

JSE

REQUIREMENTS FOR APPROVED STORAGE OPERATORS

As mentioned in our previous Newsletter, the JSE is currently in the process of reviewing the current requirements for approved storage operators as set out in Appendix C and D to the Agricultural Derivatives Contract Specifications.

SACOTA met with the JSE on 4 June 2020 to discuss SACOTA's comments and proposals on the requirements for approved storage operators.

The following emanated from the meeting:

- The JSE will collate all feedback and inputs received that will be scrutinised by their legal department.
- Workshop(s) will be held to discuss proposals.
- The JSE indicated that they want to implement revised requirements by 1 October 2020 for the wheat futures contract.
- SACOTA expressed its strong opinion that there should be a clear Terms of Reference as to how this process should be followed.
- SACOTA offered to assist the JSE in defining timelines to address the process.

JSE: DELISTING OF SORGHUM FUTURES CONTRACT

In its market notice of 19 May 2020, the JSE indicated that it received a request from Grain SA to consider delisting the sorghum futures contract on the Commodity Derivatives Market.

SACOTA indicated that Roberts report recommended that there should also be location differentials for sorghum futures contracts, which the JSE decided to implement. SACOTA indicated that the introduction of LD's on sorghum may lead to increased liquidity of the sorghum futures contract. SACOTA requested the JSE to review the functioning of the sorghum futures contract after the introduction of LD's before a decision is taken to delist the sorghum futures contract on the Commodity Derivatives Market.

JSE: SOYA MEAL AND SUNFLOWER OILCAKE FUTURES CONTRACT

The JSE requested a meeting with industry on 24 June 2020 to finalise outstanding matters on the proposed contract. SACOTA has requested that the contract be launched as soon as possible after the outstanding matters have been resolved.





PPECB INSPECTION FEES FOR EXPORTS

SACOTA met with PPECB on 25 May 2020 to discuss ways to reduce the inspection fees for deep-sea exports of maize. A working group has been established with representatives of both parties to discuss this matter and make recommendations. This action needs to be concluded by end July 2020 as a matter of urgency, as revised tariffs are usually determined annually during August for the next export season.

IPPC ePhyto solution

SACOTA is currently engaging with eCert and DALRRD on the electronic exchange of phytosanitary certificates for exports of grains and oilseeds making use of the IPPC's Generic ePhyto National System (GeNS). The system went live for South Africa on 1 November 2019 with plant-based products coming on board on 1 April 2020. Specific issues that SACOTA

would like to address is whether the South African system makes provision for the automatic transmission of phytosanitary certificates to the NPPO of an importing country through the GeNS as well as to what extent neighboring countries are making use of GeNS. SACOTA offered its assistance to get the system fully operational for trade of all grains and oilseeds.

WHEAT FORUM LEVY APPLICATION

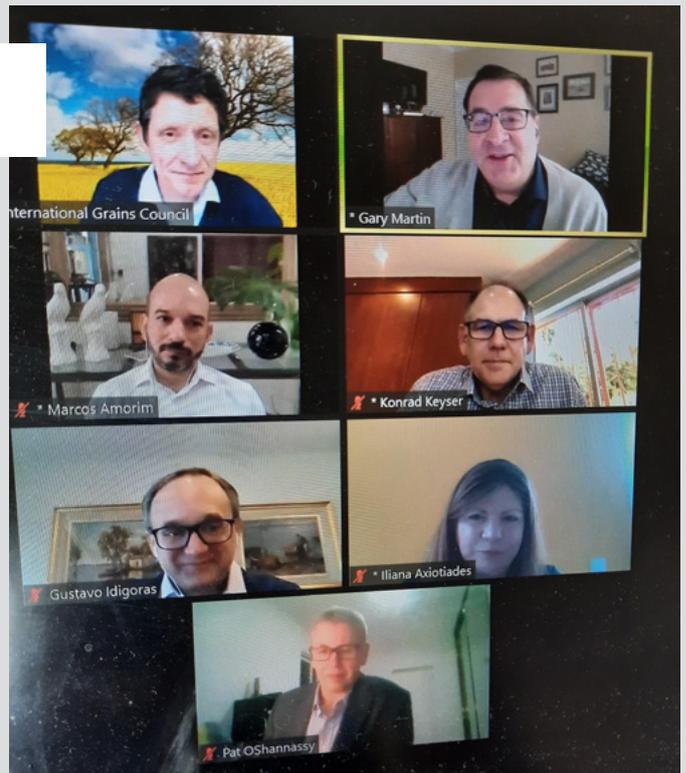
The Wheat Forum requested the NAMC to consider its request for revised statutory levies to be implemented from 1 October 2020, when the current levies lapse. The NAMC has subsequently informed the Wheat Forum that the industry levy application on winter cereals has not been recommended to the Minister, because of the specific conditions requested by industry in respect of amendments to be made to the Deed of the Winter Cereal Trust. As was decided at the meeting of the Steering Committee on 29 May 2020, industry will now decide proactively on the way forward.



International Grains Council

INTERNATIONAL GRAINS COUNCIL (IGC) CONFERENCE 2020

As part of the 2020 International Grains Council (IGC) conference, the IGTC hosted a webcast entitled "Responses to COVID-9 and paths forward for the grain trade". SACOTA's Chairman has been invited to part in the webcast on South Africa's experience in this regard. The webcast will be posted on the SACOTA website once it is made available by the IGC.



IGTC: STRATEGY SESSION

SACOTA attended the IGTC virtual strategy session that was held on 9 June 2020 where the following strategic actions were confirmed to take forward in 2021:

- The Global Alliance on Ag Biotech Trade's (GAABT) strategy for implementing a **5 percent Low Level Presence** threshold on safety-approved biotechnology products in the supply chain and focus on alternatives to testing at destination as a compliance measure.
- At the COP15 to be held in 2021, many issues are expected to come to a head, not least the definition of "gene editing" and "synthetic biology" in the Convention, terms for which no national or regional jurisdictions have yet formulated water-tight definitions. There will be implications for the grain trade if such terms are integrated into the **Cartagena Biosafety Protocol**.
- Current priorities for joint work with the International Seed Federation (ISF) on **plant breeding innovation** include: Education on closed loop and IP systems, education on segregation of grain supply channels, and education on detection methods.
- At the meeting of the Committee on Phytosanitary Measures (CPM) of the IPPC to be held in 2021, a consultation process on the draft ISPM on an overarching commodity standard for **phytosanitary measures** will be launched. The regional specificities, and classes/sub classes of grains and oilseeds, all require distinct approaches in pest risk management that are not easily obtained in a universal commodities standard. The establishment of a separate International Standards for Phytosanitary Measures (ISPM) for grains is preferred.
- **Maximum Residue Limits (MRLs)** for crop protection products are a growing cause of trade disruption for grains

and oilseeds. Barriers created by inconsistent, unjustified, and unevenly applied MRLs create risk and can have negative consequences for farmers, exporters, importers, and consumers. There has been increasing demand for a global collaborative effort to tackle this issue and create an environment that is more supportive of trade. The International Agri-Food Network (IAFN) is working with the Codex Secretariat, as well as Codex members to increase capacity and push for more efficient decision making. Trade facilitation is one of the key components of the IAFN position paper.

- IGTC remains supportive of the wholesale adoption of a fully functioning **ePhyto exchange model**, with the proactive involvement of the entire supply chain, and no requirements to maintain paper certificates. The ePhyto system aims to implement an accessible way for all governments to exchange phytosanitary certificates electronically via a generic global Hub. The work is being led and supported by the International Plant Protection Convention (IPPC), the Standards and Trade Development Facility (STDF), and government funders. Specific actions for 2021 include global communication campaigns, increased government adoption of the ePhyto system and a cost-benefit analysis of ePhyto.
- Vietnam has promulgated National Technical Regulations (NTR) on Animal Feeds and Ingredients for production of Aquatic Feeds. The NTR focuses on **contaminants** but deviates from the application of sound science, risk-based and internationally accepted best practices. If implemented as currently written the NTR will have negative consequences for import of critical supplies of grains, oilseeds, and derived products. The IGTC will focus on this matter in 2021.



SACOTA ANNUAL GENERAL MEETING

Members are hereby notified that the SACOTA Annual General Meeting will be held on 22 October 2020. The time and meeting arrangements will be confirmed to members in due course.

CONTACT US



+27 (0)12 663 9097
+27 (0)12 663 3282



dirk@sacota.co.za
www.sacota.co.za