

Week Ending 22 May 2020

JSE MATTERS

Requirements for Approved Storage Operators

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. The deadline for submissions on the above is 31 May 2020.

SACOTA has drafted a comprehensive framework of matters relating to the requirements for approved storage operators that will be discussed with the JSE. The current out-loading issues experienced especially in the case of white maize and how to address this matter to avoid a similar situation in future, is an important point for discussion.

SACOTA will meet with the JSE in this regard and members will be informed of the outcome of the meeting.

Location differentials for soya beans

SACOTA has expressed its concern on the decision by the JSE to introduce location differentials for soya beans in a phased-in approach over 4 years whilst the recommendation in the Professor Roberts' report was for a phased-in approach over a 2 year period, despite the comments and recommendations by industry role players and the Agricultural Commodities Advisory Committee.

SACOTA has requested the JSE that the principle of location differentials should now be accepted by all role players in the grains and oilseeds value chain as crucial for the effective functioning of the futures market and that the matter should not be opened for discussion in the near future.

Exports of maize to Vietnam

SACOTA managed, after a cumbersome process, to obtain confirmation from the Vietnamese authorities that allowed for South Africa to export GMO maize to Vietnam.

Article 11 of the Cartagena Protocol allows for an importing country to provide notification through the Biosafety Clearing House of GMO events that will be allowed for imports for direct use as food or feed, or for processing in the importing country. This provision provides for an expedited procedure for an exporting country to export GMO's to an importing country without further confirmation needed from the importing country.

SACOTA will address this matter with the office of the GMO Registrar to provide for an easier and more simplified procedure to enable exports of GMO's to import countries that do provide such notifications through the Biosafety Clearing House.

SACOTA Golf Day

As a result of uncertainty regarding the COVID-19 pandemic, it was decided to cancel the proposed SACOTA Golf Day that was scheduled to take place on 14 October 2020.

SAGIS information per grade

SACOTA has requested the Forums in the grains and oilseeds industries to consider that SAGIS further make provision for the Acquisition (deliveries from farms) and Utilisations (for human consumption and animal feed/industrial) of grains and oilseeds per grade in the monthly reports published by SAGIS. This will inter alia provide more transparency in the grains and oilseeds value chain.

Electronic phyto certificates

The electronic transfer of phytosanitary certificates through the ePhyto system of the International Plant Protection Convention (IPPC) of the FAO has picked up tremendously during the COVID-19 pandemic period with many countries opting to make use of this system.

It is unclear as to what extent South Africa has implemented this system and SACOTA is currently engaging with the Directorate Inspection Services and eCert, a company involved with the fruit industry regarding ePhyto's, to ascertain developments and how soon this system can also be introduced for grains and oilseeds.

Leaf Services

The grains and oilseeds industry had a meeting with Leaf Services on 14 May 2020 where the scope of work of Leaf Services as assignee appointed by the Department of Agriculture, Land Reform and Rural Development (DALRRD) was discussed.

It was decided that Leaf Services should conduct a comprehensive feasibility study for ensuring a compliance regime regarding the quality of grains and oilseeds in the value chain.

PPECB: Export inspection fees

PPECB has adjusted its inspection fees for exports for the 2014/15 season to R8.50 per ton, an increase of 421% compared to the 2013/14 tariff of R1.63 per ton. This increase was implemented without proper consultation with industry.

A meeting between PPECB and SACOTA will take place on 25 May 2020 to discuss this matter.

Grain Commodity Passport System

The Trade Group of the Wheat Forum Steering Committee met on 18 May 2020 where the implementation of a Grain Commodity Passport System has been accepted in principle.

The main aim for the introduction of such a system is to ensure that grains and oilseeds traded comply with the minimum food safety requirements of Health regulations.

Members of the Trade Group were requested to provide comprehensive feedback by 31 July 2020 on monitoring systems, screening processes and what reasonable steps need to be introduced to ensure due diligence in the grains and oilseeds value chain.

COVID-19

SACOTA is constantly briefing its members on any amendments to regulations applicable to the COVID-19 lockdown period. Members are requested to bring any difficulties experienced regarding trading and logistics in terms of the regulations to the attention of the Secretariat to clear out with the Economic Workstream of the Agri-Sector COVID-19 Response Task Team.

Protocol to be followed in handling grain quality disputes

The Trade Group of the Wheat Forum Steering Committee decided that a standardised document be introduced as a guideline on how to deal with quality disputes in the trading of grains and oilseeds.

The main aim of the protocol is to provide a clear procedure on how disputes should be handled and settled between two parties and that the agreed procedure is also impartial to both parties involved in the dispute. One of the main outcomes of the discussion was that only a single sampling instrument, namely the Vac-A Sample double pneumatic sampling device, should be used in grain quality disputes.

International Grains Council (IGC) conference 2020

One of the objectives of the IGC is to provide the latest grains, oilseeds, and rice market information to further international trade. Following the travel restrictions imposed by the COVID-19 pandemic, the IGC Secretariat has decided to arrange a virtual international conference on the latest grains, oilseeds and rice market developments which will be available for download from 10th June 2020. More information on the conference is available on the IGC website at <https://www.igc.int/en/conference/confhome.aspx>

As part of the 2020 International Grains Council (IGC) conference, the IGTC will be submitting a webcast entitled "*Responses to COVID-9 and paths forward for the grain trade*". SACOTA has been requested to make a presentation on the webcast on South Africa's experience in this regard.

SACOTA Annual General Meeting

Due to the uncertainty regarding the COVID-19 pandemic, it will be decided in what format the SACOTA AGM scheduled for 22 October 2020 will be held or whether it should be postponed to a later date.