

CLASS V TOUR TO AUSTRALIA AND NEW ZEALAND (2001)

Monday and Tuesday, March 12 and 13

Scribe - Betty Johnson



Monday, March 12, twenty KARL Class V members arrived at Kansas City Airport. Joining the class were Jack Lindquist, executive director of KARL, his wife, Lindy, and board member Ken Wood, Chapman. A quick plane ride to Denver, CO provided a layover where a nine more Class V members and board member Gary Cotterill, Cherryvale and his wife, Marie joined the group for our international seminar.

KARL Class V members, minus one, arrived in Los Angeles, CA with excitement growing. The long plane ride was near its end and we all wondered if we were ready to sit the next 14 plus hours on the flight over the Pacific Ocean, crossing the international dateline, to eventually land in Sydney, Australia.

As we were preparing to board Air New Zealand, the final Class V member, Andrew Howell arrived at the gate and joined us in the boarding process. The group would be complete for the long awaited trip.

We were fortunate the Boeing 747 was not crowded and that the ride was fairly calm and uneventful. We crossed the international dateline and lost an entire day - my, time really does fly. We landed at Sydney at 6 a.m. on Wednesday, March 14 to start the day and our international experience.

Wednesday, March 14, 2001 - Bob Watson, Scribe

After a 14 hour flight, we touched down in Sydney just after 6:00 a.m. After retrieving our luggage and clearing customs we were met by Agritours tour Manager Stuart Allardice and Coach Captain Geoff Phillips. Since we could not check into our hotel until after 10:30, we took a bus tour of the Sydney area with a stop at Bondi beach for some much needed coffee and snacks. We also viewed the harbor area including the famous Sydney Opera House and the Sydney Harbor Bridge.



Once we arrived at our hotel, after a fast shower, we took advantage of a free afternoon to explore Sydney and do some shopping. Many Aussie hats and boots were bought for the coming week.

We met at the wharf at 5:30 and took a water taxi out to a yacht, the Kokomo, belonging to Dick Honan. Mr. Honan is one of Australia's largest flour millers and owns Manildra Milling. Our host was Peter Simpson, the General Manager of the Manilda Group. We spent a beautiful evening cruising Sydney Harbor and learning more about Australia.

Thursday March 15 2001 Scribe: Jeff Varner



The day started with a 4:45 AM wake up call. Our tour guide, Stuart Allardice, said " seeing how this was a farm group that he just figures as farmers we were use to getting up early". He was quickly informed differently by some in the group.

With the early departure we were off to the Flemington Markets in Sydney. The market is a fresh fruit and flower wholesale market place. It covers an area equal to 100 acres, and was started in 1975 by the Government at a cost of around 49 million dollars. In 1991 it was sold and is now run privately. More than 1.5 billions worth of trades are reported annually. Total trading might be much more as we were told there is often a price with GST (Goods and Services Tax) included and a cash price.

One area inside the market is where many of the 20,000 growers sell other produce directly off the truck they hauled it in on. Helping to control disease and pest in this area, everything is removed from the building and the whole area is hosed down everyday. In another building there are more permanent agents or marketers. They either sell produce for local growers or have the ability to ship in most any fresh produce needed or wanted. Bananas are in a building of their own. The 18 banana marketers have the capability to ripen the bananas as quickly as they are needed. Another area is where cat flowers are brought in and sold. The top three buyers

Friday, March, 16, 2001 - Jon Traylor, Scribe

This day, KARL Class V participants had the pleasure of participating in the International Leadership Alumni Conference (ILAC), held at the Chifley on Northbourne Hotel in Canberra, NSW, Australia. Other graduates of similar civic leadership groups from throughout North America and across the world were gathered to garner a full day's worth of a "Who's Who panel

of speakers representing various organizations and leadership and government bodies in Australia.

After a fabulous buffet style breakfast in the hotel, participants were welcomed to the conference by Ms. Fran Freeman, Product Manager, Agricultural Trade Reform, of the Australian Bureau of Agriculture and Resource Economics. She then introduced the local Ngunnawal Elder, Ms. Matilda House, who in turn welcomed us and offered an overview of the day's activities. Most in our group found it interesting and warming that homage and respect was always paid to the local elders who were representative of the natives in the region. (Speakers publicly pay respects to the ancestral owners of the land.) Ms. House then introduced our opening speaker, The Honorable Hon John Anderson, Deputy Prime Minister of Australia, and Minister of Transport and Regional Services in Australia (Equivalent of our U.S. Vice President in the Australian Parliament form of government).



Mr. Anderson's presentation focused on the Australian approach to international trade in agriculture and future directions of such in Australia. He spoke of the greatest environment concern in Australia being rising salinity problems and water quality. Long term water management is a major issue in the country. He also spoke in regards to Australia being the "Supermarket to Asia" -- not only a popular marketing term, but also the name of the important Agricultural Trade Council in Australia. He spoke of how when he had met with agricultural leaders from the U.S., Canada, Europe, and Japan, he realized that "producers in all countries struggle with most of the same issues -- interest rates, inflation, production costs, commodity prices, etc." He further commented that what he realized was that what we all struggle with is technological changes in our environment.

Mr. Mike Taylor, Secretary of the Department of Agriculture's Fisheries and Forestry Departments, took the podium next to address Australian agriculture's current status and future prospects. He explained that 2/3 of the country's Ag production is exported. He reflected the Ag market in their country as being that of a domestic marketing environment -- reduced protection, reduced subsidies, emphasis on self-reliance, and more customer focused (as compared to supply driven marketing). He stressed that the Australian objective "is to best/most efficient producers in the world." He continued to explain that technical development, education and Ag skills development is a strong role of the government and many of it's programs. Their government's Ag Extension services function much like our university affiliated programs such as K-State's Ag Extension Service. He also explained the 60% of Australia's land is managed by farmers. He further reinforced the need for continued efforts in Landcare and water programs to protect their resources, and he said they were learning a lot from the Americans in this regard. He finished his lecture by explaining the sound Quality Assurance programs that exist in the country and how such programs are very market/customer driven.

Mr. Allan McKinnon then spoke on Australia's approach to international trade negotiations, particularly agriculture. He is the Assistant Secretary, Agriculture Branch, Department of Foreign Affairs and Trade. He explained that due to a smaller industrial base, Australia simply can not afford subsidy programs for its producers. He provided a brief overview of why Australia can't offer subsidies, as well as history of government assistance to producers. He also explained why they push foreign trade so hard. His remarks regarding farm subsidies drew many gasps from the audience. He said, "In Australia, we feel a farm subsidy program is the equivalent of adding two new Mercedes cars to your collection per year." No comment needed here.

Mr. Graham Blight, President of the International Federation of Agricultural Producers then discussed future trade in agriculture. He thinks that the rich of the world must be willing and able to develop a conscience about the not so rich/developing world -- and begin to look for ways to market and supply these people/areas. He thinks this philosophy is what came out as good from the WTO talks in Seattle last year. He stressed that Australians and others must plan out world trade over the next 15-20 years. His comment, "the rich of the world normally always just trade with the rich of the world -- the real opportunities lie in figuring out how to trade with the developing world!" was met with enthusiasm by many in attendance. The developing world is obviously where the major population growth lies, but not where the money is. The issue, according to Blight, is this: when the big boys unite to distort world markets, then smaller players like Australian farmers suffer. He also added, "If subsidies were so good to farmers, why are not all farmers rich?... The bankers are the ones who really benefit from subsidies.... If subsidies were good, why do 10% of farmers in the U.S. produce 90% of all Ag commodities produced in the states? Subsidies just produce more costs."

Mr. Graham Pearman, Chief, Division of Atmospheric Research for CSIRO then offered an intriguing presentation on global warming... a presentation that argued, "How good is the science?" he was followed by Dr. Brian Fisher, Executive Director of Australia's Bureau of Agriculture and Resource Economics. He explained the state of international climate change negotiations. And then Dr. Warwick McKibbin, Professor of Economics, Asia Pacific School of Economics and Management & Research School of Pacific and Asian Studies at Australian National University explained why the Kyoto Protocol was so difficult to implement. The basic

idea of the Kyoto Protocol is to fix the price of carbon for 10 years at a time. He suggested that what is needed is a policy that is coordinated across a wide range of countries and peoples, a higher and known price for carbon that is the same across the globe. In order for it to be adopted, a market based solution founded on domestic institutions that can be flexible enough to adapt to all is necessary.

Randy Zeitner, Agricultural Counselor with the American Embassy in Australia then reflected on Australian approaches to rural issues and leadership. He explained the struggles that Australia is experiencing in their quest for reconciliation with the indigenous people of the country.

Australia is struggling to figure a way to offer a formal and needed and official apology to the natives of the land. He explained that the questions of racism in their country are very similar to racial issues in the southern U.S. in the 1960's. Senator Arlen Ridgeway then spoke in regards to social justice issues for the indigenous people of Australia. The Honorable Fred Chaney, AO, Deputy President of the National Native Title Tribunal then discussed native title issues in Australia. Until 1992, there was no reconciliation of any sort of indigenous owned/settled land.

Although there was formal recognition of natives, there was never any land given back to them that was taken. He explained that the goal of native title is to fairly and justly integrate all peoples together.

Next on the agenda was Ms. Jackie Huggins, Deputy Director, Aboriginal Studies Unit, University of Queensland and Board Member of Reconciliation Australia. With Aboriginal ancestry, she offered a passionate look towards the future of reconciliation in the country. She explained that Aboriginal people and non-Aboriginal people in the country have never forged any type of agreement or treaty or reconciliation. She also explained that the vast majority of Australians do not know any history of their ancestry because they were never formally taught anything about their ancestry as natives. She said that the reconciliation process the last ten years had at least created a dialogue that had never existed before.

What was intriguing about these last two hours was that we saw that challenges that face our rural communities in Kansas are also the same challenges (for the most part) that are affecting rural communities across Australia. Young people in small towns in Australia are leaving for the major cities and not returning. Small towns are drying up there, too. Of the 19 million people who inhabit the entire continent of Australia, almost two-thirds of them live in the major cities such as Sydney, Brisbane, Melbourne, etc. Therefore, the rest of the country is extremely rural.



We then ended our day with a reception, dinner and program at Australia's Parliament House (equivalent of our U.S. Capitol in Washington, D.C.). The ILAC Gala Dinner featured a reception for class members, a superb first class meal, and an awesome presentation by the Honorable Minister of Agriculture for Australia. Following the program the class retired to the hotel.

March 17, 2001 Scribe, Brock J. Thurman

Happy St. Patrick's Day! The morning started really well, Marieta found her bag and we had a wonderful breakfast at the hotel. But the day quickly took a turn for the worse when Jack informed me that today was my day to scribe.

Jack passed out Shamrock stickers in the spirit of the day and then we started the day with a brief bus tour of Canberra, Australia's "Capital" city. We drove by many sights and went to the top of Mt. Ainsley (great view from up there). On the way up, we saw the first wild kangaroos of the trip. When we came down the mountain we drove right up next to Australia's version of our Pentagon. There was not any security or fences at all anywhere around the building. After this we drove by the War Memorial Building, which was the old Parliament building, for some walk

around sightseeing. After the war memorial, we drove by several of the embassies. It was noted that the American Embassy had a 3-foot concrete anti-tank wall around its perimeter and very few of the other embassies had any fences at all (paranoia?). We stopped at Regatta Point for a brief pit stop and to unload a little money on souvenirs.



We settled in for a 2-½ hour bus ride to our noon meal stop in Wagga Wagga. We ate at Happy Jacks; we call it Burger King in America. The value meals were 3-5 dollars Aus which is about \$1.50-\$2.25 US (that's value). A medium ice cream cost only thirty cents US.

We arrived at Rockdale Feedyard around 3:30pm and met Bob Lee (from Garden City) and Pete Paradise, the feedyard manager. We were not allowed to get near any of the cattle pens for fear of the Foot and Mouth Disease so we toured the yard on the bus. This operation is owned by a Japanese meat company and fully integrated from the time they purchase only quality steers (preferably black baldies around 800 pounds) and slaughter them (around 1500 pounds) in a company owned packing plant which is located on the feedyard site. Pete noted that they lost a little efficiency feeding to such high weights but that is what the Japanese want, so that is what they deliver.



The Japanese like to play golf and like to have green grass around the edges of the feedyard. So, they have to irrigate the grass and they decided to build a golf course on site, as well. We stopped at the course and were able to leave the bus for a visit with Bob Lee on some of the differences between the US beef industry and the Australian industry. Two key things popped out: 1) the Australian's have mandated individual ID tags on every beef animal which transfers ownership; 2) the Australian's do not believe in feeding every beef animal and grass feed the lower quality animals.

After the feedyard tour, we traveled back to Narandera to meet our farm host families and have dinner sponsored by the feedyard and Bob Lee. We split up in groups of 2-4 and spent the night on the several different farms. The next morning, most small groups were able to tour the farms of the respective families and were treated to many diverse farm operations.

Most of these farms utilize some flood irrigation from the Murrumbidgee River Irrigation District. Grain crops included rice, wheat, barley, triticale, corn, canola for the most part. Many farms ran some cattle and all of them had sheep (it may be a requirement). One farm ran a piggery and another raised four different types of fish in their irrigation lagoons. There were a few farms that raise fruit and forestry trees. It seemed that one of the advantages they may have over the US is access to capital.

These farm families have many of the same concerns as farm families in the US - i.e., declining population, low commodity prices, increasing cost of production, health care, quality of education, and continuation of the family farm. We were all treated to home cooked meals for Sunday dinner at each home. The tremendous hospitality gave all of us the feeling we had made new friends in our farm families after only a short visit.

Sunday, March 18 - Bill Spiegel



There were many stories to share as Class V members gathered at a park in Narrandera, and shared farm visits. Members were treated to true Australian hospitality and were fortunate to learn that farmers in Australia are not that much different than Kansas farmers. We share in common a love for the land, a free-spirited feeling that comes with being one's own boss and yet, frustration at low commodity prices.

We departed Narrandera, enroute to Echuca. In doing so, we passed through vast expanses of range, home to thousands of cattle and sheep. Very little crop production takes place in this area of New South Wales; salinity has been a problem for farmers in the region. The area is reminiscent of the northern Plains of Colorado in its vastness - wide-open and flat.

Some class members observed that there are very few large pickup trucks like we would see on farms in Kansas. Farmers do not use trailers to move their stock; we learned that along many highways, a 20-yard or so right-of-way has been left untouched so that farmers and ranchers can move sheep and cattle from paddock to paddock. Stock may be moved from 20 to 30 kilometers this way.

The closer we got to Echuca, on the southern edge of the state of New South Wales, the more we could see that rice is a major part of the economy. This area is the largest rice-growing region in Australia. Irrigation has allowed this to happen; without irrigation, the area would be sheep pasture at best, we were told.

Class members had time to explore downtown Echuca. Like most Australian communities that we saw, downtown was thriving. Nearly every building had an occupant. Shops were well-kept and the streets were clean. One KARL member commented, "this must have been what America was like at its finest." A sense of community and pride was evident in Echuca, and other communities, too.

Echuca, right on the border of the states of New South Wales and Victoria, was once Australia's largest inland river port. Large steamboats shipped wool and wheat from the area's farmers, down the Murray River, to ocean-side ports. The Murray River is 1,600 miles long and serves as Australia's largest source of drinking water. Combined with its tributary, the Darling River, the Murray River Basin serves as the drainage basin for 14% of Australia.

To celebrate Echuca's proud tradition as a shipping community, KARL Class V enjoyed dinner on the riverboat MV Mary Ann. A diesel-powered, double deck riverboat, the Mary Ann resembles the paddle wheel steamboats that once hauled commodities up and down the Murray River.

Monday, March 19, 2001 - Scribe, Fred Severance

Echuca/Geelong

After an 8:00 am departure from Echuca, the group made a short stop in Bendigo, a historic gold mining center. In later days, however, the town has become known as a wine and cider production center, with a growing granite quarrying industry. In Bendigo we met Rob Youl, our traveling companion for the next two days. Rob is with Landcare Australia, a group devoted to soil and water conservation in rural Australia. Rob works primarily in the state of Victoria, where he is in project development. After a short tour of the city's historical and commercial offerings, the bus departed for Werribee.

Werribee is the site of an unusual wastewater treatment complex. In a departure from conventional treatment, effluent flowing into the Werribee complex is aerated in large lagoons on the site. After aeration, the wastewater is pumped into large grass filtration areas, where solids settle out and are broken down by microorganisms. The purified water is used to irrigate large grass paddocks. Cattle are then grazed on those paddocks, eventually to be sold as breeding stock. The site encompasses a total of 30,000 hectares and treats 181,404 megaliters (million liters) per year.

The group proceeded to Geelong, home of Marcus Oldham College. After lunch, Greg Brinsmead, Principal of the college, spoke about the history and purposes of the college. Marcus Oldham was founded as the result of a bequest from a local farmer and visionary who saw a need for the education of young men in the state of Victoria. That bequest was eventually used as a springboard to launch the college. 105 students are currently registered with the school.

Students at Marcus Oldham pursue one of three courses of study: a one-year Equine course based on either Racing and Breeding or Equestrian areas, a one-year course in Agricultural Business Management, or a four-year program that will result in the award of a Bachelor's of Agricultural Management degree.

Mr. Brinsmead said that agriculture in Australia today is desperately short of trained managers. One of the largest goals of the college is to develop professionals in agriculture and the horse industry. Agriculture is the fastest-growing job segment in Australia, offering high pay and job security to young people who wish to take part. Because Australia has the higher percentage of its population living in urban areas than any other country, agriculture is often quite misunderstood and has developed a poor image. Marcus Oldham turns out well-trained, competent professionals that will not only be good managers, but will help to bridge the gap between country and city, helping to clear up misconceptions about farm life and practices.

Students come to the college from around the world. 30% come from Victoria, while the remainder come from outside of the state. The \$21,000 AU per year fees includes food, lodging, tuition, fees, and books. The library has 24-hour a day access, and there are many opportunities for travel and unconventional study. The college has a 200-hectare farm that is rented to local farmers.

After a short tour of the area and check-in at palatial lodgings, the group returned to Marcus Oldham for dinner, where we were hosted by members of the senior class of the Agricultural Management degree program. On a personal note, it was quite refreshing to find these young men so excited about agriculture and their role as leaders in the industry. Many of them had been to the United States, or have plans to visit in the near future. It was also a little unnerving to know that American farmers and managers will be in competition with such well trained individuals.

The group retired to prepare for the next day.

Tuesday, March 20, 2001...Scribe: John Schlageck Plains and Werribee Catchment

Last day in Australia with stops at Murdeduke Estate, Barunah

On the last day of our stay in Australia, we departed Geelong and headed inland toward Murdeduke Estate. At this stop and the next, Barunah Plains, our KARL V class saw two prime examples of how Australian farmers and ranchers have devised methods to add to their farm income by incorporating tourist attractions.

Our first stop at Murdeduke Estate included tea at the three-story mansion. Quarried from volcanic rock on the property, the 80 squares (each square is 10 feet by 10 feet) home contained 14 bedrooms and was built in 1875. Visitors from all over the world have visited the home of Bruce and Judy Wilson. The home is located on 2.5 acres complete with gardens.

When we entered the property, Bruce hopped on our bus and served as our tour guide during the next couple hours.

"Good Morning, welcome to our little part of Australia," Bruce said in greeting our KARL class. "Like all farmers, my life starts with the soil," he said pointing out at the flat landscape. "Our soils are not very deep. They are eluvial and that gives us an advantage. Average rainfall is about 21 inches but we've received about 70 percent of that during the last four years."

Bruce's father bought the property in 1938. While the Wilson farm began primarily as a wool station, field crops are an integral part of today's operation. Cropland consists of 6,000 acres, mainly canola, barley and wheat.

Livestock include 5,000 sheep, 300 head of breeding cows and a 1,600 head-breeding sow, outdoor "piggery."

Like most U.S. farmers, Bruce explains that his operation seems to be expanding all the time.

"The modern family farm here gets more and more expensive and we have to run over more and more acres each year to remain viable," the Victorian farmer said.

At the moment (mid-March 2001) the beef industry is experiencing "a reasonably buoyant time," according to Bruce. He'd just attended a stock producer sale the day before where bulls averaged nearly \$3,000 Australian. The prize bull sold for \$26,000. Quite satisfactory, according to Bruce, but...

"Pretty cheap to you people, eh?" he chuckled.

A company called Pastoral Pork owns the pig operation. Bruce serves as a director and investor.

Sows are bred and housed outdoors and pigs are weaned at 21 days and shipped elsewhere to be fattened. Much of the grain on Murdeduke Estate is used to feed the hogs.



After departing the Wilsons, our next stop took us to Barunah Plains. Located on the Hamilton Highway about one and one half hours west of Melbourne, this station that was once the largest sheep station in Victoria and included 54,000 acres grazing more than 50,000 sheep.

In recounting the history of this famous sheep station, owners Joan and Graham Mills said Barunah Plains mirrors the development of the pastoral industry from the beginning of European settlements in Australia.

"We have blood lines from the original merino stud that date back to the 1840s," Graham told the KARL V class. "We graze cattle, grow cereal crops and shear fine merino wool from 10,000 sheep."

While Barunah Plains was developed exclusively as an agricultural enterprise, today it incorporates a tourism industry that features tours through the original 140 square, 33-room mansion complete with its own nine-hole golf course. Dating from the late 1850s, the house is set in a three-hectare formal English garden.

One of the most interesting features of the mansion is a billiard room featuring a cedar ceiling. Minnesota Fats would have gladly given any one of his famous cue sticks or several cases of bourbon just to have enjoyed an opportunity to shoot a game in this spacious pool parlor.

In addition to the homestead there are also numerous outbuildings made of bluestone quarried from the property. They comprise an old coach house and stables, implement shed, large 20-stand woolshed, bake house, store manager's residence and ram shed.

Joan and Graham converted the old shearers' quarters into a small conference center and a residential area. Forty-three guests can comfortably occupy the center.

The KARL V class enjoyed a delicious meal consisting of lamb sausage, sour cream and chives, hard bread, mixed salad and fresh fruit at lunchtime.

While conversing during the superb luncheon, Madam Betty Johnson and Sir Bob Watson engaged in a bit of delightful conversation about some sort of "get together." There was plenty of chatting and jocularly among all those at the table concerning this little incident. All had a good time.

Upon departing Barunah Plains we headed for Werribee Catchment, one of Victoria's worst land degradation problems located within 50 kilometers of central Melbourne. Once we arrived at Werribee, we looked down upon a valley that could have passed for a lunar landscape. The sides of the valley were severely scarred where early European settlers destroyed the native

Wednesday, March 21, 2001 Scribe: Amy Roeder

We arrived in Christchurch, New Zealand shortly after midnight Wednesday morning. After getting a short night's sleep, we enjoyed a sightseeing tour of Christchurch in the morning then were on our way to the Canterbury Plains.

New Zealand has a population of approximately 3.8 million, which is predominantly New Zealand European. The indigenous Maori represent approximately 14.5% of the population. New Zealand has a central government system.

New Zealand had high farm subsidies in the 1970's. In 1984 farm subsidies were wiped out virtually overnight when the labor party came into power. Only 1% of the farmers left the industry as a result of the subsidies ending.

We traveled to Bob Simpson's intensive livestock breeding/finishing and cropping farm near Ashburton. This part of New Zealand is in the middle of the worst drought since 1972-1973. Most of Mr. Simpson's farm is irrigated. They must apply for water permits, but their restrictions on the water are "whatever you can pump."



Mr. Simpson grows wheat, which is not harvested. He sells wheat silage to area dairy farmers. He sells lambs to the British market. He breeds and designs his herd to meet market needs. His focus is on live weight gain.

Mr. Simpson is very tuned into the market and is a very astute marketer. He watches trends, trying to find new, growing trends, produce it, and watches the market in order to get out before the market is flooded. He has grown carrots for the Japanese, Primrose for the Asians, and harvests velvet from his deer herd for Korea.

Bob visited with us about how New Zealand farmers have formed cooperatives. The farmers "own" the industries. Mr. Simpson runs his farm as a business with the focus on the bottom line profit, while at the same time ensuring that the land resource in the soils and their structure and fertility levels are maintained, if not improved from the year before.

The livestock production systems are very market oriented and focus on his customers' needs and requirements. He is very focused on developing and growing closer relationships with both his suppliers and immediate customers. The cropping program was also focused on delivering specific customer needs.

After visiting with Bob Simpson, we traveled on to tour the 5 Star Beef Feed Yard. This 15,000 head capacity feed yard was built in 1991. It borders the Pacific Ocean. The Japanese company, Itohan has a 50% interest in the feed yard which markets entirely to Japan.

5 Star buys cattle that meet the Japanese market requirements. The feed yard contracts with cow/calf producers from the South Island that meet their specifications for specific time periods. They buy steers at 6 months of age and do not use hormones or GMO feed. The lot only feeds steers that have been castrated, not banded. All cattle are identity preserved.

Seventy-five percent of the cattle are fed under the "long fed" program, which is 250 days on feed. They use Angus cattle for the long fed program. The balance of the cattle on feed are mid fed (150 days) and short fed (100 days). They use Angus cattle on the mid fed program and Hereford for the short fed program.

When asked about feeding efficiencies after 180 days, the manager stated that essentially all efficiencies are gone after 180 days on feed. He added that the long fed program is what the Japanese want and pay for.

The Japanese grading system consists of BMS (beef marbling score), BCS (beef color score), and BFS (beef fat score). The BMS has a score of 1 through 12. The BCS and BFS both have scores of 1 through 7. The feed yard consistently scores number 3 in all three areas.

The feed yard has little dust or fly problems due to the proximity to the ocean. This translates to few respiratory problems. They have zero tolerance for environmental problems. They must keep effluent out of the ocean. They have several settling basins, which are pumped up, to area farms.

After our visit to the feed yard, we traveled on to Methven to meet our farmstay hosts and transferred to their homes to spend the night with our hosts and tour their farms.

Thursday, March 22, 2001 - Scribe: Dollie Mathes

The morning began with everyone waking in his or her farm-stay hosts' homes and enjoying a wonderful breakfast as well as a beautiful clear morning. The visit was again much too short as everyone found their hosts very hospitable and there was much more to be learned from the native Kiwis. As we gathered in Methven, everyone was sad to see the farm visits end, but boarded the bus knowing that many would still continue their visits when they returned to America, whether it be by e-mail, snail mail or telephone.



The next few hours were spent traveling to Scargill in North Canterbury where we would stop at the farm of Andrew and Janet Fox and their sons, George, James and Tim. Since it was a school day, George was not at home during our visit. That was too bad, because James and Tim received a lot of attention from many homesick dads (and moms, too). Their farm had been in the family for over 125 years. They raised mainly sheep that were Suffolk and Merino cross. The sheep produced a fine wool that was used in wool jersey suits. It would usually take two breedings before the getting the quality they wanted in wool production. Andrew pointed out that he had no equipment and contracted out any machinery work that needed to be done. In addition, due to not having a lot of extra help around the farm, he relied a lot on his dogs to help in handling the sheep. He demonstrated this to the group, as he used voice commands for one dog and a series of whistle commands for the other dog that he usually sent up into the hills to bring the flock in to the lot or barn.



We then walked back up the hillside to the farm house, tucked back into the trees that overlooked a gorgeous green valley. What a view! Before the meal, everyone enjoyed a glass of cold water and a wonderful drink called 'Foxdown Lemon Drink'. We enjoyed a wonderful meal of Lamb, homemade bread, coleslaw, lettuce salad, new potatoes, and a mouthwatering lemon dessert, known as 'Lemon Slice'. Recipes to follow.



Since Andrew was a Kellogg Rural Leadership Graduate, he shared some of the things he still refers to in decision making. As part of their study, they were encouraged to develop 10 business goals and 10 personal goals.

Collecting a variety of farm and automobile related items was evident in his shed, which he opened for our viewing before boarding the bus. He also has an interest in old cars such as his 1939 Studebaker and a 1956 Oldsmobile. He also has a Rolls Royce, which he rents out for special occasions.

Andrew is also a director of PPCS (One of New Zealand's largest meat companies). We then boarded the bus and headed down the road to Picton for a ferry ride across Cook Strait to Wellington on the North Island.

On the way, we made a brief stop at Kaikoura for a rest stop and some quick pictures of the ocean and beach. Much of the route was along the ocean so whale and sea otter watching became the past time. We, also saw a lot of beautiful scenery as the bus made up for lost time (we aren't sure where we lost it) in order for us to make the 6:30 p.m. departure time of the fast ferry, the Lynx. And we sailed off into the sunset, or was that away from the sunset into the darkness of a two and a half-hour ride across Cook Strait to Wellington. Some of the group spent time on the deck watching for the space station, Mir, to fall to earth. It had been reported to be dropping into

the ocean near New Zealand this particular night. (It finally did come down in the ocean only the next day, late afternoon.)

We arrived around 9 p.m. at the Quality Inn, Oriental Bay, Wellington. Some of the group was able to meet up with a few of the alumni that we had met in Canberra, Australia from the Leadership Alumni Conference.

Recipes follow.....

From Janet Fox, Amberley RD3, North Canterbury, New Zealand

Foxdown Lemon Drink

8 cups of Sugar

6-8 lemons – rind and juice

1 oz. Citric acid

1 oz. Tartaric acid

1 oz. Epsom salts

Foxdown Lemon Slice

Base: 1 stick of butter

$\frac{3}{4}$ C. (1/2 can) sweetened condensed milk

1 C. coconut

Grated rind from 1 or 2 lemons (or choose other citrus fruit such as orange, tangerine, mandarin orange, or tangelo)

1 7oz. package of wine biscuit (a plain sweet biscuit or cookie)

Icing: 1 C. icing sugar (powdered sugar)

2 Tbsp. Soft butter

Lemon juice (or choice of citrus juice)

Melt Butter. Add sweetened condensed milk, coconut, grated rind and the crumbs made from the biscuits to the butter in a mixing bowl. Mix well, press into a lightly greased rectangular dish. Mixture does not need to fill the dish, but may be pressed to desired depth. Mix icing sugar with soft butter, add a few drops of juice at a time to get spreading consistency. Refrigerate.



Friday, March 23, 2001 - Scribe: Lee Masenthin

Our first meeting this day was at the U.S. Embassy in Wellington, New Zealand with Phil Wall, Charge de' Affairs, and David Young, Agricultural Attaché. With a population of only 4 million, New Zealand is highly dependent on exports. This is demonstrated by the fact that 1/3 of the world's dairy exports come from New Zealand and they had a \$500 million trade surplus in 1999. Therefore, New Zealand takes exception to tariffs and other trade restrictions imposed by the U.S. such as a 3-year tariff on lamb imports and restrictions on dairy imports. The legality of the lamb-import tariff is being debated before the WTO. New Zealand's argument against U.S. import restrictions for dairy is weakened somewhat by the fact that they maintain a dairy marketing board that holds a monopoly on all dairy exports. Also, New Zealand's unicameral Parliament is proposing mandatory labeling of foods containing genetically modified ingredients while the U.S. only supports voluntary labeling. New Zealand is also a "nuclear-free zone". This prevents our nuclear-powered naval vessels from making port visits. Because of this restriction,

the U.S. and New Zealand are no longer officially allies. Despite these differences between the two countries, both Mr. Wall and Mr. Young were quick to point out that our relations with New Zealand are extremely favorable and friendly.

Our next meeting was with Ronnie Horesh, a policy analyst with New Zealand's Ministry of Agriculture and Forestry. Mr. Horesh was advocating free market policies by citing New Zealand's success in switching from a highly regulated and subsidized agricultural economy to the world's most unsubsidized agricultural sector. In the early 1970's the United Kingdom, New Zealand's most important trading partner at that time, decided to join the EU. The UK's decision, when combined with the oil crisis, created economic havoc in New Zealand. To soften the blow from these economic issues, New Zealand employed a full range of price supports, input subsidies, tax subsidies, and export subsidies. By 1984, these programs had reduced entrepreneurial innovation, resourcefulness, and led to the government consuming a significant amount of the country's GDP. So, in 1985 the government removed price supports, wage supports, export assistance, and privatized many government functions. As a result, only 1% (approximately 800) of the farms went out of business, and land values eventually recovered from an initial 35-40% drop. Income levels have recovered, and farms are now more diversified as well as more market sensitive.

Next, we met with Alistair Polson, President of the Federated Farmers of New Zealand (FFNZ). The FFNZ is a lobbying organization that is New Zealand's equivalent to the American Farm Bureau. The FFNZ has a grass-roots structure that represents 60% of New Zealand's full-time farmers producing 75% of their country's agricultural products. Because 85% of their members' products are exported, free trade issues are central to the FFNZ's agenda. The FFNZ also lobbies for increased bio-security to keep New Zealand free of problems such as BSE and foot-and-mouth disease. To the surprise of some in the class, the FFNZ supported the agricultural deregulation during 1984, a position that resulted in the resignation of only two out of 15,000 members.

Andrew Stoeckel, Executive Director for the Centre for International Economics, based out of Canberra, Australia gave our final presentation for the day. Despite the rivalry between Australia and New Zealand, they work very closely in order to promote their mutual agenda of deregulating international trade. In fact, Mr. Stoeckel was in New Zealand working with Mr. Polson on strategies for trade negotiations. Mr. Stoeckel indicated that the WTO is fundamentally based on flawed principals. The WTO considers a country to have given a concession when it eliminates any subsidy, tariff, or agricultural support. However, that country will actually reap the economic benefits from eliminating these supports, and so it has not conceded anything. Rather, imports should be considered a fundamentally healthy for a country's economy. This is because imports only occur when dictated by economic forces that allow consumers to realize a better value and eventually focus their resources in more profitable areas. Mr. Stoeckel also indicated a degree of frustration that outside of Australia's and New Zealand's involvement in the Cairns Group, small countries such as these have no bargaining power with the WTO.

Saturday, March 24,2001 - Scribe: Brian Lindley

After a traditional New Zealand breakfast, Class V boarded the motor coach and departed Palmerston North, heading for a meeting with Anthony and Bibby Plummer of the Te Kouka Station, located near Dannevirke. The weather was absolutely beautiful and extremely bright, and wonderful skies and a cool light breeze kept the class refreshed. En route we witnessed a wind farm, which consisted of many large windmills generating electricity. We also viewed the Manawatu Gorge and other wonderful scenery. Te Kouka Station is a diverse livestock and forestry operation, consisting of 841 hectares - 700 of which are pasture, 120 hectares are exotic forestry, and 21 hectares of buildings, yards, lanes, and waste areas. Tony has a three-word philosophy -- "wise land use." He believes in micro-analysis of all acreages which is why they plant Monterey Pines on much of their waste ground, which will yield 2000 acres per hectare. They run 12.2 stalk units per hectare, and his ewes average 65 kilograms and have a 150% lamb crop.



Troughs water the farm, and they rotate their paddocks from 2-3 days. This allows them to get "the second bite of the cherry." After a magnificent view of the farm from one of his mountaintops, we were invited for tea and a rousing discussion of U.S./New Zealand relations and the fact that they soundly defeated us in The American's Cup.

After our goodbyes, it was on to Maranoa Deer Farm, owned and operated by John and Mary Spiers. John is the immediate past-president for the New Zealand Deer Farmers Association. He has 22 years of experience in deer farming. He explained to us that the industry crashed in 1985 but with excellent leadership and visioning capabilities, they developed markets for velvet and venison along the Pacific Rim and the industry became production-driven. The class was taken by wagon on a 300-hectare tour through many paddocks of the deer farm. We viewed many stags and the breeding stock, all in extremely lush Italian Ryegrass, Clover and Fescue and some Lucerne (alfalfa) pastures.



Returning to the working area where they remove the antlers and harvest the velvet, we engaged in stimulating conversation with the Spiers and enjoyed afternoon tea. They perform tuberculosis tests to keep their accreditation and they monitor all chemicals and drugs very closely. He is a member of a farmer group that through monthly meetings gathers together and compares all their financial and production records. It is a common practice for many farmers to join forces and form these micro-managing groups. It speeds up the learning curve for all the farmers in the group. Ag New Zealand is a monitoring group that also performs pasture assessments, making sure the environment is well taken care of. Many of KARL Class V have been tremendously impressed with the management skills and the marketing savvy that we have witnessed here.

Sunday, March 25, 2001 - Scribe: Michael Leitch

After breakfast, we loaded onto the tour bus to continue our journey north. The schedule for the day was to include several short stops and quite a bit of travel. Or so we thought.

Our first stop for the day was to be at Lake Taupo for a luncheon cruise on the extinct volcano. While still an hour out, we started to notice what could only be described as a 'hot' smell. A quick look around revealed a large cloud of smoke rolling out from under the right side of the bus. Betty Johnson, Chair of the Day, was afforded an excellent opportunity to showcase her leadership skills in getting everyone off the bus in a somewhat organized fashion. Once outside, we discovered several pieces of luggage on fire. It appeared that the turbo-charger had seized and generated enough heat to catch the adjoining luggage compartment on fire. Unfortunately, Tom White's luggage was a near total loss and Brian Lindley, Jay Garetson and Jason Hildebrand all suffered some degree of damage to their cases.





Our tour guide, Ron McPhail, was able to arrange for another tour bus to allow us to continue with the day's events. We arrived at Lake Taupo 2 hours late, but were able to catch a later luncheon cruise. While on the cruise, several class members were able to fish for trout off the back of the boat. Narrie Toole was the angler of the day with a 5# rainbow trout to her credit. John Traylor, while he did catch a fish, had a somewhat smaller degree of success.

As we moved on toward Rotorua, we stopped by the Huka Falls for a bottled water break. We were able to watch several kayaker's navigate the falls. Once in Rotorua we were picked up by the bus to take us to Tamaki Village for a Maori cultural experience.



Brock Thurman was appointed our 'chief' to represent us during the Te Wero (the challenge). This is a historic challenge of peace that is made before guests are allowed to enter Marae (the village). Upon entering, we worked our way to the Wharenuī (the big house) for a welcome and variety of song and dance from the nine tribes that make up the Maori. The Haka Tu Taua (Men's War Dance) is most aggressive and was used to intimidate the enemy before battle. It is still used before sporting events by the "All Blacks" rugby team. The tribal members bulge their eyes, wag their tongues and beat their torso's while shouting a rhythmic chant. Following was the Hangi (earth oven) dinner in the Wharekai (food house). After everyone was full and had a chance to visit the shops for a souvenir, the Poroporoaki (closing ceremony) was performed.

We then returned to the hotel for a restful night's sleep.

Monday, March 26, 2001- Scribe: Renee Laird

As we departed Rotorua, we drove through the Government Gardens viewing large bath houses and witnessed thermal springs and geysers, and saw the remnants of a powerful geyser eruption. The smell of sulfur permeated the air. We briefly visited the New Zealand Maori Arts and Crafts Center, which is the workplace of distinguished Maori artists carving symbols into the soft wood. Upon disembarking our bus, we met our Maori guide with the traditional hangii greeting, a

custom of greeting another person by touching each other's noses two times. Our first kiwi sighting was within the fortified Maori village at a darkened exhibit housing the nocturnal kiwi, a male and female.

Our next stop was at the Litchfield Dairy and Cheese Factory. The site was built in 1995 and owned by Anchor Products. Three million liters of milk per day is used to make 300 tons of cheese. The cheese plant pulls in milk from a radius of within one hour from the plant and the cheese is exported to Japan and the U.S. (to Wisconsin, in fact). Annual milk growth in New Zealand is at 2% for the North Island and 10% for the South Island. The plant's staff of 106 people works in accordance with the milk production curve and completely shuts down 5 months out of the year. Even though the plant is thoroughly cleaned every 19 hours, it produces a block of cheese every 7.2 seconds. The brining room was an impressive site where 3.7 million liters with 750,000 tons of salt holds three days worth of cheese production. Before departing the plant, the class enjoyed a cheese tasting of 6 cheese varieties.



We moved on to Don and Susan Seath's dairy farm and enjoyed an incredible lunch prepared by Susan and daughter Jane. Don works off-farm 80% of the time and is in partnership with son, Andrew, who has a 22% share in the family dairy. Don stated New Zealand exports 95% of its milk and trades mainly in third world countries. Exporting 1200 dairy products to 150 countries forces them to be low cost producers with seasonal production dependent upon grass. Don led us

into his dairy barn, which is a rotary herring bone system allowing one man to milk the cows with little maintenance worries. Dairy cows in NZ are Holstein-Friesian, which are lighter than U.S. dairy cows at around 450 kg, the cows are leaner and fitter on their grass-fed program. Peat soils cover NZ, leading to a high dependence upon clover and paddock rotation. As a result, Don rotates his 220 cows two times per day through 43 grass paddocks. The fragility of the soil was evident as we walked into a field of cows feeding on grass. The ground was littered with clumps of grass that were completely uprooted as the cows grazed.



We departed the Seath's farm for the drive into Auckland. Our driver, Tom, and guide, Ron, provided commentary as we drove through Auckland, the largest city in New Zealand at 1.8 million people. We drove up the steep inclines and circled up a winding road of a large volcanic crater. Free-range cattle were introduced to the hillsides of the volcanic crater for grass control. It was an odd sight to see cattle grazing on the hillside in the middle of the largest city in New Zealand. The peak of the crater provided a spectacular view of Auckland in all directions. We took in the view, snapped some pictures, and departed for our hotel. Within 24 hours we would be on our way home having completed an incredible OE (overseas experience according to the friends we now have down under).

"With Leadership Comes Responsibility"