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Gaftaworld
PROMOTING INTERNATIONAL TRADE

Maritime challenges and extreme weather events cause concern for food security

Disruption to key shipping routes, caused by wars and drought, are leading to serious concerns for many importing regions as they face higher prices and a reduction in readily available supplies of key staples. This edition of Gaftaworld focuses on the harvests and market situation of many of the key northern hemisphere producing countries. Drought has significantly curtailed production of some crops, but export supplies in others, notably Ukraine (see page 4), are facing huge logistical challenges in reaching destination markets.

International Advocacy on Black Sea Trade

Gafta's Global Trade Policy Committee (GTPC) held a meeting with the UN Trade and Development (UNCTAD) Task Force in mid-August to raise serious concerns about the deteriorating export situation in the Black Sea region. The conflict between the Russian Federation and Ukraine is now increasingly targeting not only energy infrastructure but also critical food routes and export infrastructure. This ongoing conflict is presenting a serious and immediate threat to the safety and security of crews and vessels operating in the region, putting the lives of seafarers at risk. Daily attacks on commercial vessels, port infrastructure and warehouses are undermining safe navigation and the principles of free movement, upon which international shipping depends.

The situation is also disrupting global agricultural supply chains and could have significant implications for global food security. The Black Sea region is a key exporter of agricultural commodities, accounting for a substantial share of global exports of wheat, maize, pulses and sunflower oil. Traders are facing significant logistical challenges and, in some cases, are unable to execute export contracts worth hundreds of millions of US dollars.

Gafta is advocating at international level for the urgent restoration of safe navigation and passage for commercial vessels accessing deep-sea ports in the region, enabling exports to resume at scale. GTPC members met with the IMO Maritime Safety Division on this critical situation to give the Secretary-General's office an accurate picture of the impacts to shipping and trade, calling for de-escalation and an immediate cessation of attacks on merchant shipping. GTPC also called for greater collaboration among key stakeholders to develop arrangements that would ensure safe navigation for commercial vessels in its engagement with UNCTAD. Gafta has also raised the issue with the WTO and FAO.

The urgency of the situation is reflected in recent FAO data. The FAO Cereal Price Index averaged 113.8 points in July, up 3.8 points (3.4%) from June and 7.3 points (6.9%) above its July 2025 level. Global wheat prices increased by 5.8%, reaching 9.9% above their year-earlier level, amid heightened concerns over continued disruptions to Black Sea export flows and damage to export infrastructure. These pressures have been further compounded by the impact of recent heatwaves on crop yields in several key producing countries. World maize prices have also increased, supported by concerns over hot and dry weather in parts of the US corn belt and Europe, as well as spillover effects from firmer energy markets amid heightened geopolitical tensions.

The continuing uncertainty surrounding navigation risks, port accessibility, security assessments and operational requirements is creating significant challenges for shipowners, charterers, traders and other stakeholders across international agricultural commodity supply chains. Without an urgent solution to restore safe navigation and reliable access to export infrastructure, the disruption could intensify and have significant implications for global agricultural trade and food prices.

We would urge and call on the UN to encourage more dialogue between the Parties and stakeholders to address the safety and security of seafarers and provide for safe navigation to and from Ukraine and Russia, protecting civilian shipping and ports. These supply chains sustain other nations globally. Considering the export numbers, the prolongation of this current situation will have a major impact on global food security, food prices and shortages.

A drone attack near Russia's Novorossiysk port damaged the cargo ship *Nadezhda*, causing a fire in the vessel's bow, and leaving three crew members seriously injured

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Ukraine shipments severely curtailed

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Harvest reports

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EUDR discussed at WTO

Gafta contract changes – effective 1 July 2026

Following careful consideration at Gafta's International Contracts Committee, Gafta's Approved Registers Committee and Gafta's Arbitration Committee, Gafta Council approved several updates to its contracts, rules and procedures effective from 1 July 2026. These changes include updates to the terminology of the Approved Registers for consistency with the Gafta Approved Registers scheme, the introduction of new, fully updated rice contracts (see below), the retirement of Contract 27, revisions to arbitration and sampling rules, and updates to contract standardisation. A full summary of these changes was sent out to members on 29 June (GC/2026/07). This is available to members on the Gafta website as are the revised contracts and rules.

New Gafta rice contracts (nos. 120 and 122)

The revised rice contracts (120 and 122) were launched on 1 July 2026. These have been developed in close collaboration with former members of the London Rice Brokers Association (LRBA) following the association's integration into Gafta on 1 May 2026, as well as Gafta's International Contracts Committee. They reflect current commercial practices while preserving the longstanding expertise and market knowledge of the LRBA. The revised contracts introduce a number of improvements designed to enhance clarity, consistency and operational efficiency across the international rice trade. Please refer to member circular GN/2026/120 for full details.

Rice Contracts Webinar – 19 November, 2026

Gafta is organising a webinar for members on the new rice contracts, to be held on 19 November by Gafta Counsel Jonathan Waters. This will provide an overview of the amendments, explain their practical application and offer members the opportunity to ask questions. During this webinar, attendees will gain an overview of:

- The latest amendments to Gafta Rice Contracts No. 120 and 122
- The practical implications of the changes
- How the amendments affect contract performance and obligations
- Key areas of risk and best practice
- Common questions from market participants
- Guidance on implementation within your organisation

https://www.gafta.com/events/gafta-rice-contracts-webinar/

Jonathan Waters, Gafta Counsel

Bridging Trade and Shipping

By **Bahadir Tonguc**, Chairman of the FONASBA Shipbroking Committee

When a cargo of grain is sold from one part of the world to another, the trade does not end with the contract. Someone must find the ship, negotiate the freight and terms of employment, arrange the voyage and, when the vessel reaches port, coordinate the many parties and formalities that allow the cargo to move. This is where international trade and shipping become inseparable.

Maritime transport carries more than 80% of international trade in goods by volume, according to UN Trade and Development (UNCTAD). Behind that remarkable figure is a large professional community connecting commercial transactions with their physical execution. Shipbrokers bring cargo requirements and suitable tonnage together and negotiate the terms on which vessels are employed. Ship agents coordinate the vessel's call in port, acting as a vital link between ship, shore, authorities and the numerous parties involved in the voyage.

These professions are represented internationally by FONASBA – the Federation of National Associations of Ship Brokers and Agents.

A global voice for shipbrokers and agents

Founded in 1969, FONASBA today has representation across more than 70 countries, providing a united international voice for the shipbroking and ship agency professions.

Representation, however, is only part of its work. Through its specialist committees and initiatives covering shipbroking, ship agency, education, quality and European affairs, the Federation deals with practical and regulatory matters affecting the professions while promoting professional standards and the exchange of knowledge throughout its membership.

Education, professionalism and quality are central to this work. The FONASBA Quality Standard (FQS), for example, was developed to help shipowners and operators identify agents and brokers that demonstrate financial standing, professional conduct and a commitment to quality and continuous education. The Standard is endorsed by BIMCO, INTERCARGO and INTERTANKO, recognised by the International Chamber of Shipping and acknowledged in UN/CEFACT Recommendation 45.

FONASBA also holds consultative status with the IMO, UNCTAD and the World Customs Organisation and has long maintained close relationships with organisations across the maritime sector.

Increasingly, however, there is value in looking beyond the boundaries of shipping itself.

Looking across the trade chain

FONASBA's external engagement can perhaps be considered in two dimensions.

Horizontally, we continue to strengthen relationships across the maritime community, working with organisations representing shipowners and other shipping interests. Such cooperation is well established and remains essential.

Vertically, there is an equally important opportunity to engage more closely with the industries whose commercial activities create the demand for shipping in the first place.

Shipping is, after all, a derived demand. A vessel is not chartered simply because tonnage is available. It is chartered because grain has been sold, raw materials have been purchased, or another commercial transaction has created a requirement to move goods from one part of the world to another.

For that reason, knowledge needs to travel in both directions.

A commodity trader who understands freight markets, chartering and port operations is better equipped to structure and execute a physical trade. Equally, a shipbroker or agent who understands commodity markets, trading contracts and the commercial pressures facing the principals behind a cargo can provide a better and more informed service.

It is in this context that the developing cooperation between Gafta and FONASBA makes sense.

Bringing two professional communities closer

Gafta and FONASBA represent distinct but closely connected parts of the same international trade chain.

As part of our cooperation, FONASBA is promoting Gafta's training opportunities among its membership, with preferential arrangements available to FONASBA participants. Courses covering areas such as Commodity Shipping and International Carriage of Goods by Sea, together with specialist subjects including laytime, safe ports and port agency, provide opportunities for maritime professionals to broaden their understanding beyond their immediate disciplines.

The benefit goes beyond access to individual courses. The relationship creates a closer connection between two professional communities whose activities are already commercially interdependent.

A better understanding of each other's markets, contracts and operational realities can improve communication and decision-making throughout the transaction. The cooperation with Gafta is therefore an important example of FONASBA looking vertically across the international trade chain, complementing the strong relationships it already maintains across the maritime sector. The more traders understand shipping, and the more shipping professionals understand the trade that creates demand for their services, the stronger and more efficient that trade chain becomes.

Bahadir Tonguc (FICS) is a maritime professional with extensive experience in shipbroking and chartering, having begun his career within a family-run maritime business. He has held senior roles as a shipbroker and chartering manager at prominent shipowning companies. In 2007, he founded Supramar Shipping, a chartering-focused company that has grown into an internationally active organisation with a strong presence in dry bulk, breakbulk and industrial project cargo logistics. He holds a Master's degree in Maritime Business Management and periodically serves as a guest lecturer at universities, contributing to maritime education and professional development. He currently serves as Chairperson of the Shipbroking Committee at the Turkish Chamber of Shipping (IMEAK DTO) and is a member of the Executive Committee of FONASBA. He is also a founding member of the Turkish Shipbrokers Association (GBD), a Documentary Committee Member of BIMCO and the Immediate Past President of The Institute of Chartered Shipbrokers (ICS) Türkiye Branch.

Ukraine harvests good crop, but exports severely curtailed

By Anastasia Shyshlova, Grain Bridge Brokers

In 2026 Ukrainian farmers have produced one of the strongest wheat crops of the war period. However, the main focus of the market is not quantity or quality of the crop but how to ship this crop.

Parts of the River Danube reached record low depths in August 2026

As of 11 August, farmers had harvested 26.13M tonnes of winter crops from 5.63M ha, out of which 19.74M tonnes are wheat, harvested from 4.07M ha (79% of the forecast area). Average yield is 4.85t/ha. Top regions ("oblast") are: Khmelnytskyi region (7.23t/ha) (western Ukraine), Ternopil region (6.25t/ha) (western Ukraine) and Vinnytsia region (6.29t/ha) (central Ukraine); the southern regions have also recovered strongly after last year's drought. Odesa region averaged 4.54t/ha, up from 3.3t/ha in 2025. The Ukrainian Grain Association puts the 2026 wheat crop at 23.7M tonnes, but from other market participants we hear estimates close to 25M tonnes.

In terms of quality, the average picture is good and the crop looks better than last year's. Looking in more detail, we can see that the southern regions have a bigger share of milling wheat with 11.5% protein. Northern regions like Kharkiv and Sumy have a bigger share of feed wheat with protein as low as 7-9%. In some parts of western Ukraine there are issues with low test weight. On average it looks like a strong 11.5% protein crop, which Ukraine usually ships. Growing conditions were favourable, thus no widespread disease cases or any other type of problems which could influence quarantine parameters on the local or destination markets were observed so far. On quality, we will have a clearer picture once export through the deep sea ports reopen, as laboratories on the port terminals carry out export-oriented analyses, using the relevant methods.

As mentioned, **the biggest issue for farmers, traders and everyone else involved is how to get this crop to the buyer**. Since 20 July, vessel calls at the Greater Odesa ports have effectively stopped, with the great majority of operators suspending business after a sharp escalation of attacks on ships and terminals. The alternative shipping routes, which are coasters/barges by the Danube or railcars/trucks through the western border of Ukraine, cannot be a complete solution in general for all crops, but especially for wheat. Asian markets, which account for 20-30% of Ukrainian wheat exports can only be reached by supramax/panamax size vessels. Algeria/Tunisia/Spain/Yemen (accounting for 35-50% of Ukrainian wheat exports) are usually reached by handysize vessel. All those destinations will look for alternative sources of wheat from different origins at this stage.

Ukrainian wheat could theoretically be shipped by bigger vessels through Constanza port or Gdansk port but we think this will not happen, due to the combination of relatively low destination price (compared to 2022) and high inland transportation cost. Wheat flow by coasters usually goes to Türkiye, Italy and Egypt (partially) as well as to Cyprus, Greece etc. There is no demand for wheat by rail/trucks in the EU. If the situation does not change dramatically in the near future, we think that farmers will try as much as possible to hold wheat, and will focus on selling other crops like rapeseed, sunseed, soybean and corn for which they would have easier and cheaper logistics and better profitability.

In 2022, Ukraine exported a maximum of 2.5M tonnes of all grains and oilseeds through the Danube and 1.5M through the western border. But this time the situation is different. Firstly, fewer players are ready to take the risk and work via the Danube, and secondly, the Danube itself is at record-low water, cutting barge payloads sharply and pushing river freight costs very high. On the other hand, the demand picture in the EU, which could be reached by trucks and rail, is less promising. While predictions are hard to make during current circumstances we think that Ukraine is less likely to reach its maximum export capacities through alternative routes due to the reasons described above.

Together with last year's carryover, the wheat export surplus is around 20-21M tonnes. But actual export is directly connected to the war situation, thus it is impossible to predict at this stage. Since 1 July DAP prices for ports in Ukraine have fallen by over USD 40 per tonne, while delivery costs to Ukraine's main customers have increased dramatically. To conclude, Ukraine's crop is big, quality is good, but farmers currently cannot sell it and destinations cannot receive it .

Indian Kharif crops face El Niño wrath; but no threat to food security

By G. Chandrashekhar

India is past the halfway mark in its four-month southwest monsoon cycle (June to September) when major Kharif (rainy season) crops like rice, coarse cereals, pulses and oilseeds are cultivated. This year, climate and geopolitics have combined to disturb the Indian farm sector.

Earlier, in May, the India Meteorological Department had forecast a 10% below-normal rainfall this year following the looming El Niño threat. The weather phenomenon is associated with lower precipitation and dry conditions, the effects of which are currently visible on the ground. Water storage at major reservoirs and limited availability of fertilisers due to the Persian Gulf war in March-April added to the concern.

While the first three weeks of June were nearly dry, copious rains early to mid-July provided soil moisture, encouraged growers to plant and, in a way, saved the country from drought-like conditions. What's critical is not so much the total quantum of rainfall at the end of the season, but the temporal (over four months) and spatial (geographic) distribution of rains. Uneven distribution of rainfall this season is sure to impact harvest size.

As of 17 August, the country as a whole faces a 13% rainfall deficit. Out of the 36 meteorological subdivisions India is divided into, 16 subdivisions face chronic deficiency (minus 20-30%) covering key grain-growing regions that include Punjab, East Uttar Pradesh, Bihar, Jharkhand, Andhra Pradesh, Karnataka and parts of Gujarat. Several other subdivisions are borderline cases.

As per the government's latest report (14 August) of the progress of area coverage, overall planting of all Kharif crops is trailing last year's final recorded acreage by 10% or more. To be sure, the planting window closed end-July. It is premature to state specific crop production numbers. But it is becoming increasingly clear that harvest size of most of the key crops would be below the target set by the government as well as below the last production estimate for Kharif production.

Kharif 2026-27 Production Targets and Kharif 2025-26 Production Estimates (M tonnes)

Key Crops	Target 2026-27	Production 2025-26
Rice	123.0	124.8
Pulses	8.4	7.6
Maize	31.0	30.5
Soybean	14.9	12.6

Source: Government of India, Ministry of Agriculture

Fortunately, from a food security perspective, India is not in the danger zone. Adequate public stocks of both rice and wheat (totalling nearly 80M tonnes) are a big relief.

India will continue to import pulses under the liberalised policy currently valid until March 2027 (I forecast a 15% rise to 7.5M tonnes). Vegetable oil imports may also witness a small expansion to 17M tonnes. Sugar export is suspended until September.

Production shortfalls, tightening supply-demand fundamentals and inflation concerns may force the policymakers to review food policy and renewable energy policy. New Delhi may undertake appropriate interventions including imposition of stock limits, restriction on export and similar measures.

It is possible that diversion of feedstocks like sugarcane, maize and rice for ethanol may be curtailed. Non-Basmati rice exports may be restricted in order to ensure domestic availability. The situation needs continuous monitoring. By end-August, one would be able to make an informed estimate of likely production.

India's E20 biofuel policy will be under scrutiny if there is a large downturn in Kharif crop production

G. Chandrashekhar is senior editor and policy commentator specialising in commodity markets. Views are personal. He can be reached at: ***gchandrashekhar@gmail.com***

North Africa Harvest Report

2026 Harvest: Favourable weather, but production remains insufficient to meet local demand

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

Let's begin with a review of the 2025/26 crop year.
Tunisia and Algeria had announced a strong 2025 durum wheat harvest, and we expected significant declines in imports for both countries. This was true for Tunisia, but despite the announcements, Algeria still imported a record 2.7M tonnes of this grain (including 2.26M from Canada). Furthermore, imports of bread wheat by these two countries were also substantial, totalling nearly 9M tonnes for Algeria and 1.1M tonnes for Tunisia.

Morocco, for its part, suffered another severe drought in 2025 and had to import almost all of its industrial requirements, namely 5.12M tonnes of milling wheat and 1.2M tonnes of durum wheat. It should be noted that, given the attractive prices available on the market this year, the Moroccan government did not need to activate its import subsidy system.

Maghreb millers were able to source supplies easily this year, with a varied offer available in large volumes. The two official purchasing boards, OAIC in Algeria and OTC in Tunisia, continued to focus their purchases on the Black Sea region.

OAIC continued to ignore French offers, which was surprising given that France was the best value for money on the market for many months during this year. Morocco, for its part, took full advantage of this, sourcing nearly 70% of its needs from France.

A point worth flagging, as it is becoming a recurring phenomenon that has intensified over the past 2-3 years and will now need to be factored into future marketing campaigns: the impact of the weather on winter unloading operations, particularly the number of days ports are forced to close due to bad weather and heavy swells. Let's just take Morocco as an example, where 180 ships were left stranded off Moroccan ports in the middle of winter, unable to berth. Some remained at anchor for more than a month before being unloaded. Tens of millions of dollars in demurrage charges were recorded, significantly weakening the operators' financial positions.

2026 Production and 2026/2027 Marketing Campaign

For once, all three countries in the region benefited from good winter rainfall, pointing to good 2026 cereal harvests. In **Algeria**, the government has once again announced a record durum wheat harvest, counting on the impact of new production areas (see photo) established in the south over the past two years.

Still far from expected targets, this output remains controversial because growing wheat in the desert, nearly 1,000km from consumption areas, is in itself a major logistical challenge... We will therefore remain cautious in our durum wheat import forecasts for 2026/27. For bread wheat, demand will remain very high, at a minimum of 8.5M tonnes, plus 500K tonnes of barley and at least 3M tonnes of corn.

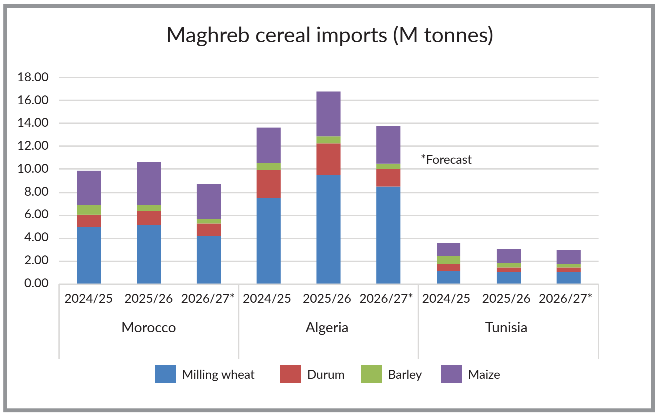
Morocco: After four consecutive disastrous years, the Kingdom is back to a decent cereal harvest, totalling 9M tonnes, including 4.4M tonnes of milling wheat. On this basis, and anticipating a domestic collection of 1.5M tonnes, the government has decided to close its borders to imports until September. That said, the slow pace of collection is hard to ignore; as of end-July it reached only 500K tonnes. It appears Moroccan farmers are holding wheat on-farm to rebuild

Durum wheat production in the south of Algeria

stocks depleted by successive poor harvests. Imports should resume quickly and the government has already announced that its subsidy programme will be reactivated for the marketing year. The country is expected to import at least 4M tonnes of milling wheat, 1.1M tonnes of durum, 0.4M tonnes of barley and 3M tonnes of maize.

Tunisia is once again enjoying a good crop this year (2.2M tonnes). This will help limit demand, especially in durum, and we forecast imports of this cereal at around 0.4M tonnes in 2026/27. As the country produces virtually no milling wheat, it will need 1.2M tonnes, to which should be added 0.35M tonnes of barley and 1.2M tonnes of maize.

In total, the Maghreb is expected to import at least 25M tonnes of cereals during the 2026/27 marketing year.



Türkiye Grain Outlook 2026/27: Strong Domestic Crops, Rising Black Sea Risks

By Murat Yazar, Grains and Origination Manager, Türkiye - Global Trade, ADM

Marketing Year (MY) 2025/2026 was a challenging season for Türkiye's grain balance. Drought and unfavourable weather conditions reduced domestic production, particularly of wheat and barley, increasing the country's reliance on grain imports through both private-sector purchases and tenders conducted by the Turkish Grain Board (TMO). Private-sector wheat imports were mainly driven by Türkiye's flour export industry, which has been trying to recover its historically strong export volumes following the impact of the previous year's import restrictions. For domestic supply requirements, TMO was active in wheat purchases, as well as barley and corn import tenders. In addition, responding to rising domestic feed grain prices and broader food inflation concerns, the government introduced a 3M tonnes corn import quota in April 2026, reducing the applicable customs duty to 5%. The quota remained valid until the end of July 2026 and provided significant support to domestic feed grain supply during the period.

The outlook for MY 2026/2027, however, is considerably different, particularly for wheat and barley. Turkish farmers increased wheat and barley plantings, while favourable weather conditions and above-average rainfall supported crop development. As a result, production estimates point to one of the strongest grain crops in recent years. The Turkish Statistical Institute (TÜİK) projects wheat (including durum) production at 22.8M tonnes (+26.7% YoY) and barley at 9M tonnes (+50% YoY), while USDA FAS estimates production at 22.5M tonnes (+34% YoY) and 8.1M tonnes (+59% YoY), respectively. This sharp recovery should significantly reduce Türkiye's import requirements, particularly for barley, where imports could become unnecessary depending on domestic demand and TMO stock management. Reflecting this more comfortable supply situation, the government recently decided to reopen exports of domestic milling wheat and broken wheat from 29 July 2026, following a suspension that had been in place since March 2025. Exports will nevertheless remain controlled and subject to TMO approval.

Despite this positive domestic production outlook, developments in the Black Sea remain an important risk factor. The recent escalation of attacks affecting commercial vessels, ports and export infrastructure has increased uncertainty around regional trade flows. For Türkiye, however, the immediate impact on wheat supply should be relatively limited because of the strong domestic crop. Wheat import demand will largely be linked to the flour export programme. This remains important for Türkiye's flour export industry. Türkiye has historically been one of the world's leading flour exporters, and competitively priced Black Sea wheat has been a key component of that business model. Turkish flour exporters are already facing pressure on export volumes, and any prolonged disruption to Black Sea supply chains or significant increase in wheat prices and freight costs could further weaken their competitiveness in international markets.

The situation is different for corn. While wheat and barley production are recovering strongly, corn production is expected to decline as farmers have shifted acreage toward wheat, oilseeds and vegetables. TÜİK estimates corn production at 8M tonnes (-5.9% YoY), while USDA FAS projects 7.1M tonnes (-10% YoY). At the same time, Türkiye's feed industry continues to expand, with much of this growth concentrated in corn-intensive feed production. Consequently, domestic corn demand continues to increase, and with lower production expected this season, Türkiye is likely to remain structurally dependent on corn imports. This dependency is complicated by Türkiye's GMO regulatory framework. Türkiye maintains a specific list of GMO corn events approved for feed use, which includes fewer approved events than the corresponding EU list, making regulatory compliance an important consideration when selecting import origins.

In practice, Black Sea suppliers, particularly Ukraine and Russia, remain the most commercially viable sources capable of meeting Türkiye's combination of pricing, logistics and GMO compliance requirements. Türkiye's domestic corn harvest runs broadly from August through December, meaning there is unlikely to be an immediate need for substantial imports during the main harvest period. Once domestic availability begins to tighten, however, import requirements are expected to return. As a conclusion, Türkiye enters the season with a comfortable wheat and barley balance, with Black Sea availability remaining an important factor for corn.

In light of the developments we are witnessing today, I would like to conclude with the timeless words of Mustafa Kemal Atatürk, founder of the Republic of Türkiye and one of the most prominent military and political leaders of the twentieth century; words that reflect his enduring vision for peace:

"Peace at Home, Peace in the World."

The Phantom Lentil Deficit: Unravelling a 2026/27 Market Paradox

By Gaurav Jain, CEO and Chief Analyst, AgPulse Analytica

Imagine a scenario where the numbers tell two completely contradictory stories. On one hand, global output drops sharply, and major buyers are hungrier than ever. The ledgers scream that a deficit is imminent. Yet, if you look at the pricing, there is no panic; in fact, values are lingering near rock bottom. How can a market simultaneously be tightening on paper and suffocating in reality?

This is precisely the riddle facing the **global lentil market** in the 2026/27 marketing year. To understand this standoff, we must first look at what is coming out of the ground.

Lentil Production: A Noticeable Contraction

How much will the major exporting countries actually produce?

('000 tonnes)

Major Exporter	2026/27 Production	2025/26 Production	Change
Canada	2,635	3,350	-715
Australia	2,189	1,904	+285
Kazakhstan	655	776	-121
Russia	432	850	-418
USA	320	480	-160
Total	**6,231**	**7,360**	**-1,129**

Source: AgPulse Analytica

The major exporters are collectively looking at a crop that is 1.13M tonnes smaller than last year. Canada and Russia account for most of this decline, while Australia stands out with production rising by 285,000 tonnes. At first glance, this contraction looks constructive for prices, but production is only half the equation.

Lentil Consumption: A Surging Appetite

How much will the major consuming markets actually need?

('000 tonnes)

Major Importer	2026/27 Consumption	2025/26 Consumption	Change
India	3,250	2,750	+500
Bangladesh	770	700	+70
Pakistan	175	172	+3
Total	**4,195**	**3,622**	**+573**

Source: AgPulse Analytica

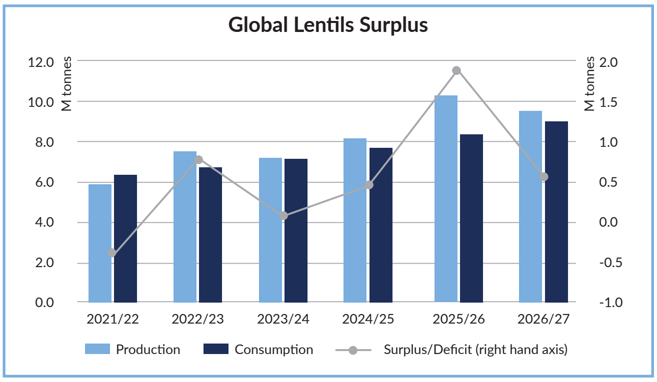
India is clearly the dominant story here. Its consumption is projected to rise by 500,000 tonnes, with imports expected to reach 1.6M tonnes. Bangladesh is adding another 70,000 tonnes to the demand side.

The Deficit Illusion

On paper, the supplies have shrunk, and demand has ramped up, but the world is still oversupplied of the staple crop.

At the same time, regional availability will become more critical, in a year when major trade routes face geopolitical disruption, freight uncertainty, and possible closures. A global surplus does not necessarily guarantee every destination will have easy access to supply.

Here is the twist: what if the market isn't starting from zero?



The Heavy Hand of History

The 2025/26 season was a fourth surplus (when production was bigger than consumption) year in a row and its balance sheet left approximately 1.9M tonnes of surplus, and much of that supply is still entrenched in the system. Entering 2026/27, the major exporters alone are sitting on approximately 2.5M tonnes in stocks; including 1.25M in Canada.

Suddenly, the equation looks entirely different. While the projected increase in import demand of roughly 500,000–600,000 tonnes is moving the market towards inventory liquidation, it is simply not enough to eliminate the accumulated surplus in a single season.

The Standoff: Prices Near the Floor

This leads to perhaps the most interesting part of the market. Despite this massive inventory overhang, prices have already moved towards their floor. Why? Because the inventory exists, but farmers are not necessarily selling it. This farmer stock retention is restricting physical availability, preventing the bearish balance sheet from fully translating into falling prices.

However, this dynamic could violently shift with the harvest. Canada in September and Australia in November will inject fresh supply into the market alongside these old-crop stocks. If farmers release this inventory alongside the new crop, exporters could suddenly have considerably more supply to offer, intensifying price competition.

Expectations suggest that harvest pressure could push lentil prices another USD20–30 lower, with Canada providing the first test in September and Australia the second in November. Ultimately, the 2026/27 story may not be about whether the market has enough demand, but whether that demand can arrive quickly enough, and at a high enough price, to finally pull the 2025/26 inventory out of farmers' hands.

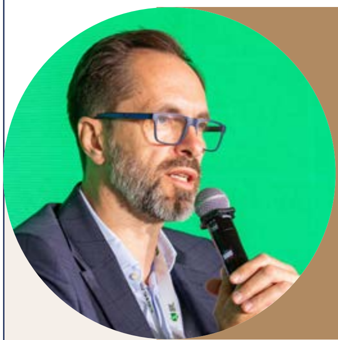
German Grain Crops 2026

By Thorsten Tiedemann, Getreide AG

Promising conditions were to be witnessed on grain fields during springtime before the first heatwave took its toll on yield potential in the southwest by mid-June. Subsequent heatwaves also impacted fields further northeast.

As grain filling for winter barley had completed when the heat arrived, barley yields were satisfactory and the **German barley crop reached 11.0M tonnes**, while showing good test weight results. The German barley harvest remained slightly below the exceptional result of 2025 at 11.3M tonnes. The wheat harvest is heterogeneous this year in terms of protein, test weight and yields. Favourable subsoil moisture provided for resilient crop conditions in the spring, but grain filling for wheat had not completed when severe heatwaves hit. Depending on the varieties, soil quality and the region, the heat ended grain filling at premature stages of development, resulting in a wide range of yields and quality, some samples showing low test weight results and high proteins, while others showed the opposite. Test weight and protein can be blended at the export silos, unlike Hagberg, which was the problem last year but is not an issue this year.

It is difficult to calculate an average German yield for wheat, but at this stage, while the harvest has almost finished, we would put the **2026 soft wheat crop at only 20.3M tonnes**, compared to the satisfactory soft wheat crop of 22.8M tonnes last year. Lower yields have farmers holding the wheat on farm, waiting for higher prices to break even vs. their cost of production. Rapeseed and barley have been sold to a higher degree instead. The **total German grain crop should amount to 40.7M tonnes (45.3M tonnes last year)**. Most disappointing are rapeseed yields, resulting in a **rapeseed crop of only 3.45M tonnes** (3.98M tonnes last year).



Poland: a smaller wheat surplus, but stronger maize export prospects

By Marcin Chim, BST Brokers

By 17 August, Poland had harvested 85–90% of its cereals excluding maize, with unfinished fields concentrated in the north. The crop is smaller than the 2025 record but close to average. Private analysts put **cereal output, including maize, at 33.7M tonnes**, 3.4M below 2025 but only 0.2M below the five-year average. Excluding maize, Statistics Poland (GUS) estimates basic cereals and mixed grains at 25.3M tonnes, down 4.9%. Wheat forecasts are similar, although GUS is more optimistic on other cereals.

Production and quality

Wheat production is forecast at 12.2-12.5M tonnes. A private yield estimate of 5.26t/ha is 12% below last year's exceptional result, but only 3% below the five-year average. Mid-August intake reports put protein mostly at 12.5–15%. Trade feedback suggests an average test weight of 74-75kg/hl, acceptable to domestic processors but less comfortable for exporters. Falling numbers are more uneven: readings are lower in Warmia-Masuria, while Pomerania appears less affected, although reported averages remain below 250 seconds. At time of writing it was too early to estimate feed wheat's share of the crop, but high-protein wheat missing one milling parameter may find ready feed demand, while exporters need more time to assemble uniform cargoes.

Rapeseed is the clear disappointment. GUS expects 3.1M tonnes and private forecasts are closer to 2.8M, but frequent reports of yields below 3t/ha cast doubt on whether output will reach 3M. **Maize** offers the stronger export story. Forecasts centre on 9M tonnes, potentially making Poland the EU's largest producer. Crops look strong in central and northern Poland but weaker in the drought-hit south-west. Some private estimates place EU output at its lowest since the 1990s, supporting import demand. Later maturity in the north makes September and October weather the main risk, particularly for harvest moisture and mycotoxins.

Market impact

Despite the advanced harvest, spot supply remained thin through mid-August. Some farmers delivered grain into commercial storage without selling; others kept it on farm. Grain was moving into storage, not into the market. Private balance sheets put cereal production at 127% of domestic use, down from 141% last season. The wheat ratio falls from 158% to 132%, while maize stays close to 162%. How quickly the surplus becomes available will depend on farmer selling.

July seaborne grain exports reached 358,000 tonnes, up from 136,000 tonnes a year earlier, led by 271,000 tonnes of wheat. Old-crop loadings supported the total. The delayed northern harvest restricted early availability, making a larger new-crop export programme more likely from autumn.

Poland does not face a national shortage. The issue is the mix: a smaller wheat cushion, limited nearby selling and a maize crop that could become Poland's main export advantage if autumn weather cooperates.

Italy's 2026 Wheat Harvest: Strong Volumes, Quality Challenges and Geopolitical Uncertainty

By Massimo Boscarato, Durum Wheat Procurement and Flour/Semolina Sales Manager of Grandi Molini Italiani Sp. Member of Italmopa Committees, Ager Bologna Commodity Exchange Commissioner and CUN Durum Wheat Commissioner

Italy's 2026 wheat harvest has delivered satisfactory results in terms of volume, although with some important differences between durum and soft wheat. **Durum wheat** production is expected to exceed 4M tonnes, confirming the strategic importance of the crop for Europe's largest pasta-producing country. However, output is projected to remain below the exceptionally strong 2025 harvest.

Quality appears generally good across most growing areas, although a reduction in average protein content, particularly in southern Italy, has emerged as one of the defining characteristics of the new crop. For millers, lower protein levels reinforce the importance of careful wheat selection and blending strategies. **Italian durum wheat remains an essential component of semolina production**, but imports will continue to play a complementary role in ensuring consistency and meeting the quality requirements of the pasta industry.

The outlook for soft wheat is particularly encouraging. Production is expected to approach **3M tonnes**, approximately **10% above the 2025 crop**, driven primarily by higher yields while the cultivated area has remained broadly stable at around **500,000 hectares**. From a quality perspective, the crop shows satisfactory milling characteristics, notably in terms of test weight and sanitary standards, supporting good flour extraction rates. Protein content has nevertheless remained slightly below initial expectations due to the dilution effect associated with higher yields. Despite the stronger harvest, domestic production remains well below Italy's annual requirement of approximately **8M tonnes,** of which around **6.5M tonnes** are used by the milling industry. As a result, **Italy will remain a significant importer of both soft and durum wheat**.

Looking beyond the harvest, market attention is increasingly focused on developments in the Black Sea region. Recent attacks involving Russian and Ukrainian maritime and port infrastructure have highlighted the continuing vulnerability of one of the world's most important grain export corridors. Although Italy does not import Russian wheat directly, it remains exposed to the indirect effects of disruptions in global grain trade flows.

Should instability persist, major wheat-importing countries in North Africa, the Middle East and Asia may increasingly turn towards European origins. This shift could intensify competition for export-quality wheat, supporting higher prices and increased volatility across EU markets. For Italian millers, the main risk is therefore not the loss of Russian supply itself, but the potential reallocation of global demand towards Europe. In this environment, procurement flexibility, origin diversification and effective risk management will remain critical competitive factors for the milling industry.

UK – Drought in many areas has led to early harvest and lower yields

By Anthony Hopkins, Cereals & Oilseeds Sector Director, Agriculture and Horticulture Development Board

Harvest 2026 has proven to be very early, and highly variable in both yield and quality across the UK.

A relatively mild and wet winter, followed by prolonged hot and dry weather, meant harvest was underway widely in England by late June, two or three weeks earlier than usual. By mid-August, harvest was approaching completion in all but the north of England and Wales, and well underway in Northern Ireland and Scotland.

The variable impact of the weather has been shaped by a range of factors, especially location and soil type. The South and East of England have been hit the hardest by the drought, with those on the lightest land seeing the most significant reductions in yield. Wheat is now 85% cut, with yields 13% below the 5-year average. Quality has generally proven strong with good protein levels, Hagberg Falling Numbers and specific weights. Winter barley is largely complete, with national yields around the 5-year average, although the quality has been mixed. Spring barley yields, however, are down around 26% (on the 5-year average) with just over half of the crop cut. Oats are down 21%. For both spring barley and oats, there is considerable variation in yields and quality making it difficult to draw firm conclusions nationally. Pulses are around 60% harvested, but they are also very variable, with yields ranging from 45% to 140% of the 5-year average.

Heat and drought have affected 2026 French harvest of all crops

By François Luguenot, Consultant

Due to historically high temperatures starting as early as May, the 2026 French harvest was exceptionally early: all winter crops were harvested by the end of July! Naturally, this situation led to lower yields.

French maize production has been severely affected by drought this year

Despite a slight increase in acreage, **soft wheat production** has fallen compared to 2025, dropping to around 31M tonnes (down 2M tonnes). However, quality is generally excellent, particularly regarding protein content (11.5-11.8%); heat-related issues with specific weight will be easily managed. This should boost exports. For the same reasons, **winter barley production** has dipped slightly to 11M tonnes. **Durum wheat** acreage has fallen again this year, with production reaching only 1M tonnes, down from 1.3M tonnes in 2025. Thanks to increased acreage, **rapeseed has yielded a solid harvest** of approximately 4.7M tonnes, slightly higher than in 2025. However, there are now concerns that sowings for the next crop could be hampered by drought. Production of **protein crops** has also dropped by 12-15%, despite stable acreage. Spring crops have suffered far more damage from the heat and drought. Driven by declines in both acreage and yields, **spring barley production** could plummet by nearly 40% to 2.0-2.2M tonnes (down from 3.5M tonnes in 2025).

Rising fertiliser costs had already led farmers to drastically cut **maize** acreage by nearly 20%. Compounded by the heat and drought, production is now expected to fall by at least 35%, and possibly up to 50%, to between 7M and 8.5M tonnes, a drop likely to trigger a surge in imports. Conversely, **sunflower acreage** increased by 100,000 hectares, but yields here have also been heavily impacted, particularly since this crop receives little irrigation.

Spain: We are the Champions!

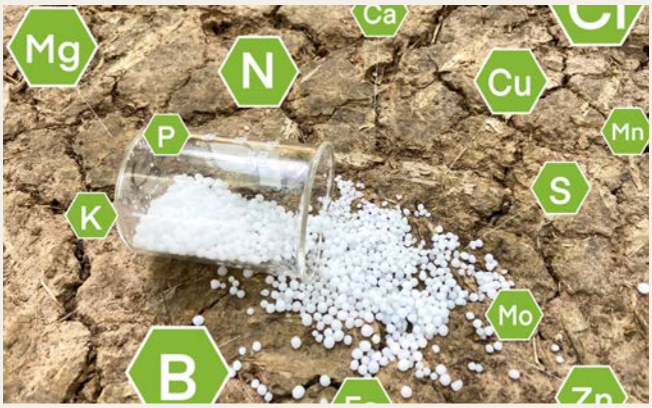
By Andrés Gómez Bueno, Grupo GOF

Without a doubt, the most relevant aspect of this year's crop in Spain is that we won the FIFA World Cup. Oh boy, did we win the tournament or what? ...we aced it.

Secondly, we have minor aspects like one of the smallest areas sown in many years. Excess water between November and February made it hard to get the land prepared, and the new measures in the CAP that foster more oilseeds and pulses to be sown, are what I understand underlie that condition. Thirdly, as from the beginning of the creative overhauling of the management of the Strait of Hormuz, fertiliser prices went up like spacerockets, while grain prices stayed bearish. This brought us into a scenario of not only fewer hectares, but also limited application of chemical nutrients on those hectares that were sown. On top of that, the absence of rain in May/June gave the crop another sting.

Another issue to take into account (although not as relevant as the fact that we beat Portugal, Belgium, France and Argentina on our way to becoming world champions) is the most secretive part of the equation, i.e. actual stocks on farm. At the beginning of the year a record 5M tonnes were supposed to be in the farmers' hands but not in the market yet. All in all, we expect a small crop (latest official figure puts it at 17.9M tonnes, but I expect it to be below that (down from around 25M tonnes last year), with farmers facing huge production costs and a bearish market...once again I see an interesting campaign for traders in Spain.

Definitively uneasy, with a truly volatile market, the African Swine Fever outbreak having still not been fully controlled (although our pork sector is handling this awkward situation incredibly well), a small crop, mid prices, high costs, EUDR looming...thank god we won the World Cup, although even if we hadn't Spain would remain an interesting market for agri-commodities.



Prices of agricultural inputs increased significantly this year due to restrictions on shipping from the Persian Gulf

Taking the Long View, U.S. Wheat Farmers Maintaining Bushels on Fewer Acres

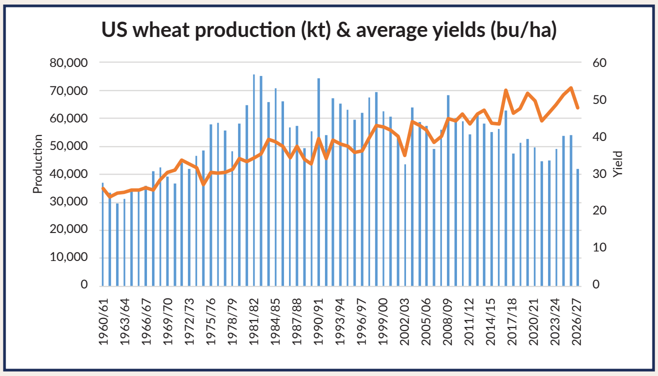
By Luke Muller, Market Analyst, U.S. Wheat Associates

For many U.S. wheat farmers, the long-term decline in planted acres reflects real-world pressure: tight margins, stiff competition for acres and difficult decisions to make about expenses. The June USDA Acreage Report estimated all-wheat planted area for the 2026 crop at 42.7 million acres (17.3M ha), down 6% from 2025 and the lowest since records began in 1919.

But acreage reports are only half the picture. In the early 1980s, average yields often hovered in the mid-30 bushels per acre. Since that time, yields have generally moved higher, regularly exceeding 45 bushels per acre. U.S. wheat farmers are harvesting more grain on each acre they plant compared to the past.

Public and private wheat breeding programmes have steadily improved yield potential while targeting disease resistance, heat and drought tolerance, and quality characteristics. Improved farming practices have also helped growers produce more wheat with fewer resources. The U.S. Wheat Life Cycle Assessment found that greenhouse gas emissions, water use and soil erosion have all declined on a per-bushel basis over time.

None of this minimises the challenges facing growers this year. However, the longer-term story should not be lost. Nationwide average yields that have trended up over the long term ensure adequate production for U.S. and global consumers. That combination is central to the U.S. wheat narrative: farmers are not simply producing wheat; they are producing it more efficiently, with better genetics, smarter management and a commitment to leaving the land productive for the next generation.



Source: FAS PS&D

USA imposes Section 301 tariffs to replace temporary 122 tariffs

Further to the article in the July 2026 edition of Gaftaworld, the USA imposed Section 301* tariffs (Trade Act 1974) on goods exported from 60 countries "Related to the Failure of Each Economy to Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced with Forced Labor". These were implemented on 24 July, when the authorisation of the previous Section 122 tariffs imposing "temporary import surcharges to address fundamental international payments problems" was due to expire. There is a long list of goods exempted from these tariffs (very similar to the products exempted from the reciprocal tariffs), some country-specific and others applicable to all 60 countries, and these are listed in Annex II of the USTR's Federal Register Notice (see below link). They include many herbs and spices as well as seeds for sowing of leguminous crops, oilseed crops and cereal crops.

A further seven countries (Cambodia, Guatemala, Honduras, India, Sri Lanka, and Trinidad and Tobago) were added to the list of 14 countries whose goods now face a 10% tariff, while goods from the other countries face a 12.5% tariff. Due to previous agreements with the EU, Japan, South Korea. Switzerland and Taiwan, these new tariffs are capped, taking into account the MFN duty. For Japan, South Korea and Switzerland, the maximum new 301 tariff plus MFN duty is 12.5%, while for goods from EU and Taiwan, the maximum is 10%. If the MFN tariff is above the cap, no Section 301 tariff will apply.

There continue to be other investigations into unfair trading practices by the US administration; a recently concluded one under Section 338 of the Trade Act 1930 means that, as Gaftaworld went to print, some Canadian alcoholic and dairy products (and motor vehicles) were due to face a 50% tariff on import into the USA from 19 August (postponed at the last minute on 19 August). The White House has also recently published a report** on the so-called "Great Transshipment Scam", which, while recognising there are legitimate reasons why goods may be transshipped, relates to third country exporters disguising the true origin of a product to avoid high tariffs. "The White House Council of Economic Advisers estimates potential illegal transshipment in a range of $34.2 billion to $89.6 billion," it states. Among other steps, the report outlines "an AI-enabled "Detective Border" that would support U.S. Customs and Border Protection (CBP) by integrating shipment data, routing histories, product classifications, ownership relationships, production-capacity indicators, anomaly detection, computer vision, and other analytical tools."

***https://www.federalregister.gov/documents/2026/07/28/2026-15181/notice-of-actions-in-section-301-investigations-of-acts-policies-and-practices-of-various-economies**

****https://www.whitehouse.gov/wp-content/uploads/2026/08/The-Great-Transshipment-Scam.pdf**

Annual Lawyers Seminar Delivers Key Industry Insights

Sophie Webber, Abi Buxo, Jonathan Waters and Jaine Chisholm Caunt OBE at the Lawyers Seminar

Gafta's Annual Lawyers Seminar on 16 July brought together legal and trade professionals for an engaging afternoon of industry updates, expert insights and networking.

Hosted by **Hill Dickinson LLP**, the event featured presentations from Jaine Chisholm Caunt OBE, Abi Buxo, Jonathan Waters and Sophie Webber, covering a range of important topics affecting the grain and feed sector. Attendees heard updates on Gafta's activities over the past year, recent contract developments, events and training initiatives, arbitration statistics, and the increasing impact of artificial intelligence on the industry.

The seminar concluded with a networking reception, providing an excellent opportunity for attendees to exchange ideas, strengthen professional connections, and continue discussions on the key themes raised throughout the afternoon.

Thank you to our speakers, attendees and hosts for helping make this year's seminar such a success.

Develop Your Expertise with Gafta Training

Whether you're new to the agri-trade industry or looking to deepen your expertise, Gafta offers flexible learning opportunities to support your professional development. From self-paced online courses to expert-led classroom training, our programmes are designed to build practical knowledge and industry expertise at every stage of your career.

Agribility

Training for international trade

Why Choose Gafta's Face-to-Face Training?

- Learn directly from Gafta-approved industry experts
- Apply knowledge through practical commodity trade case studies
- Network with professionals from across the global agri-trade sector
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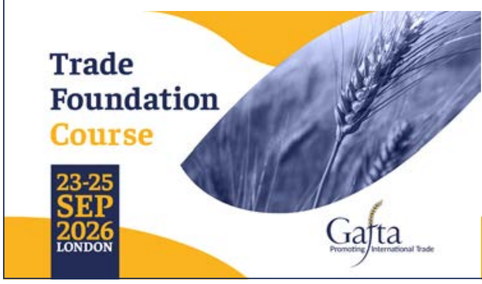
- Develop skills in an engaging, interactive learning environment

Why Choose Gafta's Online Learning?

- Study wherever you're based and learn at your own pace
- Build practical knowledge around existing commitments
- Strengthen your understanding of contracts, shipping and trade execution
- Develop industry-relevant skills that support career progression
- Learn from content developed by the industry's leading trade association

Discover upcoming training opportunities this Autumn



Execution Excellence Drinks returns to Singapore

Gafta's Execution Excellence Drinks returned to Singapore for its third edition on Thursday 6 August, bringing together execution and supply chain professionals from across the agricultural commodities sector.

Held at Brewerkz, One Fullerton, the informal evening offered attendees an opportunity to catch up with familiar faces, make new connections and exchange insights on the opportunities and challenges shaping the industry. We would like to thank everyone who joined us and contributed to such an enjoyable evening. Our thanks also go to **Fugran** for sponsoring the event and helping to make it possible.

Maximiliano Villa, Director, Fugran Singapore, commented:

"The third edition of the Execution Excellence Drinks was another great success. It was a fantastic opportunity to bring together execution teams and industry peers, exchange experiences, strengthen relationships and enjoy a very relaxed evening together. Fugran was delighted to sponsor the event once again, and our thanks go to Nathalie Lim and Gafta for making it happen."

Gafta members interested in hosting a similar event are invited to contact Nathalie Lim at **nathalielim@gafta.com**.

Gafta connects with the global grain trade at AGIC Australia 2026

Nathalie Lim, Gafta's Singapore Marketing & Communications Manager attended the Australian Grain Industry Conference (AGIC) on behalf of Gafta at Crown Promenade Melbourne on 29-30 July 2026. Hosted by Grain Trade Australia, the conference brought together nearly 700 grain market participants, service providers and industry leaders from Australia and overseas.

Under the theme "Thriving Today, Resilient Tomorrow", delegates heard from leading Australian and international speakers, gained valuable market and industry insights, and connected with colleagues from across the grain supply chain.

This year's conference formed part of the inaugural AGIC Week, an expanded programme of industry engagement, international collaboration and networking. Running from 27-31 July, the programme included industry briefings, technical sessions, business-matching opportunities and visits to Horsham and Geelong Port.

Supported by Austrade's Accessing New Markets Initiative, AGIC Week also welcomed delegates from across Asia, creating further opportunities for Australian grain industry participants to connect with international buyers and showcase the country's export capabilities, supply chains and expertise.

Representing Gafta at the conference, Nathalie welcomed the opportunity to reconnect with members and industry colleagues, build new relationships and exchange perspectives on the issues shaping international agricultural trade.

Thank you to Grain Trade Australia for bringing the industry together and to everyone who took the time to meet with Nathalie during the week.

Nathalie Lim with Kristian Just and Ashleigh Healey of Symbio Laboratories

Nathalie Lim with Trent Charlton-Maughan of SGS

Confidence Through Evidence: AmSpec's Commitment to Sustainable Global Trade

AmSpec is one of the latest members to sign up to the Gafta Sustainability Pledge. Gafta will be sharing AmSpec's stand at the forthcoming European Commodities Exchange in Rotterdam on 5-6 November, and we look forward to meeting many of our members there. Gaftaworld put some questions to Dr Gillian Dagan, Vice President – Business Assurance & Sustainability at AmSpec.

1. Could you tell us about AmSpec, the services you offer, commodities you cover and locations for your services?

AmSpec is a global inspection, testing, certification and sustainability services company operating in more than 60 countries with a network of laboratories, inspection offices and technical experts. We provide independent assurance that gives buyers, sellers, financiers and regulators confidence in the quality, quantity, safety and sustainability of commodities moving through global supply chains.

Agriculture is one of our core sectors. We support the trade of grains, oilseeds, vegetable oils, animal feed, pulses, fertilisers and other agricultural commodities through cargo inspection, sampling and laboratory testing. We also provide certification and verification services that help companies demonstrate compliance with sustainability, traceability and responsible sourcing requirements.

Beyond agriculture, AmSpec has extensive expertise across the energy and chemicals sectors, supporting petroleum products, biofuels, renewable feedstocks, chemicals, metals and emerging low-carbon value chains. This cross-sector experience allows us to help customers navigate increasingly interconnected commodity markets where agricultural products are playing a growing role in renewable fuels and the bioeconomy.

2. Why did AmSpec decide to join the Gafta Sustainability Pledge?

Joining the Gafta Sustainability Pledge reflects our commitment to supporting the grain and feed industry as it evolves. We see sustainability not as a separate initiative but as another element of quality that must be measured objectively, verified independently and implemented in a practical way that supports trade rather than creating unnecessary barriers.

3. Sustainability means different things to different businesses. What does it mean for AmSpec?

For AmSpec, sustainability is about providing confidence through evidence.

Our role is to help clients demonstrate their performance through independent inspection, testing, certification and verification.

That includes supporting responsible sourcing, traceability, greenhouse gas verification, chain of custody programmes, sustainable agriculture certifications and compliance with evolving regulatory requirements. Increasingly, our customers need reliable data that can withstand scrutiny from regulators, investors, customers and consumers.

4. As an inspection, testing and certification company, you have a unique perspective across global supply chains. Where do you see your organisation contributing most to more sustainable trade?

Commodity supply chains are becoming increasingly complex, and traders need optionality. AmSpec provides sustainability certifications and verifications that fulfil regulatory needs in markets across the globe. That means traders can move products without restriction.

5. Why do you think industry initiatives like the Gafta Sustainability Pledge are important?

No single company can transform global supply chains on its own.

Industry initiatives help establish common expectations, encourage collaboration and create consistency across international markets. That consistency reduces uncertainty for traders and provides greater confidence for customers and regulators.

6. AmSpec will be hosting Gafta at the 2026 European Commodities Exchange where we hope to discuss various topics with our members. What sustainability conversations are you hearing most from the industry?

Across agriculture, energy and chemicals alike, we are seeing increasing demand for certifications that allow companies to substantiate claims with confidence. Clients want to understand how to extract value out of their sustainability efforts.

7. Looking ahead, what do you think will be some of the biggest sustainability priorities for the grain and feed trade over the next few years?

I believe four priorities will stand out. First, enhanced traceability across increasingly complex global supply chains. Second, greater confidence in sustainability data through standardised reporting and independent verification.

Third, continued focus on reducing greenhouse gas emissions throughout the value chain, including improved measurement of emissions associated with production, transportation, storage and processing.

Finally, regulatory preparedness. As sustainability regulations continue to evolve across different jurisdictions, companies will need systems that allow them to demonstrate compliance efficiently while maintaining the flexibility to serve multiple international markets.

Gafta PLEDGE SUSTAINABILITY

8. Finally, if you had one message for other companies thinking about sustainability, what would it be?

Markets increasingly reward companies that can demonstrate transparency, reliability and accountability. Customers, investors and regulators all want confidence that sustainability claims are backed by credible evidence.

The organisations that build robust data, strong traceability and independent assurance into their operations today will be better positioned to compete tomorrow.

Deepening Expertise: Michael Kaiser on the Value of Gafta Training and Dispute Resolution

Gaftaworld put some questions to Michael Kaiser who recently qualified as a Gafta Arbitrator, having passed the Gafta Arbitrator Diploma examination. He is now listed as an Arbitrator on the Gafta website.

"It is always a good idea to step back for a moment and go through the facts and check if the arguments are really justified"

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

Having grown up in Northern Germany as a farmer´s son, I was already interested in agriculture when much younger. Toepfer´s apprenticeship had a very good reputation so I was happy to be able to join that company in the mid 1990s. I have now been in the agricultural business for more than 30 years, having worked for different companies ranging from large to small businesses. I am now back in the offices of my apprenticeship, working for ADM who took over Toepfer some 15 years ago. Here, I am now allowed to follow my passion and enthusiasm for shipping, working in the execution department for feedstuffs.

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

Being enthusiastic about training, and especially training on the subject of international trade, I heard from a former colleague (thanks, Corina) about these courses. After looking at the range of training courses I immediately registered for them and finished all four Gafta Professional Development (GPD) courses within only eight months, as I really found them very interesting and helpful for daily work.

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

Throughout my career I have been involved in shipping, and have experienced occasional considerable disputes. I have about 30 years' experience in different aspects of the trade, during which disputes that possibly lead to arbitration have arisen. My idea was to generally consider disputes from both sides and thus identify and respectively avoid hopeless arguments.

4. What advice would you give to someone who is considering taking the Arbitrator Examination?

Honestly, the examination was really tough – but still possible. One piece of advice I would give is to dedicate enough concentrated time to go through the offered scripts and keep in mind the most common reference cases.

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

Referring to the GPD programme it is in my opinion a good idea to oblige participants to start with the four-day general Trade Foundation Course, followed by the three more specific two-day courses covering Commodity Contracts, Commodity Shipping and Commodity Dispute Resolution. It makes sense to get an overview of trade and contractual issues first, followed by a deepening of insights in the later courses.

6. 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?

The most important benefit seems to me the deepening of knowledge with resulting advantages in the day-to-day work, helping to avoid mistakes which can easily cost a fortune, given the values concerned in our contracts and shipments. Appropriate training of employees may avoid disputes which can result in the halting, interruption or disturbance of business relations, which is not in the interest of either party concerned.

7. Are there habits, reading or mentoring approaches that have helped you most since qualifying?

Of most help to me has been the approach whereby I ask myself at the beginning of each possible dispute what would/might be the outcome of an arbitration? It is important to note that arbitrators do not only consider the pure written content of the documents but also the idea behind them. It is always a good idea to step back for a moment and go through the facts and check if the arguments are really justified. Also very helpful was and is the aim to avoid any possible ambiguity in the official messages ("avoid the wishy-washy") to avoid them being interpreted differently than intended in a dispute resolution. It is better to write precise messages which are very close to the clauses of the underlying contracts and thus be sure about the interpretation.

For more details on arbitrations and the list of Gafta Qualified Arbitrators, visit Gafta's website. There are also details on all Gafta's training courses and exams:

https://www.gafta.com/events-training/

Hungary harvest 2026 – Climate Change?

By Peter Kiss, Managing Director, Arbi-Grain Ltd

It has been in the news recently that the level of the River Danube is so low that navigation has stopped and the capacity of the nuclear power station on the Danube had to be reduced to 25% of capacity due to lack of cooling water. The same is true of all our rivers and lakes. Water is disappearing from the country due to lack of precipitation both in the surrounding countries, where our rivers mostly collect water from, and in Hungary.

Year and Month	Average monthly precipitation (mm)	Long term monthly average (mm)	Percentage compared to long term average (pct)	Deviation of monthly average temperature from long term average (C°)
August, 2025	45,1	59,5	75,8	+0,5
September, 2025	40,7	59,1	68,9	+2,3
October, 2025	30,5	50,83	60,0	-0,3
November, 2025	59	48,7	121,1	+0,3
December, 2025	14	47	29,8	+2,5
January, 2026	46,2	32,76	141,0	-0,5
February, 2026	36,4	36,9	98,6	+2,5
March, 2026	22,5	34	66,2	+2,5
April, 2026	4,1	41	10,0	-0,2
May, 2026	52,8	64,4	82,0	+0,7
June, 2026	19,8	71,9	27,5	+2,7
July, 2026	39,8	72,4	55,0	+1,3
Total	**410,9**	**618,49**	**66,4**	

If we look at the precipitation received in the last year it can be seen that about one-third of the long term average precipitation is missing from the fields. On top of that the precipitation received was not equally spread in the country. Certain areas have not received water in the last weeks while the temperature has been between 35C and 42C.

High temperatures, no precipitation and lack of water in the rivers results in reducing groundwater resources. This year, Hungary has experienced a drought that was never before. Obviously it had/has an impact on the crops. This season Hungary planted winter crops on larger areas than spring crops as a result of last year's bad experience as regards drought in spring-time and in the summer. The only exception was sunseed area that was increased in the hope that sunseed is more drought-resistent. This is the first season when sunseed area (780,000 ha) overtook maize area (589,000 ha) in Hungary.

Although wheat area was higher than last year this year's crop was reduced by 1.6M tonnes. The same happened with rapeseed, but on a smaller scale. Winter barley produced roughly the same quantity, but on a slightly larger area.

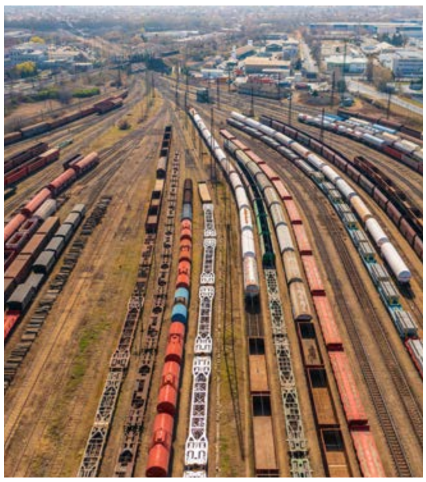
As regards spring crops, we can only estimate the crop size as both maize and sunseed show a very heterogeneous picture and not only in comparing different parts of the country, but within the same area. The heat is expected to cool down, although we still talk about a range of 28-35C. We expect some precipitation, but in certain areas it will not help at all as the plants have dried already and they will not take in any more water.

Crop ('000 tonnes)	2025	2026	Difference
Wheat	5,759	4,128	- 1,631
Winter barley	1,588	1,576	- 12
Rapeseed	458	406	- 52
Maize*	3,886	2,000	- 1,886
Sunseed*	1,761	500	- 261

*2026 crop as estimated by Hungarian Grain and Feed Association

Although the above figures show a reduction in the crops, we can count on exportable surpluses in the different commodities with the exception of sunseed and maize. Wheat export surplus is about 2M tonnes, barley is about 0.7M tonnes and rapeseed export will be about 0.15M tonnes net. On paper, rapeseed could be more as it is usual that that Hungary imports rapeseed from the neighbouring countries at the beginning of the season and exports in the later months. For sunseed, we expect net imports of 0.15-0.18M tonnes. Since the country exports sunseed, imported quantity could be even more. The maize balance sheet shows a need for imports of between 1M and 1.5M tonnes. We cannot count on exports as local price levels have been higher than export price levels.

The increased import potential in maize and in sunseed will meet problems in logistics. At the moment Danube navigation is stopped and we do not expect it to recover soon. Due to lack of navigation, more goods were directed to rail and road transport. The capacities of ground transports are already booked up so it will be difficult to book additional capacities in the short and medium terms. Should the Danube be navigable again the constrains in logistics could ease, but that will take time.



Freight trains at Ferencvaros railway station, Budapest

EUDR session in margins of WTO TBT Committee meeting

WTO OMC

As reported in the last edition of Gaftaworld, the core of the EUDR (EU Deforestation Regulation) remains unchanged following the EU Commission review in May with no change in implementation dates. With many third countries sharing similar concerns as the grain trade, a WTO Member-industry meeting was held to exchange views in the margins of the WTO Technical Barriers to Trade Committee meeting on 8 June. Gafta was represented by Olga Kopiika from Bunge.

The discussion focused on the trade challenges arising from the text in its current form; these concerns were shared by representatives of many countries in the room. The pain points highlighted by business included:

- **Legality** requirements, which are one of the major challenges: what type and level of evidence needs to be provided to prove commodities are meeting all relevant laws of the producing country, and to what extent a risk-based approach may be taken? A practical solution would be to establish not only a list of relevant legislation, but also the types of evidence that can reasonably be obtained by country of production. This would help create a level playing field and allow both operators and national competent authorities to focus on the evidence that genuinely matters for deforestation and legality risks.

- **The limited role of certification and third-party verified schemes.** The limited role currently given to certification and third-party verified schemes, which cannot be used as evidence to meaningfully reduce the compliance burden, is another constraint. It can lead to duplication, whereby operators may be asked to collect evidence that has already been reviewed by independent auditors or competent national bodies. In some cases, this is not only inefficient but legally difficult, because certain documents may be subject to confidentiality restrictions, local law constraints, data-protection rules or competition-law sensitivities. We would welcome the European Commission considering the recognition of accredited certification and third-party verified schemes where they demonstrably meet EUDR requirements. This would not mean outsourcing responsibility or lowering standards; operators would remain responsible for due diligence, but recognised schemes could help avoid unnecessary duplication and direct resources toward actual risk identification and mitigation.

- **Risk of divergent enforcement.** A further challenge is the risk of divergent enforcement by national competent authorities. A regulation that applies across the EU must be interpreted and applied consistently. Yet different national competent authorities may take different approaches to the same questions. If the same shipment, supplier or evidence can be treated differently depending on the member state of review, the Regulation will not provide the predictability required for effective implementation, and it may create unintended trade distortions within the EU single market. Centralised guidance and a harmonised, risk-based approach to competent authority checks are therefore critical.

- **Operational limitations of the Information System (Traces).** Beyond the provisions of the Regulation itself, we see further issues that may affect smooth implementation. In particular, the Commission should address the limitations imposed by the current setup of Traces; notably, the removal of the possibility to group due diligence statements, which was the only way for companies to overcome the 25MB limitation.

Brazilian soybean industry expects historically high export volumes to China

Alan Ding of Gafta Beijing reports on a strong increase in imports of Brazilian soybeans to China, and the Brazilian soybean industry wants to further deepen this relationship. "China imported 12.08M tonnes of soybeans from Brazil in June, up 13.7% compared to June 2025, while imports from the USA fell 20.9% to 1.27M tonnes," Alan told Gaftaworld. "Trade flows remained historically strong, China continued to be the leading destination for Brazilian soybeans, and Brazil's total soybean exports reached a first-half record of 69.57M tonnes," said Lucas Beber, President of the Brazilian Association of Soybean Growers (Aprosoja Brasil).

China has been diversifying imports to reduce risks from trade uncertainty. Looking ahead to the rest of the year, Beber said that they are positive, while having a prudent mindset. Brazil has harvested a record soybean crop of approximately 180.6M tonnes, and exports are expected to reach a record 116.3M tonnes in 2026, he said.

"Brazil therefore has sufficient supply to continue serving the Chinese market strongly in the coming months… We expect historically high volumes, although not necessarily growth every single month, because soybean trade is seasonal and Northern Hemisphere supplies become more prominent during the second half of the year."

China willing to facilitate two-way agricultural trade with US

Despite its diversification strategy, China is ready to work with the USA to create favourable conditions for two-way agricultural trade, according to a Ministry of Commerce spokesperson in July. He Yadong said agricultural trade is an important part of China-US economic and trade cooperation. Following consultations, the two sides have set guiding targets for expanding two-way agricultural trade and agreed in principle to include relevant agricultural products in arrangements under a reciprocal tariff-reduction framework, He said. In May, US President Donald Trump announced an agricultural deal with China that featured new commitments to purchase US farm commodities, including a target of 25M tonnes of soybeans annually. Companies will conduct trade independently in line with market principles and based on actual demand and market conditions, the spokesperson added.

New Members

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

CATEGORY A – TRADING PRINCIPALS

Meraki Commodities Inc.
Canada
C: **Mr Praveen Golla**
E: **praveen@merakicommodities.com**

Amwal Strategic Pte. Ltd.
Singapore
C: **Mr Walshalafah Salleh**
E: **amwal.sales@outlook.com**

NUSA FORTUNE INTERNATIONAL PTE. LTD
Singapore
C: **Mr Walshalafah Salleh**
E: **walsalleh@outlook.com**

HT Enterprise (S) Pte. Ltd.
Singapore
C: **Mr Wal Salleh**
E: **sales.htenterprise@gmail.com**

CONTINENTAL FARMERS GROUP
Ukraine
C: **Mrs Kateryna Rizvanova**
E: **krizvanova@cfg.com.ua**

General Mills Middle East & North Africa Fze - Dubai Branch
United Arab Emirates
C: **Mr Benson Mathew**
E: **bensonmathew@cspgroupme.com**

GOLDENFIELD COMMODITIES LIMITED
Nigeria
C: **Ms Ijeoma Ezenwa**
E: **ebele.ezenwa@goldenfield commodities.com**

CATEGORY B – BROKERS

Grainoil LLC
United Arab Emirates
C: **Mrs Polina Kozadaieva**
E: **broker@grain-oil.com**

CATEGORY C – SUPERINTENDENTS

TUV AUSTRIA KAZAKHSTAN LLP
Kazakhstan
C: **Mrs Gulzhan Izdelyueva**
E: **info.tuvak@tuvaustria.com**

Seaport Marine Surveys Inc
United States of America
C: **Mr Christopher Morrison**
E: **crm@seaportmarine.com**

BTI - CARSO Group
France
C: **Mrs Stephanie ANSEL**
E: **stephanie.ansel@bti-survey.com**

JLB EXPERTISES AFRICA LIMITED
Ghana
C: **Mr Yussif Billey**
E: **ybilley@jlbexpertises.com**

TUV Rheinland Thailand Ltd.
Thailand
C: **Miss Kannaporn Pansakun**
E: **kannaporn.pansakun@tuv.com**

Intertek Testing Services (Thailand) Ltd. Thailand
C: **Miss Patchamol Chitchat**
E: **patchamol.chitchak@intertek.com**

CATEGORY G – PROFESSIONAL FIRMS

BlockPeer Technologies FZCO
United Arab Emirates
C: **Venkatesh Rengarajan Muthu**
E: **venkatesh@blockpeer.finance**

CATEGORY J – FUMIGATION OPERATORS

TSEBO Solutions Group T/A Fumigation And Marine Services
South Africa
C: **Mr Grant Rudge**
E: **grudge@tsebo.com**

Rentokil Initial Oy
Finland
C: **Mr Jouni Siltala**
E: **jouni.siltala@rentokil-initial.com**

LLC «TRACK EXPERT»
Ukraine
C: **Mr Dmytro Nikolaev**
E: **vitaliy.ryabchenko@gmail.com**

CATEGORY L – STUDENTS

Miss Hyunseo Cho
South Korea
E: **eclihs25@gmail.com**

CATEGORY M – INDIVIDUALS

Mr Ruslan Lesyk
United States of America
E: **ruslanlesyk6@gmail.com**

Anna Owen-Davies
United Kingdom
E: **annaowendavies@pan-seven.com**

Meet Katherine Hughes

We welcome Katherine Hughes to Gafta as Executive Assistant to the Director General. She told Gaftaworld:

"I joined Gafta earlier this year as Executive Assistant to the Director General, providing executive support to the General Counsel and the Head of Policy. My career began as a paralegal before transitioning into executive support. Over the past 20 years, I've had the privilege of supporting C-suite executives and a high-net-worth individual across a diverse range of industries, including interior design, travel technology, engineering, consulting within the life sciences sector, retail and hospitality. The people, experiences and challenges I've encountered along the way have helped shape the person I am today.

"Born in sunny Cape Town, I've always been drawn to the outdoors. Outside of work, you'll often find me enjoying nature or spending time with animals. My love of travel was sparked during five years in the cruise industry, where I supported the Captain and Hotel Director while coordinating the legal and regulatory documentation required for international vessel arrivals, customs clearance and port entry. It was an incredibly rewarding experience that fuelled my passion for travel and broadened my appreciation of different cultures. Although the grain and feed industry is completely new to me, I've thoroughly enjoyed learning about an industry that has a much greater global impact than I ever realised. I feel incredibly fortunate to be part of the Gafta team and look forward to learning more about the fascinating world of global trade while meeting new faces along the way."

Mark Your Calendars

London Grains Week returns **7-11 June 2027**, bringing together the international grain and feed trade for a week of market insight, industry discussion and networking hosted by AHDB, Gafta, IGC and IGTC.

LONDON GRAINS WEEK
7 - 11 June 2027
AHDB Gafta IGC IGTC

Obituary – Anthony Charles ("Tony") Mitchell, 1952-2026

It is with great sadness that we heard that Anthony "Tony" Mitchell passed away on 17 June, following a long and courageous battle with cancer. Tony was a highly respected figure in the agricultural inspection industry, dedicating his entire working life to the inspection of agricultural products to the highest standards, both in the UK and internationally. He was widely known for his professionalism, integrity and his deep knowledge of the industry.

Tony began his career in 1967, aged 15, with Cargo Superintendents (London) Ltd, now SGS. He continued his career in 1977 with Warriner Griffith International Ltd before joining the Inspectorate Group of Companies in 1983. In 1988 Tony became a Director of AH Knight (Commodity Services) Limited. He founded Commodity Inspection Services Ltd which he ran with his wife Julie in 1991. They sold the business in 1999, merging with Phillips, Conquest & Damala to become Gentest, part of the Genchem Holdings Group. Gentest ceased trading in 2001, after which Tony established Cargo Inspection Services Ltd, which he led with Julie, until his death. Julie will continue the business.

Tony contributed to the wider industry through his work with the Gafta Superintendents Committee; doing training courses for superintendents as part of the Gafta CPD learning programme in Libya. He was proud to become an Associate Member of the International Institute of Maritime Surveying, gaining a Diploma in several courses of Marine Surveying.

Tony will be remembered as a good friend to many; he maintained high standards while always putting customers first and was always generous with his time, advice and support. Tony will be greatly missed by all who knew and worked with him.

@Gaftaworld

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Gafta
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**