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**TFB heads
south of the
border**

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By Bobby Horecka
Field Editor

Building better relations with trading partners around the world has become a staple objective of Texas Farm Bureau's Global Agriculture Education Tours.

But opening borders, not merely crossing them to visit, arose as a top priority when Farm Bureau leaders turned their attentions to Mexico and Costa Rica on March 9-16.

Mere days before the Farm Bureau group boarded their planes, Todd Staples did something quite extraordinary for a Texas agriculture commissioner—he, along with authorities from the three other border states, closed the export facilities to Canadian cattle destined to Mexico. This stemmed from a deal pending between Mexico and Canada for live cattle trade.

This provided Farm Bureau's traveling delegation a rare opportunity as they met with government officials, educational and trade organization leaders and one-on-one with producers. Not only could they exchange ideas about the nuances of production in each country, but they were able to better understand perspectives on issues and work toward finding beneficial solutions for everyone involved.

"Any time you stymie any sort of trade, you stymie business as a whole, on both sides of the border," said TFB District 3 State Director Larry Pratt, an Eliasville rancher and one of the participants in the Global Ag Tour south of the border. "Commissioner Staples closing the border when he did definitely gave us a good bargaining position."

Those same sentiments rang true for everyone participating in the first 2008 TFB Global Ag Tour, including TFB State Directors Gary McGehee, Tom Paben, Dan Shelton and Jay Snook, Jr.; TFB Horse Advisory Committee Chairman Ernie Herron, and TFB staffers Ned Meister, Jon Johnson and Bobby Horecka.

When the dispute ended and cattle trade resumed March 29—just days after the group returned—the Farm Bureau travelers couldn't have been happier.



Mexico & Costa Rica

Farm Bureau heads south of the border



Admittedly, several factors came into play in getting the Mexican border open, which had been closed since December 2003 following the discovery of a cow with bovine spongiform encephalopathy (BSE) in Washington State.

But being a part of the process was a real reward, Pratt said, particularly when it came to building those one-on-one relationships.

“It was an honest effort with both sides sharing common problems in a fair and open exchange that went a long way to getting the deal done,” he said.

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For those who have never paid a visit to a foreign embassy, the experience is quite unique. For the Farm Bureau travelers, that opportunity came midway through the weeklong excursion in Mexico City.

It's a palatial building set in the heart of the most populous city in the western hemisphere, fortified to the hilt and lined with a steady rotation of guards carrying machine guns—not exactly the type of place one expects to visit while on a farm tour.

Yet it was in visiting such a place that Farm Bureau leaders made some real headway in building the relationships needed to resolve something like a border closure.

The group met with members of the Foreign Agriculture Service, where they learned about several of the issues affecting U.S./Mexico agricultural relations, most notably the livestock trade issues.

The group was even treated to a surprise visit by Tony Garza, a long-time friend of the Farm Bureau and former Texas Railroad Commissioner who now serves at the U.S. Ambassador to Mexico.

Farm Bureau leaders followed their embassy visit by meeting with the leaders of the Confederation Nacional de Ganaderas (CNG), Mexico's top livestock organization, where they heard from ranchers about their concerns as an industry.

But the real clincher for members of the Farm Bureau was when both groups—the American foreign ag ser-

vice folks and the Mexican livestock producers—joined them for supper that evening.

There, the two groups paired up, sharing their perspectives on the is-



The TFB travelers visit a coffee plantation set in the hills of Costa Rica.

sues at hand and more than once fielding the question “When's that border going to open?”

“I believe that was the first time these two groups ever sat down and visited about these types of issues in an open, relaxed atmosphere,” said Ned Meister, TFB's director of commodity and regulatory services. “It was one of the most important meetings in our trip, I think, and we were able to help facilitate it.”

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Having dealt with a closed border since 2003 had definitely taken its toll, Farm Bureau leaders learned from producers in Mexico and Costa Rica, and one concern always rose to the top when it came to discussing the issue.

“The biggest issue is the genetics of animals and trying to get a better variety of animals into the country,” said Jay Snook, Jr., a farmer and rancher from Livingston and TFB District 9 State Director. “The

need for new genetics was voiced several times as they looked to the United States to supply high quality breeding cattle.”

That sentiment was shared at every ranch the Farm Bureau group visited.

Managers of El Pedegral Ranch in Costa Rica, a purebred Brahman operation, shared that their country's genetics were so poor they had a difficult time finding replacements. Despite recently importing genetic lines from Texas' J.D. Hudgins Ranch in Hungerford to better improve herds, they still had a shortage of good lines to work with, they said.

Ignacio Perez, owner of La Trinidad Ranch near San Juan de los Lagos in Mexico, a registered Simmental operation, shared similar laments.

“These purebred breeders said (the closed border) was harming their business,” said Pratt, who in addition to his Farm Bureau leadership roles also serves on the Texas Beef Council.

“They get some of their cattle from the United States, and it

would help them if they had free access to bring those cattle in,” Pratt added. “I think as a general feeling, all these people feel like they need borders open, not only to facilitate them sending their cattle to feedlots or pastures in the United States, but to bring in the breeding stock that they really desperately need to help their cattle business grow.”

Cattle weren't the only species affected by closed borders.

A visit to El Gavillero in Tequisquiapan, Mexico—a Katahdin sheep farm owned by Oscar Cesar—turned up similar concerns, as did a visit to a large dairy goat operation headed by Jose Luis Gallardo in Celaya, Mexico.

Cesar owns one of the world's largest purebred hair sheep operations, with more than 600 ewes birthing anywhere from

three to four lambs each year. Gallardo milks 400 nanny goats twice each day for use in local cheese production, plus he raises his own replacement stock.

“The problems (they face) with breeding animals getting into Mexico and from Mexico back to us, is that most sales are in the countries of Central and South America,” said Gary McGehee, a sheep and goat raiser from Mertzon and TFB District 6 State Director.

“I'm sure he would love to be able to trade in North America and have a little bit easier time sending breeding stock that direction,” he said.

In cases like the Katahdin breed, McGehee said men like Cesar would likely find a ready market in the states.

“The main thing about this breed of sheep, they're becoming pretty popular not only down here but also in the U.S. because of the labor savings they give us,” McGehee said,

explaining that hair sheep eliminate the costly need to be shorn. “It used to be a niche market, but I’m not sure it is anymore.”

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Trade limitations aside, absence of genetics posed another very real concern to producers south of the border, Farm Bureau learned.

As a visit with the Costa Rican national cattle organization (CORFOGA) perhaps explained best, declining genetic quality had created a lack of consistency in meat quality.

Despite widespread efforts of the country’s cattlemen to provide more consistency in meat counters, consumption had shown a marked decline in recent years, falling to as little as 30 pounds per person per year, CORFOGA representatives said.

While food costs and health-related concerns were cited as reasons for the decrease in meat consumption in the organization’s research, that lack of consistency ranked highest among the reasons people turned away from beef in their diets.

The need for better genetics in Central America has sparked innovation, Farm Bureau leaders learned with a visit to a fertilization laboratory in Queretaro, Mexico.

That laboratory will flush eggs from prize females, artificially inseminate the eggs with sperm from a top bull, then implant those embryos into host cows. Thousands of procedures had already been done in South America, and the lab was working to build similar numbers in Mexico.

“What would normally take years in production and a good calving season or two can be achieved with greater numbers in a shorter period of time,” Pratt explained. “Time is of the essence in that these people are facing some dilemmas with the quality of cattle to try and grow their business. This embryo transfer is really going to make this process move faster than it would by natural selection.”

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Coursing the highways south of the border definitely proved an eye opener

for many in the Farm Bureau entourage—not that either country’s roadways were in horrible shape, as far as roads go.



TFB directors Larry Pratt and Tom Paben inspect a Brahman show bull at El Pevegral Ranch in Costa Rica.

But both Costa Rica and Mexico left a lot to be desired when it came to transit systems.

To truly appreciate the Costa Rican road system, one has to picture a winding country lane, never exceeding much more than two car-widths wide

As one could imagine, getting goods from where they are grown to market proves a definite difficulty. In a country that boasts a roughly \$9

billion a year agriculture industry—fed largely by production of bananas, pineapples, coffee beans and sugar—it can take literally hours just to course a few miles on their ever-winding roads.

“It’s hard when you’re going up a moun-

tain and there are trucks in front of you, not being able to go very fast,” remarked Ernie Herron, a rancher from Palo Pinto County. “And then when you need to go around them, around a curve, you don’t know if it’s safe or not.”



Fields of agave cactus are found in abundance throughout Central Mexico. Used to make tequila, it will grow seven years before it is ready to harvest.

and set in constant curves. Now, perch that lane on the rim of a 100-foot cliff—often without the benefit of a guardrail—and fill it with every manner of car and truck traffic imaginable.

“I have to admit that the people in Costa Rica are some excellent drivers,” he added. “But they’re daredevils. Let’s put it that way.”

Mexico’s roads, although much

wider and less precarious than those in Costa Rica, offered a completely different driving obstacle in the form of toll roads.

Stopping at the various checkpoints along the way made for slow passage across the country. It took at least double the time to cover territory in Mexico as it would here in Texas, between stopping to pay tolls and backtracking to get to locations limited by tollway access.

Plus, the national gasoline stations—the only option for fuel in Mexico, and set sparingly along the tollways—offered a grim look at what proposed concession agreements with the Trans-Texas Corridor (TTC) could possibly hold in store. With no competitors along the way, the stores could charge whatever they chose—for food, drinks, even access to the restroom.

For Herron, witnessing such road systems up and running merely reaffirmed his stance against projects like the massive tollway system Texas highway officials are planning for the future.

“Farm Bureau is against the TTC and always has been in the past,” he said. “We’re starting up another year trying to get our voice heard in reference to the TTC, and if (the state) goes along with corridor, we all need to make sure the things we’re asking for are taken care of.”

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Like many farms and ranches the world over, weather definitely plays a big factor in production, but perhaps no place better illustrated the perils of Mother Nature better than Central Mexico.

With prickly pear stands growing to tree-like stature and bare patches of dirt all around, the word “dry” hardly does justice in describing their dry season.

It typically rains in the region from about June to November, ranchers said, but after that, the rains simply stop. Farm Bureau visited just as the dry season was nearing its end.

Yet despite the absence of water, the cattle seen at various ranches around the area were in remarkable shape, said Tom Paben, a Waller area

farmer and cattleman and TFB District 11 State Director.

“They have to supplement the cattle pretty heavy with hay, but they’re looking really good,” Paben said. “The cattle I’ve seen are in a body frame size of 7½ or 8. So for the amount of grass they have, they’re doing incredible.”

Feed supplementation, particularly with high corn prices, has proven a challenge for the Central American ranchers, but that, too, is something they’re learning to work around.

Part of the solution, as Farm Bureau leaders witnessed on Javier via Senor’s San Cayetano Ranch near Union de Tula, Mexico, came in building better pasturelands.

Set smack in some of the driest country around, the Farm Bureau group marveled as valley after valley in the rocky terrain uncovered thick stands of grasslands.

Much had been planted as a sort of experiment, Senor explained, to see which grasses best suited the needs of his cattle and terrain. But even with abundant grasses, Senor said the ranch required regular supplements.

“While some of this tall bunch grass is not very palatable, they supplement with hay that is palatable,” Paben said. “They’re bringing cornstalks and even mixing their own feed out of some poultry litter

to bring up some protein and minerals.”

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Public perception of farming practices played perhaps as large a role as any in driving producer decisions in Central America, and the concept of “sustainability” took on an almost catchword quality.

For those from more traditional agricultural backgrounds, such as CORFOGA or the purebred Brahman operations seen at El Pedregal Ranch, sustainability discussions focused on building consumer confidence and improving genetics for better long-term meat quality.

But some groups had an entirely different approach to the idea of sustainability, as Farm Bureau members witnessed in two of the country’s leading educational institutions.

ITCR, Costa Rica’s technical institute located in the mountainous western region of the country, sought to improve sustainability through standardized practice development and introduction of new animals.

Students in one area of study actually managed a small meat lab facility at ITCR, where they were trained in proper meat slaughter procedure and grading practice. At another ITCR project farm, students worked with the management of water buffalo herds, which according to school officials, offered a well-suited

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TFB State Director Gary McGehee inspects the milking equipment at a 400-goat dairy operation near Celaya, Mexico.



Balancing feed sources with water availability is a prime concern for the rancher in Central Mexico. This Simmental Ranch near San Juan de los Lagos is one of a handful with well water.



TFB directors enjoy supper with dignitaries from the Foreign Ag Service and the Mexican livestock organization in Mexico City. The centuries-old hacienda, now a restaurant, was once home to explorer Fernando Cortez.



TFB directors visit a project farm at Earth University in Costa Rica. Many of the products grown here wind up on store shelves at Austin’s Whole Foods Market.

Global Ag Tour...

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livestock alternative for commercial production in Costa Rica but had yet to catch on with consumers as a meat product.

Earth University, situated in the dense rainforests of eastern Costa Rica, viewed sustainability in a much greener hue, with project farms there designed to offer a more environmentally-friendly option to agricultural production.

On a tour of one such facility, students raised gardens to produce feed for a dozen or so hogs, calves and poultry kept on the place. The livestock, in turn, produced waste from which students produced rich compost materials and someday hoped to utilize as a fuel source in methane generators.

While most in the Farm Bureau group agreed such a production would not likely work in a large commercial operation, Earth University officials said that many of their project farm items had gone on to supply niche market venues, such as the store shelves of Austin's Whole Foods Market.

Plus, university officials said, with today's ever-increasing envi-

ronmental concerns worldwide, such green practices may someday be commonplace in even the most traditional agricultural operations.

Such environmental concerns were indeed evident in some of Mexico's larger operations.

Take Eduardo Ramirez's Posta El Four Ranch in Tepatitlan, Mexico, as a prime example.

The Posta El Four milks some 6,000 Holsteins in four dairies each day as one of the country's larger dairy operations. But dairies are just part of Ramirez's business interest. He also raises sizable Braunvieh, Charolais and Beefmaster herds, farms hundreds of acres of feed grains, has 18,000 sows, 1.2 million laying hens, about 3 million broilers and two feed mills to supply all the feed.

While Mexico has significantly looser environmental standards than those found in the United States, Ramirez' waste management systems were on par with any system one would find back in Texas, the Farm Bureau leaders agreed.

"I had no idea we would find the level of production and quality and the environmental issues we are finding," said Dan Shelton, a farmer

and rancher from Dekalb and TFB District 5 State Director.

Of course, Shelton added, those environmental concerns are probably not the norm for either country. Most of the tours focused on what he called the "top shelf" farms, and as the group made its way through the countryside, many smaller farms along the roadsides painted a substantially different picture.

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Changing world views and consumer demands have sparked innovation in many Central American businesses.

A tour of the San Antonio vegetable packing plant near Guanajuato City, Mexico, offered perhaps the best example of modern food safety practices in action.

The plant annually processes thousands of tons of carrots, cauliflower and broccoli, with roughly 90 percent of the products getting shipped here for distribution in the United States.

To meet the specifications of their buyers, the San Antonio plant has adopted a wide spectrum of quality controls and safe food handling procedures, company officials said, boasting an operation that would easily rival anything found in the states.

Still, while they are perhaps on par with American operations with regard to technology and procedure, Mexico and Costa Rica hold a big advantage when it comes to labor issues, Shelton noted.

"The price of labor here is roughly \$10 to \$15 a day," he said. "Compared to what we are having to pay—\$75 to \$100 per day for unskilled or semi-skilled labor—it's just a tremendous difference in their labor costs.

"We've noticed also that because of the cheaper labor, they do a lot more manual labor than we can do in the states," Shelton added. "We have to use machinery for virtually everything—square bale hauling, everything we plant. Here, a lot of crops are still planted by hand and harvested by hand. They're out there

with hoes weeding by hand. Apparently, it works for them, but we could never afford such a thing."

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For everything Farm Bureau leaders gleaned in touring the farms of Mexico and Costa Rica, it was the relationships built with fellow producers that all said they valued most.

"There are a lot of similarities in the problems we all face as producers," Snook said. "And it is interesting to see how different people work to solve them."

Herron agreed.

"A lot of problems could be solved much better producer to producer, I think," he said. "Like I heard one gentleman say, if the politicians would stay out of our lives, we all probably would be better off."

But such visits carry a much more lasting impression than issue resolution, Shelton said.

"By our coming here, we can share what we do," Shelton said. "Every person on this trip has told his story and what he's doing on his farm. We learned the same from each person we met and it's been very interesting. I hope they're gaining something through us, but I know were gaining an awful lot through them."

And that's why trips like these are so important, he added.

"For them to keep up with the rest of the world and the United States, they've got to travel and see what other people are doing," Shelton said. "We've heard time and again that they are doing exactly that, and we need to do the same to stay competitive. They are very competitive with us."

Toward the end of the visit on one of the large ranches in Mexico, the man who owned the place shared that his dream was to someday own a ranch near Austin, where he could raise show cattle and compete directly with everyone in Texas.

"Let me tell you, he'd be tough competition because he's doing a tremendous job here with somewhat limited resources," Shelton said. "We all could learn something from a lot of these people."

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