

MARCH 31, 2022



Caribbean Millers' Association

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# NEWSLETTER, 1ST QUARTER

## CMA's President and a Founding member, Philip Milliken

The Caribbean Millers' Association elected a new President, Mr. Philip Milliken, at the 24th Annual General Meeting. Philip Milliken, a founding member of CMA, has been with the Association since September 24, 1996. Mr. Milliken who was the General Manager at Belize Mills when CMA was founded now occupies the role of Managing Director for Belize Mills. CMA would like to thank Mr. Milliken for his dedication and commitment over the years and look forward to working with him as the President.



## Letter from 1st VP, Matias Pinto

Dear Associates,

Never in the history of humankind has the world been so interconnected. The relation and interdependence between countries and regions are highly relevant for their development, and the awareness of the impact that any situation has on our countries

and region is increasing, even if it is thousands of kilometers away.

In the face of this reality, today, the milling sector is confronting an unprecedented escalation in raw materials prices. As a result of a series of external factors such as the container shipping crisis, the oil prices

rise, and the Russia-Ukraine conflict.

This increase undoubtedly is having an impact not only on our businesses but also on our customers: the bakery sector and, most of all, on the consumer's pocket, who is facing price increases in many areas, not only in the food sector.



Matias Pinto

We have a great responsibility as an industry facing this situation. This responsibility begins with our Association's attitude, which I genuinely believe should be guided by calm, trust, professionalism, and acting together to leverage our strengths.

Secondly, it is imperative to tackle these challenges with creativity and

dynamism, hand in hand with the bakery sector, to identify routes and spaces for discussion that will allow us to explore solutions or alternatives in the face of this price crisis impacting us.

Indeed, we have an opportunity to reinvent ourselves to overcome this difficulty and to continue contributing to nourishment in our

region despite this situation directly impacting us, but over which we do not influence because we are import countries of raw materials.

So let us work together to overcome the obstacles we are facing without losing sight of the responsibility we have in each of our countries for food security and nutrition for all.

## Letter from 2nd VP, Oscar Abrales

I'm glad to have been elected as the second VP for the CMA during the annual meeting held in Miami last Dec 2021.

My experience in the trading of agricultural products for the feed and flour milling industry started in 1991 at Cargill in Venezuela. In 1995 I was the first Venezuelan transferred as an expatriated to the headquarters of Cargill Inc in Minneapolis, Minnesota. Once there, my responsibilities were based on trading and business activities related to the corn and soybean meal desk with export cargoes out of the Mississippi River to Central America, South America and the Caribbean. With time I was promoted to be the worldwide head for soybean meal trading with responsibilities (among others) of moving production coming from crushing pipelines in Paraguay, Argentine and Boliv-

ia. Thereafter, I was managing the feed grains and proteins desk for Cargill Americas Marketing Group. In 2001 the Minneapolis office was then moved to Miami, Florida. Once there, I had geographic responsibilities for the flour milling and feed industries in Central America and the Caribbean. I then was named the General Manager for Cargill Americas Marketing Group, with responsibilities in South America, Central America and the Caribbean. My last position with Cargill was as the business developer manager. After 24 years of corporate experience with Cargill, I decided to move on in December 2014, and due to my ranked position, I was forced to a full year (2015) of non-compete agreement. The very first business day after my non-compete finished, I founded Agri Consulting and Shipping, based in Miami. Since

January 6, 2016, I have been the CEO of Agri Consulting and Shipping Corp and the President of the operating company Agri Consulting and Shipping LLC. Since 2016, we have been able to develop consulting services to clients in the Caribbean, Central and South America that are worth more than 800,000 mt of raw materials, for both the flour milling and feed industries. Consulting services go from sourcing from the best alternative source of FOB basis for corn, soybean meal, yellow soybeans, wheats and vegetable oil, as well as ocean freight and supply chain related issues. The sources of information are based on relationships developed through the years with brokers and trading companies, in addition to subscriptions to market related sources of information that are well known in the trading and financial industries.



Oscar Abrales

Among the achievements during my professional career within Cargill that allowed me to escalate to the second position within the business unit, and prior to be the head of AC&S LLC. I have been appointed as speaker in several countries of the region with themes related to agricultural commodity risk management and supply chain, along with interviews published in Spain's economic newspapers La Region and

the Arabic Television AL Jazeera TV related to same topics. Within Cargill I was representing Cargill Corp in all agricultural related activities between the USA and Cuba, being the leader of the business activity for the Corp with Havana.

As far as my degrees I received a chemistry degree from the UCV in Caracas, Venezuela, and a master in International Maritime Business from the Escuela

de Estudios Superiores de la Marina Mercante, Caracas, Venezuela.

Oscar Abrales  
2nd VP Caribbean Millers' Association

## Letter to the CARICOM Region

Dear Sirs,

One of the major functions of the Caribbean Millers Association (CMA) is to monitor the price, logistics, transportation and associated costs (electricity, packaging material) relating to all wheat types used by flour millers within the Caribbean region on behalf of the membership.

From the graphical representation shown below, the three main classes of wheat used in the Caribbean namely Soft Red Winter (SRW) wheat (Chicago (CHI) Wheat Futures), Hard Red Winter (HRW) wheat (Kansas City (KC) Wheat Futures) and Dark Northern Spring (DNS) wheat (Minneapolis (MLPS) Wheat Futures) show a steady increase in cost from the beginning of 2021, climbing more steeply by mid-2021

as a result of drought in the northern plains of the United States alongside similar drought conditions in Canada and skyrocketing in February 2022 with the Russian incursion into the Ukraine. With Russian and Ukrainian wheat accounting for close to thirty per cent (30%) of the world's exported wheat this has affected not only the price of the commodity but also the logistics and transportation. This event has manifested itself primarily in loading terminals only choosing to load one wheat class per vessel and when required charging a premium to load an additional wheat class, which is a requirement for many Caribbean millers. The situation with Russia, also being a major gas and oil supplier worldwide has increased the cost of ocean freight exponentially.

These factors mentioned above have all led to imminent or actual price in-

creases in the cost of producing flour due to increases of greater than 40% in the cost of raw materials. This, coupled with increases in the cost of fuel and overall operating cost, is unsustainable by any manufacturing entity and therefore must be ultimately passed on in some measure to the consumer.

The Caribbean community of flour millers under the umbrella of CMA wants to reiterate its commitment to supplying the Caribbean with its flour needs and have secured the requisite quantities among its membership to supply the needs of the entire Caribbean, albeit at an increased cost.

Yours faithfully,  
**CARIBBEAN MILLERS ASSOCIATION**

Derrick Nembhard  
Secretary/Treasurer

***“With Russian and Ukrainian wheat accounting for close to thirty per cent (30%) of the world’s exported wheat this has affected not only the price of the commodity but also the logistics and transportation.”***

## ECGC to invest \$10 Million in New Flour Mill

The East Caribbean Group of Companies, ECGC, one of the top exporters in the OECS will invest over \$10 million East Caribbean Dollars or 3.7M USD in a new flour mill and other supporting capital projects in 2022 and 2023. Buoyed by optimism that the Caribbean is emerging stronger post pandemic, the Campden Park based company, says this new investment is based on its confidence in the OECS markets and the wider Caribbean.

According to J Robert Cato, CEO at ECGC, an increase in regional demand is expected and imminent. "This new Flour mill investment will increase our flour production capacity by 34%, we see export demand rising as markets recover post-pandemic across the region." He added, "Our animal feeds business is strong this, grew by 15% in 2021 and we are on track for more growth, I am excited that we are able to create strong value for

farmers, bakers, hotels, restaurants and homemakers across the Caribbean," Cato said. Brazilian firm, Sangati, will supply the flour milling equipment while Turkish based milling equipment and construction specialist firm, Alapala, are in discussions for the supply of the steel structure for the new mill building.

*"This new Flour mill investment will increase our flour production capacity by 34%, we see export demand rising as markets recover post-pandemic across the region."*



"In 2021, we launched a growth strategy focused on Plant Excellence, Commercial Agility and Profitable Export Expansion. This new mill and the supporting capital investments are in line with that strategy, and we expect the new flour mill to strengthen the innovation capacity of ECGC. We see a clear path for creating exciting baking products and adding significant value to our business. With this investment in technology, we will double the

range of offerings we can provide," Cato disclosed.

The new mill is slated for completion by mid-2023.

ECGC is an export success, with 70% of the company's sales coming from exports into the Caribbean and international markets, including Canada and the United States. The Company has forged partnerships and consolidated to become the largest private sector venture in St. Vincent

& the Grenadines, with a record of major successes.

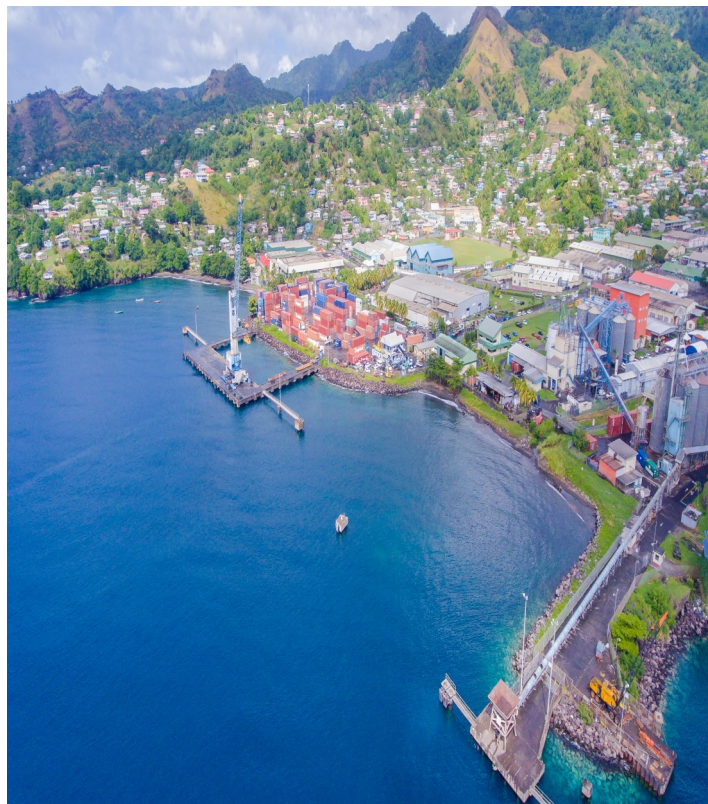
This year ECGC celebrates 45 years of providing the Caribbean and international markets with the highest quality products. ECGC was founded in 1977 by P. H.

Veira, in partnership with Maple Leaf Foods of Canada and the Government of St. Vincent & the Grenadines.

The company has since expanded its offerings to include, Animal Feeds, Rice and Beverages including Water, Juices, Sodas and Energy drinks. The main flour brands are Easy Bake Flour, Purity, CariGold, Nelson and its flagship label Cream of the Islands. Ju-C, Village Ram, and Island Sipz are some of the group's beverage brands.

#### **About ECGC**

Founded in 1977, ECGC is a Caribbean grown company headquartered in St. Vincent & the Grenadines. ECGC operates flour mills, feed mills, rice distribution and beverage manufacturing plants. ECGC exports Grains & Beverages brands to the OECS, the wider Caribbean and the World.



***“The Company  
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**UPCOMING EVENTS:**

- EXECUTIVE MEETING (VIRTUAL) - APRIL 13, 2022
- EXECUTIVE SEMI-ANNUAL MEETING- JUNE 1-3, 2022
- ANNUAL GENERAL MEETING- DECEMBER 6-7, 2022

**Members and Associate Members**

- |                               |                              |                         |                         |
|-------------------------------|------------------------------|-------------------------|-------------------------|
| • Barbados Mills              | • & Cereals                  | • Buhler Inc            | • Manyan Inc            |
| • Belize Mills                | • Les Moulins d'Haiti        | • Caribbean Milling S.A | • Muehlenchemie GMBH    |
| • Caribbean Agro Industries   | • Molinos de Puerto Rico     | • Commercial Packaging  | • OCRIM, SPA            |
| • Caribbean Flour Mills       | • Molinos Modernos           | • Engrain Inc           | • Polypro Solutions     |
| • De Molen Flour Mills        | • National Flour Mills       | • Forest Companies Ltd  | • Sangati Berga         |
| • ECGC                        | • NAMILCO                    | • Insepra Ltd           | • U.S. Wheat Associates |
| • Grands Moulins Des Antilles | • Nutrimix Flour Mills       | • Kansas City Bag Co.   |                         |
| • Jamaica Flour Mills         | • Pan American Grain Company | • Kice Industries       |                         |
| • Jamaica Grains              |                              | • Lemapack B.V          |                         |