

THE BRITISH COFFEE ASSOCIATION

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**Minutes of the Trade & Logistics Meeting,
Tuesday 22nd January 2019, 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:

Chris Stemman	BCA Executive Director
Tracy Brown	BCA Secretariat
Mike Watson	Tristao International (T&L Chair)
Chris Rogers	AGC (Commodity Store) Ltd
Mark Ayling	Complete Coffee Limited
Iain Williamson	CWH Johnsons International
Philip Searle	DRWakefield
Leslie Frackowiak	DRWakefield
Connor Barnes	Equatorial Traders
Paul Wynne	Henry Bath
Rob Hare	ICE Futures Europe
Andrew Kerr	OCR Commodities
Cleiton Papke	RicCoffee (UK) Limited
Richard Harris	Zygo Ltd

2019/001

Apologies

Angus Kerr	Coffee AG Ltd
Jason Cross	CWT Commodities (UK) Ltd
Richard Price	Menshen Packaging UK Ltd
Marcus Martin	RicCoffee (UK) Limited

2019/002 Competition Law Compliance

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

2019/003 Minutes of Meeting held on 23rd October 2018

The minutes of the last meeting were duly approved.

2019/004 Warehouse Inspections/Procedures/Insurance/Surveying**Warehousing****Report from Chris Rogers**

CR noted that most Warehousekeepers seem to be busy, most playing catch-up after the Christmas and New Year period. The same situation as previously noted still applies, however, the shipping lines have tried to approve on haulage times. Some lines are still struggling with lead-times of up to 12-days for delivery.

CR stated that he is being asked what can be done to help with Brexit, should they bring in more coffee! CR noted the issue being a lot of warehouses are already full.

CR noted that haulage charges are now incremental and coming on line, some lines have not put a huge increase on charges, but still an increase.

MW noted that there is a vast shortage of truck drivers, this seems to be Europe wide.

CR noted that there are so many certification schemes that they have to be signed up to, and pay to be approved and inspected, and it seems once these organisations have your money there is a lack of inactivity. CR noted that this is really frustrating, and would imagine that it would be the same of other Warehousekeepers – could there not be 1 certificate that covers all?

MW asked CS, the BCA set-up the Guidelines for Warehousekeepers, could this not be incorporated into this. CS noted that this could be problematic, and could potentially add just another layer of bureaucracy.

MW noted that from the previous meeting the inflexibility of shipping lines was raised, MW added this had not been forgotten but could take some time to have raised.

Insurance

No report for this meeting, the BCA to try and obtain update asap.

Action: BCA

TB added that she had been unable to get hold of James Laudrum for an update, but will continue to try and track down.

MW and IW noted that there had recently been some instances of containers been lost at sea, not correctly lashed, containers catching fire as combustible products being stored next to the engine.

IW noted that there are now more 'Smart Containers' coming on line, but this could take a considerable amount of time to filter through. IW added however, it is easier to track containers now.

Surveying**Report from Iain Williamson**

In 2013 some shipments of green Coffee beans in bags in Containers from Colombia to Northern Europe arrived with some wet damage, the damage was not extensive but nevertheless was damage to the Bags and a part of the contents.

The receivers, who had insured the shipments, were paid their claims by their insurers, and who in turn endeavoured to recover the value of the loss from the shipping company, and who in turn refused to pay as they did not consider they were liable, despite the fact that they had been responsible for the preparation / dressing of the Containers and the loading of the Bags into the Containers.

The Coffee receivers / their insurers took legal advice and as no offer was received from the shipping company, who repudiated any liability, the matter was taken to the High Court. The receivers / their insurers won the case in 2015.

The shipping company / their insurers then referred the case to the Court of Appeal who overturned the judgement. Published 15 December 2018.

The coffee receivers / their insurers referred the matter to the Supreme Court who found in their favour and ruled the Shipping company was liable as they had inadequately carried the Coffee within the Containers.

Law Reports : Volcafe Ltd and others v CSAV SA

Important to note is that the Bills of Lading are LCL/ FCL terms....

We have recently experienced arrivals of Colombian Coffee, some 16% of Bags being wet damaged we would say the same liability of the shipping company is concerned.

This is a very important judgement and shippers / buyers should be therefore aware of the difference in the shipping companies responsibility when the B/L terms are LCL/FCL as opposed to FCL /FCL.

Not surprisingly the shipping companies do not like this judgement which now rests as case law precedent.

2019/005 Transport**Report from Mike Watson**

MW noted that MSC has geared up to increase their capacity by around 333k teus this year.

MW noted that there is a programme of jumboisation - taking 14000 TEU ships cutting them in half- inserting a section to make them 17000 teu ships

MW noted that most a gearing up for the low sulphur emission control areas that are due to come in next year, so there is an acceleration of scrapping out older ships.

2019/006 The European Contracts Committee

Report sent in by Mark Ayling

- **ECF Final Contract (ESCC)**

MA noted that the contract is out and being used, but there have been some issues, namely from Origin in regard to the length of time being allowed to log a claim.

CS noted that the contract has not settled in as well as expected.

MA added that combining into one document does make it much easier.

2019/007 ICE Futures Europe

Report from Rob Hare

RH noted that gradings have gone up recently.

The increase was of approx. 3800 lots since Nov 18 - Jan 19 our Cert stocks as of today is 12296 lots.

In November there was just under 5,000 tenders.

RH noted that ICE are still on track for a 100% supervision of coffee sampling, this has been working well for cocoa.

2019/008 Brexit Implication

Report from BCA Executive Director, Chris Stemman

CS noted that Parliament facing the prospect of a meaningful vote next week, not a lot of optimism from his side. MW noted we are still very much in the dark.

CS noted that the Government are afraid of civil unrest if there is a no-deal.

MA asked if we do bump out with a no-deal and coffee can't get in on time will it be classed force majeure? The legal precedent would need to be set but it seemed likely that force majeure would apply to broken contracts.

IW asked if people were aware of stockpiling, it was noted that perhaps some were but warehousing space is really limited.

CS noted that in regard to processed coffee, there had been a lot of activity to keep stocks on supermarket shelves.

2019/009 Arbitration Overview

TB noted this remain all quiet, no Arbitrations since last year, it was noted that London was not the only Arbitration centre for coffee that was also quiet.

2019/010 Education (Training/Seminars)**BCA Education Seminar 2019 – 26th to 28th March – Montcalm Tech City Shoreditch**

TB noted that we currently around 21 attendees, it would be good to have around another 5 attendees to make the event breakeven, TB added we often get last minute attendees come through. The event has been being publicised with the ECF, C&CI, Comunicafe, and the ICO.

2019/011 Social**BCA Dinner Dance 2018 – Update**

TB ran through the events of the evening.

- Food was excellent.
- Service was on time and very professional.
- The only exception to the evening was the performance of the cabaret, which was extremely disappointing to the BCA and its members.
- TB noted that the upside from this event was a surplus of around £20k, full accounts to be released as always at the Board Meeting in March.

BCA Golf Day 2019 – Update

TB confirmed that we are looking to hold the Golf Day on Friday 5th July 2019, Members Services are working on a venue, details to be released asap.

BCA Dinner Dance 2019 – Update

TB confirmed that the dinner was booked for Friday 29th November 2019 – The Dorchester.

Sensation Band, who everyone loves, have been re-booked again for this year, but we will have a slightly larger band for this year's dinner.

Potential Seminar/Industry Event

It was confirmed that the BCA were looking at running an industry seminar/event, likely around Sustainability, Cost of Production and possibly Pricing Issues. We are hoping to get together some key speakers and journalists, for a panel debate. It is hoped to hold this in around June/early July. This will be followed by a networking/social event. Further details to follow asap.

2019/012 Dates of Next Meetings**Dates for 2019**

- **9th April 2019**
- **9th July 2019**
- **8th October 2019**

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**.