



BEST OF BOTH WORLDS

When a Japanese company needed a reliable source of beef cattle to fill a new marketing niche it looked West — all the way to Spur Ranch in Oklahoma. Their partnership has created a Wagyu /Angus crossbred and an optimistic outlook for export trade.

by Steve Cabbage

When you absolutely, positively need to get your steers to Japan overnight, how do you send them?

Federal Express,® of course.

For Jot and Clay Hartley shipping cattle involves more than loading 20 feeder cattle into the gooseneck and driving to the local auction barn. Instead, these two brothers who own the Spur Ranch near Vinita, Okla., regularly ship 270 head of cattle by semi-potbellies to the Tulsa International Airport. Upon arrival the cattle are separated into special pens holding eight animals apiece and then are wheeled like luggage into the belly of a Boeing 747 Federal Express cargo plane.

Destination — Yokohama, Japan.

These cattle expressed to Japan are special. They are Wagyu/Angus crossbreds and they represent an innovative marketing project that gets beef raised in the heart of America

to the dinner tables in Japan.

At first glance, the Oklahoma ranch which the Hartley brothers own and operate may look pretty much like any other Angus ranch dotting the Great Plains— 300 head of registered Angus cows and 11,000 acres. However, upon closer inspection you will find there is a world of difference between this Angus ranch and all the others.

In addition to raising their own registered and commercial Angus stock, the Hartleys have a contract with a leading Japanese food company to produce Kobe-style beef. Kobe beef comes from a breed of Japanese cattle called Wagyu. In Japan, Kobe-style Wagyu beef is coveted by the Japanese people and it sells for \$75 to \$100 per pound. It contains two to three times the fat marbling found in USDA Prime grade beef. However, the ratio of monounsaturated to saturated fats in Wagyu beef is a fa-



Jot Hartley and Koichi Wada, CALCO livestock manager, work together on management decisions that ultimately will bring Wagyu/Angus beef grown in the U.S. to the dinner tables of Japan.



vable 2 to 1, compared with 1 to 1 for English breeds.

At \$75 to \$100 per pound, Wagyu beef raised in Japan only makes it to the dinner plates of the very rich. The middle-class Japanese family of four is not likely to have Kobe-style Wagyu steaks every Friday night.

That may change thanks to the Angus/Wagyu project between the Hartleys and CALCO International, a California-based Japanese firm which has international livestock operations. CALCO is a subsidiary of Ito Ham Foods, a multi-national food products firm headquartered in Nishinomiya, Japan.

"What this company is trying to do is bring Kobe-style beef to the middle-class Japanese consumer at an affordable price," says Jot Hartley. "It is much cheaper for them to initially produce cattle here in the U.S., primarily because they just don't have the land. Most of the level ground in Japan is either used for housing, industry or raising rice."

The reason this company is shipping live cattle back to Japan instead of USDA boxed beef from a packing plant is because of the appeal that Kobe-style Wagyu beef has to the Japanese palate. Wagyu cattle are considered the premium cattle of Japan. And the Japanese way of producing Kobe-style beef is not like the American way of producing premium beef. Wagyu are not quickly pushed to 1,100 pounds and slaughtered. In America, a steer is usually slaughtered after 14 months. In Japan, Wagyu steers are not slaughtered until they are at least 30 months old. And in Japan, Wagyu steers are fed a special diet that occasionally includes rice beer to stimulate their appetite. The steers sometimes even receive hand massages prior to slaughter.

"The Japanese believe that the slow rate of gain produces a more marbled carcass," says Hartley, "The process that goes into producing this type of beef is a very methodical one."

It is uncertain whether the characteristics of Kobe-style beef result from genetics, feeding and care or a combination of both. Scientists from Texas A&M University are researching this very question to see if there are alternative ways to produce Kobe-style beef on a much larger scale.

"Kobe-style Wagyu beef really does have a different texture and a unique taste. Even though it has more marbling, it is very tender and literally melts in your mouth," Hartley says. "Nothing like it is grown in the United States—until now."

What Hartley hopes to achieve with the Spur Ranch project is to combine the superior carcass traits of American Angus cattle with the desirable marbling and fat composition genetics of Japanese Wagyu to produce an affordable and palatable Kobe-style product.



Production data and breeding schedules are discussed by Jot Hartley (right) and his ranch manager, Charlie Fair.

It was two years ago that officials of CALCO came to the Hartleys and made them an interesting business proposition. They were looking for a cattle ranch which could manage a 1,300-head Angus foundation herd.

There were two main criteria CALCO used to decide on who it would team up with for this project. It had to be someone with a solid background in the Angus business and they had to have extensive experience in artificial insemination breeding.

"It was an excellent opportunity to expand on what we do best," says Hartley. "The credit for making this project a reality belongs to our father, Bob Hartley. Dad was truly a pioneer in the areas of performance testing and carcass evaluation. He knew that these were important practices even before everybody else

started preaching about them. So Dad going the extra mile in the cattle business 20 years ago is really what lead Clay and I into this international opportunity"

Bob Hartley emphasized over and over the value of knowledge and careful planning to his sons when it came to building a cattle herd. One example in action at the Spur Ranch is the intensive Angus breeding program.

"The breeding of every Angus cow we own is carefully planned. Following a review of EPD (Expected Progeny Difference) data we determine which high quality sire would be best for each cow. We try to pick up from the sire what the cow may be lacking," Jot says. "Show ring results are not what we breed for. Our breeding program is tailored to produce animals which will work for our primary customers — the commercial cattlemen."

In addition to being a top cowhand, Jot also knows how to work a courtroom. He is an attorney based in Vinita, whose major clientele includes rural electric cooperatives and area Farm Credit Service offices. He and his wife, Renee, have two sons, Travis, 12, and Jimmy, 9.

Clay also pulls double duty; he is a commercial airline pilot for American Airlines based in Tulsa. Clay and his wife, Pam, have one daughter, Lindsay, who is eight years old.

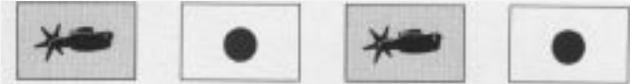
The Hartley brothers are third generation stockmen whose grandfather started the Spur Ranch in the 1930s. The ranch primarily raised Herefords until 1956 when Bob Hartley introduced purebred Angus to the operation.

"At the time when Dad went with Angus, he was really breaking tradition in this area. This part of Oklahoma at the time was Hereford country and black cattle looked out of place," says Jot. "But he had good reasons to go with Angus — he thought they were a better breed. He did his homework and



(above) A lot of homework is done by the Hartley brothers before breeding season starts for their purebred Angus herd. EPD data and carcass information are two key areas evaluated before a sire is selected for an Angus cow.

(right) Wagyu/Angus calves are finer-boned and not as heavy-muscled as their purebred Angus counterparts, but are usually very vigorous at birth.



knew that he could produce a better carcass with Angus.”

A black hide is also considered superior in Japan. There are three types of Wagyu — red, brown and black — but black Wagyu are considered to produce the best meat. That is why the Japanese specially favor the Angus breed, because of the slick black hide—black is superior.

The production of Wagyu/Angus beef on the Spur Ranch is carefully planned with Koichi Wada, CALCO's livestock manager, who lives in Vinita and oversees the project. Spur Ranch foreman Charlie Fair and assistant foreman Bunt Lay are charged with monitoring and taking care of the herd on a day-to-day basis.

On a set schedule, cows from the CALCO Angus herd are artificially inseminated with Wagyu semen. Full-blooded Wagyu genetics in the United States are only available from one source — a Texas cattleman named Don Lively.

“In the late 1970s, a group led by Morris Whitney of Texas was able to export four Wagyu bulls out of Japan. The interesting twist to this is these four bulls were the only source of pure Wagyu genetics available in the United States. That’s because the Japanese government has a strict ban on the exportation of Wagyu cattle and semen,” says Jot.

The payoff for the Hartleys comes when a Wagyu/Angus calf hits the ground. Under the agreement with CALCO, the cattle delivered to Japan are what they are paid for.

“The calves that we produce are ours to sell back to the Japanese,” says Jot. “So it’s really an incentive for us to put as many live calves on the ground as possible. Right now our live calf crop is running at about 98 percent. This type of agreement makes more sense than trying to split up feed, vet and labor costs.”

Wagyu/Angus calves typically have low birthweights — a 69-pound average for heifers; 72 for bulls -but they are usually very vigorous.

“Wagyu cattle are finer-boned and not as heavy-muscled as Angus cattle. They are, however, very similar in stature to Angus cattle,” says Jot. “Another positive trait is that Wagyu are very docile and that is very important when you have a herd that is intensively managed.”

Once weaned, the half-blooded Wagyu calves are either backgrounded at the Spur Ranch or are shipped to the Neil1 Feedlot near Welch, Okla. The choice of whether to background or finish at the feedlot is purely an economic decision.

After the calves reach a weight of approximately 700 pounds it is time for them to earn their wings. All cattle boarding the plane to Japan have been quarantined for a period of 21 days. A series of health tests are run by Vinita veterinarian, John Myers. Export arrangements are made by a Japanese exporting company in Pomona, Calif., named Mitake Trading International.

It takes six hours to load the 747 with the 270 head of cattle. Once leaving, the flying stock trailer makes a refueling stop in Alaska and heads toward the Pacific Rim. Yokohama or Okinawa are the two possible destinations for the Wagyu/Angus cattle leaving from Tulsa International — 16 hours to Yokohama; 19 to Okinawa.

“We load the cattle up on hay and water prior to the shipment. They seem to take to flying very well,” says Jot. “A 747 stocked with a load of 270 cattle is an impressive sight to see.”

Once they arrive in Japan, the cattle will be pampered for another 1 1/2 to 2 years. Eventually, as Wagyu/Angus projects grow in popularity, a Japanese family of four can have Kobe-style steaks anytime they want.

“One of the big lessons this project has taught me is that the actions we take in Vinita, Okla., has implications and consequences around the world,” says Hartley. “We’re not the isolated cowboy out here anymore.”

