



PRIVATE & CONFIDENTIAL
NOT FOR PUBLICATION

**Minutes of the Trade & Logistics Meeting,
Tuesday 12th January 2021
Via Video & Conference Call
Time 12.30pm – 2.00pm**

PRESENT:

Paul Rooke	BCA Executive Director
Tracy Brown	BCA Secretariat
Mike Watson	TRC Specialty Commodities (T&L Chair)
Chris Rogers	AGC (Commodity Store) Ltd
Angus Kerr	Coffee ag Ltd
James Paling	Commodity Centre
John Williamson	CWH Johnsons International
Jason Cross	CWT Commodity Logistics UK Ltd
Henry Clifford	DRWakefield
Helen Shewan	DRWakefield
Mantvydas Traniavicius	DRWakefield
Daryl Kryst	Equatorial Traders
Hannah Jeffrey	Finlays
Fergus Wilson	Group Sopex
Paul Wynne	Henry Bath
Rob Hare	ICE Futures Europe
Ben Dickson	Origin Commodities
Cleiton Papke	RicCoffee UK Ltd
Kevin Carrington	Vollers UK Ltd

1. Apologies

None received.

2. Competition Law Compliance

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

3. Minutes of Meeting held on 6th October 2020

The minutes of the last meeting were duly approved.

4. Matters Arising from Previous Meeting Minutes

No matters arising.

5. Warehouse Inspections/Procedures/Insurance/Surveying – Covid-19 / Brexit Impacts

Warehousing

Report from Chris Rogers

CR noted that the problem with home working is that some especially with the shipping lines is not efficient. Getting information from shipping lines in a timely manner is getting more problematical, with delays being days on end. CR noted that they are starting to use the temporary furlough scheme as often there are days without coffee to unload etc. with these delays.

CR reiterated the main problem is the lack of communication and coordination.

MW added that he had heard many ships come into Felixstowe but then divert due to the delays.

CR noted that they are finding things like bills of lading are missing.

CR added that most of the trade seem to have adequate stocks of coffee at this time.

CR noted that even though they have business to bring in they are not able to get hold of it due to these continuing delays.

JC noted that they are having similar issues with the shipping lines, with shipping lines expecting you to pay for delays even though the problem is at their end.

JC noted with Covid explosion in the South East, they have put in emergency procedures into place, they have had one person who was tested positive, but fortunately able to contain and no one else was infected.

CR noted that costs with delays that are not the fault of the warehouses are having to be passed onto the client.

Insurance & Surveying

Report from John Williamson

JW noted interesting but difficult times in the insurance world, and insurers have been hit hard with natural disasters in recent times.

It is hard for brokers to find adequate cover for soft commodities now, also due to their experiences with such cargoes.

JW added that a fire occurred last May in a commodity warehouse in Antwerp and another warehouse sustained roof damage during a storm in July.

Warehousekeepers in the major North European ports all operate with limited liability (albeit different in Antwerp, Amsterdam/Rotterdam, Hamburg) and cargo owners / the cargo insurers are required to / expected to pick up the majority of the cost. This does not encourage cargo insurers to insure storage risks.

Consequently the lack of market for insurance commodities is increasingly proving to be an issue.

JW added that delay is not covered under marine insurance. Therefore It is important to bear in mind that cargo owners should be reporting any change of routing of their containers' destination to their insurers e.g. if a shipment to FLX is routed , due to delays at FLX, via ROTT this should be notified to insurers.

MW noted there was a major casualty incident recently (JW added it was a large 14000 container vessel near Hawaii) that it was thought due to some containers not having been stacked / lashed properly or just collapsed. JW added that the rumours were it was due to incorrect navigation, but this will come out in the investigation. When things like this happen it is often difficult to find a port that would want such a large vessel with so many damaged containers / collapsed stowages.

JW noted that in terms of stowage of containers this should be better nowadays with weights having to be verified (by VGM = verified gross mass) and declared prior to loading vessel.

6. Transport – Covid-19 / Brexit Impacts

Report from Mike Watson

MW noted a lot of the arteries of container shipping are clogged due to Covid restrictions.

In the USA they are unable to get hold of empty containers to bring across country, and these are being sent straight back to the Far East and added Far East rates have gone through the roof.

The shipping lines having increased their rates, reduced capacity and are therefore seeing an increase in revenue, with most shipping lines have made significant profit this year.

MSC have ordered 6 x 24,000 Teu ships, which again with these size of ships prove a problem into destination ports.

PR noted that in regard to ports and containers issue, Defra has decided that the problem had gone away or is going away, but there are a number of Associations who are in support of getting this back on the table with them.

PR added that he is on the post Brexit calls, there are a number of issues especially with road haulage, paperwork, IT issues etc. please do feed these back into the BCA.

Action: ALL

7. The European Contracts Committee

Report from Angus Kerr

AK noted that we have a couple of issues, there was an amendment the 2018 edition coffee contract. It was then inadvertently named as the 2019 (should have been 2018 amended) There is now a further amendment awaiting approval which is under article 3 (c) which will read " the coffee shall be weighed upon discharge from the container"

On the website, we now have 3 contracts, 2018, 2019 and 2018 Amended editions (it should not be named as such as there is no 2019 contract), this needs to be resolved quickly. AK added that it is also not clear what has been amended, MW agreed.

The other contention is in regard to posting, the BCA has submitted a number of postings, the ECF are having to look into the legality of posting. By parties using the European Coffee Contract they sign up to be posted. AK added that blacklisting is illegal but posting is not.

AK noted that we as the BCA need to be a bit more vociferous with them to undertake the posting.

8. ICE Futures Europe – Covid-19 / Brexit Impacts

Report from Rob Hare

RH noted that the Exchange had been implementing its Covid-19 procedures running since March 2020. Most of the team work from home, and they are seeing no significant delays or issues with this, and grading continues at Basildon in a Covid secure environment. Samples still being delivered in and grading teams have still been available to attend, with ICE having the luxury of having an extremely large grading room. RH noted that even if they have a bubble of graders who might test positive, there is the depth of graders that this should not cause an issue.

RH asked if anyone has had any issue with receiving samples, none were noted.

MW noted only issue for him was now having to produce an invoice to send with samples as no longer in the EU.

AK asked how volumes were, RH noted that things still seem to be OK at this time.

RH noted that the Exchange now publishes an Age Allowance Monthly Report, showing the age of the Certified Stock per Port - and would recommend that Members take a look at this.

RH noted that in regard to Brexit had anyone seen any significant hurdles at this time.

JC noted that as yet they have not sent any coffee to the EU, following our exit. There seems to be a little bit of confusion, but it is hoped to get clarity on by the end of this week.

RH added that we are still in uncharted territory but hoped our former European colleagues might offer some flexibility.

PR noted that some countries are rejecting details being submitted on the packing lists (which should be accepted in the spirit of the agreement) and want the details instead to be on the invoice.

RH noted that local interpretation of rules can often take a little bit of time to settle down.

9. ECF Update

There has been quite a bit work on the last few months by the ECF on collating stock data, there were a number of ports in Europe not providing information. But the ECF have made a concerted effort to now been trying to get this going again, with the help of an independent, Dr Schipp, to coordinate the data.

PR added that the ECF were struggling with a few companies/warehouses to get agreement on sharing data.

PR noted that the ECF spent a lot of time on lobby the Commission on the proposed reduction of Glyphosate, if proposed levels introduced it would mean 30% of countries having their coffee rejected. The levels for coffee are lower than some other products. Having now exited the EU PR noted that the UK could approach this differently, but this is something that we are continuing to follow up on.

The ECF Council meeting scheduled for next week is focussed on the priorities for 2021.

10. Arbitration Overview

AK noted that things are very quiet.

As mentioned earlier we have had a few postings, which we are continuing to follow up on with the ECF.

11. Education (Training/Seminars)

2021

PR noted that following a long conversation with Member Services this morning, the Educational Seminar that was original scheduled for April has been postponed, and no date yet set likely this would be pushed out of 2021. There was discussion if we could run this modular and online, and if we can look at having some sort of certification. PR added that we are looking at

some organisations that provide online training and how we might look to adapt these online training methods.

MW asked if there is a decision that will need to be made on the coffee dinner this year. PR added that the hotel have been extremely flexible and would likely let us move the date if required, and the next month or so will bring about a decision one way or the other. PR added that he is hopeful that the dinner will be one of the first events in the coffee calendar following the pandemic.

AK added that that we are looking to also push back the Golf Day from July 2nd into to September.

12. Dates for Next Meetings in 2021

Tuesday 13th April 2021 – 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 or FDF, 6th Floor, 10 Bloomsbury Way, London, WC1A 2SL – Room Machin

The July meetings are subject to room availability and will either be at the FDF on 6th July or ICE on the 13th July.

Tuesday 6th July 2021 – Trade & Logistics Meeting – 12.30p.m. - 2.00p.m. - FDF,
6th Floor, 10 Bloomsbury Way, London, WC1A 2SL – Room Machin

Or

Tuesday 13th July 2021 – 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 5th October 2021 – 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 or FDF, 6th Floor, 10 Bloomsbury Way, London, WC1A 2SL – Rooms Cleminson & Bodinnar