



# Yearning for Eurasia

*For Hereford producers in Montana and the Dakotas, Russia and Kazakhstan are providing a new market for purebred genetics.*

*by Christy Couch Lee*

Hereford producers across the country have tapped into foreign markets for the sale and export of their high-quality genetics for decades. And, likewise, Hereford producers in South America, Australia and Europe have turned to U.S. Hereford producers to supply the genetics needed to take their operations to the next level.

With new government incentives for cattle production in the Eurasian countries of Russia and Kazakhstan — a former component of the Soviet Union — Hereford producers have yet another area in which their genetics are in demand.

Truly, the value of Hereford genetics knows no bounds.

Jack Holden, Valier, Mont., and Vern Rausch, Hoven, S.D., are capitalizing on this fact, serving as leaders in the U.S. export of Hereford genetics to these two countries.

Their approaches have been different, but the results are similar: by providing quality seedstock and meeting the special requirements for export to these countries, they are discovering success and building relationships and demand with cattlemen a world away.

Angus purebred genetics to become leading cattle producers in Russia, Holden says.

## The Russian ambition

“They want to be the leading seedstock producers in Russia, and they are willing to pay what

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Crated cattle await loading onto a 747 bound for Moscow at Chicago O'Hare International Airport.



Pictured right are: Yuri Azadov, federal veterinarian for Voronezh region; Craig Moore, DVM; Kate Zimina, chief veterinarian for Stevenson Sputnik; Darrell Stevenson, and Tresha and Jack Holden. These individuals have worked together to develop a thriving ranch in Russia.

PHOTOS BY TRESHA HOLDEN

## Holden's story: Reaching out to Russia

In October 2007 Jack Holden of Holden Herefords, Valier, Mont., and Darrell Stevenson, Stevenson Angus Ranch, Hobson, Mont., made their first trade mission to Russia with representatives from the Montana and Colorado departments of agriculture. On this trip they witnessed the extent to which the Russian government was promoting animal protein, and they became aware of the amount of government subsidies in existence to encourage animal production in the country, he says.

“That’s when we got our eyes opened to the opportunity that was there,” Holden says. “That’s when we decided to seize the opportunity and try to make something happen.”

Throughout the next two years, the plan was developed to ship more than 1,400 purebred Hereford and Angus to the Voronezh region of southwest Russia, with terrain similar to that of Montana.

And, as of December, that plan became reality when the final planeloads and shiploads of cattle made their trek overseas. Montana agriculture officials said the shipment represents the state’s largest overseas export of live cattle to date.

The newly formed ranch — Stevenson Sputnik Ranch — is a partnership between Stevenson and Russian investors, for whom Holden serves as a contractor.

These investors realize the potential of utilizing Hereford and



Cattle being shipped overseas can be transported by plane or by ship, including the Murray Express at the Port of Wilmington, Del.



Before cattle can be shipped, they must be crated. Here, Hereford cows are awaiting transport at the Chicago O'Hare United Cargo facility.



PHOTOS BY TRESHA HOLDEN

Some of Holden's Hereford bulls were loaded onto the Murray Express ship for a trip to Russia.

it takes to get those types of genetics," he says. "If we were going to work with someone there, we wanted to work with someone who had the vision for producing a quality product."

The cattle being shipped by Holden and Stevenson are being registered by the American Hereford Association and the American Angus Association, as there is no association with which to register the cattle in Russia.

Investors have developed long-term goals and plan to build a marketing program and customer base, Holden says. Their one challenge, he says, is the expertise. And that's where U.S. producers come into play.

"Their expertise and practical knowledge are their weakest link," Holden says. "They have the labor, as the ranches are employing many out-of-work men and women."

To provide the knowledge, Stevenson and Holden have been traveling to Stevenson Sputnik to

teach the ins and outs of cattle production to the new cattlemen.

"Darrell left in mid-January with four men to start calving the cows," Holden says. "They need that help to make it a success. We have a huge advantage with U.S. genetics — we have the best beef cattle in the world. They are still used to doing some things their way, and we're working to blend the cultures into a successful method."

Not only have the Russian cattle producers learned new methods, but U.S. producers involved in exporting cattle must learn a new system, as well.

### A learning curve for all

Holden says many regulations are in place, and procedures are different from those in a U.S. transaction.

"We're used to having cattle paid for when they leave the place, but in some cases the final payments

on these cattle don't come until the cattle arrive in Russia," he explains.

In addition, shipping cattle requires a great deal of planning. Holden says only two main boat services exist in the U.S., and they are often booked well in advance to Russia and Turkey for beef and dairy exports.

Although shipping by plane is the most efficient method, he says, the cost is two to three times greater, up to \$2,000-3,000 per head.

### No need for fear

Some producers see the Russian export project as a way to create a new competitor for U.S. genetics, he says. Holden encourages producers to view the project as a positive for the industry.

"They've got a long way to go to become a competitor," Holden says. "Plus, any time you export females, it takes cattle numbers out of the U.S. system to help prolong our cycle. These producers are talking about someday importing 15,000 head of females per year. That ripples through the market and makes them all worth more."

And, because Holden and Stevenson can't supply all of the needed cattle alone, their customers and other producers realize benefits, as well.

"It's a way to help my customers and people who have good cattle," he says. "We've found another marketing venue. These producers can capitalize on their genetics."

If you're interested in capitalizing on your purebred genetics by exporting cattle to Russia or Kazakhstan, Holden recommends you do your homework.

"It takes a lot of time and logistics, and it's probably best as a producer to find someone already working in an established system and work together," Holden says. "Exporters can help you, but there are still many health regulations and shipping logistics and Ts to be crossed and Is to be dotted — it's best to find a system and work within it."

## Rausch's story: The Kazakhstan connection

The Rausch family has owned and managed Rausch Herefords since 1946. As the family grew, so did the cattle herd, which now consists of 1,100 registered Hereford cows and 300 commercial cows. Rausch manages the operation with his brother, Jerry, and their families also are actively involved in the operation.

Last year, Rausch and many producers in the Dakotas and Montana were contacted by Bill and Dan Price, Bismarck, N.D. The Prices are partners in Global Beef Consultants LLC, along with Vern Anderson, North Dakota State University animal scientist, and Mike Seifert, an international accountant and North Dakota producer.

Together, Global Beef is working with Kazmeat, a beef production company in Kazakhstan, to secure quality Hereford and Angus genetics for a newly established 5,000-head-capacity feedlot in Kazakhstan.

The joint venture — KazBeef — is a 200,000-acre operation with a feedlot capacity of up to 5,000 head of cattle, located in the Enbekshilderskiy area of the Akmola region, 260 km from the city of Astana.

KazBeef plans to import 1,000 head of each breed for 10 years, Rausch says. Because North Dakota shares the same latitude line and climate as this ranch, it became the choice location for ranchers supplying the cattle.

"They experience heavy snow during the winters and hot summers," Rausch explains. "They have the same four seasons that we have."

The KazBeef ranch is equally split between the Hereford and Angus operations, Rausch says. Feedlots, calving barns and sale barns are being established between the two halves in order that both breed operations may utilize the services. In addition, qualified nutritionists and veterinarians have also been hired, he says.

"They needed American influence in the management," Rausch says. "So, they took American veterinarians to help take

care of the cattle, and they took four American cowboys to feed and care for the cattle."

The Kazakhstan government has great interest in acquiring U.S. cattle genetics and the expertise of U.S. cattlemen. As the country has expanding wealth, government officials see the benefits of investing in agriculture.

### The draw to U.S. genetics

Once a part of the Soviet Union, Kazakhstan became an independent country in 1991. Because of significant oil and natural gas reserves, it could become one of the world's top oil producers and exporters in coming years, according to the Embassy of the Republic of Kazakhstan.

Oil, natural gas and gold in government reserves have assisted the development of the cattle project, Rausch says.

"The government is very wealthy, and they plan to spend that wealth on agriculture," he says. "They see the next boom, besides oil, as selling food to developing countries."

Years ago, the now-Kazakhstan had nearly 33 million cattle, Rausch says. However, the separation of the country from the Soviet Union led to the reduction of cattle and expertise, as well. Today, the cattle population has dwindled to 3 million, he says.

"They want to rebuild, because they see the potential to sell food products to Russia and China as their middle classes expand or improve," Rausch says.

The potential of the project and excitement of being involved from the ground floor drew Rausch to get involved, he says.

"It's exciting to work on a project that's going to help everybody," Rausch says. "I knew it could help the Hereford industry, as it's a way for producers to have another outlet for their cattle."

Accomplishing the process is no easy task. Much planning and precision is required to pull off the transport successfully.



Cattle being shipped to Kazakhstan are loaded into crates, which are lifted into this 747 aircraft by scissor lift. In only 24 hours, cattle are crated, shipped and released in Kazakhstan.



Tyler Price assists in loading cattle from trailer to crate. He and several North Dakota State University students facilitated the building of every crate that went to Kazakhstan for the KazBeef project.

PHOTOS COURTESY OF DAN PRICE

Cattle purchased by KazBeef are flown from Fargo, N.D., to the newly established Kazakhstan ranch. As of early January, 170 head of cattle had been flown on each of 12 flights with the assistance of a veterinarian and producer on board.

Although shipping cattle via boat is an option, KazBeef prefers shipment by plane.

"Flying the animals over minimizes their stress," Rausch says. "From the time the crates of cattle are loaded onto the plane to the time they are unloaded, it's 24 hours."

Although KazBeef does have high expectations of their suppliers, Rausch says meeting the needs of KazBeef is simple: provide them with quality cattle, deliver the cattle to Bismarck, N.D., and meet the additional health requirements of shipping to Kazakhstan.

Whether it be through a large joint venture or a few producers banding together, Hereford breeders have discovered the benefits of reaching out to producers in Eurasia. And without a doubt, that taste of success has left them yearning for more. **HW**