

Tuesday 18 October 2016

### **Global Dairy Trade strengthens independence**

New governance principles to monitor GDT Events, the twice-monthly auction held by Global Dairy Trade, have been approved by the GDT Events Oversight Board, at its second meeting held today at SIAL Paris, the international food event.

Bill Shields Chair of the GDT Event Oversight Board said “Establishing the governance principles is an important milestone on the journey to implement best practice governance of GDT Events. The governance principles incorporate many aspects of the IOSCO *Principles for Financial Benchmarks* (International Organisation of Securities Commissions, July 2012) but have also been modified to reflect key features of GDT Events as a global auction platform.”

The new governance principles will enhance the Board’s monitoring to:

- Ensure conflicts of interest are identified and disclosed
- Provide transparency on the methods used in the price discovery process
- Ensure appropriate control and reporting processes are in place
- Maintain anti-trust compliance and market surveillance practices appropriate to GDT Events as a global auction platform
- Provide regular audit and review against the governance principles.

Mr Shields also commented that the regular reviews of Global Dairy Trade’s adherence to the governance principles forms an important part of the GDT Events Oversight Board’s ongoing monitoring.

“The new governance principles strengthen Global Dairy Trade’s independence, ensuring that the business is consistent with best practice for providers of market-based reference prices. The Board’s composition, which includes representatives of leading global dairy industry participants and financial markets, means it is well placed to support the platform’s independence, as well as its continued development,” he said.












Eric Hansen Director Global Dairy Trade said Global Dairy Trade values the external assurance provided by the Board as its role strengthens the business and the auction platform.

“It is pleasing to see the new governance principles leading to increased transparency. While many of the monitoring and reporting arrangements are already in place, some areas will require further development.

“One of the first outcomes from this work is the paper “[Summary of price discovery process](#)” which gives stakeholders a deeper understanding of how the winning prices are discovered during the GDT Events auctions,” he said.

## GDT Events Oversight Board

The GDT Oversight Board comprises 12 members: Bill Shields, Chairperson; Kishore Jhala, Chief Operating Officer, Amul (Gujarat Co-operative Milk Marketing Federation Ltd), India; Thomas Carstensen, Senior Vice-President, Arla Foods a.m.b.a., Denmark; Hoyt Huffman, Chief Executive Officer, Dairy America Inc, USA; Josh Sigmund, Director Ingredients Sales & Operations Planning, Fonterra Cooperative Group Ltd, New Zealand; Didier Messein, Dairy Ingredients Purchasing Manager, Fromageries Bel S.A, France; Roberto Bustamante, Procurement Director, Gloria S.A, Peru; PT Joseph, Executive Manager, Kuwaiti Danish Dairy Company, Kuwait; Anthony Pavlovic, Managing Director Dairy Division, Olam International Ltd, Singapore; Robert Chesler, Vice President, INTL FCStone Inc, USA; Kathryn Jaggard, Head of Derivatives, NZX Ltd, New Zealand; Nigel Brunel, Director Financial Markets, OM Financial Ltd, New Zealand.

CHAIRPERSON		BUYERS		SELLERS		FINANCIAL MARKETS	
Bill Shields, Economist and non-Executive Director AUSTRALIA		 Fromageries Bel S.A. <b>Didier Messein</b> , Global Sourcing Manager FRANCE	 Amul * <b>Kishoresinh Jhala</b> Chief Operating Officer INDIA	 INTL FCStone Inc. <b>Robert Chesler</b> Vice President, Foods Group USA			
		 Gloria S.A. <b>Roberto Bustamante</b> Global Sourcing Manager PERU	 Arla Foods a.m.b.a. <b>Thomas Carstensen</b> Senior Vice President DENMARK	 NZX Limited <b>Kathryn Jaggard</b> Head of Derivatives NEW ZEALAND			
		 Kuwaiti Danish Dairy Company <b>PT Joseph</b> Executive Manager KUWAIT	 Dairy America Inc. <b>Hoyt Huffman</b> Chief Executive Officer USA	 OM Financial Limited <b>Nigel Brunel</b> Director Financial Markets NEW ZEALAND			
		 Olam International Limited <b>Anthony Pavlovic</b> General Manager Dairy - Oceania AUSTRALIA	 Fonterra Co-Operative Group Limited <b>Josh Sigmund</b> Director Ingredients Sales & Operations Planning NEW ZEALAND				

\* Gujarat Co-operative Milk Marketing Federation Limited