



IGTC

International Grain Trade Coalition

Grain Trade Observations for the IPPC Global Symposium on Implementation of ePhyto

9 to 13 November 2015

Holiday Inn, Incheon City, Republic of Korea

Arvid Hawk, Senior Advisor to the North American Export Grain Association

November, 10

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www.igtglobal.org • info@igtglobal.org

The grain industry's challenge = move commodities from areas of surplus to areas of deficit, provide for regulatory compliance , safety and cost efficiency



- High volume, Low cost, Timely, Predictable,
- Fungible Supply = Reliable, Responsive
- Bulk, Comingled Supply Chains for FFP .
- Non grain and unintended or unwanted materials may occur in all shipments of all commodities -
- Constant Improvement and Innovation



Global Grain and Oilseed Marketing

Pressure has never been greater on agriculture to provide for global food security, food defense and energy security while maintaining high quality, safe products throughout the value chain.

The role of international trade in agri-bulks is expanding and increasingly complex and in need of sound, responsible, predictable commercial and official measures”



Export = Domestic



EXPORT

CONSUMER

DOMESTIC

Processing or Feeding


Processing or Feeding




Typical US Grain And Oilseed Transport and Storage



82 MT to 700 MT bins
Limited segregation



Receiving
20 trucks/hr = 500 MT/hr
Shipping
10 trucks/hr = 250 MT/hr
4 to 8 cars/hr = 440 to 880 MT/hr
Storage Capacities
Corrugated Steel - 550 to 13,500 MT
Concrete - 680 to 2,700 MT
Flat Storage - 1,000 to 164,000 MT



Receiving
Rail - 750-1,200 MT/hr
Barge - 750-2,500 MT
Shipping
Vessel - 1,500 - 3,200 MT/hr
Storage Capacity
Just in Time loading



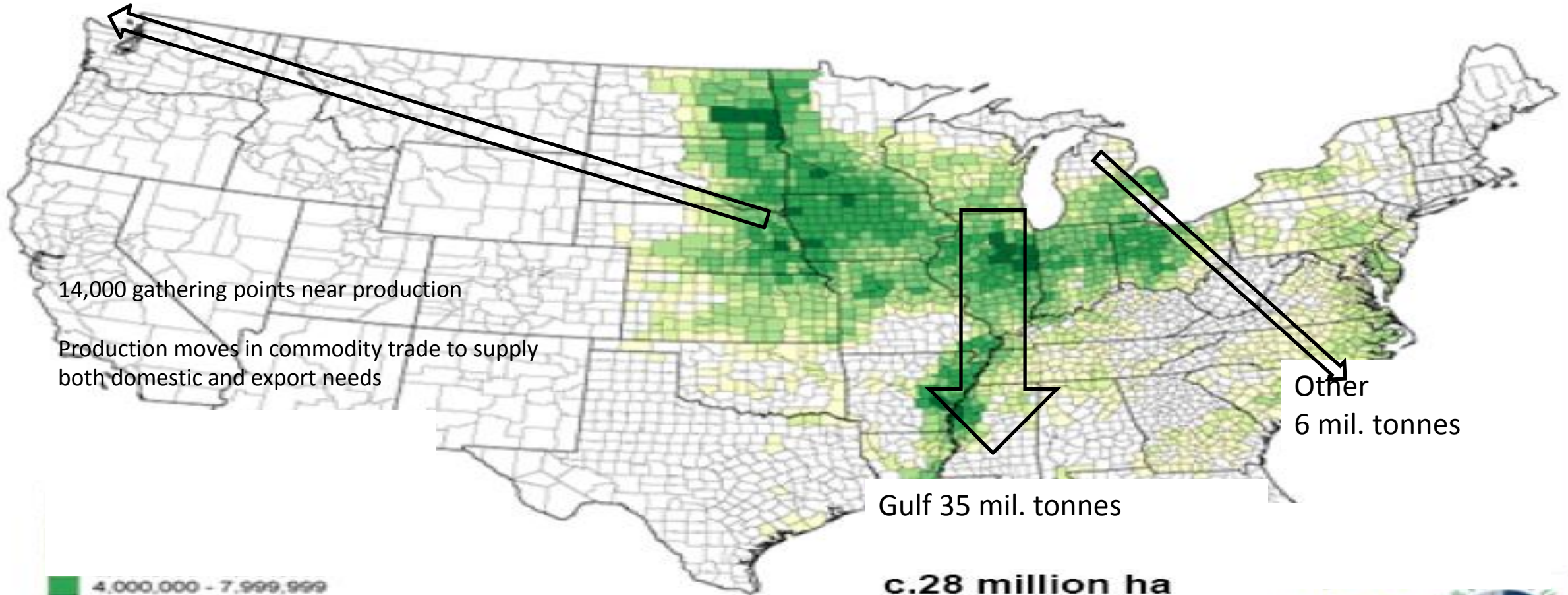
Receiving
20 to 40 trucks/hr - 500 to 1,000 MT/hr
Shipping Barges - 500 to 1,000 MT/hr
Storage Capacities
Concrete - 1,400 to 2,700 MT
Welded Steel - 13,400 to 27,300 MT
Flat Storage - 41,000 to 164,000 MT

Supply Chains Aggregate and Consolidate

526, 000 US Soy Farmers, 30+ million Hectares, 34 states produce c. 90+ mil. tonnes

Pacific 12 mil. tonnes

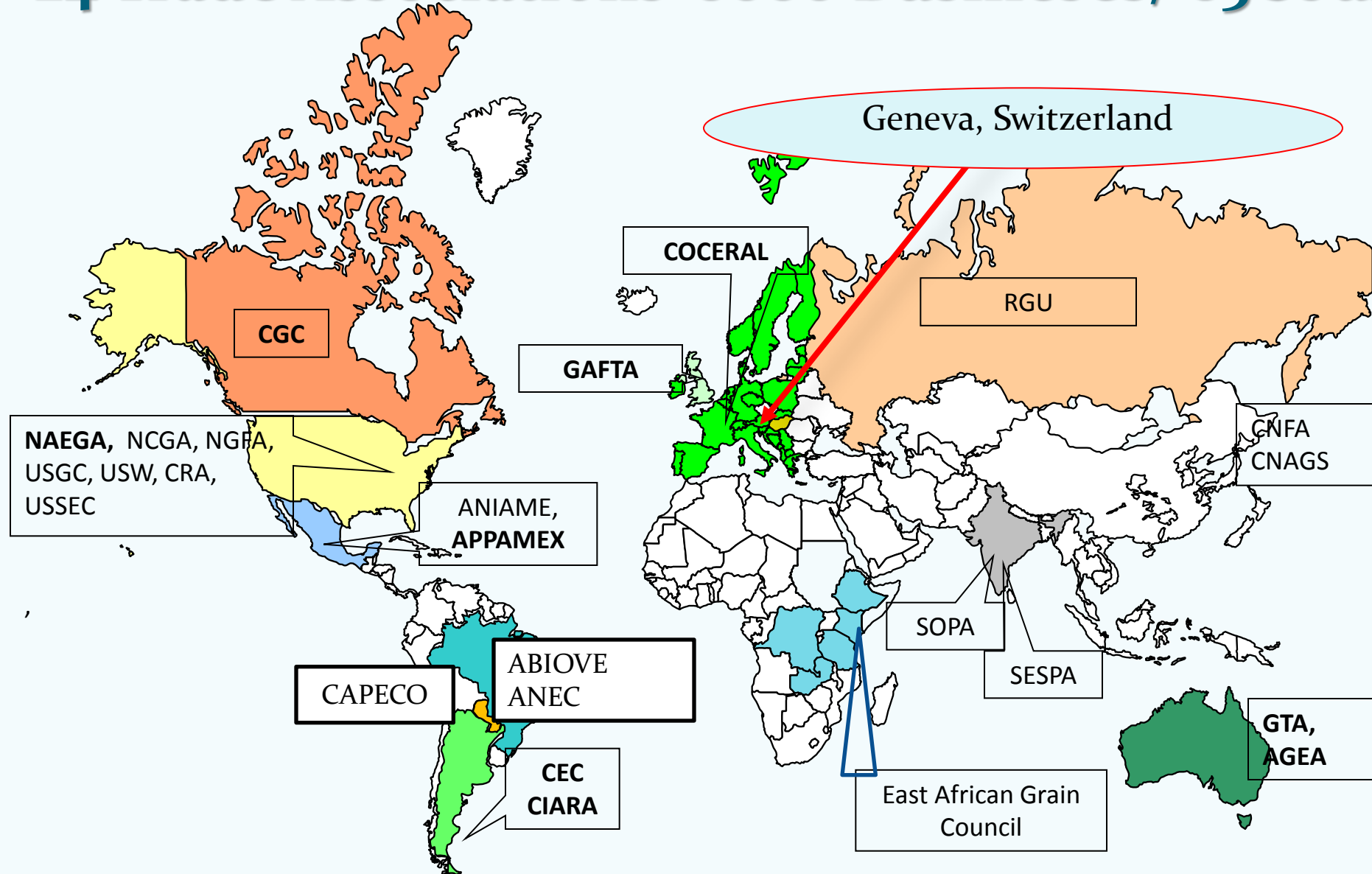
**Soybeans 2007
Production by County**



4,000,000 - 7,999,999
8,000,000 +

c.28 million ha
(70 million acres)

IGTC - 24 Trade Associations 8000 Businesses/ 85 Countries





Identify and pursue opportunities for cooperation to facilitate the movement of agricultural products.

Eliminate or Reduce Trade Barriers – Tariff and non-Tariff.

Ensure transparent, effective, enforceable and compatible regulatory and commercial systems which are both risk and science based, adhere to international best practices, and assure high levels of collaboration among governments and their stakeholders.



IGTC Focus

Encourage policy and commercial practices that support global trade in grain, oilseeds, pulses and derived products



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IGTC Priority Issues

The entire value chain from Producer to Consumers – including governments, exporters and importers all have a stake in:

1. International Labelling mandates and guidance for agri-bulks
2. International Plant Protection Convention (IPPC) development of a new International Standard for Phytosanitary Measures (ISPM) for Grain.
3. Accommodating the presence of grain produced with GMO Seeds and New Plant Breeding Techniques.
4. **Innovating Electronic Document Management – Including E-phytos.**



International Grain Trade Documentation Landscape - Today

Supply chain based on legacy paper driven processes, Multiple players with multiple processes – all brought together manually. Examples:

- Commodity Contracts – Multiple in-house systems
- Shipping Documents
 - Bills of Lading – Vessel Owner/Agent
 - Certificates Quality/Quantity – Supervision Companies
 - Certificate of Origin – Local chamber of commerce
 - Phytos – Govt. Dept.
 - And list goes on
- Only a portion of this is captured electronically but there is a track record of successes and support.
- Limitations are sometimes institutional (Banking, Shipping, Regulatory) resulting in some reluctance to champion technology and support “paperless” transactions.



Commercial Values

Exporters	Importers	Banks
<ul style="list-style-type: none"> • Accelerated cycle time – end to end transaction completed in 2 days with working capital benefits • Significant reduction in Letters of Indemnity • No paper documents to process, manage, track, send and archive • Reduced exposure to market movement and volatility • Electronic bill of lading (eBL) have full legal title and originality status 	<ul style="list-style-type: none"> • Early arrival of electronic paperwork ensuring clean discharge of goods • Visibility of transaction to help inventory planning • Removal of need to use Letters of Indemnity to achieve discharge of goods • No demurrage costs 	<ul style="list-style-type: none"> • New trade service to offer corporate customers • Early receipt of presentation reducing pressure on checking for acceptance deadlines • Removal of need to maintain a physical presence adjacent to clients, purely to support delivery of paper documentation? • Ability to accept presentations outside of working hours
Carriers		
<ul style="list-style-type: none"> • Removal of Letters of Indemnity • Ability to support electronic bills of lading – an increasingly common requirement from their customers • No requirement to alter the production process of the bill of lading or change the systems it was generated on • No fees to support their customer – entirely free of charge for the carrier to use • Simple adoption – browser based so works at port and remote locations 		



The Opportunity and Need

A transparent, secure, cost efficient electronic system where all the parties benefit from productivity improvements that results in better management and more sustainable, reliable, predictable and responsive logistics.

Needs to:

1. Be responsive to entire value chain – including but not limited to official and regulatory demands
2. Provide for:
 - ✓ Confidentiality & security of information
 - ✓ Authenticity of documents/records
 - ✓ Improved records management and improved tracking
 - ✓ Reduced waste, delay and unneeded redundant and duplicative effort on
3. Result in
 - ✓ Improved compliance with national lawsto alignment of the global processes
 - ✓ No snail mail/courier hassles
 - ✓ Reduces chances of fraud and risk around loss of documents
 - ✓ EbL eliminates need of LOI for cargo discharge in the absence of OBL



Moving Forward

Leadership to provide for innovation that is compatible with a transition and comprehensively addresses the entire electronic document management innovation opportunity.

Collaboration between Stakeholders including the supply chain (buyer, seller, brokers, banks, agencies, vessel owners etc.)

Communication to raise Industry and Government awareness – expand dialog and learning – target key thought and decision leaders as well as practitioners

Engagement of a broader set of stakeholders including additional support from Customs/Port authorities to recognize e documents - PNL clubs now recognize eBLs!



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Thank You!

For cost effective, uniform, transparent, predictable, practical and proportionate measures facilitating trade and investment while protecting agriculture, promoting economic growth and global food security, while maintaining high quality and safe products throughout the value chain.

