

THE BRITISH COFFEE ASSOCIATION

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NOT FOR PUBLICATION

**Minutes of the Trade & Logistics Meeting,
Tuesday 4th February 2020, ICE London Suite 2 Conference Room**
Intercontinental Exchange | ICE Data Services
Fitzroy House, 13-17 Epworth Street, London, EC2A 4DL
Time 12.30pm – 2.00pm

PRESENT:

Tracy Brown
Alex Rogers
Chris Rogers
Angus Kerr
James Paling
Gina Lopes
Guss Bremer
Connor Barnes
Alan Davies
Paul Wynne
Rob Hare
Cleiton Papke

BCA Secretariat
AGC (Commodity Store) Ltd
AGC (Commodity Store) Ltd
Coffee AG Ltd
Commodity Centre
DRWakefield
DRWakefield
Equatorial Traders Ltd
Finlay Beverages Ltd
Henry Bath
ICE
RicCoffee

2020/001 Apologies

Mike Watson
Erik Brink
Iain Williamson
John Williamson
Jason Cross

Tristao International (T&L Chair)
Commodity Centre
CWH Johnsons International
CWH Johnsons International
CWT Commodities (UK) Ltd

It was noted that that Mike Watson was unable to attend, so AK took the Chair.

2020/002 Competition Law Compliance

It was agreed that the Meeting would be held under FDF Competition Law Compliance as per the Golden Rules circulated previously.

2020/003 Minutes of Meeting held on 8th October 2019

The minutes of the last meeting were duly approved.

2020/004 Warehouse Inspections/Procedures/Insurance/Surveying**Warehousing****Report from Chris Rogers**

CR thanked those other Warehousekeepers who have attended the meeting today, so it is not just his point of view to be heard.

CR noted that it has been very busy and in general the diversity of Warehousekeepers work has certainly expanded over the last year. Very intensive work, and getting the right staff in the warehouses can prove to be difficult.

For January, especially after the Christmas and New Year break, it proves to be catch up time.

For coffee it seems to be quite buoyant for Warehousekeepers but obviously this is not without its issues.

CR noted that he was pleased to see that the recycling of waste products was raised at the last meeting, and it does need to be addressed as the cost is escalating all the time for the Warehousekeepers. But noted that they are trying to look at recycling most of what comes out of the containers.

CR added that there is the issue of the grain-pro bags being wrapped in plastic, what is the solution to this, it is certainly the next thing on the agenda. CP asked should the manufacturers of the bags also be involved in this process, CR noted that certainly they should be.

It was also mentioned about the new type of jute bags that look like hessian, but are also made from plastic. An issue with these bags is they don't show any wet damage.

A question was asked about the manual handling of 60 kilo sacks, and likely that this will be an increasing health and safety issue, investment to address this for Warehousekeepers will be vast.

PW noted that good coffee suitable warehouse space is continuing to be an issue, and is also very costly.

Insurance

AK noted that currently we do not have any Insurance Members. AK asked if any of those present could recommend any companies that the BCA could approach, do let the Secretariat know.

Action: ALL

Surveying

AK noted that unfortunately John and Iain Williamson were unable to attend today, we presume that things are quiet.

JW and IW will provide an in-depth report for the next meeting.

CR noted that there does not seem to have been that much infestation recently.

RH noted that if they notice any infestation during grading, the client would then be notified to fumigate, if they fumigate, they would not have to put through the re-grading process again.

2020/005 Transport

Report sent in from Mike Watson

AK noted that unfortunately Mike was unable to attend, we will have a report from him at the April meeting.

AR noted that he believed surcharges are however going up.

2020/006 The European Contract Committee

TB noted that the BCA has nominated Angus Kerr for this Committee, TB to ascertain the status, it was believed no further meetings had been called as yet.

Action: TB

AK added that he believed the new contract was working well.

2020/007 ICE Futures Europe

RH made reference to previous circulars including the statement made on warrants.

1. Recent Market Circulars:

- Circular 19/188 12/11/20
 - Live Infestation; grading to continue, with fumigation certificate to follow within 20 days
 - Submission of Samples to the Grading room reduced from 28 calendar days to 10 business days
 - Storage of Flexible Intermediate Containers (FIBCs) in Racking, now formalized in the GWP's
 - Re-weighing of FIBC's - all new weights to be written on the bags
- **Circular 19/203 29/11/19**
 - Effective 01/10/20 minimum Piling net weight to be 9.9 Metric Tonnes (MT) when first preparing for Delivery
 - For any Subsequent Delivery the Net Weight Tolerance remains @ 9.7 MT

2. Deliveries

- January Delivery just completed - total 1143 lots, which is in keeping with past volumes

3. Volumes

- Q4 2019 Saw Record Robusta Volumes * 699737 lots
- 2019 Futures Volumes +19%

4. Supervision

- Approximately 40 Supervisors in place
- Warehousekeepers, already used to supervision for Cocoa, so accepted well

AK asked do the cocoa supervisors also supervise the coffee, RH noted that some do, there are tests in place and if they do not pass they do not supervise coffee. RH re-iterated that having supervisors is just the normal now.

2020/008 Brexit

AK noted that we have now left!

AK asked those present have any additional questions in regard to Brexit, the BCA can put forward to Defra.

Action: ALL

TB to contact Defra to confirm what is the status of the tariffs in place now we have left and during the transition period.

Action: TB

These were the questions submitted and answers received back from Defra in October 2019 and now we have left and negotiations begin, are the below statements might not still be correct?

Q.) Will the new tariffs schedule from the UK government be fixed for 12 months or is there opportunity for the government to change these rates within this 12 month period by exception.

A.) The temporary tariff regime is temporary, and the government would closely monitor the effects of these tariffs on the UK economy. It would apply for up to 12 months while a full consultation and review on a permanent approach to tariffs is undertaken

Q.) Can you confirm that rates will still be as MFN noted below.

A.) Yes, as currently stands, in a no deal scenario, UK exports to the EU of coffee of all kinds will face the EU's MFN tariff rate.

I have included the commodity codes in the table below for clarification, but yes, the EU MFN tariffs on 3rd country imports (thus, UK exports to the EU of coffee products below) would face the MFN tariffs in the table highlighted yellow, in a no deal scenario.

	Green 090111	green decaff 090112	Roast 090121	roast decaff 090122	Instant 210111
GSP		4.80	2.60	3.10	3.10
MFN	0	8.30	7.50	9.00	9.00

2020/009 Arbitration Overview

AK noted that it has been an interesting time, with some Appeals and Posting requests that have taken place.

AK noted that the Tribunal are immune from prosecution, but the Arbitration & Contracts Committee are not, therefore they have to be careful as to advice given.

AK noted that he is looking at putting together an informal training get together with the Arbitrators in the Spring.

2020/010 Education (Training/Seminars)

Arbitration Get Together – AK re-iterated that likely this might not now take place until spring time 2020.

Industry Seminar/Panel Discussion – To be organised on the day of the 2020 industry dinner, further details and subject matter to follow.

2020/011 Social**BCA Dinner Dance 2019 – Update**

TB noted that the event seemed to go down very well with the membership, good feedback received.

A surplus was seen of around £16k, formal accounts to be presented at the Board Meeting in March.

BCA Golf Day 2020 – Update

TB and AR noted that we believe we have a venue secured for 2020, for 3rd July 2020, this will be a venue that can offer alternatives other than golf.

BCA Industry Dinner 2020 – Update

TB noted that the venue for the dinner will be at The Landmark, and will be on 27th November 2020. The hotel is stunning, and it is hoped Members will enjoy the change of location. TB noted provisional reservations had already been received, as well as those interested in sponsoring what will be the 70th dinner in London.

AK asked those present if they have any thoughts or suggestions on a cabaret for this year, please do contact the Secretariat.

Action: ALL

2020/012 Dates of 2020 Meetings

Tuesday 7th April 2020 – Trade & Logistics Meeting – 12.30p.m. -2.00p.m. - London Suite 2 Meeting Room, Intercontinental Exchange | ICE Data Services, Fitzroy House, 13-17 Epworth Street, London, EC2A 4DL

Wednesday 8th July 2020 – Trade & Logistics Meeting – 12.30p.m. -2.00p.m. - London Suite 2 Meeting Room, Intercontinental Exchange | ICE Data Services, Fitzroy House, 13-17 Epworth Street, London, EC2A 4DL

Tuesday 6th October 2020 – Trade & Logistics Meeting – 12.30p.m. -2.00p.m. - London Suite 2 Meeting Room, Intercontinental Exchange | ICE Data Services, Fitzroy House, 13-17 Epworth Street, London, EC2A 4DL

Whenever possible the meetings will be held at **Epworth Street**, until this facility is no longer available. If Epworth Street not available they will move back to the **FDF, 10 Bloomsbury Way**.