



# Breeding Beyond Borders

Marketing on an international scale comes with its own set of challenges.

by **Bridget Beran**, editorial intern

**F**or many ranchers, making the move from selling cattle and genetics domestically to selling on an international level is not a jump to be taken lightly. Selling outside of the United States brings forth a multitude of new challenges for ranchers to face and new hoops to jump through. There are a few steps Angus producers can take to make the move to an international scale less intimidating.

Knowing the cattle in your own herd is the first step producers need to take, says Tony Clayton, president of Clayton Agri-Marketing Inc.

“Producers need to question themselves and honestly look at their operation,” Clayton says. “You need to decide how dedicated you are going to be to marketing on an international level. Marketing domestically and internationally is similar in some respects, but international marketing requires a high level of commitment. You’re working with people, not only in other countries but in other time zones, and you have to account for that.”

It’s also necessary for producers to evaluate the cattle in their operation, as well as the current state of their marketing. Billy Brown, agribusiness development coordinator for the Kansas Department of Agriculture (KDA), advises producers to take a hard look at what

their cattle herd is currently producing and their in-country marketing.

“You really need to consider why exporting would be beneficial for your operation,” Brown says. “If you’re expanding your market, you need to ensure that you have built a reputation of quality domestically before reaching beyond the U.S. borders.”

## Selecting a location

Once producers are ready to take the plunge and go international, their next task is narrowing down the world and focusing their efforts. Not every type of cattle will be functional in every country. Brown and Clayton encourage producers to consider the export country of choice and its needs before taking the plunge.

“You have to ask yourself if the type of cattle you produce fits the market in the country you’re aiming for,” Clayton explains. “There are environmental and health issues [that] may make your cattle a bad fit for a foreign country.”

Climates of the original area and the target country are major factors to take into consideration. Cattle from Florida won’t last in frosty Russia, and cattle hailing from Montana aren’t going to make it in balmy South America. Brown says it’s important to

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recognize which countries will benefit from the addition of the producer’s genetics, not just where the producer can benefit.

Once the export country of choice has been identified by a producer, the next step — similar to in the United States — is building relationships with potential clients and producers in that country.

Clayton recommends producers do what they can to meet the producers they’re attempting to reach. Making contact with local associations or foreign agriculture

services can help producers to make contacts with local farmers and ranchers.

"It takes time to develop a trusting relationship," Brown says. "You will need to prove to these ranchers in other countries why they should trust you and buy cattle from you. It can take repeated visits to your choice country to make those bonds."

### Building a bond

Assisting in the building of those bonds is where some state departments of agriculture are stepping in. With KDA, Brown leads genetic trade missions to several different countries, including Russia, Costa Rica and Uruguay. Producers, along with government officials like Brown, visit foreign countries to meet with ranchers from the host country and learn about their operations.

"These trade missions are a great opportunity for producers to begin to explore the market and develop their export plan," Brown explains. "They provide a great opportunity for relationship building. It allows our Kansas producers to build a network to work with in foreign countries."

In Montana, a trade mission sparked a long-term partnership for Darrell Stevenson, Hobson, Mont. Though Stevenson says that international work has been a part of business at Stevenson Angus Ranch for as long as he can remember, the ranch found roots in Russia after a trade mission.

"I was invited to go along with the Montana Department of Agriculture on a trade mission, and that's what opened our eyes to the opportunities there," Stevenson says. "In 2010, we established Stevenson Sputnik as a seedstock unit with two Russian partners. From there it grew into not only a commercial cow-calf operation, but we also feed and process cattle and sell beef directly."

For Galen Fink, Angus producer from Randolph, Kan., these trade missions have given him the opportunity to reach out and make new contacts in new countries. Fink Angus currently exports to Australia, Mexico, Argentina, Uruguay and is in the process of developing exports to Costa Rica and Ecuador.

"After I got back from Costa Rica, I made a point to send letters to all of the places we visited and the people that we met," Galen says. "Otherwise, generally foreign producers will contact us to start with, but it's a two-way street. It doesn't just happen. You have to wiggle your way into the foreign market."

### Becoming internationally accessible

Though Fink says they're lucky because they have had a lot of foreign visitors to their ranch while travelling through the United

States, the web is what really kick-started their international involvement. During the last five years, Fink says they have seen more international traffic come via their website. Due to the increase in foreign web traffic, Fink Angus has made strides to make their website more foreign-friendly.

"It was important to us to have a website that people could get on and not feel like they're in a foreign country," Fink says. "We have our whole website translated into Spanish so it's easier for some of our Central and South American customers."

Though Fink says the similar language makes Australia the easiest country to work with, their openness to U.S. cattle genetics is also a major bonus.

He warns that while there are positives of exporting, it comes with its fair share of challenges, as well.

"It's not easy and sometimes will make you want to pull your hair out," he says. "You're dealing with different governments. Some are wide-open arms and some of them aren't. Every country has their own rules, and you have to be aware of any health regulations that can cause hang-ups. Especially with embryos, things have to be handled differently by the embryologists, and your animals will have to be tested for different diseases. It can be a headache."

Fink says his biggest recommendation would be to connect with an exporter. Exporters stay up to date on the latest regulations coming from each country and can help ease the stress of shipping live animals or genetics internationally. Stevenson says enlisting an exporter is high on his list for those new to the international market. "If you have no experience shipping internationally, the best thing you can do is seek advice and guidance from professional exporters. They handle these types of projects every day and can help manage your risk," Stevenson says.

Risk management is a major factor in business once producers start making deals internationally. Stevenson explains that producers should approach opportunities optimistically, but cautiously.

"Once you leave the borders of the United States, they do business differently," Stevenson says. "Whether it's a small order of semen or you're looking at shipping live animals, you need to be aware of the risks."

Exporters can help to ensure that producers stay within the health protocols of the receiving country and keep the deal clear on both sides. Stevenson says that producers should ensure that they can contractually and monetarily follow through on health and shipping requirements.

## Biggest challenges facing producers

### Language barrier

"It can be difficult to overcome the language barrier. You spend a lot of time going through interpreters and, though they do their best, there is still a lot of room for errors."

— Galen Fink, Randolph, Kan.

### Price

"Everyone wants great cattle for the least possible amount. There can be a disconnect in the quality of cattle that can be obtained for a certain price."

— Billy Brown, Kansas Department of Agriculture

### Export restriction

"You've got to follow up on health protocols and make sure you live in an area that allows your product to qualify for shipment. If you're interested in shipping live animals, you need to look at the receiving country's health specifications and have a strong understanding of them."

— Darrell Stevenson, Hobson, Mont.

### Receiving management

"Some producers can be really frustrated because an animal will work really well here, but will struggle in another country because the management isn't the same in other areas. Some animal problems may arise due to management."

— Billy Brown

### Scam protection

"There are several scams going on and have been for a couple years. If you get a letter from someone wanting to import cattle, check it out ahead of time. You need to check with the state department to make sure it's a legitimate business."

— Galen Fink

"Just because you're exporting doesn't necessarily mean you're making more money," Brown warns. "There are extra costs in testing and shipping that can hinder that, so ranchers need to be prepared for that."

Brown also encourages ranchers to enlist an exporter to help them navigate the exporting field the first time through, as well as knowing the new challenges that can come from an international market.

"In my experience, two producers trying to strike this kind of partnership is like two kids at a junior high dance. They want to work together, but it's a hard field to navigate. Learning to do that dance can be problematic," Brown says.



**Editor's Note:** Bridget Beran was the summer 2016 editorial intern for Angus Media.