

**THE INTERNATIONAL CASTOR OIL ASSOCIATION**

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**TO THE MEMBERSHIP**

The ICOA is celebrating its 50<sup>th</sup> anniversary in 2007 and has chosen Venice, Italy as the site of the 2007 General Membership meeting.

During the 50 years of its existence, the ICOA has seen many changes – internally and externally. The organization now includes a fine international mixture of crushers, traders, importers, brokers, end users, shipping companies, ship brokers, surveyors and warehouses - all of whom will be well represented in Venice.

Issues that have been discussed over the years – improving agronomic conditions in the growing countries, increasing consumption and enhancing the ICOA itself, have all seen some manner of fruition. These discussions will be continued in Venice and everyone is encouraged to bring ideas to the table to further expand the presence of castor oil in the world community of vegetable oils as well as suggestions on how the ICOA might continue to benefit its members even more.

There is quite a bit going on in the vegetable oil complex at this time – the effect of rising prices of all commodities, biodiesel, the REACH program, increasing interest in and consumption of castor oil to name a few.

As the torch is passed from a successful, informative and enjoyable meeting in San Diego in May 2006 to the delightful and unique city of Venice, a large attendance from all walks of the castor industry has already registered. Any members and interested parties not already registered are encouraged to attend and participate in the discussions and activities.

Besides, they say Venice is sinking and won't be there forever.

Inside this issue:

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Contributing to the newsletter:

Robert Kolb – Latina Inc  
Abhay Udeshi – Jayant Agro  
Marjorie Klayman – Alnor Oil  
Maurice Lawson - FDL

In the I.C.O.A. there are several representatives who are second generation castor industry participants for their companies.

See what they have to say about their respective parents' influence on joining the industry and Association.

**MODERNIZATIONS THAT CHANGED THE INDUSTRY & ICOA IN 50 YEARS**

Brazilian freighters shipped 300-700 tons of castor oil.  
Tankers today ship in excess of 1000 tons per tank.

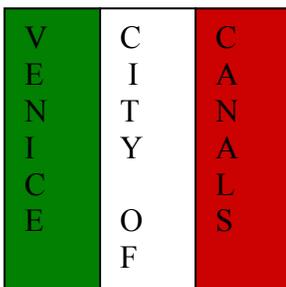
Air travel from USA to Brazil would take 27 hours and require a stop in Venezuela.  
Today it can be done in 12-14 hours non-stop.

Air travel from Europe to the USA required nearly 24 hours and at least 1 stop.  
Today flights can be made in 6 - 7 hours non-stop.

Air travel to India required at least one overnight stop  
Today trips can be made non-stop.

Early communication was via Western Union telegram service which involved painstakingly translating words - letter by letter into Acme code and delivering the finished product to a telegram office.  
Today emails move at the speed of light and you don't have to leave your desk to send a message.

ICOA meetings were scheduled in June and December in New York exclusively.  
Today they are held once a year and the location is rotated around the world.



FRED & ROBERT KOLB – LATINA TRADING CORPORATION

My father was one of the earliest members of the ICOA, joining in 1963. He was elected to the Board of Directors in 1968, 1969, 1980, 1981 and 1982. He was elected President of the ICOA in 1980 and attended most of the Board meetings as an invitee even when he was not serving as a director. But I am getting ahead of myself.

My father was born in Nuremberg, Germany in 1904 and immigrated to the U.S.A. in the 1920's to avoid Hitler's ascension to power which he correctly predicted. Upon his arrival in New York City, he promptly applied for and was granted USA naturalized citizenship.

He worked as a cashier in a drugstore during the day and swept a warehouse at night. This warehouse stored Jaguatericas, Brazilian leopard skins, and sold them to tanneries for conversion to fur coats. He watched the selection process by the buyers and noted what characteristics they were seeking.

He then used his meager life savings to travel to Brazil and purchase these furs himself directly from the hunters. He returned to the States and sold them to the warehouse where he had worked as a sweeper. Eventually he set up an arrangement with a buyer in the States to handle the sale of the skins and he moved to Salvador Brazil to do the purchasing.

Coincidentally but unbeknown to him at that time, this same region – Irece – was the area in which the major Brazilian castor seed crop was being cultivated.

When World War II broke out, my father returned to the States to enlist. The State Department told him to return to Brazil and to wait – that he would be contacted there. (see page 4) After the war, he was contacted again by the American Consulate in Salvador. This time the contact was on behalf of the Baker Castor Oil Company (later National Lead and even later NL Industries) who was seeking an American citizen living in Salvador, Bahia to open an office to purchase castor beans. At that time the consulate could locate only 2 people who fit Baker's qualifications– the president of Singer Sewing Machines and my father. My father accepted the job.

Through his familiarity with the Irece region, my father purchased castor beans, coordinated their transport to the port of Salvador and their eventual delivery to Bayonne New Jersey where they were crushed into oil and derivatives.

I was not working with my father at that time, but the 1960's brought tremendous changes to the industry that certainly would affect my family and me. 1960 saw the advent of industrial modernization of the Brazilian castor seed cultivation. As a result of this, Brazil's seed export industry ended and their oil export industry began. More importantly, my father's career in castor bean buying ended. Shortly thereafter we moved to the USA where my father founded Latina Trading Corporation and continued his involvement in the castor industry as a castor oil broker.

In the early 80's another paradigm shift occurred when several factors came together at the same time. Shifting weather patterns ended Brazil's dominance as the world supplier of castor oil and India's crop exploded allowing that country to take control as the world supplier of castor oil.

Once again my father's involvement in the castor industry had to change. By now I was working at Latina Trading and together we made the shift from Brazilian castor oil brokers to Indian castor oil brokers. My father and I introduced Jayant Oil Mills to Caschem and arranged a visit with Jayant Oil's then President Vitaldas Udeshi and Caschem's then President Al Eilender.

My father remained active in the business and the trade even after I switched from a career in law in 1980 and joined the firm. Changing from living in courtrooms to brokering and importing castor oil was a lot harder than I anticipated. The challenge of calculating large quantities in metric and English weight systems was challenging for me. My father however, was able to do it without the aid of a calculator or pencil and paper. One of the first things my father said to me was "Remember this number 2204.6 because you will be using it a lot." My father taught me about the castor industry by example and I learned by watching him work and keeping my mouth shut.

THE ICOA - One of the major criticisms of the ICOA in the early days was that it was a social club, had little relevance to the industry and was USA biased. I moved to the US from Salvador when I was 13 years old. I was young, but I believe that that my exposure to another culture plus my father having lived on 3 continents, gave us both a more global outlook on life and we agreed with the critics. We then participated in an uphill battle to change the composition of the Board of Directors to add non-American member companies to serve on it.

The main concern was that it would not work because of the distances between the members and the difficulties in communicating. When a complaint was brought to the ICOA for discussion, it frequently died before a decision was reached because the length of time between meetings caused the complainant to forget the problem or was no longer in the industry to carry it on. However, by the early 80's, faxes had replaced the slow process of telegrams and telexes and 10 years later computers brought the world even closer together.

Additionally, in the early 80's the ICOA started meeting outside of New York. By the time I was elected President of the ICOA in the early 90's, we had met in London, Paris, Munich and Rome and shortly thereafter held our first meeting in India. The early criticisms were no longer an issue.

I had a difficult time when I was finishing this article trying to determine the greatest influences my father may have had on me and my involvement with the castor industry and the ICOA. That is probably because when you are raised by the people who also train you in your job, it becomes hard to distinguish whose business concepts and ideas belong to whom. The passage of time tends to blur human memories of past events until you are left with the general concepts but no specific idea of how you reached them.

My mother, Dorothy Kolb, was also heavily involved in the business and company. I think I can safely say that by pointing out the concepts that my Parents taught me about how one should lead one's personal life, I was able to incorporate them into my business activities.

Some of the ideas may seem simple but they have served me for all the time I have worked at Latina Inc.

- Think and make decisions for long term results.
- Long term results require honesty and straightforwardness in transactions whether it hurts you short term or not.
- Try your best to be fair and just when dealing with people.

The proof that my father and I lived by those concepts is that Latina is still here after 50 years and thriving as the only remaining USA brokerage company.

#### NEW MEMBERS:

USA – Humco Holding Group was founded in 1872 and is a repackager of castor oil for over the counter pharmaceutical uses. They are located in Texarkana, Texas. They joined the ICOA in late 2006 and will be attending their first ICOA meeting this year.

GERMANY – Mercur Handel GmbH was founded in 1972 and is a European trader in chemicals, by-products of refining/oleochemical processes for energy applications, fatty acids, alcohols, stearic, glycerine, linseed and tung oils as well as castor oil. Venice is also Mercur's first attendance.

**WELCOME ABOARD BOTH NEW MEMBERS.**

EILEEN DAY LAWSON & MAURICE LAWSON – FDL TRADING

Extract from *THE TIMES* newspapers early in the 1970's:

“One fine day in 1939 a young girl, 19 years old, walked into the offices of *THE TIMES* and, under situation required, inserted the following advertisement:

“Young lady, aged 20, of good appearance and personality, fluent French, German, shorthand and type-writing, requires interesting situation where in due course she can work on her own initiative.”

The replies were many and varied, as one would expect from “People at the Top” and the young lady eventually elected to join the firm of City Produce Merchants, Messrs Fuerst Brothers and Co Ltd, who were established at 17 Philpot Lane, London EC3 some 60 years earlier.

War had broken out some two months earlier, this being December 1939, and already many of Fuerst Brothers' staff of young men were called up. Records show that the young lady's commencing salary was £2 per week. They also show that at the end of the second week she asked for and was granted, an immediate rise of 5 shillings per week!

The young lady became more and more fascinated by essential oils and their various usages and gradually built up a valuable connection of suppliers and users throughout the world. During the war, she well remembers the excitement of securing suppliers of Peppermint Oil and Aniseed Oil, vital for the war effort, which had to be picked up by special R.A.F. planes from Chinese go-downs...

Essential oils and fruit juice concentrates form an important part of Fuerst Brothers business, which is now owned by the same Miss Eileen Day who inserted the advertisement under “situation required” in 1939.”

It was around the time of publication of the above article in the early 1970's that Fuerst Day Lawson started to develop its business in Castor oil and related products. One major customer refused to take my mother's telephone calls for many months. Her response was typical; she got on a plane, went to the customer's location, asked the receptionist to point out the buyer to her when he was exiting the building for lunch and then promptly accosted him from under a characteristically over-sized hat. The relationship continues.... Eileen always persevered. On another occasion, she dispatched a young employee to a Harley Street skin specialist to have his acne “dealt with”. I'm not sure what today's employment legislation would make of that and I haven't dared to try to find out.

Eileen was primarily motivated by her heart. Whether you were the Managing Director or you dealt with the post she certainly cared and never hesitated to help or interfere depending on your perspective. Was she then universally loved?

Certainly not! Her displeasure and critical acumen were often in evidence and, contrary to perceived commercial wisdom, publicly so. It was however generally accepted because her praise (rare) or criticism was evenly and equitably distributed. So she was generally respected if not always loved. When she went too far, which was not infrequent, my father picked up the pieces and as the years rolled by he became increasingly proficient at it.

So did she come from a classic mould of successful business women? Undoubtedly not. There was little that was classical or conventional about her. She was the first woman to be elected to the council of the Grain and Feed Trade Association- but was well known for falling asleep at the council meetings. She also attended and introduced me to the FOSFA conferences which included the first meetings of the ICOA and loved the combination of socializing and business.

In all things she displayed remarkable warmth and energy. What she loved more than anything was social interaction, and in this she favoured suppliers and customers over her own employees. Finance, human resources and logistics she delegated and luckily she had a seemingly infallible instinct for hiring the right people. In all the above, she represented a fine example for me to try to follow and today having received from her a heritage of business in castor oil, FDL has pushed also into a wide range of complementary downstream derivatives.

She didn't excel at everything. It took her 20 years to pass her driving test whereupon she bought herself a convertible Roll Royce because (no doubt due to its tank like dimensions and weight), she said it made her feel safe. She didn't drive well and was arrested three times by citizens for careless driving and once by a policeman who was astonished to see her cross at 3 A.M. three consecutive red lights at only 10 miles an hour while window shopping. On another occasion, a policeman was knocked off his motorbike.

Do we find Eileen's values and characteristics in FDL today? I should like to think that the important ones are still in evidence in the company: energy, charisma, perseverance and a genuine interest in people (staff, customers and suppliers alike) are as important and valued as they ever were.

But today, nobody wears a big hat...

### ICOA MEETING: MAY 10<sup>TH</sup> 2007 – EXCURSION DAY

Among other places, the excursion on Wednesday will take us to Murano Island and the famous glass making factory.

In the afternoon we will walk the cobblestoned streets to see the more famous sites of the canal city.

AL KLAYMAN & MARJORIE KLAYMAN – ALNOR OIL CO.

My father founded Alnor Oil Company in December 1968. He had worked in the Castor oil department of Bunge Corporation in New York City for 18 years before founding his own company. Alnor Oil joined the ICOA in 1969.

Leaving Bunge Corp was not an easy decision for my father, especially with 2 children going off to university. However, he persevered – against long odds I might add – and made Alnor a successful company.

Of all the things my father taught me and all the information he passed on to me – 2 of the smaller points have stuck in my mind through the years.

- 1) Be consistent – in what you say and do.
- 2) Never throw anything out. (This bit of wisdom came in handy for this article.)

Expansion of the castor industry and enhancement of the Association were always in the forefront of his mind – right after making sales and income.

I believe the former is evident in the extent to which my father went to increase Castor oil supply. He traveled to Guatemala, Colombia (That effort did not last long.), Bolivia, Mexico, the Caribbean and the Far East in an effort to persuade farmers to grow castor beans. None of these countries individually or as a group would ever have made a dent in the commanding leadership role that Brazil had- but every additional source could have been an aide in holding the line on prices, especially during the volatile 70's and 80's when the castor industry saw its most volatility.

In addition to his travels, my father was among those who worked hard to enhance the ICOA. There were concerns during the early years that the organization was biased towards its American members, partly because it was domiciled in the U.S. In 1976-77, my father was elected President of the ICOA. His outgoing speech in December 1978 dealt with the ICOA's accomplishments during his tenure in office. But he also added notes at the end, one of which referred to the topic of internationalizing the Association.

Sharing one of his comments from that speech (I told you we never throw anything out.):

“We are one industry with common problems. Let us work them out together with our friends abroad and let us utilize the best ideas each buyer, seller or other participant on every continent has to contribute. We can do it more effectively as part of one organization rather than through splintered entities... Let's share the burden and the glory (such as there is) with our friends abroad....”

Some of my father's feelings and opinions must have seeped into my psyche, because years later, upon my selection to the nominating committee, I gained the distinction of having the only nominating slate in ICOA history be rejected as it named more non-American than American member companies to the Board. At that time it was deemed not workable.

Prior to pushing for true internationalization of the ICOA, my father began putting his philosophy into action. In the early 1970's he began attending the I.A.S.C. conferences which at that time were held once a year alternating the northern and southern hemispheres. In 1981 at the San Francisco IASC meeting, he noticed that more than 20 members of the ICOA were in attendance.

Figuring we had nothing to lose, we hand wrote invitations to all ICOA members to meet informally and chat about matters important to the industry.

As a testament to the interest of the membership in the enhancement of the ICOA, every member company showed up. Even though the meeting was well received, it still took several more years of his and others coaxing before the ICOA began to officially hold one of its semi-annual meetings in conjunction with the IASC. When my father retired, I picked up his mantle and pushed to eliminate the second ICOA meeting each year. This was finally agreed and until the early 1990's, the ICOA held one meeting a year at the same time and place as the IASC conference.

My father was not alone in the industry or the ICOA working to keep the organization together, to improve its relevance and importance to member companies and to strive to increase the castor crop worldwide. But he was one of the more vocal voices.

I recall a conversation he had with a Brazilian producer in 1983 during which he was rebuked for suggesting that the Brazilian crushers should work with the farmers to improve agronomic conditions. Several years later, they began doing just that.

To this day, even though he is fully retired, he never fails to ask what is going on in the industry and with the Association. I still feel that I can bounce ideas off him and there is a wealth of history and knowledge that I feel fortunate to be able to still call upon.

My mother, who was also involved with the business, was the teacher in the family - but in this regard – my father was more than equal to that task when it came to my learning about the castor industry.

He was not an active member of the industry or Association when some of the objectives he favored and pushed for were accomplished. I would agree with someone else's comment that after many years of working together he did not know where his father's thinking ended and his began. I feel the same way. As I continue in the industry myself, I know I have some big shoes to fill. Since he and I agreed on so many philosophies, I look forward to working with the rest of the industry and Association to see them achieved.

**THURSDAY EVENING MAY 10<sup>TH</sup> – GET A PRIME SEAT ON THE DOUBLE DECKER BOAT TO CRUISE THE CANALS OF VENICE FOR A VIEW OF A SPECTACULAR SUNSET.**

**YES WE SAID THAT ABOUT CAPE TOWN – HOPEFULLY THE ONLY WATER THIS TIME WILL BE UNDERNEATH THE BOAT.**

VITALDAS & ABHAY UDESHI – JAYANT AGRO ORGANICS LTD

In 1951, when my father Mr Vitaldas G. Udeshi graduated from Mumbai University majoring in chemistry, that my grandfather thought of putting up a crushing plant for castor. He bought an ongoing plant running groundnuts. The castor crop in India was only about 100,000 tons at that time and most of it was grown as a wild crop and was exported as oil. This was good information to start crushing and do the value addition in India.

Because of its unique double bonds and hydroxyl groups, Castor seed crushing was itself a challenge in those days, as its crushing and processing operations differed drastically from the usual edible oilseed operations. It took over a year to get the right quality (ie: BSS grade – British Standard Specifications) and the exports of oil started in a small way – in lots of 10 or 20 tons – all in drums and reconditioned drums at that. India was close to the Eastern Block, so most of the Castor oil was exported to the USSR at first. Growth was slow and steady over the years and exports in bulk started sometime during 1955.

It was then that his background in chemistry kicked in and my father started looking at the molecule of the oil. During the mid-1960's he started thinking about derivatives. The first product was sulphated castor oil (Turkey Red Oil)- followed by the pyrolysis of castor oil, dehydrated castor oil, blown castor oils, etc. Every product the company developed took its own time to sell- investments were made – but sales generally would take place after a span of over a year. Patience was the key to the success of product development. My father learned that from his first day and he made sure to pass that on to me.

India actually preceded Brazil in the hydrogenation of Castor oil, but Brazil's crop was larger so they overtook India as the leading exporter of oil and derivatives. In the sales of HCO/12HSA, they were helped by incentives from the Brazilian government and these products were often sold below the prices of Castor oil itself.

Then came an era of canalization in India – manufacturers and exporters of Castor oil were not allowed by the Indian Government to sell the oil on the world market. This era lasted 11 years. It was a daunting task that my father had to face and overcome. He was very instrumental in persuading the government to decanalize the trade.

The most successful export was Dehydrated castor oil to the USSR. It was only during 1983 when 2 bulk shipments of about 4500 tons each were made that the trade was officially decanalized. Persuading the Russians to use the product instead of the regular Castor oil was achieved through persistent efforts of my father and involved more than 3 years of hard work which included providing all the technical details and bulk samples. This hard decision raised many controversies in the Indian trade - but the single most important issue – working for the future growth of the industry – overcame these controversies. 1983 was very important for India in another regard. The Brazilian crop failed, the Indian Castor bean crop exploded and the Indian trade was totally decanalized. India took over as the leader of castor oil supplier to the world.

This opportunity once again gave my father the chance to initiate new modes of shipments of Castor oil. Drum shipments were no longer possible as the quantities needed were too great. Iso container shipments began after my father spent many hours discussing the topic with shipping companies who were always looking for increased freight opportunities.

My father has been associated with the ICOA since 1962 and has always been an active participant and visionary in the functioning and enhancing of the role of the ICOA to the Castor oil industry. His contributions were appreciated and he was elected President of the ICOA- the first member from India to have been so.

It was during his tenure as President that the first Castor only ICOA contract was developed. Although the contract has been revised twice since then, that first contract laid an excellent cornerstone with a great deal of flexibility for both buyers and sellers.

The evolution of the Indian Castor oil industry is intertwined with both my father's and my lives. His innovative thinking gave a surge to the trade for which he was always respected. His dedication and leadership qualities and strong belief in giving back to the society by doing social services made him a strong role model for me as well as our entire company.

Simply put – “As we sow, so shall we reap!.”



SEE  
YOU  
IN  
VENICE



