



*Cattle are secured in large box crates and then loaded for export shipment at an international airport.*

**Querio** *comprar ese toro.*

*Es una buena selection para nuestro hato.*

*Cuando los certificados sanitarios esten listos, por favor mandalos a mi rancho.*

*Haremos los arreglos cuanto antes posible.*

**Translation:**

*I want to buy that bull.*

*He is a good choice for your herd.*

*When the health papers are ready, please send him down to my ranch.*

*We'll make the arrangements as soon as possible.*

Exporting has become a viable option for American businesses looking to expand their markets. NAFTA (North American Free Trade Agreement) and GATT (General Agreement on Tariffs and Trade) brought national attention to the pros and cons of opening channels to extend trading with other countries.

These partnerships are designed to create a more level playing field for countries and opportunities for more international trade.

Agriculture is one of the leading export industries for the United States. Our beef trade continues to expand with markets opening wider in the Pacific Rim and other areas

of the world. Still, how does the fury over international trade affect Angus breeders and can it help your marketing program? Are there partnerships and alliances that you can forge to help market your cattle to breeders in different countries?

**Opening New Markets**

Leroy Baldwin of Baldwin Angus Ranch, Ocala, Fla., has been exporting breeding stock for more than 25 years. He figures they have exported cattle to 18 different countries. His major markets are in Central and South America as well as the Caribbean Islands.

Baldwin acknowledges that becoming involved in

# SOUTHERN *Exposure*

ANGUS BREEDERS ARE GOING THE DISTANCE FOR TRADE OPPORTUNITIES SOUTH OF THE BORDER.

BY CINDY FOLCK

exporting involves more time and effort than traditional domestic marketing, however he says there are advantages to having more than one market.

"You won't break into exporting in a year, it takes a while," Baldwin says. "It's a great alternative market. When the bull market was depressed here, someone in another country called up and wanted a load of bulls."

Establishing a market in a foreign market can take longer because potential customers don't know your reputation, says Baldwin. "A lot of them have been burned by unscrupulous people in our country," he contends. He points out, however, that once you've become established in a marketing area, satisfied customers become a great source of promotion for your cattle.

"If you treat them right, service them, visit them and see how the cattle are doing, they become your best advertising," Baldwin says. "The best advertisement is a satisfied customer recommending you to another potential customer."

Baldwin cautions breeders not to abuse an export market. "You can't use international customers as a culling market. If you find a customer and sell him culls, he will tell everyone in a six country radius," he says.

Baldwin tells the story of one breeder in Central America who purchased some Holsteins in Canada while there on a visit. When the heifers arrived, the breeder discovered that the seller had switched eartags and sent a different set of cows than the ones promised. The Central American chastised the Canadian in front of a cattlemen's association meeting, certainly ending his exporting career.

Baldwin began exporting his genetics through involvement with the Florida International Trade Council.



*Export-bound cattle are held 90 days at the North American Quarantine Station before being transferred to a USDA livestock inspection airport facility.*

He currently serves as president of the organization. The council was formed in 1965 to help Florida agribusiness promote its products to foreign markets. Baldwin believes the partnership this organization has with Florida agriculture helped increase export income for the state. In 1993 export income totaled \$2.6 billion.

Each year the trade council sponsors a trade show for more than 500 foreign visitors to come and find out more about Florida agribusiness. It features livestock, agriculture products, veterinary supplies, feed companies, minerals, and anything that deals with agriculture. Foreigners attending the trade show are also encouraged to travel to farms and ranches in Florida to look at livestock and other products.

Contacts from the Texas Department of Agriculture and other sources have helped Glen Grote gain customers from Mexico over the past six years. Grote Angus has ranches in Mason, Texas, and Bennington, Okla. He says most of the Mexican buyers come to his ranch to look over the cattle.

Grote visits many of his

customers to see how the cattle are doing. He also tries to help them market their steers back in the United States. "They're really nice folks, they treat you good and they have great hospitality" he adds.

Grote's advice for Angus breeders selling in Mexico is to make sure all the business arrangements, especially the shipping schedules and payments, are clear before the cattle are delivered. He takes the cattle to the border and allows the customer to take care of the arrangements there. He also emphasizes to get half the money up front and require the remainder before the cattle are trucked across the border.

Wilford Wootan of Robinson-Wootan Ranch, San Marcos, Texas, echoes Grote's advice. "Make sure to know who you're dealing with before you start. Also make sure to get the money before the cattle go over the border because you can't get them back," he says.

Wootan has been selling cattle to Mexicans for about seven years and is impressed with the friendliness and hospitality of the Mexican people. He says while his first group of bred heifers were

sold over the phone to Mexico, most customers regularly come up to see the cattle at the ranch. Wootan relies on word-of-mouth advertising and one of his regular customers is a cousin of his very first Mexican customer.

Both Wootan and Grote have not sold any breeding stock to Mexican customers since the peso has been devalued. Wootan says that it now takes Mexican cattlemen twice as much money to buy what they could last year.

"The northern part of Mexico is really dry right now," says Grote. "They're sending their cows here to be slaughtered trying to get some American money. The devaluation of the peso has really hurt them."

But Grote says when the conditions in Mexico get better he expects his customers to return.

### Foreign Trade Partnerships

Florida, Texas and many other states are partnering with producers to help export their products. The Ohio Department of Agriculture (ODA) has started a program where beef cattle producers interested in exporting can partner with the ODA.

Helen Lenkaitis, who works with livestock exporting for the ODA, says they're currently setting up a newsletter to give producers information about exporting. "We try to help producers with contacts and trade leads," she says.

For example, ODA coordinated tours of Angus and Simmental farms for four Israelis who came to Ohio looking for beef cattle.

Lenkaitis says the ODA provides resources for producers on all aspects of exporting including transportation coordination and meeting health requirements. She adds that many state agriculture departments have specialists

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who can aid beef producers in exporting their genetics.

The American Angus Association is also working to set up partnerships to help promote Angus cattle in foreign markets. Jerry Morrow is the Association's foreign market consultant who is working to establish a relationship with Mexican cattle producers.

Morrow sees opportunities for Angus cattle in many parts of Mexico. "Little performance data is available on their cattle," he says. "Most American-bred cattle in Mexico are show cattle."

Currently, many areas of Mexico are having a severe drought. Because of this many of the less efficient, harder-doing cattle have been culled because they couldn't breed back. Morrow predicts that once the rain comes and the grass grows them will be a market for cattle in Mexico. He says Mexican breeders are interested in performance and will be looking for Angus that are moderate framed and easy fleshing.

"You shouldn't just go down unless you know somebody who knows somebody. There are a lot of people trying to get to them," says Morrow. Still, he's willing to help Angus breeders interested in exporting their cattle to Mexico.

"If they need a contact, I'll be glad to help them, but I won't help them sell their tail-end cattle. The Mexicans want good cattle," he says. "Breeders can come down and travel with me. It's not like Acapulco, there is a lot of dirt and dust, but it has a lot of possibilities."

Morrow strongly encourages breeders involved with exporting to learn the language of their customers. "A lot of people know English because they come here for school. But not the cowboys and managers on the ranches. I'm sincerely glad I took the

## U.S. BEEF GENETICS IN DEMAND

### U.S. Beef Breeding Cattle Exports

Cumulative To Date Quantity-In Numbers

	1990	1994
Canada	76	6,047
Mexico	13,175	42,533
Caribbean	150	49
Central America	79	91
South America	1,404	1,305



### U.S. Beef Breeding Cattle Exports

Cumulative to Date Value -In U.S. Dollars

	1990	1994
Canada	910,981	4,658,502
Mexico	10,954,099	28,340,732
Subtotal	11,865,080	33,599,234
Caribbean	263,550	44,200
Central America	49,502	207,650
South America	928,501	1,692,210



### U.S. Bovine Semen Exports

Cumulative to Date Value-h U.S. Dollars

	1990	1994
Canada	3,104,910	2,150,894
Mexico	3,409,306	3,797,830
Caribbean	54,295	86,267
Central America	724,011	876,998
South America	5,797,365	9,678,408



Source: USDA Foreign Agriculture Service

time to learn the language."

Morrow has developed a real love for the Mexican people and is excited about the opportunities that lie ahead for Angus breeders.

### Partnerships that Promote

The U.S. Livestock Genetics Export Inc. (USLGE) consists of breed organizations, genetic groups and other membership entities who represent American genetics. Eric Metzger, chairman, says the group formed out of a need for a more coordinated marketing effort for U.S. genetics in foreign markets.

"The dairy breeds began forming this group when we realized we were bumping into each other. We each had our own foreign departments and there was no coordinated effort," Metzger says.

The membership has extended past the dairy breeds to include swine, sheep, horses and some beef breeds. USLGE obtains some funding through the Market Promotion Program and the Foreign Market Development Program which are administered by the Foreign Agricultural Service, a division of the U.S. Department of Agriculture.

USLGE coordinates the usage of these funds by the member organizations to actively promote American genetics in foreign markets.

One member of USLGE is the National Association of Animal Breeders (NAAB). This group promotes beef and dairy cattle semen for its member companies and cooperatives. Martin Sieber is the director of international market development and is excited about the growth of markets in South America.

In 1994 NAAB members exported 260,000 units of beef semen to Brazil, which was an increase of almost 40 percent from the year before. The other leading export markets for their members are Chile, Canada and Argentina.

To help promote American genetics, NAAB conducts seminars in foreign markets. Sieber says the seminars are well attended by cattlemen because the association is not trying to sell anything.

"We're really just there to give out information and to answer questions. A lot of people have questions about the U.S. system," Sieber says.

John Crouch, American Angus Association director of performance programs, accompanied Sieber and others to South America this past spring, where he presented information on the U.S. genetic evaluation systems. Crouch cautions breeders looking for large sales in these countries.

"Anything that you can export is gravy. But I would never count on an export market making a living for you. The competition is fierce," he says.

Crouch points out that many American semen companies have already established a market for their bulls. So when looking at an export market, Crouch encourages breeders to approach it like domestic markets.

"You need to do a feasibility study and find out what the person on the buying end really wants and needs," he says. "If you can find out first what their goals are and what they want their cattle to do for them, it becomes a pretty simple matter to sort out the cattle on this end and provide them with what they want. American Angus Association has the best genetic evaluation system in the world to help breeders do this."

American genetics are also being sold through frozen embryos. Don Ellerbee, executive vice president of the American Embryo Transfer Association, sees potential growth in South America for embryo sales.

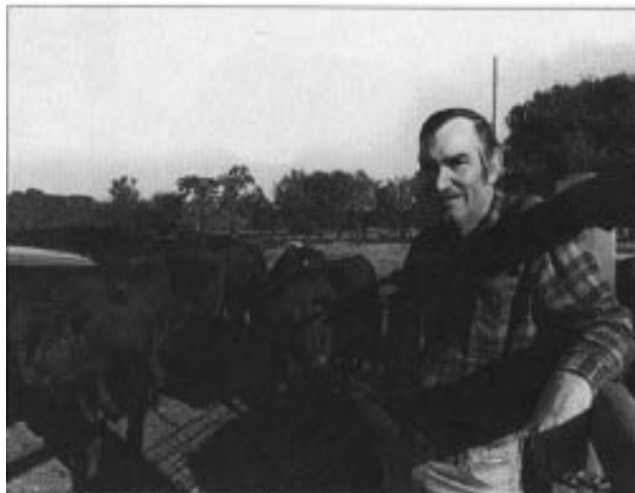
"It's not as extensive as this country because South American countries are limited in the number of practitioners who are trained to do embryo transfer," he says. "But an increasing number of veterinarians are being trained and an increasing number of producers are using embryo transfer."

Ellerbee's association represents 350 commercial embryo transfer companies and regularly promotes American genetics through seminars, clinics and lab demonstrations. Ellerbee says producers in other countries who are interested in improving their herds look to American genetics because they consider them superior.

### Delivering the Product

"It takes a lot of red tape... lots of work," warns Leroy Baldwin when asked to give advice on how to safely and legally export valuable livestock. "Each country has their own health regulations that you need to follow to the letter."

Baldwin says that unless the paperwork is in order, the health requirements met and the tattoos are legible, the cattle will be unable to leave



***"It takes a lot of red tape . . . lots of work, but it's a great alternative market."***

**-Leroy Baldwin**

the United States.

Tom Poerstel, president of the Animal Transportation Association (ATA) and USDA livestock marketing specialist, says the most popular way to move cattle off-shore is air transportation.

"But you've got to be real careful with statistics," Poerstel says. "Eighty to 85 percent of the animals that are exported from the United States are going to the neighboring countries of Canada and Mexico. So, it's only another small percentage that are going off-shore."

The ATA is an international organization with more than 20 member countries that works to educate and help producers find the most efficient and safest mode of transportation for livestock and other animals.

Cattle being flown out of the country must pass through a USDA livestock inspection facility. Poerstel says these are located at Miami International Airport, Houston Intercontinental Airport, Kansas City International

Airport and Stewart Airport in Newburg, N.Y. Cattle going south usually pass through the Miami airport facilities.

Poerstel says air transportation is usually chosen because it's faster, features less handling, and is more cost effective for smaller lots. He says for large groups of cattle, ships can provide an economy of scale. The ships are especially made for shipping livestock and feature ventilation systems, special pen and feeding areas, and even a hospital pen if problems develop during the cruise.

"I encourage all my customers to use a plane," says Baldwin. "The cattle can leave Miami at 3:00 or 4:00 in the morning and be in the country by noon. It doesn't stress the cattle like a week on the boat."

Baldwin works with an airline consultant to set up the flight before he ever arrives at the airport. He says the cattle spend about 12 hours under health inspections before being loaded on the airplane.

The Florida cattleman says

it's also wise to check out quarantine requirements of the destination country. "If the animals are from the United States they don't usually need a quarantine," Baldwin says: "Our USDA and veterinarians are well respected."

This differs greatly from cattle that are exported to Australia. Jerry Helgren, Grayslake, Ill., Angus breeder, manages the North American Quarantine Station for cattle bound for Australia. He says after the cattle have an on-farm quarantine of 30 days, they remain at his farm for 90 days and have an additional 30-day quarantine in Australia. His farm is inspected weekly by federal veterinarians and cattle are only present from October to May.

Semen and embryo technology has made exporting genetics easier in terms of shipping and time considerations. Still, the health requirements remain rigid. Sieber says the requirements are different for each country. For semen, the bull has to pass tests and the semen shipments have to be sealed by a USDA veterinarian.

Ellerbee says that frozen embryo tanks also have to be sealed by a USDA veterinarian after he or she determines that the embryo's sire and dam meet all the country's health requirements.

Ellerbee is concerned that some health requirements for embryos are not based on sound, scientific information. "The safest way to export disease-free is with embryos," he says. "The likelihood of transmitting a disease through an embryo is negligible. The health requirements are written for the live cattle that may transport disease."

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