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2016 OUTLOOK

After celebrating our 25th anniversary, CBH International is better than ever, stronger and ready to face the new opportunities and challenges that will allow us to take the company to the next level.

Latin America faces new challenges in 2016 and aware of the geopolitical reality that we live in, we reaffirm our commitment to support the Agro Industry believing that we are in the most important growth area in recent years.

We will continue to grow as a strategic partner to our customers and suppliers adding value thru our principles which are integrity, leadership, innovation and compromise. We deliver solutions which are efficient, competitive and always looking for a win win formula.



With this vision and based on our values, we now have a stronger structure, with multidisciplinary "Business Units", with high level professionals who generate optimal and profitable solutions for the proper growth of the business of our customers and friends.

CBH International in this 2016 will continue to be committed to Agricultural Industry with the best products, using the most advanced processing technology to thereby provide the best results in each product we eat and contribute to the health and welfare of the environment in each of the countries where we operate.

We wish each and every one of you and your families a great 2016 filled with health, happiness and blessings.

Caroline B. Hofland.
CEO-CBH International



SUCCESSFUL PRESENCE OF CBH INTERNATIONAL IN CLA 2015

In September 2015, the Latin American Poultry Association (ALA) appointed the city of Guayaquil (Ecuador), to receive producers, exhibitors, poultry scientists and entrepreneurs from all Latin America.

This is the second time that Ecuador welcomes companies and entrepreneurs who are involved in the development of the Latin American Poultry agribusiness. Ecuador has already conducted the XII Congress in Quito, in October 1991, which was attended by 1,200 delegates and had achieved significant results. For this XXIV Latin American Poultry Congress, Guayaquil brought together more than 4,000 attendees daily and in addition, it provided an excellent level in the more than 60 technical conferences during the 3 days of the show.

For our 25th anniversary celebration, CBH International took this opportunity to have an outstanding participation, we received a great welcome by all our clients and friends. Likewise, we had the support of

partner companies, with whom we shared intense days of celebration and big meetings that allowed us to strengthen our business ties with the industry.

We would like to thank all those who made possible our participation in this important meeting for our region. We have a lot of expectations for the convention in Mexico in 2017. You can find an interview by our CEO Caroline Hofland in:

<http://www.engormix.com/MA-avicultura/videos/25-anoscbh-international-caroline-bakker-hofland-presidente-ceo-t37366.htm>





SERVICE & MAINTENANCE

CBH International strengthens your "Core Business"

By: Christian Noboa

The title of this article could be replaced by "loss of focus in the line of business". This is an evil that historically has had notable impact on the success or failure of investment initiatives. But what does it mean?, What is my company's line of business?. Let's begin to understand three key concepts:

- a) The term core business / line of business is used to describe a company's main activity, so it can be replaced by a term such as "company focus"; ultimately it is a company's soul.
- b) The distinctive competencies are determined by an analysis of the value chain, and allow us to determine which are the strategic activities in order to please the customers, their costs and performance.
- c) The assignment of core competencies has to do not only with the availability of the right technology or the production skills. Both elements can be acquired or purchased from a third party or also and mainly through the organization's degree of knowledge and organizational learning curve needed to coordinate such skills. In summary the "core business" is a business' heart, the reason of their existence.

Do you know what is your business' main activity? Are most of your actions as head of the organization focused on managing

your main activity? Answering such questions may seem simple but behind the answers lie serious problems in the management of your company or business. Faced with the need to focus, an outsourcing mode is a highly appealing alternative in order to perform non-strategic activities.

In simpler words, core business is what an organization does best. It's the main activity of a business. Let's think of an example in order to clarify the concept: " In an ice cream parlor, the core business is the production of ice cream, not equipment maintenance or product delivery logistics. In other words, the business sustaining activity through its know-how is how to make appealing ice cream, at the lowest possible cost; that's what makes the business different.

Many enterprises and companies sacrifice their development potential when they devote an important share of their time and resources to non-strategic activities. In the poultry industry, a producer's core business is to produce chickens with a maximum quality and minimum running costs. Very probably in an early stage, the poultry man in his eagerness to optimize his costs will decide to take upon himself all the business related activities; however further down the road he will have to outsource the non-strategic activities even though they're equally important for the business (accounting, maintenance, projects, logistics, as usual examples).

Focus is the secret to success and differentiation is the most simple strategy. It's based on the ongoing search of business alliances with complementary activities. A good example are the turnkey projects that we offer as part of our service in CBH International and the outsourcing of non-strategic activities as a complement of monitoring and key performance indicators for the core business.

We sincerely hope this article will allow you to assess the management of your company's core business.

FEED MILLING TECHNOLOGY BUSINESS UNIT



GRAIN STORAGE

Since 2015, CBH International started a new Business Unit: **FEED MILLING TECHNOLOGY**. Our new Business Unit specializes in providing engineering services and machinery and equipment sales, spare parts, installation, maintenance and professional services for the Feed Milling Industry.

CBH International has professionals with vast experience, who can provide advice for the development of your project and solutions for your feed mill. We provide integral solutions regardless the size (2, 5, 10, 25, 50 tons / hr, etc.), the type of feed (shrimp, poultry, fish, pets, cattle, pigs, etc.), special processes or heat treatments involved in your plant. We offer solutions with the necessary technical support and expertise to ensure the success of your project.

Among all the projects we can do are: Intake, drying and grain storage. Feed mill renovation, expansion or a new plant. Extrusion lines for fish feed, pet foods or raw ingredients processing. Biomass, premix, additives, and fertilizer processing lines. Batching systems, pelleting lines, liquid application systems, packaging lines, or automation and control for the processes in your existing plant or new facility.

CBH International has all the resources to provide integral solutions to meet your current and future needs. The solutions we offer are tailored to your budget and always considering your needs, the conditions of your local market and the environment.

CBH International works hand to hand with the most recognized global equipment manufacturers to offer our customers the best and latest state of the art technology, guaranteed and supported with our personalized service.

Among the process equipment we offer for your feed mill, we have:

- Silos, dryers and systems for handling and storage of grains and ingredients
- Trucks dumpers, pre-cleaners, conveyors and bucket elevators
- Valves, dampers, distributors, dust collection systems
- Bin clusters, dosing and weighing systems
- Custom made micro-ingredients weighing systems
- Hammer mills, roller mills, fine grinding systems, air assist systems
- Pelleting systems, thermal treatments, long term conditioners
- Extrusion systems, drying, cooling, post-conditioning
- Handling, storage and liquid application systems, vacuum coating
- Packaging systems for finished products (feeds, pet foods, premix, etc.)
- Motor control centers, automation and control systems
- Spare parts and components for your feed milling equipment
- And, everything for the feed milling, aqua feeds, premix, and pet food industries



Events where we will be present during 2016:



IPPE - International Production & Processing Expo - January 26 to 28 - Atlanta GA, USA



PLANNING A FARM SYSTEM

CONTRIBUTION OF GSI Proven & Dependable

When planning an on-farm grain storage system, one of the most important steps is taking into account location accessibility and future expansion needs. You should always assume there will be growth in yield and bushels and that means that having a well-thought out plan that factors in growth and future technology changes is key. When choosing a location for your farm system, access to easy travel routes is essential. In an ideal situation, your system would be located right off of a major highway, with access to natural gas and three phase power and still in close proximity to your fields.

A major highway will allow you to haul grain year round without any road restrictions, if there isn't a highway nearby, it is not a deal breaker; just know that more road restrictions can occur, hindering your ability to haul grain.

Access to natural gas is cheaper and the most economical way to dry grain. If you only can use LP, that's fine, however, it is more expensive and your return on investment won't be as high.

Three phase power is ideal because it allows you to operate much larger machines and motors.

For smaller farm systems, single phase might work, but understand that as your farm system gets bigger, you will need more power and single phase power might not be strong enough to supply it.

Having a farm system near your field will reduce transportation time and fuel cost. Ultimately, it can lead to a cut in number of trucks you need.

When planning a farm system you should assume that there will be growth in yield and bushels; always plan on expanding.

Always leave space for additional bins.

When your total number of bushels increase, plan on adding a higher capacity dryer or a second one.

Do not assume that your wet holding capacity will always be adequate. Once you start drying more grain, an increase in your wet bushel storage capacity will be a necessity.

Create a traffic pattern for separate dumping and loading stations to increase efficiency. Being able to load and unload grain simultaneously will decrease your total harvest time, thus saving you money.

The different types of grain you plan on storing will determine the number of bins you'll need. If you are storing three types of grain, even though the sizes will vary, you will need at least three bins. If you want to limit risk, do not put all of your

grain in one tank. For example, if you have 90,000 bushels of corn, don't put it all in one bin. Instead, invest in two or three smaller bins. If some of the corn spoils you will only lose a fraction of your harvest as opposed to all of it.



The proper Drying system is a must.

Choosing a system that can provide high quality grain at harvest capacity and allows harvest in a reasonable time is more important than ever. And the dryer is the critical component in securing the correct moisture content for storage.

Choose the drying system to match your farms needs. Future expansion of both drying and wet storage must be a part of the initial design.

Remember, drying to the proper moisture is key to safe storage. Storage life is affected by grain temperature but grain moisture is still the primary determinant for storage life. With corn, 15% grain moisture is ideal to store until June, 14% to next fall, and 13% for longer storage.

A storage system is of little value if proper sanitation and loading practices are not

followed. Your local ag universities are a great resource in this area.

Make sure you know your rate of return.

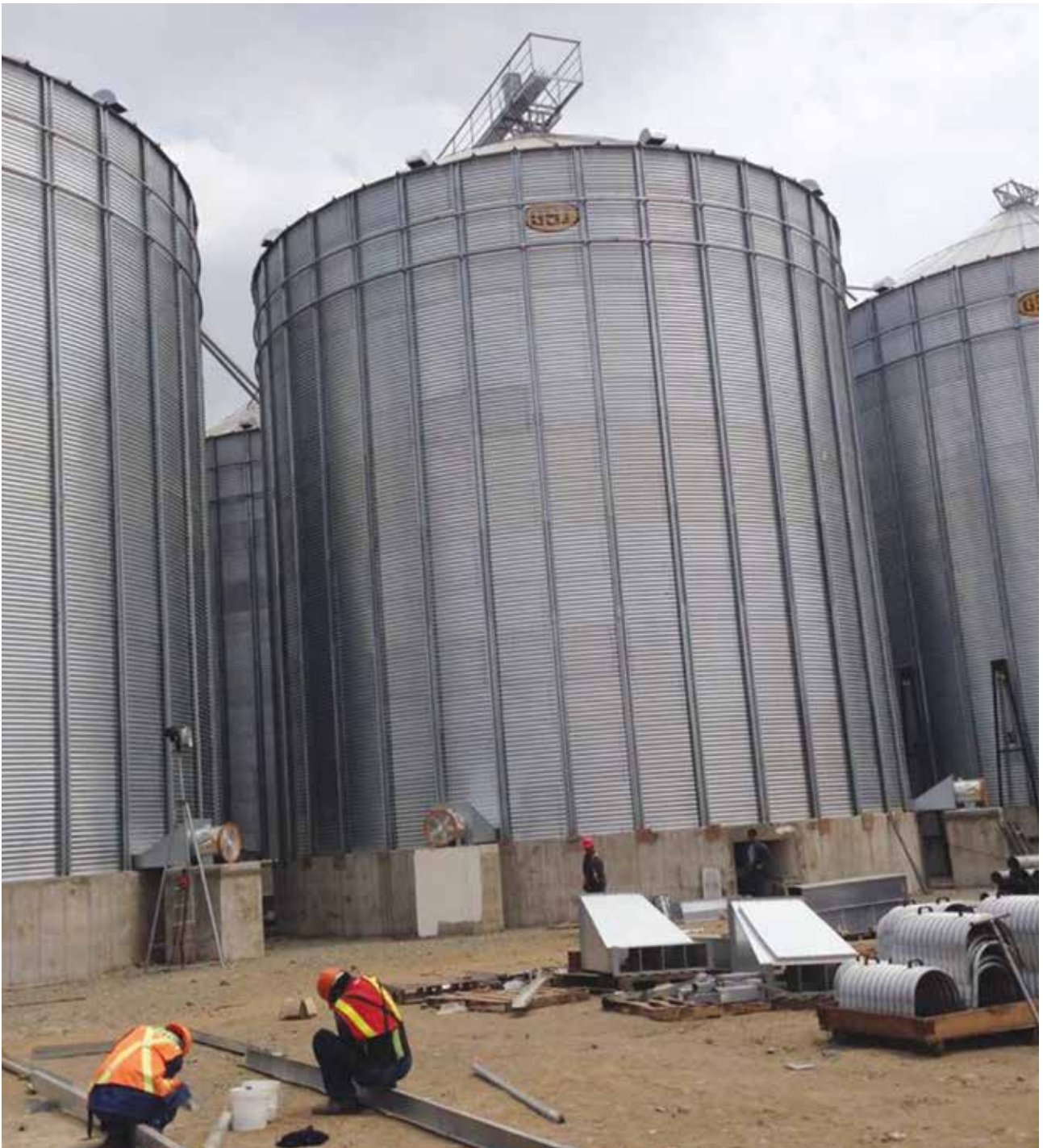
There are specialized ROI tools to help you and your banker understand what income will be from storing and drying grain. (see the ROI Calculator below)

The location of your farm system plays a factor in determining your ROI. Factors such as access to natural gas and availability of hard roads can improve your return rate.

When building your farm system, always make sure you have a well thought out plan anticipating growth and future technology changes. A poor designed farm system can be as harmful as not having one at all.

Fuente:

<http://www.grainsystems.com/education-resources/planning-a-system.html>



THE MAJESTY CHARGE

Fighting Prostate Cancer

CBH values our customers and vendors, so much that we encourage each of them to get tested for Prostate Cancer starting at the age of 40.

Every year CBH International donates a portion of our Net Profit to the Prostate Cancer Foundation (PCF) to fund research of better treatments and a cure for Prostate Cancer.

The PCF funds more than 1,500 programs at nearly 200 research centers in 20 countries.

This initiative is done in memory of Bas W.Q. Hofland.

To donate go to www.pcf.org/BasHofland



Early Detection saves lives. Get Tested.



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Promotions

We give our warm welcome to the
CBH Team to **Monica Torres Castrillon**
as Internal Sales Manager.