

Oklahoma Agricultural Leadership Program

Class XVII

Scribe Notes

Seminar 5

January 28 - 30, 2015

“Regional Perspectives of Agriculture, Credit/Finance, and Agribusiness”

Wednesday Jan. 28

Scribe: Kristin Alsup

The day began, as most do, with the gathering of Class XVII into vehicles for traveling. The crew loaded a charter bus headed first to Enid, Oklahoma before eventually ending the tour day for the evening in Wichita, Kansas.

Upon arrival in Enid, we visited AdvancePierre Foods. We were met by Elaine Johns and then greeted by a panel of speakers: Earl Johnson from Safety, Bob Blanchard from Human Resources and Jeff Cromer from Quality. The conversation ranged from what the plant made and who they made it for to who was hired and how long they stayed.

AdvancePierre claims (and seems) to be a customer driven business who provides quality products to their customers while taking care of their clients. We learned about what kind of incidents are reportable and which are not, what kind of science it takes to prepare the food, and how products are tested.

I was surprised to learn that five of the ten AdvancePierre locations are in Enid. It is such a large supplier of jobs – and yet – in Oklahoma City it is something you hear very little about.

After tons of interesting questions about jobs, goals, and ways of achieving safety the tour began. AdvancePierre boasts a hallway with windows which overlooks the production lines. From our vantage point, one could see chicken nuggets in the shape of dinosaurs being produced from the end of the line all the way to the beginning. There were machines and people working in harmony to produce a safe and nutritious product.

When the tour was over, we headed to the Johnston Terminal Elevator. Being from farther east in the state, I previously wasn't intimate with the workings of a grain elevator and what it takes to run one. I was blown away by the quick science taking place inside – but the most amazing part to me was watching the inbound trucks glide away with the perfect idea of where to travel to release the load and get it stored. I was amazed by how much space there was to store grain – and yet none gets lost!

The buyout of the company and the discussion about the parent companies were also great lessons learned at this stop. Not only was it a learning experience about this region of Oklahoma, but also more about global food needs, export markets, and economics. Discussions about frac sand and the biggest problems faced at the elevator rounded out the session.

Class XVII then traveled to Tonkawa, Oklahoma and after changing into work clothes began this seminar's service project. We split into two smaller groups – one group went to help the city paint over graffiti at the city swimming pool while the other group painted walls at the local elementary school.

I was a member of the school painters and we helped with touch-up paint and painting hallways for a school who has been trying to complete the task for nearly two years. It was fun and rewarding to see how much our large group could get done in such a small amount of time.

We moved on to TS Fork which was – let me tell you – and experience I would enjoy repeating. TS Fork is part of a project taken on to build businesses in the small town area surrounding Tonkawa. The local bank created a business incubator program and TS Fork is a part of it. Class XVII crowded around tables and talked before a prix fixe menu. TS Fork is a farm-to-table restaurant open to the public for a single seating on Friday and Saturday nights promptly at 6:30 p.m. Five courses were served. From devilled eggs to cheese cake there were murmurs of delight throughout the room. My favorite part? The Vegas Strip Steak took the honors of number one in my book.

When dinner finished, the group loaded the charter bus and was off to Wichita to spend the night and begin a new day the following morning.

It was a wonderful experience filled with sights and explanations one couldn't find anywhere else.

Thursday Jan. 29

Scribe: Christy Combs

Cargill Innovations Center

Bill Thoni, Vice President of Cattle Procurement, began by announcing that 2015 is Cargill's 150th Anniversary. Cargill was founded in 1865. It has 79 business units in 65 countries worldwide and 1240 facilities around the world. The company has 142,000 employees and earns \$133.9 billion dollars in revenue. Cargill is headquartered in Minneapolis, Minnesota. It has grown to be one of the largest privately owned businesses with the Cargill and MacMillan families as majority shareholders.

Cargill's animal protein unit provides value-added meats for places such as Sonic and McDonalds. They also have a turkey business that produces cooked meats. They provide services in places such as Australia, China, Europe, and Latin America.

Bill Chandler, Risk Management Lead, spoke to the class about how nationwide access fuels customer relationships. Cargill has four feed yards that have a capacity to hold 300,000 head of beef cattle at any given time. Cargill's mission is to strive for the best in food safety, quality, and order accuracy. Customer satisfaction is based on making sure the product is clean, cold, correct, and on time. Brands include Genuine Texas Beef, Sterling Silver, Rumba (Latin American), Angus Pride and Preferred Angus. Cargill's focus evolves around five cornerstones; food safety, animal welfare, energy and environmental practices, community involvement, and people practices. It is important to be less defensive and more educational about what role agriculture plays in sustainability.

Casey Mabry, Strategic Supply Manager, told us that supply plants produce 6 million cattle per year and run 300 head per hour. Cargill has the ability to deliver a brand promise to the customer by Product Quality, Consistency in Supply, Forecasting and Predictability, and making sure they do business with the right partners in Animal Welfare, Food Safety and People who will listen and respond to the changing demands of the consumer.

Power Genetics – Holbrook, Nebraska

- Group of over 40 suppliers
- Direct communication to rancher
- Relationship began in 1996
- Access to 500,000 cows
- Cargill is the sole supplier of age and source cattle to specific brand in Japan

Friona Industries – Amarillo, Texas

- 4 feed yards
- 320,000 one time capacity
- Goal is to improve consistency in quality grade and brands of cattle in Friona Plant
- Cattle are sourced through network and grow suppliers

Mike Martin, Director of Communications, shared that Cargill Media Relations provides 15% revenue and 20% employment with 200 people in global affairs. It is important to have a defined reputation. The way people view and judge a company supports its efforts to grow. It gives it a license to operate. It is more important than ever to create a reputation to enhance what it is known for and stands for in the court of public opinion.

Megan Hobbs provided the class with a tour of the Cargill Innovations Center, showing us the pilot plant area and display cases where tests are conducted.

Ardent Mills

Natalie Gosh, Facility Manager

- Built in 1906 by Kansas Milling Co.
- Bought by Ross Milling and sold to Cargill in the 1970s
- 27,600 CWT Patent Flour used to make pizza dough, frozen pizza, tortillas and specialty products for pet food.
- Produce 11,000 pounds of aleurone flour per day
- The endosperm is ground down and made into flour
- Enriched flour is flour that has had nutrients added back to it such as vitamin B or calcium
- Bleached flour has benzoyl peroxide, 5 grams per 100 pounds and chlorine gas treatment in mill streams

Jared Davis, Quality Manager

Principals of Milling

- Clean the wheat
- Temper Conveyor – once clean add water @ set point 16.5% +/- and let it sit 14 to 24 hrs.
- Break rolls – open the kernels up
- Sizing rolls – receive corset endosperm stock from 1 Bk & 2 Bk sifters
- Reduction (middling rolls) – very little bran, miller grinds hard to reduce the endosperm down to 135 microns
- Sifters – eight sections each having up to 27 sieves
- Flour consistency = Crop year protein variations
- Protein content = 1/3 wheat variety + 2/3 environmental conditions for specific wheat field

The farmer determines what to plant each year which adds to the variations seen in wheat protein.

The class toured the mill under the leadership of Michael McElroy and Andy Wilcox.

National Cooperative Refinery Association

Dan Kliewer, NCRA Communication Specialist, and Rafe Foster, Training Coordinator

- 1000 contractors on sight but working toward 3000 contractors
- Ability to store 4 million barrels of gasoline in the ground
- Main oil supply comes from Cushing, Oklahoma
- Produce 87,000 barrels per day
- Goal by September 2015 is to produce at least 100,000 barrels per day
- Future goal is to convert gas feeds to diesel feeds

The class then loaded on a bus and toured the refinery and the lab. In the lab the class was shown how raw oil is converted into fuel by Darrell Colaw, Chief Chemist.

American Ag Credit

Greg Reno, Regional Vice President – Heartland Region

Total Farm Credit volume in Oklahoma is \$1.95 billion.

Vision - Be the leader in delivering financial services that provide unsurpassed customer value.

Mission - A borrower owned financial institution whose primary mission is to service American Ag by providing loans and related services to eligible individuals and entities.

American Ag Credit is the 7th largest Farm Credit Association and has \$6.5 billion in total assets. It has \$1.4 billion in permanent capital with 21% permanent capital ratio. There are over 7100 member owners and is governed by a 20 member board. Dennis Williams is the Oklahoma Director. American Ag Credit is the most highly diversified Farm Credit Association with over 450 employees and has a strong cash patronage program.

The class toured the building before eating a delicious Italian meal. Then we headed to Kansas City.

Friday Jan. 30

Scribe: Jared Grissom

Our first stop was the **Kansas City Federal Reserve Bank**. We were greeted by Chuck Mehrer who is their Network Engineer. He also does tours at least once a month. Chuck has been with the Federal Reserve since 1981. He talked about the old building and where it was located. Then he talked about their new building. They have been at this new location since 2008. He walked us through the Truman coin collection. The collection brings together nearly one coin of each denomination issued by the U.S. Mint. After that, he took us back and showed us where they sort the money that comes in from other banks. The old and worn bills are destroyed – approximately 4 to 5 million is destroyed every day. The money is transported from vault to vault using three robots named Huey, Dewey, and Louie.

Our second stop was in Olathe, Kansas at the **John Deere Agricultural Marketing Center**. We had an open panel discussion. Todd Love (Class XV) is the Territory Sales Manager from Tulsa, Oklahoma. He introduced us to the panel and they talked about what areas of the United States and Canada they cover. They spoke to us about who they are and what jobs they all did at Deere. Greg Laudick talked to us about product support and what John Deere is doing to keep up with all the changes that are going on. He spoke about JDlink. The JDlink connects the tractor to the dealer to let the dealer know what is going on with their customer's tractor, so they can stop a problem before something happens.

Our third stop was in Wichita, Kansas at **John Deere Region 4, North American Training Center**, with Aaron Vancil. Aaron is one of the instructors there. He took us on a tour of their facilities. He said that they mainly teach Parts and Service to John Deere dealers. The instructors teach about 10 classes per year. They try to keep around \$4 million of inventory, ranging from lawn and garden to combines, so they are able to have hands-on training. They are doing an IDT (Integrated Distance Training) which is a classroom over the internet that helps dealers get more of their people trained and they do not have to travel.