



**Week ending 26 April 2019**

### **Dispute resolution process**

SACOTA has forwarded the document '**Protocol to be Followed in Handling Grain Quality Disputes**' to the Maize Forum Steering Committee for discussion and possible implementation. The paper addresses the procedures to be followed when grains that are out-loaded by storage providers do not conform to the quality specifications agreed by the seller and buyer. The Committee will consider the matter on 6 May 2019.

### **Standardised Handling and Storage Contract**

SACOTA and the Agbiz Grain Steering Committee met on 11 April 2019 to discuss the principles surrounding a standardised handling and storage contract. At the meeting, Agbiz Grain indicated that it is beyond their mandate to compel their members to abide by an agreement of this nature. SACOTA is, however, free to discuss the possibility of a standardised handling and storage contract with individual Agbiz Grain members.

### **Reporting of Intentions to Import or Export Wheat**

The NAMC published the application by the wheat and soybean industries for a statutory measure to declare import and export intentions for comment by interested parties.

Comments received were discussed at the meeting of the Wheat Forum Steering Committee on 1 April 2019. Two comments were lodged on behalf of Pioneer Foods and Seaboard Overseas and Trading Group. Both, however, are of a legal nature and require an opinion that falls outside the expertise of the administrators. Although Seaboard is a member of SACOTA, it is entitled to have its views regarding the statutory measure concerned

The Wheat Forum Steering Committee resolved that:

- (1) Applications must be submitted to the Winter Cereal Trust and the Soybean and Sunflower Forum for funding to obtain legal opinion so that a proper response is compiled to the Pioneer and Seaboard comments;

- (2) If the applications in (1) do not succeed, the industry associations of the various industries are to be approached for funding; and
- (3) The NAMC is to be informed of the steps to be taken so that a proper response can be formulated to the comments contained and a request made that the application is held in abeyance while this process is underway.

### **Maize grading regulations: Poisonous seeds**

The Trade Group of the Maize Forum Steering Committee noted that according to the National Environmental Management: Biodiversity Act (NEMBA), the plant species (except for *Lolium temulentum*) that are listed in the '*Regulations governing the tolerances for certain seeds in certain agricultural products*' are considered to be invasive species.

According to the NEMBA regulations, most of these species must be controlled and wherever possible removed and destroyed.

From a legal point of view, it may seem that the maize grading regulations (and health regulations regarding poisonous seeds for that matter) are illegal as far as the application of the NEMBA Act and regulations are concerned.

This matter will be discussed at the meeting of the Maize Forum Steering Committee on 6 May 2019.

### **JSE Wheat Contract: Origin discount**

The Trade Group of the Wheat Forum Steering Committee met on 24 April 2019 to discuss the re-introduction of origin discounts that applied to imported wheat from specific origins. The discounts became effective when the delivery was made in fulfilment of a futures contract. This fulfilment involved the particular application of the scientific formula based on milling and baking worth as proposed by the JSE. The Trade Group decided that the Procurement Committee of the National Chamber of Milling should study the JSE proposal and give feedback by 24 May 2019.

### **Alternative Wheat Import Tariff System**

The current method of triggering and publishing of the tariff needs to be addressed as it brings enormous uncertainty to the wheat industry and is damaging to consumers.

The Trade Group of the Wheat Forum Steering Committee met on 24 April 2019 to discuss this matter. It ruled that the various constituencies of the Trade Group should make proposals on an alternative import tariff system that is more just and will allow for the automatic triggering of the tariff.

SACOTA will also make proposals in this regard.

### **Passport system for maize**

The Trade Group of the Maize Forum Steering Committee is currently examining the introduction of a passport system, or certificate of conformance, that will oblige vendors of maize to ensure that a consignment conforms to MRL's, maximum mycotoxin levels and tolerances for poisonous seeds. A document will be finalised on 30 April 2019 for discussion at the meeting of the Maize Forum Steering Committee on 6 May 2019.

### **China: Effect of African Swine Fever**

Since the outbreak of African Swine Fever in China, about 33% of the country's estimated 433 million pork population has been slaughtered. This action will have a significant impact on world soya stock levels, and will further exacerbate the ongoing trade tensions between China and the USA.

### **US Grains Council**

A delegation of the US Grains Council has requested a meeting with the Secretariat of SACOTA. A meeting has been scheduled for 8 May 2019.

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