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Jaine Chisholm Caunt
Director General



GAFTA

The Grain & Feed Trade Association

- Gafta is an international trade association representing organisations trading globally in agri-commodities, grain, animal feed, general produce and spices.
- Gafta has nearly 1600 members in 89 countries. There are various categories of membership including traders, brokers, superintendents, fumigators, arbitrators, individuals, analysts, and professional services.
- Members get access to the full database of members' contacts enabling them to grow their business.



1. Contracts

- Gafta develops the standard forms of contract on which it is estimated that 80% of the world's trade in grain and rice and wheat is shipped.
- ***Gafta members*** have the opportunity to join one of Gafta's committees to ensure that these contracts remain current, party neutral and reflect trade practices.



2. Arbitration

- Gafta runs an international dispute resolution service to deal with contractual disputes. Awards can be enforced in 156 countries under the New York convention
- ***Gafta members*** have a discounted fee for using the service and access to the Gafta defaulters list of companies who have not complied with an award.



3. Trade Assurance

- Gafta runs GTAS – a complete HACCP based scheme for all companies operating in the international grain and feed trade.
- ***Gafta members*** who test the quality and condition of goods are able to apply to be recognised under Gafta's analysts scheme, while those who inspect weigh and sample goods are able to apply to be recognised as a Gafta approved Superintendent. Only Gafta-approved analysts and superintendents are eligible to carry out work in compliance with Gafta contracts.



4. Trade Policy

- Gafta runs a trade policy service, monitoring and inputting into policy developments that affect free trade in agri-commodities. Gafta is a member of the IGTC which works on a number of international policy issues that affect the trade. Gafta is also the current chair of the IAFN, which coordinates the input of private sector business into the FAO's Committee on World Food Security
- ***Gafta members*** are able to contribute to and influence Gafta's policy work.



5. Training

- Gafta runs training and education programmes to increase members' understanding of trade practices and contractual issues.
- ***Gafta members*** receive a substantial discount on training fees and the opportunity to train to become a Gafta approved arbitrator. Only Gafta members are eligible to sit the Distance Learning Programme (DLP)



6. Networking Events

- Gafta runs a number of seminars, conferences , dinners and receptions across the world to facilitate networking and trade.
- ***Gafta members*** receive discounted entry to events as well as access to exclusive members-only events and information service, as well as a bi-monthly newsletter, “Gaftaworld”.



Gafta – Future Direction

- The environment that Gafta and its members operate in is facing an increasing range of challenges, including *(to name just a few!)*
- Increased role of regulators affecting many aspects of trade and supply chains plus role of international sanctions
- Geo-political tensions in key regions
- Market volatility and increased financial regulation for markets
- Growing world population and changing patterns of demand for food
- Labelling requirements on food, increased pressures for traceability throughout the supply chain
- Public perception of technologies such as GM
- Climate change and adaptability
- Increasingly complex and legalised environment for arbitration



Responding to the Challenges

- Gafta needs to listen to its members and adapt and develop its services in order for them to remain relevant and effective



1. Contracts – New developments

- Establishment of new Asia Trade committee to help re-develop ex-Australia Gafta contracts
- Actively encourage other regions and trade associations to become involved with the work of the ICPC – IPGA have recently joined.
- New, optional Gafta sanctions clause has been developed
- Studying impact of Bunge-Nidera case
- All Gafta contracts are now freely available to all on the new website, to promote take-up and increase awareness of contractual terms



2. Arbitration – New developments

- Establishment of new Arbitration Committee to codify existing practices and procedures and develop new policies eg on expenses
- Increased transparency on arbitration practices via website
- Current review of 125 rules
- Developing new CPD training for arbitrators
- Encouraging greater regional diversity of arbitrators
- Promoting greater awareness and understanding of Gafta arbitration service at external events



3. Trade Assurance – New Developments

- Promotion of GTAS outside key regions of UK and Black Sea to markets where no local equivalent exists
- A sub-group of Gafta analysts is currently carrying out a mapping exercise between Gafta analysis methods and ISO testing methods to make a recommendation on their potential use to the ICPC.



4. Trade Policy – New developments

- Gafta will focus its work on international policy, working through international groups and coalitions on issues such as GM approval, LLP policies, Grain as a Hazardous Chemical, Financial Legislation etc.
- Gafta will work much more cooperatively with other national trade associations
- Gafta will review the scope and operation of its trade committees to ensure they are more internationally representative and more effective fora for policy discussions
- Gafta is opening an office in Singapore in 2016 to increase its international reach.



5. Training – New developments

- Gafta now runs an annual training survey to ensure its training provision meets the needs of members
- Gafta has recruited a new Training Manager and plans to refresh and update all its training provision throughout 2016
- Gafta is investigating new training developments (e.g. further CPD for arbitrators) and is exploring the option of external accreditation for its courses
- Gafta plans to develop more bite-size online learning modules on key topics for the trade
- A new 3-day Trade Foundation Course for the Overseas market



6. Networking Events- New developments

- Further develop Gafta's policy seminar series
- Grow the annual London dinner
- Hold regular annual cocktail receptions to facilitate networking in key regions
- Hold an annual Trade & Trends forum to focus on regional issues and members concerns



“My word is my bond”

www.gafta.com



Arbitration

- International Arbitration Service
- Resolution of Commercial Contract Disputes
- Incorporation of Gafta 125
- English Law but hearing can take place in any country



Overview

- Resolution by the trade for the trade
- Over 70 Gafta Qualified Arbitrators
 - Minimum 10 years active trade experience
 - Attend courses/Distance Learning Programme
 - Pass Trade Diploma Examination
 - Continuing Education Requirement
- International Trade becoming more complex – factually, legally, politically
- 90% increase in Arbitration cases (388)
- Approximately \$60 million awarded in Damages
- 2 highest sums awarded - \$9.2 million and EUR8.1 million



Want to find out more?

- Hosting two 1 hour seminars
 - How Gafta Arbitration Works
 - Dispel some common myths
 - Answer your questions

