



8 March 2019

Dispute resolution process

SACOTA has drafted a document ***Protocol to be Followed in Handling Grain Quality Disputes*** to address procedures to be followed when grains, that are out-loaded by storage providers, do not conform to the quality specifications as agreed between the seller and the buyer. SACOTA will now circulate it to other role-players in the industry for comment.

Standardised Handling and Storage Contract

During 2014 SACOTA requested Agbiz Grain to consider the development of a standardised storage and handling contract, like the SAGOS trading contract. The aim of such a standardised contract is to be fair and impartial to both parties entering into such contract making use of standardised terms and conditions. This request was received favourably by Agbiz Grain and SACOTA was requested to draft a document in this regard.

Despite numerous further attempts to address this matter SACOTA, Agbiz Grain decided that they are not in favour of implementing a standardised handling and storage contract.

SACOTA has now again been invited to make a presentation to the Agbiz Grain Steering Committee on 11 April 2019 on the principles of a standardised handling and storage contract.

Soya meal and sunflower oilcake SAFEX futures contract

A meeting took place on 4 March 2019 where certain proposals regarding physical deliveries were made i.e. maximum storage period, storage rate etc. The SA Oilseeds Processors will now have to consider these proposals and once the proposals are agreed on, a small working group will engage with the JSE on the process going forward.

BBBEE

A presentation was made by Agbiz to the AgriBEE Council on 20 February 2019 requesting a special dispensation (separate AgriBEE Scorecard) for grain and oilseeds traders considering the high volumes and high turnover but relatively low margins compared to other industries. The issue was

very well received by the Council as members realised that the issue could result in no funding allocated for any of the elements as the trading companies will simply not be able to comply.

Agbiz was requested to prepare an alternative proposal for consideration by the Council, after which it will be forwarded to Dti for approval and an amendment to the AgriBEE Sector Code. The proposal in short is that a Net Profit After Tax percentage specifically for grain trading companies be developed in terms of Enterprise and Supplier Development and Socio-economic Development targets that will be lower than the industry norm of between 4% and 5%.

We would like to extend our thanks to SACOTA member Farmwise Grains for driving this matter.

JSE Location differentials

The JSE has requested Professor Matt Roberts from the USA to do a review of the relevance of location differentials in the South African market as well looking at the way the differentials are calculated. SACOTA made a presentation to Professor Roberts on 1 February 2019. Prof Roberts' report on location differentials is expected to be available during April 2019.

GMO's and imports of maize

SACOTA engages with the local seed companies on a regular basis in order to ensure that South Africa is in sync with traditional maize exporting countries Argentina, Brazil and the USA, should the need arise for South Africa to import maize for processing purposes.

South Africa is currently in sync with these countries.

Imports of maize and wheat: Port Health arrangement

SACOTA has once again arranged with Port Health that should the simultaneous imports of wheat and maize take place, the same arrangements agreed during 2017 be followed to alleviate congestion in the ports (shortage of berths and storage facilities within the port).

Intended imports and exports of Wheat, Soya Beans and Sunflower Seed

The Wheat Forum and Soya Bean and Sunflower Forum has requested for the statutory reporting of intended imports and exports of wheat, soya beans and sunflower seed, similar to the statutory measure for maize.

The NAMC has received two comments from industry role players stating their objection to this statutory measure.

SACOTA will keep its members informed of the outcome regarding this matter.

Namibia – GMO Regulations

Namibia has introduced stringent GMO regulations that can seriously impact on the imports of GMO food and feed by Namibia and subsequently trade between South Africa and Namibia.

AfricaBio was requested to urgently address the situation. AfricaBio wrote a letter to Mr Rob Davies requesting him to intervene - AfricaBio did get acknowledgement that their letter was received.

AfricaBio has now **engaged** with the Agronomic Board of Namibia and proposed a workshop to address the application process as well as guidelines for the handling, transportation and storage of imported GMO commodities.

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