

Q&A with Bob Wolter: Recent Dairy Trade Mission to Cuba

Question: What was the purpose of your recent trade mission to Cuba?

If you look at Cuba's history dating back to Christopher Columbus, the primary crop was sugar and has remained that way throughout its history. As a result, Cuba's agriculture sector is very under developed. Commercial production of good quality dairy, poultry and meat products is scarce. As a result, Cuba needs to import many of these food items from other countries to feed its population.

Cuba provides powdered milk to every child up to the age of seven. That powder is imported and stored in warehouses, where a humid tropical climate take its toll on the supply and much of it spoils as a result.

The purpose of our 9 day mission was to establish the process where we could initiate a Trading Company that would be able to import good quality agricultural products, including dairy, beef, pork and poultry.

Question: What kinds of dairy individuals participated in the trade mission to Cuba?

Ralph Ross is a Cuban born American citizen and leader of our delegation. Mr. Ross has family and friends that he has stayed in touch with since the 1960s. Some of these individuals were able to help steer us through the right channels within the government, with the help of legal counsel, bankers and significant government officials to legally license our company to import agricultural products with cheese and dairy products from the outset.

Accompanying us to Cuba was the CEO of a large US Dairy Cooperative and the CEO of a U.S. cheese manufacturing company...They attended all the meetings with us and the Cuban personnel involved in our effort facilitating the formation of our Trading Company. We anticipate follow up trips in the coming months.

Question: What kinds of dairy products are the Cubans looking to import?

From our conversations with our new Cuban friends, the interest in quality dairy products is high. The products we saw in the grocery stores were local fresh cheeses with little variety or flavor. Additionally, we did see some product from Spain. Our overall conclusion was that the products we could supply were far superior in quality and variety. The most needed dairy products are milk, cheese and yogurt. Shelf stable products are of particular interest due to the fact there is a large portion of the population that is without refrigeration.



While Wisconsin froze in mid-January, the sun shined on these participants in Creative Business Services' (CBS) dairy trade mission to Cuba.

Pictured from left to right are: Bob Wolter and Michael Schwantes (both of CBS), Ralph Pizarro Ross (USA Funding), Emilio Vazquez (CBS' administrative coordinator in Cuba), and John Fudge (USA Trading).

Question: Recently, the Obama administration proposed freeing up trade restrictions with Cuba, except for agricultural products. Does this move throw a curve ball at your efforts?

The most recent ruling by the Obama administration easing trade restrictions on products to Cuba with the exception of agricultural products seems not to be of a concern to our effort. The U.S. population is not aware that Cuba already imports selected products, such as grain and poultry from the US and has been for years.

Keep in mind Cuba very much wants the Trade embargo to be lifted to open up all markets.

Question: What's your hoped-for timetable to begin dairy commerce to Cuba with your trading affiliate?

Our Cuban team will finalize the licensing

process for our new Trading Company no later than the 3rd quarter of this year...Product type and pricing needs to be negotiated.

Question: What are your medium and long range goals for this effort?

Our strategy is to initially import good quality US dairy products to the Cuban population.

Secondly, to set up distribution centers in strategic location on the island nation but more importantly to distribute to the rest of the Caribbean, Central and South America, thus creating many new jobs.

Lastly, and of utmost importance, is to bring the right elements together to establish a thriving dairy industry in Cuba itself, including feed production and dairy farms.

Creative Business Services is a Mergers & Acquisitions firm located in Green Bay and founded in 1979. Creative's Mission is to enhance people's lives through the transfer of business ownership and release of resources. This is accomplished through our extensive research, our proven marketing strategy, and our commitment to provide our clients with the best possible service. In 2008 Bob Wolter joined the firm and set out to specialize in the cheese and dairy industries, locally, nationally and now internationally.

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Could Brazilian Beef Imports Pose Zika Virus Threat???

by Pete Hardin

Now we have another infectious virus from Brazil to worry about, in addition to the virus-transmitted Foot and Mouth Disease. The following question came from a dairy farmer in eastern Wisconsin, during a chat in early February with his fieldman:

Could beef imported from Brazil harbor the Zika virus?

The Milkweed cannot answer this question and related questions on a short-term basis. But this publication can pose some of the troubling facts about Foot and Mouth Disease (FMD) virus and puzzle about possible cautions. (We have already dished up this assignment to Paris Reidhead for next month.)

- **FMD and Zika are both viruses.**
- **FMD and Zika both cover wide parts of Brazil (and other nations).**
- **The FMD virus is transmitted by a variety of means – by contact between infected and healthy cloven-hoofed animals (such as rubbing noses, or in the case of naturally-occurring insemination, sexual contact).**

Zika is transferred by mosquitos, which transfer body fluids (blood) drawn from infected creatures to healthy ones. Very recently, health authorities in the United States have discovered the first case of Zika virus transferred by human sexual contact. Obviously Zika may be transferred between humans by body fluids. Other media reports indicate that the Zika virus may live in humans for at least three weeks.

The FMD virus may survive for up to six weeks in refrigerated and frozen meat and dairy products. Questions about the human safety of beef imported from Brazil (and other Zika-infected countries) must focus on whether the Zika virus can survive in meat products. (Fact of life: Slaughtering of beef animals fails to completely remove all of the blood from the carcass.)

So the bottom-line question becomes:

DO MOSQUITOS IN BRAZIL BITE CATTLE???

In recent months and years, the U.S. livestock industry has been stunned by the incautious proposals to open up the U.S. to imports of beef from Brazil and Argentina – nation's with significant FMD problems. FMD is a disabling livestock disease. The U.S. Homeland Security Department has listed FMD as this nation's leading bio-terror threat. If FMD were to enter the U.S., this nation would lose all of its beef, dairy and pork exports – a financial crippling blow to livestock producers, grain producers and their communities.

Human health concerns about Zika virus have dramatically exploded in recent weeks. Brazil health authorities report thousands of infants suffering from unduly small brains and skulls. Recent information suggests that the Zika virus impairs infected babies vision. (Makes sense, if the brain is unduly small).

Can beef imports from Zika-infected nations pose a human health/safety threat to individuals eating that beef? Suspicious are that there are no quick answers to that question on the part of the U.S. government.

More next month ...

Butter Propping Up, con't

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Inventory numbers aside, USDA's Dairy Market News notes that ample supplies of cream are available in early February and that butter plants are churning heavily to meet anticipated demand later in 2016.

Nonfat Dry Milk/Skim Milk Powder: CME prices for Grade A nonfat dry milk have been bouncing around from the just under \$0.70/b. up to the "mid-70s." But buyers' demand right now is weak.

In December 2015, the nation produced 147 million lbs. of nonfat powder (-10.2%). But the December 2015 nonfat total was about 26 million lbs. higher than the November 2015 figure – not a good sign. For all of 2015, the U.S. produced 1.813 billion lbs. of nonfat (+2.8% over 2014's total).

At 198 million lbs., manufacturers' stocks of nonfat dry milk were basically flat, as of December 2015. But it sounds like inventories are building in early 2016.

Skim Milk Powder (SMP) output in December 2015 was 45.4 million lbs. (+1.0%). Skim Milk Powder is generally produced to meet export orders.