

Approved February 3, 1987
Date

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

The meeting was called to order by Representative Clifford V. Campbell at
Chairperson

9:06 a.m./~~p.m.~~ on January 29, 1987 in room 423-S of the Capitol.

All members were present except: Representative George Dean (excused)

Committee staff present: Raney Gilliland, Legislative Research Department
Pat Brunton, Committee Secretary

Conferees appearing before the committee: Dr. Bill V. Able, Associate Director,
International Meat and Livestock Program

The House Agriculture and Small Business Committee was called to order by Representative Campbell, Chairman.

Representative Campbell introduced Dr. Bill Able, Associate Director, International Meat and Livestock Program.

Dr. Able briefed the committee on various activities of the International Meat and Livestock Program, Attachment I.

A question and answer period followed Dr. Able's briefing.

The Chairman thanked Dr. Able for his presentation and adjourned the meeting at 9:55 a.m.

The next meeting of the House Agriculture and Small Business Committee will be at 9:00 a.m., Friday, January 30, 1987, in Room 423-S.

GUEST LIST

COMMITTEE: HOUSE AGRICULTURE AND SMALL BUSINESS

DATE: January 29, 1987

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
John Boenby	Lawrence, Ka	
Mike Bean	Topeka	Ks. Livestk. Assn.
Joe Rickabough	Topeka	Ks. Livestk. Assn.
Julie Anderson	Topeka	Ks. Co-operative Council
Welan Meyers family	Kansas City	
Charles K. Crowley II	Box 116 Severance Ks	Ag. P.
Lloyd E. Barnett	Hiawatha, Kansas	Vocational Ag. Instructor
Jean Sallee	Topeka	
Lou Rush	Lawrence, Ka	
DAN ANDERSON	Emporia	Intern Rep. Freeman
Willow Leonard	Topeka	Comm. of Ks. Farm Org.

INTERNATIONAL MEAT AND LIVESTOCK PROGRAM

Report to

House Agriculture and Small Business Committee

and

Senate Agriculture Committee

by

*Dr. Bill V. Able
Associate Director, IMLP*

January 29, 1987
ATTACHMENT I

I International Trade Activities of IMLP -

One of the first activities of the IMLP was to fund a graduate assistantship in Agricultural Economics at Kansas State University. IMLP needed to identify the most active areas of agricultural product export trade and the countries involved. In addition, the IMLP needed to be informed about the trends and potential of exporting U.S. livestock and livestock products. There have been two reports given to the IMLP as a result of this sponsorship.

- 1) U.S. Livestock and Livestock Product Exports: Trends and Potential. John T. Brink and Cathyrn A. Bandyk. September 1986. No. 86-7.
- 2) International Trade in Livestock Products, and Export Market Potential. Cathyrn A. Bandyk. September 1986. No. 86-6.

II IMLP Sponsored Activities:

A. International Livestock Symposium - Chihuahua, Mexico

IMLP participated in the activities involved with the Livestock Show and International Livestock Symposium. Visits were held with the officers of the Cattlemen's Association, breed associations and individual breeders. Several Kansas breeders were in attendance and made contacts with the individual Mexican breeders concerning the procurement of breeding stock. In addition, ranch visits were made to become familiar with the topography and management systems used in this area.

A meeting was held with officers of the Cattlemen's Association to discuss the feedlot industry in Mexico. One major problem they have is in grain procurement. Suggestions were made and contacts in Kansas given the information as well as the State Board of Agriculture.

Meetings were held with the U.S. agricultural attache to Mexico concerning the possibilities of training sessions in Kansas.

The International Livestock Symposium was a huge success with a standing room only crowd. The IMLP was responsible for the AI and cattle breeding selection portion of this program.

Results: Breeders have shipped cattle into Mexico as a result of their contacts on this trip. These shipments included 100 head of Herefords, 40 Charolais, 150 Brangus and 350 Holsteins.

A two month KSU management class was organized and attended by nine Mexicans and one Philippino. Courses included cow/calf, feedlot and forage management. These classes included hands on experience by staying in the ranchers' homes and working at the feedlots for a week.

An added benefit of the short course was the purchasing of equipment by the students while they were in Kansas. Three cattle floor trailers (42, 43 and 45 ft) were purchased by the family of one of the students. In addition, a feed mixing wagon was purchased by a student's family. Various other contacts were made with breeders and equipment dealers.

B. Beef Cattle Evaluation - Taiwan Sugar Corporation (TSC) - Taiwan

Trips involved the inspection of each TSC facility to evaluate the possibility of converting the poorer sugar cane fields into pastures for cattle production. Tour was made with officials of the TSC and the U. S. Feed Grains Council (USFGC).

A final written report was presented to the Chairman of Taiwan Sugar Corporation, Mr. Y. T. Wong. A followup trip to Kansas was suggested to view the breeding herds and facilities of Kansas and KSU.

Results: Mr. Wong visited Kansas and toured the state with the State Board of Agriculture officials and the IMLP. They are

planning on importing 2,000 to 3,000 head of breeding stock per year for the next ten years. This year they put out a tender offer for 2,000 head of breeding stock using basically the guidelines set forth in the IMLP proposal. The information came about too late and contained a couple of specifications that were hard to deal with for the Kansas producers to offer a bid. However, the IMLP is working with TSC to put together a beef cow/calf management short course for this fall.

C. Governor's Trade Mission and Ag China Expo - China

The IMLP was a member of the Governor's Tour of China. The IMLP met with the agricultural officials of the Chinese government in Beijing.

In addition, university officials from the agricultural schools in Shanxi, Henan and Shanghai discussed their main areas of concern as well as the technical training offered by the IMLP. University and farm visits were made as well as a meat packing plant. The China trip was concluded with a week long Ag China Expo in Shanghai. The IMLP booth was the only educational and technical training booth at the Expo. Several hundred people visited the booth and discussed our programs.

Results: The major stumbling block to dealing with China at the present time seems to be money. They would like to barter for training but everything moves at a very slow pace in international trade and it may be some time before any fruitful negotiations take place.

D. Visiting Teams

There are various commodity groups visiting KSU and their related international programs, IGP, International Agriculture, and IMLP.

The following groups were at Manhattan and hosted in part by IMLP.

USFGC - Taiwan Beef Study Team

Hungarian Livestock and Grain Team

Taiwan Sugar Corporation

Japanese Feed Industry Group

Portuguese Sorghum Team

Belgium Feed Industry Reps

Shanxi, China, Industry and Development Team

Japanese Alcohol Association

E. Special Activities

The IMLP has been designated as one of two official contact sources for the export of dairy cattle from Kansas. The other source being the State Board of Agriculture - Marketing Division. Various dairy producers have been listed in the IMLP files and contacts with all likely foreign attaches have been notified. Presently the IMLP is putting together numbers and submitting a price list to an importer from Peru. IMLP has also contacted U.S. dairy exporters and have offered our list for their use in dairy export transactions.

IMLP is now working with Dr. Sanchez, Coordinator of Research-Northern Zone, to put together a meaningful program for the International Livestock Symposium in Chihuahua.

IMLP has contacted all banks cooperating with the GSM 102 Loan Guarantee Program for exporting agricultural products. These banks were contacted in regard to including the IMLP program in the financing of agricultural loans. The IMLP could help in the training of people to work with livestock and livestock products and at the same time help with the selection process of the desired commodity.

F. Mexican Tour

The International Meat and Livestock Program was asked to be a part of the International Livestock Symposium and Beef Cattle Show in Chihuahua, Mexico. The IMLP provided two speakers for the symposium which dealt with mineral and range nutrition plus international training. Dr. Bob Cochran, KSU Assistant Professor of Range Management and Nutrition, and Dr. Bill V. Able, Associate Director of the IMLP, were the speakers for this program.

Dr. C. B. Ammerman and Dr. L. R. McDowell from the University of Florida presented papers on mineral nutrition and supplementation. Dr. Marcelo Perez and Dr. Mauricio Ferreiro, both from INIFAP-SARH, presented data from mineral research being done in Mexico. Dr. Diego Montemayor, IMC-Consolmex, S.A. presented data on the use of implants in grazing cattle.

The symposium was a huge success and was well attended. The people seem to be hungry for information and some of the students in attendance were asking for ways and means to get the research information to the producers.

There are numerous people wanting to do additional graduate work in the U.S. and are interested in the IMLP short courses. I am positive the IMLP will conduct another class this next summer for Mexican students.

In conjunction with this trip a visit was made to Hermosillo, State of Sonora, to discuss cattle problems with the Sonora Cattlemen's Association. In addition, we toured the Valmo Beef Slaughter Plant and feedlot.

The Sonora Cattlemen's Association is a very progressive group and have their own exposition center and provide a wide variety of services for their membership. They have an exposition in late April or May so their breeders can exhibit their cattle and have

sales. Joe Rickabaugh, KLA, and I discussed the possibility of having several bulls purchased and shipped from Kansas to be exhibited at their show. It is our plan to have the Sonora breeders come to Kansas for Cattlemans Day and the Kansas Beef Expo. The breeders could visit the Kansas ranches and select the bulls to be taken to Hermosillo. The breeders could also attend all the activities surrounding the shows and sales of the Beef Expo. This will be an excellent opportunity to show case our Kansas livestock.

An additional trip was made to Mexico City to visit with the people that were in charge of the Agency for International Development (AID) activities in Mexico, the Office of International Cooperation and Development (OICD) and Development Associates. These were very valuable contacts for the IMLP to become familiar with the people working with these programs and those selecting the students to come to KSU for further training.

Contacts were made with six of the nine Mexican students that were at KSU this past summer. These students were either already established leaders in the agricultural industry or the top students from the university system in Mexico. The feedback on the courses and their contacts in Kansas were very positive. I am sure good things are going to happen for Kansas producers as a result of this course.

IMLP has just received confirmation of a beef cow management short course for seven Taiwan Sugar Corporation (TSC) employees. The dates for the short course will be from April 6 until May 1, 1987. We will be including industry people in these training sessions because of TSC needs for livestock equipment and supplies.

The IMLP has requested a list of contact people for breeding cattle from each of the breed association in Kansas. Each association which responded to the IMLP request for information was included in the U.S. booth at the Chihuahua Livestock Exposition.

The many requests for dairy buyout information have been handled through the IMLP office. The two major areas of interests for dairy have been Mexico and South America. We are also looking into the possibility of shipping excess whey for milk replacers to Mexico.

Information concerning beef and pork products from Kansas have been forwarded to the purchasing agents in Japan and Taiwan.

Our Kansas producer of non-implanted beef that can compete with the EC market has been supplied with all of the inquiries concerning this product.

Federal Funds

Federal funds have been appropriated on a matching dollar for state dollar basis for the IMLP program. These funds are to be used for the development of export trade through the use of technological training and product development.

TABLE 1
Total and Per-Capita GNP Growth Rates

Region	1970-80		1980-93	
	Total	Per Capita	Total	Per Capita
	—percent—			
North Africa/Middle East	5.6	2.7	4.0	1.5
Sub-Saharan Africa	3.1	0.3	2.7	-0.5
EEC	2.9	2.5	2.5	2.2
Other Western Europe	3.3	2.5	3.0	2.5
USSR	4.8	3.9	3.3	2.5
Eastern Europe	4.6	3.9	3.1	2.5
South Asia	3.3	1.1	3.7	1.5
East Asia	7.8	5.7	5.8	4.0
Asian Centrally Planned	6.0	4.1	4.3	2.9
Oceania	4.2	2.5	4.0	2.5
Latin America	5.9	3.4	4.6	2.3
North America	3.6	2.5	3.5	2.7
World	4.3	2.4	3.6	1.9

TABLE 2
Historical and Projected Meat Per-Capita Consumption

Region	1969-71	1978-80	1993	Annual Average Change	
				1969-71 to 1978-80	1978-80 to 1993
	—kilograms—			—percent—	
North Africa/Middle East	14.6	18.5	28.1	2.7	3.0
Sub-Saharan Africa	14.7	14.4	13.4	-0.2	-0.5
EEC	69.4	81.2	86.3	1.8	0.4
Other Western Europe	48.1	63.7	75.2	3.2	1.2
USSR	51.3	59.9	70.7	1.7	1.2
Eastern Europe	59.7	79.9	91.0	3.3	0.9
South Asia	2.1	2.2	2.8	0.8	1.6
East Asia	10.6	14.4	24.8	3.5	3.9
Asian Centrally Planned	16.6	21.2	26.9	2.8	1.7
Oceania	103.0	108.8	114.5	0.6	0.4
Latin America	34.6	38.8	48.6	1.3	1.6
North America	104.3	114.2	117.5	1.0	0.2
World	28.3	31.8	34.9	1.3	0.7

Source: Historical data from FAO.

TABLE 3
Historical and Projected Milk Per-Capita Consumption

Region	1969-71	1978-80	1993	Annual Average Change	
				1969-71 to 1978-80	1978-80 to 1993
	—kilograms—			—percent—	
North Africa/Middle East	74.8	92.8	105.0	2.4	0.9
Sub-Saharan Africa	32.3	27.8	26.0	-1.6	-0.5
EEC	378.0	386.6	387.5	0.3	.0
Other Western Europe	269.4	278.7	289.6	0.4	0.3
USSR	333.6	363.7	371.0	1.0	0.1
Eastern Europe	299.7	337.6	360.4	1.3	0.5
South Asia	43.7	48.7	52.9	1.2	0.6
East Asia	16.2	19.9	22.8	2.3	1.0
Asian Centrally Planned	5.6	7.2	9.1	2.8	1.7
Oceania	344.1	290.4	311.0	-1.9	0.5
Latin America	94.8	102.0	117.0	0.8	1.0
North America	272.2	263.0	273.1	-0.4	0.3
World	108.0	107.1	103.6	-0.1	-0.2

Source: Historical data from FAO.

TABLE 4
Historical and Projected Cereals Per-Capita Consumption

Region	1969-71	1978-80	1993	Annual Average Change	
				1969-71 to 1978-80	1978-80 to 1993
	—kilograms—			—percent—	
North Africa/Middle East	309.8	357.8	359.1	1.6	.0
Sub-Saharan Africa	160.9	155.0	149.6	-0.4	-0.3
EEC	441.8	457.3	464.3	0.4	0.1
Other Western Europe	416.3	537.2	614.7	2.9	1.0
USSR	672.5	835.4	912.7	2.4	0.6
Eastern Europe	651.3	816.9	879.0	2.5	0.5
South Asia	214.4	213.2	218.1	-0.1	0.2
East Asia	261.5	290.4	333.4	1.2	1.0
Asian Centrally Planned	246.8	299.6	321.4	2.2	0.5
Oceania	321.0	389.6	526.0	2.2	2.2
Latin America	234.0	261.0	280.6	1.2	0.5
North America	858.8	807.0	881.8	-0.7	0.6
World	334.7	361.1	369.1	0.8	0.2

Source: Historical data from FAO.