in January which explains the bilateral safeguards, product standards and financial assistance that will be available to EU farmers in the case of any harmful effects of the trade agreement:

https://ec.europa.eu/commission/presscorner/api/files/document/print/en/qanda_24_6245/QANDA_24_6245_EN.pdf

News in Brief

EU future approach to pesticide policy and impact for third countries

At the end of last year, the EU Commission published the omnibus package, including measures aiming to streamline and simplify EU food and feed safety legislation. Ahead of this publication, Gafta, together with the Global Pulse Confederation, the International Organisation for Spice Trade Associations, the European Coffee Association and the European Spice Association, advocated on the importance of having an impact assessment on this approach. The recognition in the omnibus regulation on the need to have an "impact assessment" was welcomed but the direction of travel in the EU is clear. Commissioner Várhelyi, DG Sante, announced: *"As highlighted in the Vision for agriculture and food, the EU Commission pursues a stronger alignment of production standards applied to imported products. As regards the most hazardous pesticides banned in the EU, the Commission has already established a principle that such pesticide residues are not allowed back to the EU through imported products."*

The most signification change is the Commission's focus on imports and its aim not to allow products to enter if EU MRLs have been set at zero, despite a Codex MRL or an MRL set in the third country. The intention is to approve the least hazardous pesticides and substances in an unlimited way, to consider avoiding burdensome renewal processes and propose time-triggered renewals, with much more targeted and more scientific procedures and longer transition periods. In addition, the new proposal aims to fast-track the scientifically most advanced and environmentally least harmful plant protection products, namely biocontrol products, and to have faster approval processes (it currently takes 8-10 years for a new pesticide approval).

Analysis is ongoing across all sectors on the impact these changes will bring. Gafta advocacy continues to focus on understanding the implications for import tolerances and Codex MRLs on agricultural commodity imports from third countries. The EU has notified its trading partners through the WTO notification system on 29 January, with comments welcome until 30 March 2026.

EU gene editing policy moves forwards

Following on from our article in the November edition of Gaftaworld, the international trade welcomes the compromise reached at EU level in early December, thanks to the efforts of the Danish Presidency. Significantly, no traceability or labelling requirements for NGT category 1 plants are included in the compromise.

The EU Commission and Council compromise marks a very positive step forward on the adoption of EU rules for crops produced by new genomic techniques (NGTs). The compromise supports two categories of plants: NGT1 and NGT2. We see many positives on category NGT1, maintaining the principle that these plants are equivalent to conventional plants with no traceability or labelling requirements (except for seeds), mirroring a similar approach taken by many other trading partners. On a practical level this will help to avoid trade disruption. A verification process will take place and third country plants will also need to be verified to achieve NGT1 status.

Category 2 plants with more complex or less "natural-equivalent" genomic modifications will continue to be subject to existing GMO legislation requirements, including mandatory labelling of products. EU member states can also opt out from allowing the cultivation of NGT2 plants on their territories and can have optional coexistence measures to avoid the unintended presence of NGT2 plants in other products, if they wish to do so.

As next steps, the agreement must now be adopted by the European Parliament's Plenary Session, possibly in February or March, and formal adoption is required by the Council. After this, all eyes will turn to implementation.

EU Deforestation Regulation: the way forward is still uncertain

The EU delayed the implementation of its Deforestation Regulation (EUDR) to 30 December 2026, a second extension of the application date by one year and opening a window to simplify rules and address implementation challenges. After much deliberation at EU level between all stakeholders and EU institutions, the decision to postpone was agreed at the end of the year and published in the EU official journal on 23 December. A simplification report and review must be presented by the EU Commission no later than 30 April 2026.

The agricultural trade, like the EU and its trading partners, are very supportive of the goal to reduce deforestation globally. Many third country trading partners however remain deeply concerned about the trade impact of EUDR, fearing costly and onerous due diligence, traceability and geolocation requirements which have been raised in many WTO committees, where its potential to disrupt key global supply chains, has been expressed.

There is a window of opportunity to find workable and feasible solutions now. However, as discussions intensify across Brussels, it is yet to be seen how likely a review of the legislation is and if key trade concerns like the onerous traceability requirements and questionable legality aspects, will be taken up.

Successful Outcomes for Inland Waterways Transport following Collaboration with COCERAL and UNISTOCK Europe

Gafta is pleased to report the conclusion of a significant regulatory achievement following the 47th session of the Joint Meeting of Experts on the Regulations annexed to the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways (ADN Safety Committee), held in January at the United Nations in Geneva. Sarah Mann, Technical Manager, represented Gafta, alongside partners from COCERAL and UNISTOCK Europe. The ADN Safety Committee unanimously adopted a proposal regarding the transport of previously fumigated bulk cargoes, marking the conclusion of more than four years of technical negotiations and direct advocacy to ensure the continued viability of grain and oilseed transport via European inland waterways. The revised ADN provisions are scheduled to come into force on **1 January 2027**, with a formal implementation period concluding on **1 July 2027**. More details are given in Members' circular GN 2026/022. For further information, please contact Sarah Mann:

Sarahmann@gafta.com

New Members

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

CATEGORY A – TRADERS

Cevital Spa
Algeria
T: **+213 2356 3710**
C: **Hichem Ikken**
E: **hichem.ikken@cevital.com**

LATRAPS Co-operative Company
Latvia
T: **+371 6302 5898**
C: **Edgars Ruza**
E: **edgars@latraps.com**

CATEGORY B – BROKERS

Schepens & Co. N.V.
Belgium
T: **+32 3 259 1760**
C: **Yana Hovsepian**
E: **yana_hovsepyan@hotmail.com**

CATEGORY C – SUPERINTENDENTS

Industrial and Engineering Inspection Company of Iran - I.E.I.
Iran
T: **+98 21 88886200**
C: **Ehsan Khatami**
E: **khatami@iei-co.com**

Cotecna Inspección, S.L.
Spain
T: **+34 93 470 79 90**
C: **Ms Roniel Navarro**
E: **roniel.navarro@cotecna.com**

Cotecna Inspection S.A.
Switzerland
T: **+41 22 849 6900**
C: **Mr Torsten Sievers**
E: **torsten.sievers@cotecna.com**

CIS Control Union Australia Pty Ltd
Australia
T: **+61 2 9440 9600**
C: **Mr Mathew Conoulty**
E: **mconoulty@controlunion.com**

Polucon Services (Kenya) Ltd
Kenya
T: **+254 41 4470777**
C: **Mr Dominic Mureithi Mathenge**
E: **dmureithi@polucon.com**

CATEGORY G – PROFESSIONAL FIRMS

Vallis Group Ltd
United Kingdom
T: **+44 1373 453 970**
E: **info@vallis-group.com**
C: **Andrew Barr-Sim**
E: **andrew.barr-sim@vallis-group.com**

Gafta elects four new Council members

We would like to welcome the four new members of the Gafta Council who joined in January:

Nathalie Hogarth
Cargill International S.A.
Switzerland

Eren Günhan Ulusoy
Ulusoy Un Sanayi Ve Ticaret A.S.
Türkiye

Janet Ngibuini
Louis Dreyfus Company
Kenya

Mohammad Anis Alam
Arabian Agricultural Services (ARASCO)
Saudi Arabia

Beijing takes global lead in crop germplasm preservation

By **Alan Ding**, Gafta Beijing Office

Beijing has taken the global lead in the preservation of crop germplasm resources, the municipal government announced at the end of November.

The city has a germplasm bank of 2.144 million accessions, including the world's most diverse range of crop species.

Beijing is home to 29 seed enterprises that have been selected as key national players, the highest number across China, and it registers more new crop varieties than most other provincial regions each year. These achievements are supported by the Beijing Seed Ordinance, which aims to establish the city as a "seed capital."

Technological innovations have been pivotal, with breakthroughs such as AI-based plant protection models debuting at the UN Food and Agriculture Organization. The agricultural technology contribution rate in Beijing has reached 75 percent, driven by advancements in molecular breeding and other core technologies.

Beijing plans to deepen efforts to improve its seed industry over the next five years, focusing on technology-driven and reform-oriented development, according to a government official.

2026 Calendar

Commodity Shipping

14-15	Apr 2026	Istanbul
16-17	Sep 2026	Sao Paulo

Commodity Dispute Resolution

13-14	Oct 2026	Dubrovnik

Commodity Contracts

20-21	May 2026	Amsterdam

Trade Foundation Course

24-27	Feb 2026	London
23-25	Sep 2026	New Orleans

Social Events

10	Jun 2026	Gafta Annual Dinner London

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

UN High Seas Treaty enters into force

The new treaty to protect marine biological diversity took effect on 17 January, following ratification by the 60th signatory in September. The Biodiversity Beyond National Jurisdiction agreement (BBNJ), sometimes called the "High Seas Treaty", covers all the ocean outside countries' individual exclusive economic zones (usually defined by an area extending up to 200 nautical miles from their coastlines). It establishes legally binding rules to conserve and sustainably use marine biodiversity, share benefits from marine genetic resources more fairly and strengthen cooperation and capacity building.

The establishment of Marine Protected Areas and other area based management tools will be within the remit of this treaty, and the text also consolidates the role of the International Maritime Organization (IMO) with regard to regulation of international shipping, including the International Convention for the Prevention of Pollution by Ships (MARPOL). Covering two-thirds of the world's ocean area that lies beyond national boundaries, this is an important development for the protection of marine life. Gafta, through its accreditation with IMO, will support members' interests as the treaty's processes are developed. The first Conference of the Parties meeting will take place during 2026 to finalise financing and bureaucratic details.

@Gaftaworld

Registered in England & Wales with liability limited by guarantee under Company no. 1006456
I VAT Registration No. GB 243 8967 24

The Grain and Feed Trade Association

9 Lincoln's Inn Fields I London I WC2A 3BP I UK
T: **+44 (0) 20 7814 9666** I F: **+44 (0) 20 7814 8383**
E: **post@gafta.com** I W: **gafta.com**