



# RECORD TURNOUT IN DUBAI

The IAOM Mideast and Africa annual conference and exposition, held Oct. 31-Nov. 3, returned to Dubai to begin its second quarter century as the region's major platform for technical and business exchange in the milling industry. The commercially pulsating crossroads attracted a record number of over 800 registered millers and exhibitors from 60 countries for the three days of professional camaraderie and grain market and processing insights.

Organizers said 250 employees representing 130 milling companies were registered this year, marking notable progress in a key goal for the event and the 93 firms that occupied the sold out exposition space.

The forum's content continued to reflect the rapid development of many countries into increasingly sophisticated consumer markets where there is growing demand for a greater range of packaged cereals-based foods as well as animal protein products.

Branding strategies, both personal and product oriented, were the topic of two of the management keynote speakers. They sought to provide answers to the question of how to differentiate and add value to wheat-flour based products that in much of the region are still perceived purely as a commodity.

Many Middle East and Africa wheat millers have been diversifying into animal feed production as growth in demand

Roy Loepp, IAOM president and Ali Habaj, regional director IAOM MEA, present an award of appreciation to Essa Al Ghurair for his quarter century of contribution to IAOM region. Emcee Rania Ali, a well-known Dubai television presenter, is seated.

by David McKee

## More than 800 millers and exhibitors attend the annual IAOM Mideast & Africa Conference

for eggs, broiler meat and other animal products accompanies dietary diversification resulting from increased incomes. After a successful side program on feed milling at the previous IAOM MEA in Cape Town, speakers addressing such questions as the most desirable particle sizes for maize in broiler feed were included in the main program.

Essa Al Ghurair, chairman of Al Ghurair Resources, the host of the event, opened the conference with a welcoming speech that laid out the program and innovations in the "mind sharing" and reminded the audience, "This industry touches rich and poor, young and old." He suggested that millers continually ask themselves, "How can we be honest in what we do?" as suppliers of a key staple food.

### MARKET OUTLOOKS

The highly anticipated presentations of crop and market conditions for the major wheat exporting regions were

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spread over two days. They painted a rosy picture of abundant wheat supply and low transportation costs for the short, medium and long term.

The results and projections for the Black Sea and the Baltic Sea were particularly significant for the grain-hungry countries of the Middle East. Hans Stoldt of Ameropa, a grain trader, boldly predicted wheat production and exports 10 years ahead to 2025-26 for the Black Sea region.

Based on a continuation of the steady yield and planting increases of recent years, he forecast that just five countries will ship 74.6 million tonnes of wheat primarily through the Bosphorus a decade from now, with Russia and Ukraine accounting for over 80%. That is a 65% increase over his estimate of 45.1 million tonnes in the 2015-16 marketing year. Since total exports of these countries, which also include Romania, Bulgaria and Serbia, have shot up from 1.4 million tonnes in 2000-01 to 39 million tonnes in 2014-15, this actually constitutes a significant slowing in the pace of growth.

The Baltic Sea region is also continuing its ascent as a major grain supply source, according to Indrek Aigro of Copenhagen Merchants, another grain trader.

Total wheat production in the eight countries has increased by over 60% since 1995 from 34 million tonnes to a repeat record of 55 million tonnes in 2015. Nearly all of this increase has become surplus available for export, given the slow rates of population growth in Germany, Poland, the three Scandinavian countries, and the three former Soviet Baltic states.

The latter will consume only 1.8 million tonnes of a record 6.8-million-tonne wheat harvest this year. The main challenge faced by shippers in the region is finding additional markets to absorb the 20 million tonnes on offer. Middle East and African countries, with annual wheat imports of

nearly 70 million tonnes, are the main targets.

At the same time, as the former Soviet Bloc countries have developed into a major global supply source, a large part of U.S. wheat exports have shifted from the Middle East to other regions, according to Vincent Peterson, vice-president of overseas operations, U.S. Wheat Associates. From 1985-1990, the Middle East and North Africa took, on average, 30% of American wheat exports. Now the region accounts for just 3%. Latin America's share has shot up from 10% to 40% of the average 25 million tonnes per year of U.S. export sales. This figure has changed little in the last 30 to 40 years.

Iranian millers, whose grinding capacity greatly exceeds domestic demand, are starting to target neighboring countries for flour exports. The chairman of GTC, Iran's government wheat supply monopoly, stated in his presentation that exports of flour by Iranian millers to Afghanistan and Iraq could reach 1 million tonnes in the coming years, taking market share from millers in Pakistan, Kazakhstan and Turkey.

Iran's strong contingent of milling companies is traditionally a bulwark of the IAOM MEA Conference. This year was no exception as over 30 mills were included in the 38 organizations providing 54 attendees from the country. The gradual lifting of economic sanctions means the millers have greater flexibility in equipment purchasing.

### POSITIVE FEEDBACK

Exhibitors and attendees, both old and new, gave uniformly positive feedback on the conference. Copenhagen Grain Merchants' Torben Christensen stated, "IAOM is a great conference and event where you meet existing as well as potential customers for the future."

George Lasu, managing director of South Sudan's only wheat mill, a

200-tonne-per-day plant being built in Juba by the Ramciel Multi-Purpose Cooperative Society, expressed his satisfaction, saying: "It was the first time for us to participate in the conference. It was very fruitful because we acquired a lot of knowledge and interacted with a lot of very experienced people in every field of milling. So we are very happy to be part of this association."

Amer Ziyada, managing director of Millrite, Dubai, who has attended every year but one since the beginning, noted that the number of exhibitors this year was the largest he had seen.

But he added, "There should be more steps taken to increase the number of millers versus suppliers." He suggested reducing the cost of the day pass to make the exhibition more accessible to mill staff. "When we started there were just 40 of us: 30 millers and 10 suppliers," he said.

Another longtime participant, Nicolas Tsikhlakis, managing director of The Modern Flour Mills and Macaroni Co., Jordan, and member of the IAOM MEA Region Leadership Council, pointed out, "We had good representation of millers this year. It was a pretty balanced show with traders as well. Networking was very good."

Seaboard Corporation senior trader Evert Ackorn called the IAOM conference "a fantastic forum for the industry to meet to discuss synergies, opportunities, and the challenges we face in an ever-changing operating environment." He noted that his company "remains a strong advocate of these associations that provide a positive influence to millers."

Anna Zenchuk, technical marketing manager of BioAnalyt, Germany, observed: "As a small, new company with an innovative product that simplifies measurement of Vitamin A and iron in flour, we valued the chance to speak for the first time at such a major gathering of millers."

Another first-time participant, Steven Braco of RJ O'Brien, an inde-

pendent Chicago, Illinois, U.S.-based futures commission merchant, said: “This event allowed me to interact informally with long-time clients and to better understand the risk management needs of major millers and the traders supplying them.”

### REGIONAL FORUMS

To better meet the technical needs of milling professionals across the vast, culturally and economically diverse region, the IAOM MEA district this year began a series of regional milling forums. The first was staged in Nairobi in August, where 75 millers from 43 companies, including a large contingent from Ethiopia, were present for a workshop focused in part on aflatoxins in maize milling.

Ali Habaj, Oman Flour Mills CEO and IAOM MEA regional director, announced that, based on Nairobi’s re-

sounding success, a second regional forum is planned for Algeria in 2016 where a few hundred small and medium millers comprise the bulk of the sector. It is to be IAOM’s first activity in the major wheat importing country.

### IAOM MEA 2016 TO BE IN ETHIOPIA

The Dubai event concluded with the announcement of the selection for the first time of Addis Ababa, Ethiopia, sub-Saharan Africa’s de-facto political capital, as the site of the IAOM MEA Conference scheduled for October 2016. Ali Habaj observed that in a recent visit he was, “very impressed by the infrastructure and it is a fantastic market.”

Madame Abeba Tesfaye, vice-president of the Ethiopia Millers’ Association, accepted the nomination.

Ethiopia’s population of 90 million is second in size after Nigeria in Africa. The country grows and consumes

more cereals than all others below the Sahara. It ranks first in wheat production among them with around 3 million tonnes annually in addition to close to another million tonnes of yearly imports. There are between 200 and 300 milling companies in Ethiopia.

Many of the larger millers have been diversifying into pasta production. The annual crop of over 20 million tonnes of cereals, legumes and oilseeds still requires much in the way of improved storage and processing. Agricultural exports have boomed in recent years, underlying a high rate of annual GDP growth. **WG**

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For more information, see Page 90.