



Week ending 12 October 2018

Grains Trade Forum

The inaugural meeting of the Grains Trade Forum (GTF), took place on 8 October 2018. The meeting was attended by representatives from the Directorate Plant Health, Directorate Genetic Resources, Grain SA and SACOTA with the Chief Director: Plant Production and Health, Dr Julian Jaftha acting as Chair for the meeting. AgbizGrain was unable to attend the meeting.

The following matters were addressed:

- **China Protocol**

The protocol dictates that maize need to be inspected during the growing season for quarantine pests as listed by China. Maize producers will need to apply for the registration as Food Business Operators (FBOs) of their farms as Production Units for South Africa to be made part of the protocol to be able to export maize to China.

In the case of soya beans the same protocol needs to be followed. DAFF indicated however that they would take a political approach in order to allow exports of soya beans to China according to a permit system, due to the current trade distortions after the USA announced the implementation of certain tariffs on Chinese products.

- **Iran**

It was indicated to DAFF that although Iran is open for exports, no exports have realised as no import permits were issued by the Iranian authorities.

During the World Nutrition Forum 2018 (WNF) that took place in Cape Town from 3 to 5 October 2018, Mr De Wet Boshoff met with the Chairman and delegation of the Iran Feed Industry Association (IFIA), who indicated that they are keen to import South African maize. Mr De Wet Boshoff was tasked to request the IFIA to assist in issuing import permits.

The Directorate Plant Health was requested to start with the process to address the phyto-sanitary requirements for export of soya beans to Iran, due to the interest from Iran in soya beans as well.



World Nutrition Forum 2018

- Potential export markets
SACOTA was requested to provide a list of potential export markets for both maize and soya beans with specific focus on the Middle East.
- Legal opinion
SACOTA received feedback from DAFF on the legal opinion on the GMO Act and the Cartagena Protocol. The feedback has been sent to SACOTA's legal advisor to study and provide any comments.

SACOTA Annual General Meeting

The SACOTA Annual General Meeting (AGM) took place on 10 October 2018 at the Protea Hotel Midrand, which was well attended by members and invited industry role players.

A revised funding model for SACOTA was approved by the SACOTA Board and tabled for final approval by the AGM. The Board's newly proposed funding model was approved by the AGM and will focus on capping volumes into certain categories and their respective membership contribution. The approved funding model is as follows:

Categories of sales volumes	Membership Fee
1 to 100 000 tons	R20 000
100 001 to 250 000 tons	R70 000
250 001 to 500 000 tons	R110 000
More than 500 000 tons	R170 000
Associate members	R15 000

It was also decided that it should be investigated if an AgriBEE Sector Code specifically for the grain trading industry can be developed.

The guest speaker at the AGM was Ms Katy Lee from the International Grains Trade Coalition (IGTC). Her presentation on the objectives and current activities of the IGTC was well received by the AGM. The presentation is available on SACOTA's website.



SACOTA AGM 2018

SACOTA/IGTC Round Table Discussion



SACOTA/IGTC Round Table Discussion

SACOTA, in cooperation with the IGTC, hosted an Information exchange and Round Table Discussion on 11 October 2018, with representatives from DAFF and Industry role players on the following topics:

- **Low Level Presence (LLP)**
It was learned that AfricaBio has been requested by the Executive Council (EC) of the GMO Act to make a submission on LLPs. The outcome of the submission is being awaited from the EC. South Africa's current stance is a zero tolerance for imports of GMO commodities (events) not approved in South Africa for FFP purposes. It was made clear by the GMO Registrar and the Chief Director of Plant Production and Health – Dr Julian Jaftha, to prevent running into a problematic situation on LLP of FFP, that Industry should just need to apply for asynchronous approvals for GMO events not yet approved in South Africa, to keep the synchronise status with South Africa's traditional trading partners – Argentina, Brazil and the USA.
- **The Cartagena Protocol on Biosafety (CPB)**
The IGTC does not expect major changes to the CPB, but will be alert SACOTA and DAFF on any possible changes. COP-MOP 9 takes place during November 2018 in Egypt and SACOTA has been invited by the Department of Environmental Affairs to a national stakeholder consultation workshop on 26 October 2018 to provide input into the country's position on key agenda items to be discussed during COP-MOP 9.
- **Electronic Trading Documentation**
It is understood that South Africa is currently in discussions with the International Plant Protection Convention (IPPC) on the implementation of the Electronic Phytosanitary Certification (ePhyto) system. A beginner's guide is available at <https://www.ippc.int/en/ephyto/>
- **IPPC International Standards for Phytosanitary Measures (ISPM) for the movement of grain.**
It was learned that the ISPM for grain is being drafted for the movement of grain and will inter alia address quarantine pests, foreign material, end-use, sampling methodology and traceability.
- **Maximum Residue Limits (MRL's)**
The global harmonisation of MRL's is being addressed.
- **Plant Breeding Innovation.**
New plant breeding techniques are being developed and introduced such as gene editing. It is unsure how commodities developed from new plant breeding techniques will be treated by Governments from a regulatory point of view. A study on the Regulatory Implications of New Plant Breeding Techniques has been done by the Department of Science and Technology (DST).

Revival of the wheat industry

During the meeting of the Wheat Forum Steering Committee (WFSC) held on 5 October 2018, it was learned that industry role players do not have consensus on proposed amendments to the grading regulations, new proposed import tariff model and origin discounts. The Trade Group of the WFSC will reconvene in order to get consensus on these matters.

JSE Commitment of Traders Report

The JSE will be hosting a workshop on 31 October 2018 to address outstanding matters for the implementation of such a system.