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**Minutes of the Trade & Logistics Meeting,
 Wednesday 18th October 2023**

London Suite 2 Meeting Room - Intercontinental Exchange |
 ICE Data Services, Fitzroy House, 13-17 Epworth Street, London, EC2A 4DL

& Via Teams

Time 12.30pm – 2.00pm

PRESENT:

Paul Rooke	BCA Executive Director
Tracy Brown	BCA Secretariat
Thomas de Freitas	BCA Media & PA Manager (Via Teams)
Chris Rogers	AGC (Commodity Store) Ltd
Angus Kerr	Coffee ag Ltd
David Peach	Costa Coffee (Via Teams)
Tom Haigh	DRWakefield (Via Teams)
Adriana McKillop	DRWakefield (Via Teams)
Philip Searle	DRWakefield
Helen Shewan	DRWakefield (Via Teams)
Louisa Sutton	DRWakefield (Via Teams)
Fergus Wilson	ETG Commodities
Carole Liminiana	Filhet-Allard Maritime (Via Teams)
Paul Wynne	Henry Bath (Via Teams)
Martin Osborne	Finlays
Mark Ayling	ICE Futures Europe
Harry Cassidy	InterAmerican Coffee
Cleiton Papke	RicCoffee (UK) Ltd
Mick Flynn	Sucafina UK Ltd (Via Teams)
Richard Sampson	Trade in Space
Richard Harris	Zygo

Speaker

Dimo Yanchev	Almacena Platform (Via Teams)
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1. Apologies

Mike Watson	TRC Specialty (T&L Chair)
John Williamson	CWH Johnsons Intl.
Richard Hankinson	ICE Futures Europe
Tom Gammer	InterAmerican Coffee
Lee Lockyer	Lockton Companies LLP
Eric Allen	R Markey & Sons
Katrine Biret	Trade in Space



PR noted that in the absence of the Chair he would be taking the Chair today.

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 24th May 2023

The minutes of the last meeting were duly approved.

4. Matters Arising from the Previous Meeting Minutes

No matters arising.

5. Presentation – from Dimo Yanchev - Almacena Platform – Traceability Software – (Presentation Attached Separately)

PR introduced Dimo Yanchev to those in the room and on the call.

DY explained what Almacena Platform do and where they operate from.

DY noted that they started in Africa.

They have Traceability Solutions from the Smallholder at Origin to Destination.

DY went on to give a short demonstration of the application.

If Members require any further information, please feel free to contact Dimo and the Team at Almacena Platform.

PR asked DY, in relation to the work in East Africa, are Almacena seeing an increase from of interest from cooperatives. DY noted that they are seeing more interest from a Government Level. They are approaching more from a data security information and who has access to the data. They are following more what the buyer requires.

PR asked are there systems out there that ensure that we have full traceability, that farmers are not passing coffee that may not have grown but may have come from a neighbour and that this would get flagged as a concern. DY noted that on a national level and farmer there is a concern, and this is raised via the payments.

PR noted that we are going to put onto our website companies that are offering potential solutions on traceability, would DY be happy with this, DY confirmed they would. It was confirmed a .pdf of the presentation would be circulated with the Minutes.

6. EU Deforestation Legislation

• Latest Position, Engagement & Outstanding Issues

PR noted that this is occupying a lot of time for a number of people around the table. PR confirmed the EU legislation is out there and we have a timeline. At this time, we do not have any



further update as to what the UK are doing. PR noted that on Monday this week there was a multi stakeholder meeting, ECF attended as an observer. This has been running for quite sometime, and it seems that the Commission will be updating their Q&A and guidance in around 6 weeks' time. It was felt there is a growing awareness of the challenges being posed by the 31st December 2024 deadline, particularly for cocoa and coffee which have not had the historical coverage of some of the other commodities. There was therefore a growing belief that the Commission would need to give guidance on a degree of flexibility, without re-opening the legislation and ensuring consistent application across all Member States.

It was recognised that some origins were more advanced than others in terms of meeting traceability aspects, including geo-location. In this space ECF has continued its involvement with the European Space Agency. EUSPA has an app, an update for which is due to go live imminently and is due to be an opensource on geo location but questions remain as to whether this will give sufficient confidence to meet the due diligence that the EU requires.

RS noted that they have been in contact with EUSA, and they are due to make an announcement at a technology conference on deforestation space mapping. PR noted that he has been informed that the baseline map should not be used for deforestation.

TdF noted that if anyone had any information regarding the mapping information, please do forward through to the BCA so that we can coordinate all this information and make available for the Members.

Action: ALL

PR noted that some of you may have seen the Q&A that the BCA had already done, we are now on our 3rd reiteration, this will be available to Members via the Newsletter. There was a question on coffee that comes into the EU ahead of the deadline, but subsequent processes might be after that deadline, and how can you produce a risk assessment. The Commission are aware of this and are looking at this. Stocks that are in future stores seems slightly clearer and could be separately defined. The regulation can be read in different ways and proves that this could be an issue for both coffee and cocoa, and we hope that further guidance from the Commission will give more clarity.

7. Transport/Ports

RH noted that there is more availability of transport now. RH added vessel sizes are still proving an issue, and there is no incentive to move to smaller lots which means this can only get worse. CR added that vessels will not sit outside UK ports waiting to be unloaded and will often re-route to the likes of Rotterdam. MO noted that shipping lines are now starting to look changes to configurations.

PR noted that with our newly formed All Party Parliamentary Group (APPG), this information would be useful to make the politicians aware of the issue that are out there, and to bring their knowledge up to speed. MO noted that it will depend on the politician, and if they are a can do MP.

MO noted the EU ETS measures in detail EU ETS introduces carbon pricing for shipping from 2024. The system is introduced with a phase-in period, meaning that 40% of emissions in 2024 and 70%



of emissions in 2025 are subject to carbon pricing. From 2026 onwards all emissions (100%) are subject to carbon pricing. In addition to CO2 emissions, emissions of methane and nitrous oxide are included from 2026 onwards.

Maersk have provided a table with how the pricing might look like on their services. Examples being:

- W/C South America to Europe of Euros 74 per FFE (note 40ft container not TEU).
- E/C South America to Europe – Euros 40 per FFE
- Far East to Europe - Euros 70 per FFE

MO asked if there has been any thought to collective shipping rates (tea & coffee) as shipping companies are now looking at volumes. PR noted it had not, but this was something he could take up with the UKTIA and report back.

Action: PR

RH stated that Southampton have added a surcharge to haulage by road to encourage haulage via the railway. PR noted that he will follow up on this in terms of whether this could develop further.

Action: PR

A discussion was had around the restitution of containers back to port.

- **IPPC Container Movements & Pest Control – Next Steps (*Draft Guidance Attached*)**

PR noted the background as to how this has come about, and that CP has been involved attending the initial meeting on our behalf. Out of this it was decided that best practice/guidance be established. PR noted that this document has been fed back to the Associations, NCA, SCTA etc. for them to come back with comments and to challenge what has been written.

CP noted that a couple of months ago, some guidance was issued to the container handlers.

MO noted that even with all the procedures that they have in place, there has been some issues, often in a batch where procedures may not have been followed.

AK noted that the European Coffee Contract has a code of practice which is out of date and needs updating, as the only concern is around OTA. AK noted that he would like to ask the Committee to come up with a decent code of practice that AK could take through to the ECF to potentially be inserted into the ESCC.

Action: ALL

CP added that we need to bring more awareness to the coffee producing countries, as well as having an updated coffee contract, and an improvement in origin facilities.

CR noted that luckily within the last 6 months they have not seen any infestation within the container itself. CR noted that they had previously found when they had coffee landed in big bags, they have found issues, and as previously noted this has been in batches.



MO noted that they do an external market report to give a picture what is happening over the next 6 months, would the external version be of use to people. PR noted that would be much appreciated.

Action: MO

8. Warehousing

CR noted that the major problem at the end of last year and the start of this, there was too much coffee and not enough coffee storage. This seems to have now dissipated, this could be due to seasonality, this does mean there is now have movable space, although the situation would continue to be monitored, particularly in the run-up to Christmas. CR noted that there have been a number of visits from European organisations looking for warehouse flexibility.

AK asked if there were many mixed containers that come in, CR noted that this is very much within the speciality area.

CR noted that fingers crossed they have not had any more issues with Customs at this time. PR noted that sadly we don't believe that we will ever get to the bottom of what they were looking for. PR added that we will lodge with Defra our concerns on containers being taken for the timeframes they were and liability for any deterioration of the goods. MO asked if an explanation was ever given, PR noted unfortunately it was not and HMRC don't have to give a reason. MO asked if information could be acquired as to relevant contacts as well escalation procedure contacts, PR noted that he will look into this.

Action: PR

9. Insurance (Report sent in from Lee Lockyer)

- Following the unprecedented attack on Israel on 7th October 2023, this conflict is being closely monitored by London/ International Insurers. Munich Re, one of the worlds leading reinsurers, is one of the first Reinsurers to update the latest War, Strikes and Civil Commotion Schedule 212 dated 20th October 2023.

Risk Level Changes:

Israel Very High 3.2 from High 3.0: Rising risk of Hizbullah intervening in the current Israel-Gaza war, increasing risks on ground cargo and related infrastructure, probable targeting of ports and marine assets, airports, and accidental shutdown risks from rockets. Please note that Israel has moved to the H/C section (from 0.075%/0.150%) on the schedule. Any revisions will be made following further updates from the JCC.

Palestinian Territories Severe 4.6 from Very High 4.0: Ongoing Israel-Gaza war, and likely ground incursion, significantly raises risks of IDF targeting ground cargo-related assets, damage to aviation assets, and accidental shutdown to aircraft in or very near Gazan airspace.

Please note that any marine shipments of bulk oil/ petrochemical interests including LNG and LPG transiting through the Persian Gulf/ Gulf of Oman, irrespective of the destination country and where this sits within our WSRCC schedule (Elevated/ High Categories), will be H/C for Port only and require referral to us for rating. As a result of



this the routing of shipments is crucial in determining whether a shipment is passing through the H/C area.

Given the increased tensions within the Middle East, please note that we are monitoring the severity of the situation and will reissue updates to our WSRCC schedule as and when necessary.

Insurance Brokers will expect to see a number of London and International Insurers take a similar stance with shipments transiting through the Persian Gulf/ Gulf of Oman giving Insurers the opportunity to Underwrite these exposures as and when presented.

- The London Marine Cargo Insurance market currently remains stable with most clients being able to achieve a flat renewal, depending on their loss record. This enables clients to budget accurately for their next financial year.

Insurers will soon be starting their renewal negotiations with Reinsurers ahead of 1st January 2024. Brokers will keep an eye on how Reinsurers will approach these renewals as to whether there will be any further policy amendments to those imposed on 1st January 2023 i.e. increased retentions for Insurers and increased reinsurance costs.

10. Surveying

Nothing of note for coffee to report for this meeting.

11. ICE Futures Europe (Report sent in from Richard Hankinson)

- The Exchange issued Circular 23/140 "London Cocoa Futures Contract - update on potential Contract Rule amendments in response to the European Deforestation Regulation" on the 19th September aimed at consulting both Robusta and London Cocoa participants on the approach the delivery contracts should take to the European Deforestation Regulation (EUDR). The Exchange has been running a series of committee meetings in tandem with this public consultation and reviewing the feedback. Whilst the consultation period has now expired we are still keen to received comment should any of the BCA Logistics committee have any.
- In addition, the exchange continues to seek meetings with the EC and member competent authorities on the application of the EUDR.
- The rush of Robusta gradings in September (circa 1300 lots) slowed to a trickle in October.
- Participants should note that the Delivery Position Limit for the Robusta Coffee November 2023 Contract onwards will reduce to 3,500lots from 7,500lots.

12. ECF Update

PR noted from a trade perspective, EUDR has been the main topic on most committees as of late.



13. Ecosystem of Trust - Govt Report on Recent Pilot Schemes and Future Developments

PR noted that this was added to the agenda, as there has been a number of Government sponsored pilot schemes to look at the digitalisation of cross border movement of goods. One of the pilots had included movement of coffee from Kenya to the UK. The Government report on the pilots noted that whilst the trials have been useful there was not currently an opportunity to proceed further without incentivisation to businesses to bring internal systems into line with digital customs requirements. PR noted link below to the findings.

[Ecosystem of Trust Evaluation Report August 2023 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/123456/Ecosystem_of_Trust_Evaluation_Report_August_2023.pdf)

14. Dates of the Meetings in 2024

Date	Meeting	Location
Wednesday 7 th February 2024	Trade & Logistics Committee 12.30p.m. – 2.00p.m. Hybrid Meeting	London Suite 2 Meeting Room, Intercontinental Exchange ICE Data Services, Fitzroy House, 13-17 Epworth Street, London, EC2A 4DL
Wednesday 22 nd May 2024	Trade & Logistics Committee 12.30p.m. – 2.00p.m. Hybrid Meeting	London Suite 2 Meeting Room, Intercontinental Exchange ICE Data Services, Fitzroy House, 13-17 Epworth Street, London, EC2A 4DL
Wednesday 16 th October 2024	Trade & Logistics Committee 12.30p.m. – 2.00p.m. Hybrid Meeting	Venue TBC