



PRIVATE & CONFIDENTIAL
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**Minutes of the Trade & Logistics Meeting,
Wednesday 15th May 2024**

London Suite 2 Meeting Room - Intercontinental Exchange |
ICE Data Services, Fitzroy House, 13-17 Epworth Street, London, EC2A 4DL
& Via Teams
Time 1.45pm – 3.15pm

PRESENT:

Paul Rooke	BCA Executive Director
Tracy Brown	BCA Secretariat
Thomas de Freitas	BCA Media & Public Affairs Manager (Via Teams)
Mike Watson	TRC Specialty Commodities (T&L Chair)
Chris Rogers	AGC (Commodity Store) Ltd
Angus Kerr	Coffee ag Ltd
Iain Williamson	CWH Johnsons Intl.
Fergus Wilson	ETG Commodities
Carole Liminiana	Filhet-Allard Maritime (Via Teams)
Andrew Stephenson	Henry Bath (Via Teams)
Mark Ayling	ICE Futures Europe
Filip Brion	Molenbergnatie (Via Teams)
Malgorzata Dabek	RicCoffee (UK) Ltd
Cleiton Papke	RicCoffee (UK) Ltd (Via Teams)
Mick Flynn	Sucafina UK Ltd (Via Teams)
Jordan Smith	Sucafina UK Ltd (Via Teams)
Andy Walker	TRC Specialty Commodities
Richard Harris	Zygo Ltd

1. Apologies

John Williamson	CWH Johnsons Intl.
Jason Cross	CWT
Rupen Soochak	Equatorial Traders Ltd
Paul Wynne	Henry Bath
Lee Lockyer	Lockton Companies LLP
Andrew Kerr	OCR Commodities

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 7th February 2024

The minutes of the last meeting were duly approved.

4. Matters Arising from the Previous Meeting Minutes

No matters arising.

5. EU Deforestation Legislation

- **Latest Position, Engagement & Outstanding Issues**

MW noted that we tried to get someone from Cecafe to present, but unfortunately, he was unavailable today, we hope to get hold of him to present possibly via a webinar sooner rather than later.

MW noted that not much has changed since we last met, we have the roundtable with the ECF tomorrow (Thursday 16th May) that the BCA has organised, it would be good to understand the whole process from shipper to buyer. There may be an issue for non-EU countries being able to access the system.

PR noted that he will be seeing Cecafe next week, and will discuss them presenting, MW asked perhaps before the next meeting as we get nearer to the deadline.

PR noted that it was previously understood that if you had an EU EORI number you would be able to access the system, without having a base in Europe, but this is now very unclear. The Swiss have been pressing the EU to clarify this, but it appeared the EU were not interested in entertaining any third country. It was hoped more information may come from the Roundtable.

PR added that we are expecting another set of Q&A's from the EU, which had been delayed from March now due to come out later this month.

PR noted that the information system is interesting, and had a 25mb limit per registration, which we suspect would easily be breached. Most of the European Commodity Associations have written to complain to the EU.

There are some issues around the sharing of data, with the geo location data being shared with other parties. Whilst the information system could allow data sharing to be turned off it was noted customers would still need this information to complete their own due diligence statements.

The ECF have had a response around anything held within a bonded warehouse, if it was delivered into a bonded store after 29th June 2023 and was not placed on the EU market until after 1st January 2025 this would require a due diligence statement. Stocks are currently low in European warehouses.

The Information system required data to be submitted in a GeoJson format. It remained unclear how compatibility with existing company systems would play out, but it appeared the EU was unwilling to accept other data formats.



PR noted that there are rumours constantly flying about that legislation may be delayed. He felt a delay was unlikely but how will it be policed and when would penalties come about is another matter. Many of the 27 Member States still do not have systems in place ready to deal with this.

MW noted that many origin countries have not done much about this at all, Brazil seems best placed.

PR noted that the legality requirements under the regulation had not had much focus, unlike that with Geo Location.

PR added that in some countries such as Peru, 80% of farmers do not have land title agreements and this could impact the ability to prove they were entitled to produce and were meeting their legal obligations under domestic legislation.

PR added that we have around 50 people joining the roundtable, so please feel free to join, if you want to send questions ahead of time or on the day that is fine. PR added that it cannot just be on EUDR but on the UK system as well.

6. Transport/Ports

MW noted that there is not much to report, apart from Suez remains out of action, with ships continuing to go round the Cape. Some European ports are getting very congested.

MW added that as previously noted if you can't give a transshipment time to buyers, there is no transparency.

MW noted that in Panama the water levels are still quite low and restricted to 24 ships a day, so the 2 big arteries for trade are essentially blocked.

RH noted that shipping lines are not releasing prices for the following month, which could mean that there is going to be a shortage of containers and shipping availability and likely will mean prices will rise again.

MW noted that with the Far East being shipping companies' bread and butter, they divert to more capacity in that direction.

PR asked those on the call about the % increase in costs which were being experienced. He noted this could be useful data to feed into UK Government routes. MW noted that costs increases could be significant, and some were likely to be ongoing.

Action: ALL

PR referred to the document that we have previously circulated on Pest Transfer between containers, which seems to have been put on the back burner. Do Members feel that we now need to take this back to the other Member Associations, to now take this forward and re-energise things as we are seeing more containers that are not suitable and with an increase of infestation. PR noted that this all came about with containers not being inspected properly, especially food grade containers, allowing the pests to move from one country to another. From a



plant health authority perspective, they were looking for certification, which we were resistant to but to instead have a guidance document in place for industry.

IW noted that there are documents in place already place, but in some places in origin containers are loaded up next to each other with little or no inspections being made, and sometimes left open for more than a day or much longer, thus allowing animals or pests to enter and not being checked. IW added what constitutes a food grade container, RH added an extra \$100 a container...

AK noted that within the ECF Contract, he has suggested having a code of practice, the ECF have one for OTA which was from back in 2002. Perhaps having a code of practice would be a route to go down and give you some semblance of retort.

PR noted that the guidelines that we had produced so far have to a certain extent been lifted from the OTA code of practice and expanded upon.

IW noted that the FCC are developing one for cocoa on loading in etc.

RH noted that he thought there was an old document for coffee about loading in and out and will look to see if he can find. AK noted he remembered this also.

Action: RH

MW noted that perhaps we therefore need to have a code of practice, PR noted that he will look to recirculate what had already been put together.

Action: PR

7. Warehousing

CR noted that they are still finding it very hard to form a schedule, and to try and get things to run smoothly is an issue. Things seems to have gone manic with companies wanting coffee shipped out of warehouses immediately, when procedures must be followed. CR added that they had been expecting a huge amount of Brazilian coffee to come in, which has not happened, but what has come in they have seen a bit of infestation which could correlate with what is going on elsewhere. IW noted that infestation will pick up especially with all the shipment delays and the temperatures rising, other commodities are seeing goods arriving with live infestation. IW added that they are other factors as well, the condition of the container, if they have not been sealed properly etc.

8. Insurance (Report from Lee Lockyer)

Nothing to report on this occasion.

9. Surveying (Report from Iain Williamson)

IW noted that in terms of surveying, it is increasing with infestation.

IW added that they are seeing a significant number of containers with holes in the roof, not with coffee but with sugar. There is an increase in poor quality containers being used, not sure if this is down to supply, or procedures being followed.



IW noted that they are waiting for issues to arise in coffee.

CR noted that they have procedures in place, if they start unloading and notice that containers damaged, they will immediately stop, take pictures from all angles, contact the clients as to what they want to do next. It does mean that if the container is held there is additional demurrage charges that comes through to the warehousekeeper. It also means that warehouse staff are also having to sit around and wait for further clarification or instructions as to how to proceed.

10. ICE Futures Europe (Report from Mark Ayling)

Markets have tended to calm down over the past few sessions having moved from recent highs back to end March 2024 levels. Spreads have also narrowed. Still limited gradings but there appears to be more of a flow from Brazil and Certified stocks are at an 8-month high at 4,000 lots (from 2,500 lots back in February).

ICE have continued to concentrate on ensuring its contracts reflect requirements needed for the forthcoming EUDR implementation. Relevant contract changes are already in place with one emphasis being the fact that Customs Cleared goods in EU ports are no longer tenderable. Dialogue continues with all participants to ensure a smooth transition.

ICE have also been collaborating in meetings with the ECF Contract Committee as they also look to ensure that the ESCC is compatible with EUDR requirements.

Development of ICE CoT, the platform currently being produced to ensure validity of EUDR required information of Robusta coffee coming onto the Exchange, continues.

It has now reached the trial stage and ICE is actively reaching out to interested parties to participate. So far interest has been keen but further participants welcome.

11. ECF Update

MW noted that at the last ECF T&L meeting, there were several presentations by Shipping Lines and of course EUDR.

PR noted that regarding the ECF Contract there is not a lot of information at this time. AK added that the Contracts Committee has increased in number to look at the Contract and EUDR. The Contracts Committee have looked at this and as this is a Global Contract not a regional one, they are now looking at a possible addendum – no further comments have yet been received. MW noted that surely companies can put their own addendum to their contracts. AK noted that the contract should be as simple as possible. AK asked if anyone has any thoughts on the contract, please feed this into the Secretariat.

Action: ALL

PR made reference to the Product Environmental Footprint (PEF), when this first started out a several years ago there many challenges, but the aim of this renewed Committee is to try and produce guidelines for industry.



PR added that Glyphosate has been approved as to 2033. PR added after this period it is not clear whether the application will be supported after this time. PR added that the UK approval runs out next year (2025).

PR noted that there has been a lot of activity on packaging, especially on capsules and if they should be compostable, and many Member States don't sort recycling as we do in the UK. The EU has now decided that the capsule is classed as packaging.

12. Date of the Meeting in 2024

Date	Meeting	Location
Wednesday 16 th October 2024	Trade & Logistics Committee 1.45p.m. – 3.15p.m. Hybrid Meeting	Equatorial Traders, Unit 3 The Onyx, 102 Camley Street, King's Cross, London N1C 4PF & Via Teams