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**Minutes of the Trade & Logistics Meeting,  
Tuesday 6<sup>th</sup> October 2020  
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                      |
| Jason Cross       | CWT Commodities (UK) Ltd              |
| Christopher Leavy | DRWakefield                           |
| Henry Clifford    | DRWakefield                           |
| Daryl Kryst       | Equatorial Traders                    |
| Fergus Wilson     | Group Sopex                           |
| Paul Wynne        | Henry Bath                            |
| Cleiton Papke     | RicCoffee                             |
| Natasha Smitter   | Sustainable Harvest                   |
| Richard Harris    | Zygo                                  |

**1. Apologies**

John Williamson                      CWH Johnsons International

**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 8<sup>th</sup> July 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 Impacts**

##### **Warehousing**

##### ***Report from Chris Rogers***

CR noted that nothing much has changed, although intake seems to have slowed down.

Shipments have also slowed which has meant warehouse space has eased slightly. These delays in arrivals have however had knock on consequences for deliveries out.

CR noted that haulage is a big problem especially out of Felixstowe. Something like a 2 to 2 ½ weeks lead time from getting the containers out of there. Haulage is pre-booked in advance to make sure that slots are achieved and then the shipping lines are then invoicing (backdating invoices) from when the haulage is booked even though goods have not yet been received. CR noted this was something which would have to be addressed with shipping lines.

MW noted this also means when you have a schedule going back 2 weeks you book haulage in advance, CR added then if there are any delays haulage has to be pushed back again, and you have to start the whole procedure again so as not to incur any additional charges. CR added that his becoming an administrative problem, you are having to do the job twice, and creates a lot of time wasting.

MW asked that with the container ships getting bigger it must distort the haulage market as well. CR agreed it does, not so much from Tilbury and London Gateway to Grays or Thurrock but especially so if you are using Felixstowe.

CR noted that many people still seem to be working from home, which can create some difficulties in terms of timely access to documents and maintaining schedules.

MW noted that warehouses in Europe are seeing high stocks as there is less draw down.

CR noted that if we do have another lockdown and shipments from origin start to arrive in, then we could see the same issues regarding space as a few months ago.

PW noted that the biggest concern, as was mentioned at the last meeting, was someone testing positive, and unfortunately, they have had 2 people test positive, which of course impacts on the North West business. They were part of small teams, so we were able to isolate those teams, fortunately everyone has recovered and are now fine, but it does have huge impact even though

the business had planned for this. Further testing will take place before staff will be allowed back into the business.

JC noted that fortunately they have had people showing symptoms but did not test positive, but they have had to shield some of their employees. Obviously as with Henry Bath they have operations in Liverpool and with the increase/spike in cases in that area it is obviously concerning.

PW noted that the rate of infection is concerning and feels that this will likely continue to be a challenge in the short term.

CR added that luckily, they have not had anyone testing positive or with symptoms, but when you have a labour intensive business unloading individual bags for the speciality sector, although you try your very best to operate social distancing and ask our staff to adhere to this as best they can when outside of the business, but this is a labour intensive business. The spike in the south has been less so than in the north, but this is a continuing concern.

MW noted that one of the warehouses in Antwerp said that they could only load out 280 bags per container rather than 320 due to social distancing. PW noted that they have managed to deliver out their obligations, but this did not surprise him.

### **Insurance**

PR noted he was on a call with a range of different businesses earlier today, most of them all the way through to retail are talking about increases in Covid related absences which were starting to move up by 1 or 2% but nowhere near where they were earlier in the year. But a number of businesses are concerned on the rise of cases. Most have found that the outbreaks have not been workplace related but out in the community. Several businesses had found an issue with car sharing and suggesting that these are stopped at least for the foreseeable.

PR also noted that some companies were starting to see insurers refusing cover on heating, sweating and condensation. PR asked if anyone had any observations on this basis. MW noted that he was not aware of any cover being refused, but he could certainly do some investigating.

### **Action: MW**

CP noted the only issue that they have seen following the huge incident that happened in Beirut, insurance companies have changed per location cover, even if the cargo is in separate sheds it is now counted as a single location.

### **Surveying**

#### ***Report sent in from John Williamson***

Coffee market is very, very slow due to low demand as result of COVID, closures of many cafes, restaurants etc. Damaged coffee is hard to sell for this reason.

Another warehouse incident in Antwerp, this due to a roof collapse in heavy rain/wind storms a month ago – this was the 3<sup>rd</sup> time such an event had occurred in the same facility in 13 years! Inevitable wet damage to stocks and additional costs incurred.

Insurance policy (marine/storage) renewals are reported in general to all be showing large increases in premiums due to claims experience (not necessarily coffee claims though!)

Shipping – no casualties affecting coffee shipments as far as we are aware.

## **6. Transport – Covid-19 Impacts**

### ***Report from Mike Watson***

MW noted that from Brazil there has been massive disruptions and shipments due to lack of equipment, space, some have a problem with not the right food grade equipment, and if you ask for something to be shipped in the next couple of weeks you are looking at more than a month.

MW noted that you cannot plan for any just in time deliveries at this time.

MW added that shipping lines seem to be doing OK, seeing some of the results recently, earnings seem to be up by a significant percentage. The shipping lines remain cautious about balancing the demand and capacity, but they have been reducing their liftings and increasing their freight rates.

Compared to 2009 which was around the financial crash, we have around 2m containers of idle capacity vs 1.5m back then.

There has been a massive cyber-attack on CMA/CGM, their systems are down at the moment, which has proved a problem to try and ascertain where containers are.

## **7. The European Contracts Committee**

### ***Report from Angus Kerr***

AK noted that things are very quiet. The only point that we have taken to the ECF Contracts Committee is regarding postings. The ECF is liaising with their lawyers, as the law in Belgium appears to be different from its previous location in the Netherlands, they are trying to determine how/if they can post.

AK noted that he unfortunately missed the ECF AGM. PR noted that this was not raised at the AGM, but this was discussed with the Executive Committee a couple of weeks ago. It appears they are looking at a cautious approach with perhaps a lawyer holding the information rather than it publicly being put on a website, but we are awaiting a further update from the ECF.

AK noted that Mick Flynn is drafting a response to the ECF Secretariat, to explain the procedure here at the BCA, and that we see no reason if the ECC contact is signed both parties they have agreed to being posted.

## **8. ICE Futures Europe – Covid-19 Impacts**

Report to be received for the next T&L meeting.

## **9. Brexit**

PR noted that in theory we have had the last round of negotiations, but in practice possibly not! We have the deadline of the 15<sup>th</sup> October which is just over a week away that the Prime Minister set for things to be resolved by. As we expect the timescales might slip a bit. PR noted that a deal was still likely but perhaps not as comprehensive as we had hoped.

Defra has started to increase the amount of information they are starting to send out. For trading into Northern Ireland the trader support scheme is up and running for the smaller and medium sized businesses. The next iteration of the NI protocol is due out within the next week or so, there are still some labelling issues that need to be resolved.

More information is imminent on operation Brock, and the haulage related issues covering the short crossing areas particularly Dover, with other haulage holding areas being identified up the east coast. The idea that in the short-term we will have this Smart Freight system in place, which will essentially be a way of checking if vehicles have got the right information before they head toward the ports, there are a number of issues still yet to be worked out. There will be situations where lorries might be heading into Kent or the SE of England who were not destined for a port and where permits required to stop any delays and questioning where they are heading.

We are still awaiting the final details on the big-ticket issues such as duties, if we are going to have them or not, and if there is a will to sort out issues such as fishing although not economically important but politically important, and that of state aid and if this might undercut European competitors.

PR noted that we will continue to put information out as we understand it. We are still awaiting answers to several outstanding questions regarding third countries and if we roll over existing agreements etc.

There is a lot being promised much of it is yet to be delivered in terms of guidance and information, but again we will pass it on as soon as we get it.

MW and PR noted that the EU have a reputation of leaving deals to the very last minute, going right to the wire.

## **10. Arbitration Overview**

AK noted that things are very quiet on the Arbitration front, no Arbitrations received. As we spoke about under the European Contracts Committee section, we are pursuing posting requests submitted to the ECF. AK noted that we have received a further request for posting after it was previously put on hold due to ongoing negotiations between the parties.

## **11. Education (Training/Seminars)**

### **2020**

PR noted that we have a series of 3 webinars to run, as follows.

We have the 1<sup>st</sup> Webinar set for next week the 13<sup>th</sup> October; this is entitled 'Moving Towards a Net Zero/Positive Carbon Economy in the Coffee Sector'

The 2<sup>nd</sup> webinar will be on Brexit we are currently finalising speakers, and this will run in November.

The 3<sup>rd</sup> webinar will be around Blockchain, and we will look to run this in the 1<sup>st</sup> or 2<sup>nd</sup> week of December.

### **2021**

PR noted that as Members are aware we have a provisional Education Seminar booked in for April 2021, following discussions held with Member Services earlier today a decision has been taken to again postpone due to ongoing restrictions in place to the end of March 2021. It was felt that this Seminar does need to be a physical event, but many might not feel comfortable attending such an event and may also not be able to travel from Europe to attend.

PR noted that we are looking to obtain feedback from Members as to suitable topics to run as webinars in early 2021, but we are aware of people perhaps being 'Zoomed Out'.

PR added that we will also be working in conjunction with the SCTA Next Gen as to how we can combine resources for events in 2021.

## **12. Dates of 2021 Meetings**

The next meeting will be held on **Tuesday 12<sup>th</sup> January 2021**, these meetings will continue to be virtual for the foreseeable future.