

# THE BRITISH COFFEE ASSOCIATION

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**NOT FOR PUBLICATION**

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**Minutes of the Trade & Logistics Meeting,  
Tuesday 8<sup>th</sup> October 2019, Room Machin**  
FDF, 6<sup>th</sup> Floor, 10 Bloomsbury Way, London, WC1A 2SL  
**Time 12.30pm – 2.00pm**

**PRESENT:**

**T&L Meeting & Webinar**

|                           |                                   |
|---------------------------|-----------------------------------|
| Tracy Brown               | BCA Secretariat                   |
| Mike Watson               | Tristao International (T&L Chair) |
| Angus Kerr                | Coffee AG Ltd                     |
| Nick Boxall               | Complete Coffee                   |
| Jason Cross               | CWT Commodities (UK) Ltd          |
| Guus Bremer               | DRWakefield                       |
| Leslie Frackowiak         | DRWakefield                       |
| Aggie Krasuska            | Falcon Coffees                    |
| Capucine Lartigue Andrade | ICE                               |
| Cleiton Papke             | RicCoffee                         |
| Richard Harris            | Zygo                              |

**BCA Webinar**

Pardeep Nijjar - Policy Adviser - Defra  
Richard Potts - Defra

**2019/037      Apologies**

|               |                           |
|---------------|---------------------------|
| Alex Rogers   | AGC (Commodity Store) Ltd |
| Chris Rogers  | AGC (Commodity Store) Ltd |
| Philip Searle | DRWakefield               |
| Nick Thompson | DRWakefield               |
| Connor Barnes | Equatorial Traders Ltd    |
| Alan Davies   | Finlay Beverages Ltd      |
| Paul Wynne    | Henry Bath                |

**2019/038      Competition Law Compliance**

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

**2019/039      Minutes of Meeting held on 9<sup>th</sup> July 2019**

The minutes of the last meeting were duly approved.

**2019/040      Warehouse Inspections/Procedures/Insurance/Surveying  
Warehousing*****Report sent in from Chris Rogers***

Since our last meeting nothing much has changed. The same issues remain, although the physical market has settled down a little. Speciality coffee trading remains very busy and places pressure on busy warehouses. We understand that there is a considerable volume of Conillon coffee arrived and stored.

MW noted the update from the previous meeting on recycling of the waste products from the containers received, MW asked JC as to his thoughts on the disposal of waste, he noted that this has sparked some interest and they will be following up.

RH noted that there is a scheme for recycling packaging, perhaps there might be something available for cardboard!

**Insurance**

TB noted that it would be a priority of the new Executive Director to try and recruit an insurance member to the Association.

**Surveying*****Report sent in from John & Iain Williamson***

The only "damage" issue which we have at present is infestation with rust red beetles to a container of Nicaragua coffee.

There was concern with an Official Phytosanitary rejection of a shipment, details of which cannot be imparted due to the sensitive nature of the matter.

**2019/041      Transport*****Report from Mike Watson***

MW noted that from what he has seen, shipping lines have faced a number of challenges including the IMO 2020, sulphur cap which comes into effect on 1<sup>st</sup> January 2020. Shipping lines are racing to retro-fit "scrubbers" onto the engines so that they can keep using the cheaper higher sulphur fuel and it the sulphur is then filtered out. This with the pressure on oil prices will lead to pressure on bunker prices

The threat of recession for the global economy could have an impact, although shipping lines are now in a better position to cope with this than in previous years.

Digitalisation of documentation with shipping lines is ongoing, and could only be a good thing.

The container line capacity has increased from 13m to around 23m containers in about 10 years.

AK asked if there is a graph to indicate how much prices have changed over the years in relation to capacity.

#### **2019/042      The European Contract Committee**

TB noted that currently we do not have a representative on the ECF Contracts Committee, TB to contact the ECF to see if there is any further update, and will keep members informed.

**Action: TB**

#### **2019/043      ICE Futures Europe**

##### **1. Volumes, Stocks**

- Total volumes for London Robusta Coffee futures for the first 8 month of 2018 at 3.1 million, 10% up on 2018.
- Certified Robusta stocks at Q3 2019 are around 154,000MT, up from over 88,000MT this time last year.
- There has been busy/active grading activity on the third quarter.

##### **2. Supervision**

- The Exchange has been successfully implementing since March 2019 100% of supervision of coffee sampling in line with 100% cocoa supervision. Implementation went smoothly in all ports; most warehousekeepers were already familiar with the process. The Exchange has now 40 Coffee trained supervisors in all delivery ports. Supervisors were trained by ICE

##### **3. 2018 Changes to the Robusta Contract - 1 year track record**

- 8 expiries since the Contract Changes in July 2018.
- Those change were implemented, further to extensive consultation with market participants , to:
  - Re-balance the position of deliverer and receiver of coffee at expiry
  - Improve transparency of warehousing procedures and costs
- Successful implementation and track record after 1 year
- Faster more efficient delivery process
- Simplified, transparent rent charges structure
- Encourages competition, with Global; Average Rent published annually by the Exchange, going down by circa \$2 for bags and FIBCS

**2019/044      Arbitration Overview**

AK noted that we have a few arbitrations ongoing at this time, but things have been very quiet. It was noted that generally across all coffee arbitration centres, things are quiet.

AK noted that there have been a couple of requests from people to join the Committee that will be discussed at the next A&CC meeting.

AK noted that arbitration procedures need to be followed to the letter, so that those who obtain an arbitration award could use it to obtain world freezing orders, should they wish to enforce the award.

**2019/045      Education (Training/Seminars)**

Arbitration Seminar – AK noted that likely this might not now take place until spring time 2020.

Industry Seminar – This has been postponed until new BCA Executive Director in place, will likely to be on the topic of Sustainability.

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

**2019/046      Social****BCA Golf Day 2019 – Update**

TB confirmed that there were 9 teams who played on the golf day on Friday 20<sup>th</sup> September. Yet again the weather held out for us even though a few months later in the year. Everyone who took part seemed to enjoy the day.

TB noted that we will again see a small surplus around £650.00, formal accounts will be issued at the November 6<sup>th</sup> Board Meeting.

**BCA Dinner Dance 2019 – Update**

TB noted that we are now in the final stages of preparations for the dinner this year. The Cabaret, Band and Reception Entertainment, Sound and Lighting are all confirmed. Guests names are now been collated.

**2019/047      Brexit Q&A Webinar**

MW introduced Pardeep Nijjar and Richard Potts from Defra to those on the Brexit Webinar.

This session was recorded and should be available to Members shortly.

Questions that could not be answered during the webinar have been taken away by Defra, the BCA will forward these answers as soon as received from Defra.

**2019/048      Dates of 2020 Meetings**

**Tuesday 21<sup>st</sup> January 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 7<sup>th</sup> 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 8<sup>th</sup> 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 6<sup>th</sup> 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

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