



August 2018

Grains Trade Forum

After months of discussion and lobbying with the Chief Director of Plant Production and Health, Dr Julian Jaftha, it was officially agreed between SACOTA and DAFF at its meeting on 16 May 2018 to establish a Grains Trade Forum between relevant industry role players and government departments to address GMO, Phyto-sanitary as well as Sanitary matters in order to facilitate trade (Imports and Exports) in future. The Terms of Reference have already been drawn up in this regard, with the two major role players SACOTA and Grain SA, playing a major role. SACOTA is currently awaiting a date for the inaugural meeting of the Grains Trade Forum.

During the meeting, the official SACOTA legal opinion on the GMO Act, the regulations and interpretation of the provisions of the Cartagena Protocol was tabled not for discussion, but only for notice and agreement on terms of handling this legal document. SACOTA is awaiting a date for discussion of the SACOTA Legal Opinion.

Biosafety Clearing House (BCH)

SACOTA has been invited by the Department Environmental affairs to a workshop to be held on 13 and 14 September 2018 on a United Nations – Global Environment Facility (GEF) project entitled “*Sustainable Capacity Building for Effective Participation in the BCH*”.

COP-MOP 9 is taking place from 17 November 2018 - 29 November 2018, Sharm El-Sheikh, Egypt. SACOTA has been requested by DAFF to collaborate on a national position with Government. DAFF will notify SACOTA of dates of workshops in this regard. To participate in this process, it is imperative that SACOTA gets feedback from DAFF on the legal opinion on the GMO Act.

Maize export markets: DAFF International Trade Division

SACOTA met with representatives of the International Trade Division of DAFF to explore possibilities of improving on connecting up with the correct people in the Middle Eastern countries. SACOTA was advised on processes to be followed and specific people to be contacted in an effort of opening up exports for RSA GMO maize to Middle East countries. SACOTA is currently pursuing these advice and contacts.

Maize export program

As notified per e-mail on 29 August 2018, Iran is now the latest country open for the export of maize from South Africa. Countries that are currently open for exports of GMO maize are Italy, Japan, South Korea, Spain, Taiwan, Venezuela and Vietnam. The protocol between South Africa and China is currently being addressed but it is foreseen that proper measures to enable exports to China will only be place from the 2018/19 maize production season.

Revival of the wheat industry

The wheat industry is looking at a new wheat duty model to replace the current variable tariff system that will trigger automatically, be more efficient and remove uncertainties caused by the current system. A due process will be followed taking into account economic and socio-economic studies by BFAP and studies by trade lawyers re WTO rules and Competition Act provisions before any submissions will be made to ITAC. This process will probably only be concluded in 2019.

It seems that agreement will soon be reached on amended grading regulations, which can be implemented from 1 October 2019.

The wheat industry has also requested that the origin discount should be re-introduced by the JSE. The JSE has made certain recommendations in this regard and has requested industry and the National Chamber of Milling to provide comments. Implementation will only be from 1 October 2019.

Statutory measure on reporting of intended imports and exports

The initial reporting of intended imports and exports (8 weeks prior to shipment) of maize by SAGIS was troublesome but SAGIS is now making adjustments showing correct intentions for a week if a vessel did not depart in the previous week or for any other logistical reasons.

A workshop will be arranged between SAGIS and traders on the need for submitting correct and timeous information. SACOTA will facilitate the meeting.

A statutory measure has also been applied for to compel importers and exporters to submit intended imports and exports of wheat, similar to the statutory measure for maize.

Standardised handling and storage contract

As you are aware, SACOTA has requested Agbiz Grain if they would consider the implementation of SAGOS-type Handling and Storage contract with standardised terms and conditions.

Agbiz Grain decided that they cannot entertain such request, citing Competition Act issues.

SACOTA Annual General Meeting

The SACOTA Annual General meeting will take place on Wednesday, 10 October 2018. The secretary of the International Grains Trade Coalition (IGTC) has been invited to make a presentation on the activities, projects and successes of the IGTC at the AGM.

Soya meal and sunflower oilcake local futures contracts

On a request from AFMA for the implementation of a locally traded soya meal and sunflower oilcake local futures contract, a meeting was held on 17 July 2018 where this matter was discussed with oilseeds crushers and the JSE. Minimum quality specifications were agreed on for the two contracts.

The issue of physical delivery or cash settlement however still needs to be resolved before such contracts can be introduced by the JSE. To be cash settled the underlying product needs a cash price. A follow-up meeting is being planned to discuss this matter.

SACOTA meetings

SACOTA is investigating the possibility to conduct meetings via audio and video conferencing to allow members the opportunity to attend meetings without being having to be physically present at the meeting venue. SACOTA will keep you updated in this regard.