

## Personal Reflections on the Grain and Feed Trade 1970 – 2022

by Cyril Carr

Sixty years ago, I left secondary school with a good Irish Leaving Certificate and like most of my generation went straight into the workplace. One of the first things I recall in the offices of GEC Dunleer was a new Customs and Excise tariff book for Ireland with the sub title “Brussels nomenclature”. Seán Lemass was Taoiseach at that time and already involved in negotiations for the Anglo-Irish Free Trade Agreement which was a prelude to membership of the European Economic Community (EEC).

Irish industry had been built up behind tariff barriers since the 1930s and there was a certain degree of inevitability when a number of us were made redundant – in my case after seven years’ service. My reference from Managing Director Martin McCourt was as good an introduction to prospective employers as a Primary Degree would be today. He lauded “Cyril Carr as being conscientious and diligent and approaching his job with imagination and initiative”.

Before long, I took up the position of Office Manager in the Great Southern Hotel in Killarney. We had some interesting guests there including David Lean the film maker, who stayed with his entourage for months editing the movie “Ryan’s Daughter”. They were our best customers paying full rates and what is more David Lean was in the habit of leaving a £1 note as a tip after each meal. This was at a time when breakfast in the hotel cost 12s 6d, lunch 17s 6d and dinner £1 7s 6d.

Kerry Polkas will be played at my funeral in memory of those happy days in County Kerry.

Much as I enjoyed Killarney, I appreciated that there would be a quiet off season. I considered that Dublin would give me better career and educational opportunities. I secured a position as Senior Clerk in the Grain and Feed Division of Denis Coakley Limited thus starting a long association with Gafta spanning over fifty years.

Business was steady for the first two years until the country voted by referendum in 1972 to join with Europe. On February 1, 1973 Ireland and Britain became full members of the EEC, a momentous event which entirely revolutionised farming and agri-business. It was a bountiful time for those on the land. Two additional top-up payments for farmers were made during the remaining years of the 1970s, firstly the ACA (Accession Compensatory Amount) and then the MCA (Monetary Compensation Amount).



Cyril Carr in 1970

Prior to EEC membership, there was no duty or levy on grain coming into Ireland but to encourage grain growing within the Community, a substantial levy was imposed on imports after accession. During January 1973, several ships arrived in Dublin Bay with U.S. No.3 Yellow Corn. Importers such as Hall, Coakley and IAWS all hoped to get their goods into the country before the end of the month to avoid the new levy. This resulted in a queue of ships which inevitably meant that demurrage would be incurred on some vessels.

I alerted my Trading Manager, Ronan Fitzpatrick, to the potential dual problems of levy and demurrage. I showed him my laytime calculations and explained to him the maxim “once on demurrage, always on demurrage”. However, he asked me to get verification from an independent source. A legal Opinion from London confirmed that my understanding of the Charter Party was correct. While Ronan may have doubted me initially, he did not delay in dealing with the situation and sold the goods ‘Afloat’ to Tradax (Cargill) for discharge at Tilbury. I prepared the contract “Cash against Documents” and assembled the documents for presentation at the Buyers bank. I took an early morning flight to Heathrow and a taxi into the City of London (in the days before the Piccadilly Line). I presented the documents in St. Mary Axe, collected a Bank Draft 30 minutes later for over £500,000 which I lodged in the Coakley Account at Nat West Bank. When I phoned the office in Dublin to tell them that the transaction was complete, I was asked if I would like to spend a few days in the London area to oversee the discharge at Tilbury. I assured Ronan that was unnecessary as the Gafta Contract had been fully executed.

In those early days, the more I became involved with shipping matters, the more I realised that few people in the company read, let alone understood, Charter Party terms and their construction. We were receiving cargos in bulk that were stowed in ships designed for general cargo. As a result, we experienced difficulties discharging cargo trapped in inaccessible areas. This led to trouble with the dockers, extra stevedoring costs and extended laytime used. Sometimes the contracts were loosely worded and gave rise to disputes between ourselves and other receivers on the same ship. Equitable apportionment of demurrage in those circumstances was often a problem that was difficult to resolve amicably.

The interpretative idiosyncrasies surrounding such mundane matters as the Arrived Ship, Notice of Readiness and Commencement of Laytime counting, for example, were unfathomable to Charterers untrained in Chartering practice. I decided therefore to try and become a member of the Institute of Chartered Shipbrokers but there was a ‘Catch 22’ impediment to my ambition. ICS would not accept a person at that time, unless they were working strictly in the shipping profession. I did not allow this setback to slow down my professional development.

I had been attending the College of Commerce in Rathmines a few evenings a week studying Economics and Accounting. Success in those subjects gave me the confidence to embark upon a Degree course in Commerce at University College Dublin. A commitment to four evenings per week after a full day’s work meant that I had to radically alter my lifestyle. My football days had already come to an end and my social life was now greatly reduced. The transition was made easy by getting married to Mary Golden in 1972. Two of us, fifty years ago, has

increased to fourteen over the years and we were fortunate to celebrate our Golden Wedding Anniversary this Summer.

Expansion of Agri-business in Ireland, as a result of EU membership, meant that there were opportunities for suitable qualified people. I became Administration Manager in Coakleys and in that capacity attended a Gafta Arbitration and Contracts Conference in London on 4<sup>th</sup> October 1978. The conference was successfully organised by James Mackie, the first Director General of Gafta.

By 1979, it seems that I had gained a reputation as a competent administrator in Grain and Shipping circles. I was successfully headhunted by James Allen. The job paid more than Coakleys, was based closer to my home and a company car clinched the deal. The Institute of Chartered Ship Brokers contacted me to say that I was a suitable candidate for membership. I started studying for the Institute but now with my Business Degree succeeded in getting significant exemptions. Later that year and into 1980, I attended a series of lectures at the Offices of Leinster Shipping. Their Managing Director Gordon McMillan tutored us on shipping practice and maritime geography. As a Master Mariner with many years experience, Gordon's lectures were always interesting, stimulating and constructive.

Dermot McNulty, Company Secretary of Irish Shipping, delivered the Law lectures. He made Maritime Law into an absorbing subject for his students. At secondary school, the Victorian era included Famine, Fenians, Land League, Parnell and Oscar Wilde but Dermot introduced a wide range of legislation from that period including the Bill of Lading Act 1853 and made them all relevant and interesting. Both ICS and Gafta share the same motto "Our Word is our Bond".

In 1980, Michael Dillon proposed that we should set up a new business together. I was reluctant at first because I had a good salary package and a young family to consider. However, I knew that with his flair for trading and my administrative skills, it had the makings of a good combination. After producing a business plan and cash flow projections, I knew the project would succeed provided we got a financial backer. The opportunity came on Saturday 25<sup>th</sup> March 1981 when we visited Amsterdam for talks with a prospective investor who knew our business and had finance available to fund our new venture. The discussions were very tough. My professional experience was fully tested but before the day was over, our new Dutch partner agreed to finance the deal. Mr. Kroese had never been to Ireland at that stage but he had worked for a number of years in East Africa where his son attended school run by the Irish Christian Brothers.

Within three months, Torc Grain and Feed Ltd. was established to trade in imported goods as well as native grain. We started slowly with small cargos of by-products from Holland with ships such as M.V. 'PAX' carrying as little as 600 tonnes into the smaller ports. We also sidestepped our main competitors by obtaining niche products such as Cottonseed and Groundnut from Senegal. We also imported Cottonseed from Burkina Faso and Ghana. During the 1980s, we laid the foundation for trade with Morocco in Locus beans (Carob pods) and Orange pulp pallets.

The goods were bought on a free on board (FOB) basis. We routinely sought approval for vessels as they were chartered and served Notice of Readiness for their arrival at the Load Port. Loading was inevitably slower than the agreed rate and occasionally they would not have the full contractual quantity of cargo. This led to claims for demurrage and dead freight from the ship owners under the terms of the relevant Charter Party. One of our suppliers, while taking responsibility for the loading costs, was unable or unwilling to meet the ship owners' valid claims, allegedly due to exchange control regulations. In order to mitigate matters, Torc paid the extra costs on their behalf and invoiced them accordingly. This pattern of activity continued for some time until a point was reached where the debt was a sizable sum and there was no further trade with that account. We did not have an opportunity therefore to recoup our expenses by offset against payment for goods. So one day I telephoned Mr. Benani and told him I was arranging a visit to Morocco with a view to doing more business.

On arrival in Casablanca I went straight to the offices of our shipping agent Marbar and had discussions with Mohamed Zehraoui who always provided excellent professional service. The next day I had a long constructive meeting with Mr. Benani. My visit coincided with the beginning of Ramadan. We had got on so well that he invited me to a special Ramadan dinner with his extended family, men at one table with women and children at the other. I had never seen such a vast array of food in my life. As the guests had been fasting for over twelve hours, they had large appetites and I found it difficult keeping up with my hosts in consuming such a large variety of food.



Messrs Hariss, Zehraoui and Carr at Casablanca port, 1988

The following morning, I called to his office to review matters. Mr. Benani appeared to be in bad form as he had been required to get up early for his breakfast to ensure strict observance of the Ramadan fast. At that time, there were large photographs of King Hassan displayed everywhere in Morocco. During a lull in our conversation I asked him about the photographs adorning his office wall. I said, "this is the King and Queen on the left but is that the old King and Queen on the right?". His face immediately lit up and I knew I had said the right thing.

when he explained that the picture on the right was in fact his own parents photographed at Mecca. My diplomacy paid off because a week later, he transferred the full amount due from a bank account in Switzerland.

In January 1989, Candler Shipping invited clients and friends to a Winter Festival in Bremen. It included indoor cycling with lots of food, beer and folk singing. My friend M. Zehraoui, who never consumed anything stronger than Pepsi when we met in Casablanca, was able to enjoy a few beers on this occasion. I spoke very little German but when a group was entertaining us with traditional German folk songs, I was able to translate and sing along with them in English. Everyone was amazed at my talent, but I had to explain that these were Irish Ballads brought to Germany by the **Dubliners** and translated into German.

In October 1999, I attended an Arbitration seminar given by Christopher Potts in Gafta House. Joanna Lees, Gafta Training Manager, enquired about my interest in becoming an Arbitrator. She explained that I could qualify under the 'Grandfather' Rule but I opted to sit the examination. During the 1980s and 1990s the Gafta Dinner in London's Grosvenor House was considered a highlight of the trading year. For me personally, the high point was receiving the Gafta Trade Diploma from Deputy President Werner Meyer at the Millennium Dinner in 2000.



Werner Meyer presenting Cyril Carr with his Gafta Trade Diploma certificate, 2000

I always believed in personal professional development and taking an active interest in our Trade Associations. I was honoured to represent Ireland on the International Contracts Policy Committee and enjoyed hosting a number of memorable Dinners/Meetings for the ICPC



members when they visited Dublin. Another highlight of my career was being active in the Irish Grain & Feed Association where I served as President in 2005.



Cyril Carr at a Gafta Annual Dinner, mid-1990s