

Clifton Castle #7

TALL XV

Session 5 Houston/Gulf Coast "Exports, Energy, Environment"

July 18-21, 2017

Tuesday July 18, 2017

Meet at The South Texas Tack/Wichita Ranch

Jennifer Blackburn and I had a crazy start that Tuesday! We had to fight the delays of planes and disgruntled passengers aboard to Houston! One step at a time, we made to Houston but knew there was no chance in us making it to the first speaker. Unfortunately, we missed the Ranch Tour by Steve and Nancy Mecom Martin. We were able to catch up with the rest of the cohorts during lunch and finally set in! The Honorable John Brieden, the Washington County Judge, spoke to us about leadership. He sure brought all our spirits up by reminding us always that adage, "Knowledge is Power". He went along the lines also about "Being Texan and being proud". Learn to be a leader. To back up his comments, he used his experience while learning to handle the press. You can be challenged hard when you have all these questions thrown out at you. Most important is who do you have to become to be a leader. It's who you are and not what you do. That's the cornerstone. The question you must also ask yourself is, is this ride I'm on in life going to be an ordeal, or an adventure? I totally choose the adventure!

Houston Polo Club

In life, when you drive roads and your mind wanders in travel, every occasionally, you come across a gem. That's how I felt driving downtown Houston and ending up at the Houston Polo Club! Someone in ag, or "urbanites" for that matter would never think there's a Polo operation with hundreds of horses and two 300 yard fields in the heart of downtown. We were welcomed and greeted by Kristy Watters, a professional Polo player. The polo club was founded in 1928 and remains dedicated to the sport of Polo and equestrian activities. The club is situated on 26 landscaped wooden acres. The Houston Polo club is available not only to polo players and their families, but also to others who may wish to experience "the Sport of Kings". Kristy taught us all a lot about the sport. I didn't realize how intense it is and what is involved. 1st off you have a field where men and women command their horses to run back and forth on a beautiful landscaped 300-yard field. Sorry, let me catch my breath after letting that sink in for a moment. They showed us videos of some of their matches. I walked out of there with a totally different perspective. The amount of work and training it takes to turn these horses into champions is unbelievable.

Redneck Country Club

I bet when you saw that title it made you think! What a clever name for the modern-day dance hall. This place was high spirited with the souls of great musicians lingering from their past performances. At least I could feel them. From stars like Willie, Randy Rogers just to name a few. I was christened with my first Rib-eye chicken fried steak! I need to disclose that it was my birthday and so my first experience was amazing. Never will forget! Our speaker that evening was Joel Cowley, President and CEO of the Houston Livestock Show and Rodeo. This is one important Hombre. He's in charge of one of the largest Livestock and Rodeo shows in the world! Having to coordinate volunteers and staff, coordinate entertainment, regulations, building projects, fulfill its agricultural mission, assist Texas youth in accomplishing their educational goals, just to name a few. I was very impressed and inspired.

Wednesday July 19, 2017

Glueck's Nursery- Operation and Management Overview

As always, in TALL fashion, we rise early to the morning gods and swiftly travel to our first stop, Glueck's family nursery. Let me preface that Dr. Jim has been talking about the Glueck's families famous kolaches and pastries. He mentioned from our last session in April about how amazing these fine piggy's in a blanket are. I don't know about you, but when people constantly talk about a good food or recipe, I usually confront it with my disappointment. So, I tried to be open as I always am, to be surprised even though I've been warned. I'm not joking when I tell you this, but I'm drooling while I write this because my brain is going back to that day where I tried the best homemade sausage kolache of my life! All kinds of fires are hitting my brain right now. I'm getting upset right now as I write because I may never try them again. The beauty is also the family. Just like the Kolache, so warm and sweet, and when you get to the heart of it, a solid taste of "Wow"! Being in the TALL program you get to meet some of the "best of the best", and the Glueck's are one of them. They open their hearts and experiences to help their future ag leaders of America. They talked to us about what nobody wants to face or do, and that's a family succession plan. There's seven kids and they had lots of battles, but in the end, they made it through. Here is what I took away from their experience:

- With a family business to really prepare a succession plan, for their situation, was to make a corporation and then divide between the family members. Also make sure to give an opportunity to the children
- You can't deny family in a family business
- Never going to make everyone happy. Someone is not going to be happy with the outcome.
- "Time heals a lot"!
- Nursery people in the business are great people in the industry.
- Competitive for their business since they don't have a sales staff. They rely on landscapers to come and buy. They are the salesmen.

One of the sons in closing talked to us a little about a new project they are investing with Iberico pigs. A very interesting business that is starting to gain popularity to the inquisitive American mouths. That's the distinct types of pigs that produce an incredible tasting specialty ham. These pig breed comes from Spain and are fed with a special diet of Acorns, which gives their ham a succulent taste. They have what is called the "Thrive" hormone that never gives them the sense of fullness. Craig and his wife Samantha are one of the 1st people in the U.S. producing these lovely, cute little, long eared creatures out in one of their pastures. I wish them the best of luck and hope to eat one of their Ibericos one day.

Gertson Farms Partnership Headquarters & Lissie Flying Service

We left the Glueck's with many extra bags of Kolaches and a full stomach, toured their facility and pasture Iberico pig operation. John Gertson rode with us on the bus to show us the beautiful rice fields before we arrive to his family operation. I never knew Texas was a player in the rice industry. We stopped and toured some of the rice fields from Rice Tec, Inc. First, let me give you a feel for how hot and humid it was. When I stepped out of the bus to look at the rice field, my glasses immediately fogged up as if some big mouthed person was an inch away from them blowing heat! Instantly your clothes are velcroed to your skin and salty air burning through your skin. I'm amazed at how people live in this area. I learned an interesting fact that rice producers use helicopters to fly over their fields to move the male rice pollen to mix with the female to make a hybrid type rice. We arrive to John Gertson's operation where he is also a rice producer and owns a flying service. We talked about number of issues that goes along owning an ag business. Labor issues are big. Loyalty is very hard to find now days. Where someone will leave you for an extra dollar an hour, but doesn't realize they are spending more on gas and expenses at that place. There lies the unintended consequences. Another issue is mechanical. Rice fields put a lot of wear and tear on machinery when harvesting. Need to make sure they have backup and someone who can repair swiftly.

Hlavinka Case IH Exports/Equipment/Modern Technology

We dashed off to our next destination to meet fellow TALL Alum, Terry Hlavinka. A very successful entrepreneur along with his family who owns multiple Case dealerships throughout the region. Established in 1939 as a family business, they also operate 22,000 acres of rice, cotton and grain. Terry opened up about his business and how it operates. They keep around several million dollars of inventory for parts, employs 145 people, just on the Case dealership side, owns also two water theme parks Typhoon Texas which employs 1,400. They are heavily diversified in a lot of things. Not afraid to always search for more opportunity and give back to the community. Terry mentioned to us amazing technologies that keep improving the farm

tractor industry. 'These things can drive themselves now"! He also does a lot of charity work helping undeveloped countries in Africa to help build strength through agriculture. Food is power! Last, I'd like to mention their motto, "Every deal is worth a phone call". Having an ambition in creating new businesses. Darn cool!

Depart for Hungerford, TX to tour Goudeau Farms and JD Hudgins, Inc.

We had lunch at Goudeau Farms and our speaker was Coleman Locke from J.D. Hudgins, Inc. I was very proud to meet him since he has been one of my customers for over 20 years! Also, his son John is on our TALL group. John gave us the tour of the facilities. They established in 1939 just 3 years after the battle of the Alamo to give you a reference. Started the business with his kids. Great piece of history to note, his great grandmother lived under 4 flags. Mexico, Republic of Texas, Confederate States and U.S. That's amazing! They have been in the Brahman business since 1915 and started with their beloved "Manso". He is the bull that started it all. They are a very successful business because of his bloodline. Come to find out last week their cattle were one of the 1st to ship out to China as part of the new negotiation with the U.S. Manso is responsible for over 75% of Brahmans that are bred in the world. Big part of their business is to cross-breed their Brahmans.

Tour Fish Farm

I was excited to see what's in store with for me at the fish farm. When we arrived the feed truck was blasting out pellets into the water. You can see the craziness the fish were causing jumping in the water. It was a sight to see. I really had the urge to throw out a fishing pole! They feed the fish to about 1lb to 1 ½ lbs. till harvest. It takes about 8 to 10 months to grow. They grow a hybrid between channel and blue catfish. They feed 200 to 300lbs per acre of feed per day. Each pond is usually 8 to 9 acres in size. Each pond or "tank" can produce 150,00 to 200,000lbs of fish. Fun fact, 10 percent of the catfish produced in the U.S is in Texas.

Prasek's Hillje Smokehouse

After being in the coastal region for a couple days, I've been asking myself, "where have I been all these years"? Especially when I arrived at Prasek's Hillje Smokehouse. Mike Prasek, the owner, gave us a tour of his immaculate facility. They started their family business in 1974. All have different parts and ownerships in the business. The family meets once a week for lunch and get after it! They process 10,000 deer here a year for jerky. A big part of their business is supplying HEB their products. They have a phenomenal traceability program. If you want to

track down the history of a piece of meat, Mike has you covered. We walked through the trails of this 1st class state of the art facility. 1st we see lots of big blue barrels. This is where the special process starts with the jerky, where they are contained for 3 to 6 days with their secret sauce. For beef jerky, they use the inside rounds of the cow for example, chuck and shoulder. I learned it takes about 100 lbs. off meat to make 30 lbs. of jerky. 30 percent yield. We saw their huge smokers they use to cure and finalize the product. Then yes, here come the samples. If you ever get a chance, stop by their place and gets some tasty tender jerky and other goods. They make their own spices and cuts of meats.

“Cattleman’s Night”

After a long day, we closed with a sponsored dinner by Dr. Charles Graham. We were so fortunate to eat a wonderful juicy steak and gather around fellow TALL members, past and present, along with locals around the area. It was a great time to get to know a new group of people I’ve never met. We were welcomed by the Honorable Phillip Spenrath and Corrie Bowen who is the County Extension agent for Wharton County. He introduced our Keynote speaker, Mr. John Hofmann, Executive Vice President of Water Lower Colorado River Authority. I was very interested in what he does. They are currently wrapping up on constructing a new reservoir project named Lane City. It is a 40,000 acre feet reservoir that has been built quite fast compared to other projects which take decades. This project took only 10 years.

The new reservoir will:

- Benefit the entire basin by reducing the amount of water released from the Highland Lakes to serve downstream demands, including industrial and agricultural customers.
- Add up to 90,000 acre-feet per year to the region’s water supply. Water in the reservoir can be used and the reservoir refilled multiple times per year.
- Allow LCRA to capture and store significant amounts of water downstream of the Highland Lakes for the first time.
- Improve the reliability of water for agriculture and reduce the chance that interruptible water will be cut back or cut off.
- Increase LCRA’s operational flexibility by making managed releases closer to Matagorda Bay possible. About 20 percent of the water released from the Highland Lakes is lost to evaporation and seepage in the on average seven-day transit to Matagorda County.

Thursday July 20, 2017

Port of Houston Authority

The wheels on the bus go round and round early again in the morning to beat the stagnant Houston traffic. We headed to the Houston Port Authority to witness how our world turns in the midst of trade, import/export business. This place was fascinating! I don't think the average person realizes how things in this world really operates. In this case goods from all over the world. Do they ever wonder, "how in the world did this product I'm holding in my hand get here"? I do all the time and was excited to hear the people behind this mammoth of an operation to understand how they make it work. The Port of Houston Authority cargo sectors in 2016 containerized 63% of bulk cargo. And their growth has been consistent. Recently they have acquired this growth because of the labor issues and unions from the west coast. This helped increase their business a lot. Even though it took a couple of days longer to get goods to the Houston Port from China or other countries, not having to deal with traffic issues and regulations were incentive enough.

- Imports by trade, Asia is the largest at 37%. Only takes 3 days more to get Asia products to Houston.
- Exports by trade, The Americas is the largest at 25%
- Red Bull is one of the largest importers. (Everyone be on the lookout for exploding hearts!)
- Food and Drink is the biggest import commodity along with plastics. Resins, etc.
- Rail network is the way to move forward towards a successful business to keep up with competition.

Mark Vincent, an engineer who has vast experience building in the south and other places gave us the rundown of the Port of Houston:

The Port of Houston is a 25-mile-long complex of 150-plus private and public industrial terminals along the 52-mile-long Houston Ship Channel. The eight public terminals are owned, operated, managed or leased by the Port of Houston Authority and include the general cargo terminals at the Turning Basin, Care, Jacintoport, Woodhouse, and the Barbours Cut and Bayport container terminals.

Each year, more than 241 million tons of cargo move through the greater Port of Houston, carried by more than 8,200 vessels and 223,000 barges. The port is consistently ranked 1st in the United States in foreign waterborne tonnage; 1st in U.S. imports; 1st in U.S. export tonnage and 2nd in the U.S. in total tonnage. It is also the nation's leading breakbulk port, handling 41 percent of project cargo at Gulf Coast ports.



To add what he spoke to us about is, there is a big commerce with navigation and the Port Authority of Houston. Bottom line, “No channel, no Port”! Go 13 miles out and you find a deep channel for big ships called the “Maritime Hwy”. Think of it like a road hwy but for ships on water. The Port also has their own Police, Fire, Emergency clean up and tow crews in place.

PHA Properties

- 5,200 acres eight operating terminals
- 9,000 acres of dredged material placement areas and marsh

- 11,800 acres of submerged land and channels.

Channel Challenges

- Depth is critical to commerce.
- Each foot of project depth lost because of limited dredging can cost the economy as much as \$281 million per year!
- 3 feet of draft restriction can cost a container ship \$1million in lost revenue for each ship call.

Trey Campell who oversees Environmental affairs talked to us about his department.

HPA enforces an Environmental Management System (EMS)

- Air Quality
- Water Quality
- Waste
- Auditing
- Toxic Substance Management
- Project construction and other Departmental support

You might wonder what happens to all that waste and how they control it.

Waste Management Stats 2016

- 78,500 tons of concrete
- 78 tons of scrap tires
- 12,325 gallons of used oil
- 31 tons of paper products
- 22 tons of cardboard
- 2.1 tons of aluminum
- 4,707 tons of wood donnage
- 248 tons of scrap steel

Last speaker we had was Jessica Thomas, Director of Security explain what her role is. HPA has:

- A Security Management System in place
- Customs Trade Partnership Against Terrorism
- Visitor Management System
- Annual Maritime Security Awareness Training
- New Advancements in Technology
- Cyber Security Assessment/Program Development
- Continual Auditing and Continual Improvement

To finish our meeting with the HPA, we were given “the \$100 tour” by a man named Zack. I couldn’t get his last name but he gave us an excellent tour. He showed us all the moving parts that make this place function daily. Incredible and awesome some of the machinery they use to move around containers, to unload and load up ships.

Discussion and Tour at Callan Marine

Off to Galveston we go to the Texas International Terminals! We toured Callan Marine and one of the owners, John Sullivan, along with his brother, gave us the tour. Both very impressive guys that you can tell work hard and have big ambitions for a better future. This place is a world class liquid and dry bulk multi-modal facility for deep draft vessel, unit train, manifest rail, barge and trucking along the Galveston Ship Channel. This place has the capability for liquid transfer and storage, dry bulk handling and storage. They are able to attract clients from all over the world since there’s world-class rail, marine and highway connectivity. Since Texas International Terminals is just miles from the Gulf of Mexico and located in Galveston, TX TIT is well positioned for global trade on the Galveston Ship Channel and the Gulf Intracoastal Waterway.

Gerald Sullivan, who is the father, took us all out to lunch at Willie G’s Seafood and Steak House. Mr. Sullivan looks like a movie star! Has a rugged sharp look to himself and soft white hair. When he wears his cowboy hat, it’s even more apparent he looks like a famous cowboy actor. He was very hospitable and took us on a boat tour to see the port of Galveston and its history. The TALL group was dropped off at the Texas A&M Galveston campus to go to our next session.

Presentation “Texas A&M University – Galveston”

We were greeted by Col Michael Edward Fossum, USAFR (Ret.) A very fascinating man who has been in space! Fossum, a veteran of three space flights who has logged more than 194 days in space, including more than 48 hours in seven spacewalks, served as an astronaut from 1998 until his retirement in 2017. He has logged more than 2,000 hours in 35 different aircraft. Fossum was commissioned as an officer in the U.S. Air Force in May 1980 and earned a Bachelor of Science degree in Mechanical Engineering from Texas A&M University and Master

of Science degrees in Systems Engineering and Physical Science from the Air Force Institute of Technology and the University of Houston – Clear Lake, respectively. This guy has done it all! His father was part of the successful screw worm program back in the 70's that sterilized the screw worm fly and prevented them from reproducing.

Next, we had Lyn Waterworth. Another accomplished, fascinating person! He spent 20 years as a combat engineer. Served in Desert Storm, and worked with Corps. Of Engineers in D.C. to name a few. His focus is on hurricanes and gave us an eye-opening lecture on the importance of preparing for the "next big hurricane"! Some interesting facts, there are 6 million and growing in this region. Houston/Gulf area is the 4th largest city in the U.S. and so there is huge job creation.

Economy-

- Second Largest Petrochemical Complex in the world
- #1 Exporting region in the United States. \$110 Billion with Regional GDP of \$450 Billion!
- \$508 Billion in private sector investment

Environment

- 7th largest estuary
- Produces more seafood than any other estuary except Chesapeake Bay
- Large Recreational boating and fishing communities in the U.S.

THE RISK HAS ONLY INCREASED SINCE IKE OF A POTENTIAL HUGE HURRICANE!!!!!!

This area has been through a hurricane drought and it's a matter of time another one will come to shore. Lyn is trying to be proactive and trying to start the conversation with the federal government to prepare and plan. Hurricane Ike was the 3rd costliest hurricane in U.S. history behind Andrew and Katrina. Created 30 Billion in damages! This area is a natural asset. People need to realize that it doesn't just affect Houston and Galveston area, but rather the nation. So much trade and the world's goods move through this area.

Dr. Bill Merrel along with Mr. Waterworth, are talking about a concept called the Ike Dike Project. It will Protect people, industry and the environment defend well forward, leave no one on the wrong side. Every one's research has led to a coastal spine as the first line, the primary line of defense. "If the Ike Dike was in place, there would have been 95% reduction in damage from Ike". There has been progress made in 9 years at TAMUG to provide proof of concept for the Ike Dike. Commissioner George P. Bush, identifies Coastal Spine as most important infrastructure project in Texas. Also, this project is on the list of President Donald Trump's infrastructure plan. Mr. Waterworth left us with to ponder that unfortunately rings true to my ears. He posted an article from the Houston Chronical Editorial by Bill King that said,

“The sad history of projects like this is that no action has been taken until a catastrophic storm hits, killing a bunch of people. That was what prompted construction of the Galveston Seawall after the 1900 storm (8,000 killed), the Dutch dike system after the 1953 North Sea storm (2,300 killed) and the recent flood control work in New Orleans after Hurricane Katrina (1,250 killed). Hopefully our region can address this risk without such a gruesome prompting.

I came out of that session looking at my fellow cohorts thinking, we must help spread the word. This is very important to the whole U.S. and let us not make the mistake again, especially since we have an effective plan that has a 95% chance of protecting the mainland.

Houston Police Department Ride-a-Long

This was one session I was anticipating. I really wanted to spend a shift with a brave police officer to see what it's like. For once, I was speechless and could not believe what I was experiencing. After I shook hands with officer Horace Bryant, we got into his car and immediately there was a 'Code one'! Oh, my god his car was pushing 90 to 95 mph in a neighborhood with curves! I tried to act cool but no matter what, officer Bryant had to look at me and reassure that he's a professional and there is nothing to worry about. I responded with a crack in my voice as if I hit puberty again and said distrustfully, "I know". The call was a domestic dispute at an apartment complex. Turned out it was nothing and once we got back into his car, there was another code one! I was saying to myself in my head, "are you kidding me"? This time we arrive to a convenience store where a lady in a brand- new Lincoln car was parked with her broken windows. Her ex-boyfriend smashed out all her windows with a crow bar and got away. At this point I was surprised at how fast things are happening. Although after this incident, I experience the "paperwork" involved in these types of situations. It's ridiculous they must spend almost an hour to fill out. In one shift these guys are limited to do more since they have to fill out so much paper work. That is why sometimes they let misdemeanor crimes or incidents slip so they can focus on more important crimes. It makes so much sense. I am so amazed by their bravery and willingness to go in harm's way to protect their citizens. Unfortunately, sometimes the media gets it wrong when portraying these brave men and women.

Closing Remarks

All parts of Texas have their shiny gems throughout. We were fortunate to see the Gulf Coast Region. Even though I'm a lifelong member of Texas, I've never explored this part of the state. It's a great place, but the heat, will make a man out of you! The relationships we built were unforgettable. Also, our relationship within our TALL group grew bigger and stronger. That's all you can really ask for. Waking up every morning and looking around your friends who know they got your back and have the same ambitions towards a better knowledge of Ag. Looking forward to the next adventure and see what life has in store for me!

Alicia D. Meinzer, #19

TALL XV

Session 5 – Houston/Gulf Coast

July 18 – 21, 2017; “Exports, Energy, Environment”

Tuesday, July 18, 2017

Wichita Ranch (Mecom Family Operation), Brenham, TX:

We began our Houston/Gulf Coast trip at the Wichita Ranch and South Texas Tack store in Brenham, Texas, where we heard from Brandon Razer, Steve Martin, Sean Burtenshaw and the Honorable John Brieden, Washington County Judge. While there, Mr. Martin gave us the history of the Ranch, which dates back to the 1800s. The family runs approximately 15,000 acres in Zapata, Burleson and Washington Counties. They run 1,000 head of cattle (300 head of commercial cattle, 300 head of registered Brahman cattle, and the remainder being black F-1s. Mr. Martin also discussed their horse division and their customer base for their horses which is predominantly ranchers. During our discussions, Mr. Martin made an excellent point – “In whatever business you are in, if you don’t offer quality, the phone will stop ringing.”

Houston Polo Club:

From Brenham, we headed into Houston, where we visited the Houston Polo Club. We learned polo originated in the 13th century in Persia, where warriors used the heads of their enemies to drill and prepare for battle. Polo came to the United States in 1876, and the Houston Polo Club is the largest club in America with over 100 active polo players. The club is located on 26 acres in the center of Houston and was founded in 1926.

Redneck County Club:

Following our time at the Polo Club, we headed to the Redneck Country Club, where we heard from Mr. Joel Cowley, President and CEO of the Houston Livestock Show and Rodeo. Mr. Cowley shared with us the history and impact of the show. The livestock show was founded to open a cattle exchange so the locals didn’t have to send their cattle to Fort Worth or elsewhere. The first show was held in downtown Houston and was focused on promoting cattle production. In 1942, the show offered the first entertainment show where Gene Autry performed. This performance increased the show’s revenue by 40% saving the show. The first scholarship was given in 1957. “Many structures in Houston wouldn’t exist without the show, including the existing stadium, which will seat 2.61 million people.” The show has evolved to be the world’s largest livestock show and is held over a 20-day period. Approximately \$14.2 million in scholarships are given at the Houston Livestock Show and Rodeo. One of the main goals of the show is to educate the general public about agriculture and the technology required for agriculture to be effective. Last year, the show generated approximately \$136 million, but the cost of doing so was \$100 million. The rodeo itself is not PRCA sanctioned because they want the rodeo to be “more palatable to the public at large.” Currently, the biggest issues the show is facing are space and access (parking and arrival) with at least 185,000 people visiting on the busiest day last year.

Wednesday, July 19, 2017

Glueck's Nursery, Alleyton, TX:

Wednesday morning, we visited the Glueck’s Nursery in Alleyton, where we heard from Chris Glueck, Charles and Mickey Glueck, Jeff Glueck, and Doug Glueck and ate the most delicious kolaches fresh out of the oven. The tree farm was started in 1996. Mr. Glueck jokingly began by saying “[w]e are a case study in how to fail at succession planning.”

The family also has an Iberico hog farm where they raise specialty hogs for fine restaurants. Mr. and Mrs. Glueck discussed with us how they structured their business so they could assist their children in beginning their own businesses, a tradition that their parents had done for them as well. The farm has been in the family for approximately 150 years, but the acreage has been decreasing as each generation is larger than the prior and the property is subsequently divided. The uncertainty of income and lack of any guarantee of production on dry land farming lead the Glueck family to the tree farm. One way they have found to best handle the transition from one generation to the next was by owner-financing the tree farm to one of their sons, thus allowing them a steady amount of income. They also focus on diversifying their assets.

The tree farm has 25 different varieties of trees and their inventory consists of acorns to large trees. They start each year with 65,000 liners, which are small trees. They calculate for a 20% loss in the first year, but that percentage goes down each year as the trees grow and become stronger. Culling is also calculated in this loss percentage. They also work in conjunction with Acorn Seekers (the parent company for the Iberico hog farm).

Rice Tec, Inc. - Hybrid Seed Rice and Gertson Farms Partnership and Lissie Flying Service:

After leaving the Gluecks, we traveled to the Gertson Farms. While on the road, John Gertson spoke to us about Rice Tec, Inc. and the work they do with them. Mr. Gertson informed us the use of hybrids seeds have increased production by 20%. In a productive year, Gertson Farms will harvest 3,500 acres of rice. They have tried other crops in the past, but found that the top soil is too shallow to plant anything other than rice. They also have many water wells on the property which they use to water their own property and their lease land. Mr. Gertson also spoke of maintaining their priority through various usages of the water.

They also use canals to irrigate the farms and lease the property for duck hunts, which they charge on an acreage basis of \$20 to \$30 per acre. If the hunters want water they must buy it from the Gertsons. They practice a rotational planting system in which they allow the land to rest one year between rice plantings. On the rest years, they have to plow the land because the rice will not die otherwise, allowing the grass to grow. They will also burn the remaining rice to let ground rest. They implement precision leveling in their fields to reduce the amount of water needed to farm. Two days before harvest they will salt the water to defoliate the plant and allow for harvest. On the acreage which is being rested, they will run 300 head of cattle on the stubble after the rice is harvested. They implement helicopters to help fertilize the rice plants as well. Their biggest issue and challenge is the price of water, but over the past 20 years they have improved their use of water by 25%. Cost of equipment is their second biggest issue. Mr. Gertson said “[r]ice wears equipment out.”

Hlavinka Equipment (East Bernard):

From the Gertson Farm, we traveled to Hlavinka Equipment, where we heard from Terry Hlavinka. The company was established in 1939 by the Hlavinka family, who were immigrants from the Czech Republic. The company now distributes and supports equipment worldwide. They also farm 22,000 acres of rice, cotton and grain. The company has maintained the highest market share for Case inventory in Texas for the last 40 years. They also have commercial grain drying and storage

operations and a water park. They also sell grain bins and have a factory and custom track design company for heavy equipment (rubber tracks are becoming more popular). They also sell irrigation systems and do general contracting and municipal work. They are also involved with the Lower Colorado River Authority, which regulates the water district. The district is working on a project to store water in the area and to redistribute the water to other areas upstream with less rainfall. They also provide a service center for their customers with modern upgraded facilities which have 15-ton overhead cranes and offer in-field service capacity at all store locations. They also have wash rack facilities for large equipment and fueling facilities for all their trucks and a lubricating facility at one location. Each store also has a dedicated service management team along with a complex parts management team.

They even began exporting Case inventory in 1974, with the largest amount of inventory going to Africa (Uganda and Nigeria) and Mexico. Their biggest challenge of exporting is getting paid. They chose to go to the African market because there are little to no distribution centers there. The company even offers international onsite training.

Goudeau Farms and JD Hudgins, Inc. (Hungerford):

We next toured Goudeau Farms and JD Hudgins, Inc., where we heard from Michael Goudeau, Coleman Locke and John Locke and had an amazing lunch. It was fascinating to hear how the Hudgins family has structured their business, taking into consideration succession planning, and marketed the company as a whole using the name “JD Hudgins, Inc.” yet keeping each family’s own division separate and distinct. In fact, JD Hudgins, Inc. is a shell company, not owning any property or cattle. We also toured the Locke division’s sale barn and show barn and were honored to take a picture with Manso, the bull that brought the Hudgins family into the Brahman business. (It is estimated that more than 90% of all cattle registered by the American Brahman Breeders Association carry Manso breeding.)

Fish Farm Tour:

We next met with Mark Kubecka, who gave us a tour of a catfish farm. The farm raises 70,000 to 80,000 head of catfish in 7-to-8-acre ponds, which are 5-to-6-feet deep. The fish remain in the ponds for 8 to 10 months to grow before harvest. Every ten years the ponds are drained and renovated, and they continually aerate the ponds. They feed 2,000 to 2,500 pounds of feed per day per pond. All of the fish are processed outside of Texas (most processing facilities are located in Mississippi and Louisiana). We learned the “fishy” taste of some catfish comes from too much of a particular kind of algae in the water.

Prasek's Hillje Smokehouse:

Our last stop on Wednesday was the Prasek’s Hillje Smokehouse where we heard from Mr. Mike Prasek, Jr. The store was founded in 1974, and it now sits on 7 acres and is two stories tall. They are also building another store location. They still use their great-grandmother’s bread recipe and employ 375 people. The Prasek family also has a refrigerator and wholesale business and a custom processing facility, along with their own farming operation. The facility we visited makes approximately 3,000 pounds of jerky per day, and they have even designed their own sausage smoking system.

Alicia D. Meinzer, #19

TALL XV

Session 5 – Houston/Gulf Coast

July 18 – 21, 2017; “Exports, Energy, Environment”

El Campo Civic Center:

Wednesday night we were treated with a wonderful steak dinner sponsored by Graham Land & Cattle Co. and Dr. Charles Graham. We also heard from Mr. John Hofmann, the Executive Vice President of Water for the Lower Colorado River Authority, who discussed with us the various projects the Authority is involved in.

Thursday, July 20, 2017

Port of Houston Authority Trade and Initiatives:

We began Thursday morning at the Port of Houston Authority, where we heard from Will Whitehouse, Senior Trade Development Manager for the Port. The port handles both import and export containers, which are balanced almost evenly, although at times the exports lead the number of containers handled at the Port. We learned it takes 3 days longer for companies to go through the Panama Canal to get to the Houston Port instead of the west coast, but the extra time is worth it for them not to have to deal with the issues on the west coast (such as high regulation, congestion, and the labor environment). We also learned the Panama Canal just increased its depth so larger vessels can go through. An added benefit of the Houston Port is that it is centrally located in the US; however, apparel is harder to get to the Houston Port because “those vendors needed it yesterday so they ship to the west coast.” Containers make up about 63% of the Port’s business, bulk cargo 28%, general cargo 7% (such as steel), and other cargo 2%. The Port of Houston is a quasi-governmental entity chartered by the state of Texas and is an “economic engine for the region.”

Port of Houston Authority Channel Development/Dredging:

We also heard from Mark Vincent, Director of Channel Development. Mark handles the Houston ship channels, navigation and commerce. He was formerly with the Army Corps of Engineers. Mark said, “the bottom line is if there is no channel, there is no port.” The Channel starts in the Gulf (approximately 13 miles out) then goes across the Bay, through the River, then through the Bayou. Only vessels who can pass 36 feet in depth can get into the Port, but between the Port and the Gulf, they have “location Port loops” to unload larger ships. The Port is “a maritime highway system with police, fire, emergency cleanup, and tow “trucks” on the water.” The Port of Houston Authority owns 5,200 acres with 8 operating terminals; 9,000 acres of dredged material placement areas and marsh; and 11,800 acres of submerged land and channels. Through transportation trends the Port is seeing newer and larger ships, which are more efficient and more competitive, with a reduced environmental impact. The depth of the Port is critical to commerce. Each foot of project depth lost because of limited dredging can cost the economy as much as \$281 million per year. Three feet of dredge restriction can cost a container ship \$1 million in lost revenue per ship. The bottom line is the Port must manage the top soil. Dredging in the Houston Port brings in approximately \$7 million per year, and 15% of the material is from the Port of Houston Authority and private berths. “The material has to go somewhere - hence placement area islands for dredged material.” The sites are rotated to allow the material to dry, then it is worked, ditched and drained then used to raise the levies. It is a self-supporting system. To help manage silt, marshes have been created. There are over 1,200 pipelines that cross the Houston Channel. Houston is “America’s irreplaceable port”, and the energy security and inland infrastructure makes it one of a kind.

Port of Houston Authority Environmental Initiatives:

We also heard from Tray Campbell, who is in the environmental affairs department. The Port’s environmental policy is to comply with environmental laws and regulations; create business practices that prevent pollution and support sustainability; communicate, engage and collaborate with stakeholders; commit to being a recognized maritime industry leader in environmental stewardship; and continuously improve environmental performance. Their environmental management system is a continual improvement process. They focus on air quality management, water quality management, waste management, environmental auditing, and toxic substances management. They support project construction management, real estate, operations, and channel development.

Security Initiatives at the Port:

We also heard from Jessica Thomas, who is within the security department of the Port. They focus on health, safety, security, and emergency management. They have their own police department, fire department, safety department, and emergency management department. They have a security management system, which is a trade partnership against terrorism. They also have a visitor management system, annual maritime security awareness training, and focus on new advancements in technology, and cyber security assessments. They do continual auditing and continual improvements to their assessments and program implementation.

Texas International Terminals (Galveston) and Texas Seaport Museum:

Following our tour of the Port of Houston, we met with Todd Sullivan, John Sullivan and Gerald Sullivan to tour Texas International Terminals and the Port of Galveston, which is a 112-acre private marine. Texas International Terminals, owned and operated by the Sullivans, maintains 11,000 feet of track, which is main-line rated and serviced by Union Pacific. The company specializes in imports and exports of fertilizers (nitrogen, phosphate, urea, and ethanol). They also export and import sodium carbonate. They are set up to receive up to 158 car trains at a time and can unload 15 cars per hour. The majority of the products they handle are exported. Typically, a ship is unloaded in Houston then travels to Galveston where it is loaded with fertilizers, which it then exports to Brazil. The Sullivan family also operates a dredging business, which John Sullivan oversees. The Sullivans said they “never make capital improvements unless their customers can guarantee they need the product the improvements are made for.” They discussed with us some of the mitigation credits they receive for creation of wetlands with dredge materials from their dredging business and how they do not employ union workers.

The Sullivans treated us to a delicious lunch at Willie G's Seafood and Steak House right off the Bay. Following lunch, Mr. Gerald Sullivan lead us in a boat tour of the Port of Galveston and the Galveston Ship Chanel. Mr. Sullivan informed us the Port of Galveston is an independent port that does not operate off of tax revenue, as it has none. It is a “nitch port that handles loads the Port of Houston can’t or won’t handle. It’s an enterprise port that has to make money. One of the largest imports into the port is Del Monte, which imports fruit form Costa Rica. The Port of Galveston gives its ships access to open water within one hour, whereas it takes 4 hours from the Port of Houston; therefore, it is more cost-efficient for ships to use the Port of Galveston.

Alicia D. Meinzer, #19

TALL XV

Session 5 – Houston/Gulf Coast

July 18 – 21, 2017; “Exports, Energy, Environment”

Texas A&M University - Galveston:

Our tour of the Galveston Port led us to Texas A&M University at Galveston where we heard from Colonel Len Waterworth, USA (Ret), Special Assistant to the CEO for Leadership Development, who discussed with us “Surge Protection Advancing the Ike Dike Concept: The Next Step.”

Col. Waterworth discussed with us the regional investment and the national security issues raised at the Port. “There are 6 million people in the surrounding area. Houston is the fourth largest city in the US, and the second largest petrochemical complex in the world is located here.” The Houston and Galveston area is the number one exporting region in the United States, which generates \$110 billion, and the region’s gross domestic production totals \$450 billion.

Ike, which was a category 2 storm, was the third costliest hurricane in US history and caused an estimated \$30 billion in US damages. After Ike, 34 Texas counties were declared federal disaster areas. In addition to all of the homes lost and the fatalities from the hurricane, Ike caused \$132 billion in damages to transportation systems alone, and 52 oil platforms were destroyed.

Col. Waterworth discussed with us the building of the “Ike Dike,” the purpose of which is to protect people, industry and the environment. All research has led to a coastal spine as the first line – “the primary line of defense.” He said if the Ike Dike had been in place at the time Ike hit “there would have been a 95% reduction in damages from the hurricane.”

Houston Police Department Ride-Along:

We ended our trip to Houston with a night ride with the Houston Police Department. I was paired with Sgt. Sergio Campos, who has been a police officer for approximately 10 years. Although my ride along wasn’t nearly as death-defying as some I have heard of in the past, it was a wonderful opportunity and made me truly realize how lucky I am to live where I get to live.

The trip to Houston was an invaluable experience, as have all of the trips been. It exposed me to many different areas of the agriculture industry that I never would have had the opportunity otherwise to see. One general theme I see in everywhere we have gone and everyone we have met with is their recognition of the importance of diversifying their assets.

Ramon Alvarez, II #1

TALL XV

Session 5 – Houston/Gulf Coast

July 18-21, 2017; “Exports, Energy, Environment

Tuesday, July 18, 2017

Wichita Ranch(Mecom Family Operation) Brehnam,TX

As I made the drive up to our Houston/Gulf Coast trip, I again eagerly awaited what newfound experience lay before me. I was extremely intrigued by our first guest Mr. Steve Martin of the Wichita Ranch and South Texas Tack. The products he carries in his store are of great quality and the same goes for the cattle and horses that are produced at the ranch. The ranch dates back to 1800s in Zapata, Burleson and Washington counties. We also heard from Washington County Judge, John Brieden, who welcomed us to the county and gave us a brief of the county.

Houston Polo Club

Our next stop was the Houston Polo Club tucked away in the heart of Houston’s Memorial Park area. It was founded in 1926 on 26 acres. Polo has been played in the United States since 1976 and the Houston Polo Club is the largest club in America with a membership of more than a 100 active polo players. Some of the members explained a brief history of polo originating in Persia in the 13th century, where warriors used the heads of their enemies to drill and prepare for battle.

Redneck Country Club

Our next speaker, Mr. Joe Cowley, President and CEO of the Houston Livestock Show and Rodeo met us for dinner at the Redneck Country Club where we learned all about the history of the show. We also learned about the impact on the surrounding counties and the revenue that is created for scholarships and educating the general public and attendees. The livestock show is the largest worldwide and attracts folks from many countries. It was founded to open a cattle exchange other than Ft. Worth or elsewhere.

Wednesday, July 19, 2017

Glueck’s Nursery

A short drive west of Houston we arrived in Alleyton, where we were welcomed to a delightful and delicious breakfast provided by Mrs. Glueck. Her Kolaches were some of the tastiest I’ve ever had. We heard from Charles and Mickey, Jeff, Doug and Chris Glueck about the evolution of Glueck Farms from a corn operation to a tree farm in 1996 and now investing in Iberian pigs for Iberco ham sold in fine restaurants. The Gluecks have been farming the same land for almost 150 years, but acreage has decreased over time and family has grown. Transitioning to the next generation is something many farm

families have to think about. They owner financed the tree farm to one of their sons and reinvested in a partnership with another son on the Iberian pig venture. The legacy continues and they focus on diversifying their assets. The tree farm services another son who needs trees for his landscaping business and the business close to Houston. They have 25 different tree varieties and their inventory consists of acorns to large trees

Rice Tec, Inc- Hybrid Seed Rice and Gertson Farms Partnership and Lissie Flying Service

The next stop was Gertson Farms, a short drive away. John Gertson explained his farming operation and his involvement with Rice Tec, Inc. They use hybrid seed provided by Rice Tec and the production is bought and marketed by them as well. A productive year will provide 3500 acres of rice harvested. Not many other cultivars will do well in the shallow top soil that mother earth has provided them. Most is irrigated land produced from many water wells on the property. Water remains the key source to be able to sustain a livelihood in this region. Canals are mainly used to transfer the water throughout the property and lease land nearby. Other forms of revenue such as duck and goose hunting have allowed to diversify the operation. Cattle are also part of their operation being used on the ground that is left fallow for one year between rice plantings. Helicopters are used to pollinate rice at a faster level and airplanes are used to seed the rice over the fields.

Hlavinka Equipment

We next heard from Terry Hlavinka from Hlavinka Equipment which was established in 1939. The family immigrated from Czech Republic and settled in this area. They have created a company that services, distributes and supports equipment worldwide. They farm over 20,000 of rice, cotton and grain. They have commercial grain operations, a water park with a new one expanding in the Austin area. They own a car dealership, sell grain bins and manufacture tracks for heavy equipment. A well-diversified family operation that shows that with a little foresight and tenacity you can create or provide the services one needs for the area. They have also been exporting Case equipment to many countries and continents. Africa is a main supply point for this company and they also provide training for these products.

Goudeau Farms and JD Hudgins, Inc

A short drive and we were welcomed to lunch at Goudeau Farms, Michael, a former TALL alum, explained about his hay operation of over 300,000 bales and a Brahman breeder. He is also a member the JD Hudgins, Inc family operation. As we learned JD Hudgins, Inc is a marketing concept that brings all family divisions together to the operation. We heard from Coleman and fellow class member John Coleman Locke about the Locke division and how it ties into JD Hudgins, Inc. We toured the sale facility and paddocks and toured the show barn and a few that were on the show string. Hudgins are a patriarch to creating the American Brahman breed,

having catapulted success with the genetic lineage that Manso has provided the industry. It is said that more than 90% of the industry carries Manson blood lines.

Fish Farm Tour

We then drove toward El Campo area and met with Mark Kubecka, who gave us a tour of a fish farm that raises 70-80000 catfish in 7-8-acre ponds, that are 5 ft. deep. They allow the fish to grow for 8 to 10 months before being harvested and processed for market. Most processing plants are in Mississippi and Louisiana. They feed over 2500 lbs. daily and also aerate the ponds to control the water and air quality and help control the plankton and algae.

Prasek's Family Smokehouse

A family business I have seen evolve over time as one of the better producing companies of meat snacks and products. The store was founded in 1974 in a small building and has blown up today to a beautiful two story complex that produces many sausage and jerky products and provides jobs to over 350 employees. The operation is waiting on a jerky facility and the opening of a new store location in between Sealy and Katy that will push employment to over 400. The bread recipe is great- grandma's and most of the jerky flavors or sausage recipes have evolved to the needs and taste that Mike has created. The Prasek Family also has a refrigerator and wholesale business, the custom processing facility for many customers along with their family farming operations.

El Campo Civic Center

We wrapped up the evening to a great steak dinner provide to us by Dr. Charles Graham of Graham Land & Cattle Co. We were welcomed by many producers of the El Campo area and listened to Mr. John Hofman, the Executive Vice President of the Lower Colorado River Authority. There are many projects that the Authority is involved in that greatly affects the producers through the area.

Wednesday, July 19,2017

Port of Houston Authority Trade and Initiatives

A short drive east of Houston we arrived at the Port of Houston and we heard from Will Whitehouse, Senior Trade Development Manager for the Port. We learned of the trade that is associated with the port being both import and export, while at times the export market is stronger. The Houston Port offers more reasonable shipping costs compared to West Coast including softer regulations, congestion and labor costs and many companies use the Panama Canal to access the Gulf and Houston market. Houston is centrally located nationwide with ease of Interstate highway access and can reach the Midwest market and throughout. Containers is preferred method of shipping making up 63% of the Port's business, bulk cargo adding 28%, general cargo 7% and other cargo 2%.

Port of Houston Authority Channel Development/Dredging

Our next speaker, Mark Vincent, Director of Channel Development handles the Houston ship channels, navigation and commerce. He previously worked with the Army Corps of Engineers and his experience explained many facets of the industry. His comment about “the bottom line is, if there is no channel, there is no port,” made us aware of the constant need for servicing the access to the port. The amount of commerce that the port deals with is impressive. Houston is “America’s irreplaceable port”. It services many Energy companies with more than 1200 pipelines that cross the Houston Channel. The channel starts in the Gulf, goes through the bay, through the River, then through the Bayou. The vessels that can pass 36 feet in depth can access the Port. The Port is a maritime highway system offering responsive services of Police, Fire, Emergency Cleanup and Tow Boats.

Port of Houston Authority Environmental Initiatives

We next heard from Trae Campbell, who works with environmental affairs department. The Port’s environmental policy is to comply with environmental laws and regulations; create business practices that prevent pollution and support sustainability. It also communicates, engage and collaborate with stakeholders. The port has a commitment to be a recognized maritime industry leader in environmental stewardship and continuously improving environmental performance. The port has a great environmental management system that is continually focusing on air quality, water quality, waste management, environmental auditing and toxic substances management.

Security Initiatives at the Port

Jessica Thomas, was with the security department of the Port. They focus on the health, safety, security, and emergency management. They have a security management system that is a trade partnership against terrorism. They have a visitor management system, annual maritime security awareness training and focus on new advancements in technology and cyber security assessments.

Texas International Terminals/ Port of Galveston

Our next stop was with the Sullivans from Galveston. We met with Todd and John Sullivan, owners and operators of Texas International Terminals in the Port of Galveston. It is 112-acre facility which they maintain 11000 feet of track, which is main-line rated and serviced by Union Pacific. The company specializes in imports and exports of fertilizers. They also export sodium carbonate. Their capacity is 158 train cars at a time and can unload 15 cars an hour. Most of what is passed thru is mainly for export for ready ships having left Houston Port and loading fertilizers for Brazil. They also operate a dredging business, which John oversees. They added that when they make any improvements to their facility, it requires long-term investment from customers needing service. The dredge material that is produced is relocated for creation of

wetlands which offer mitigation credits. They also added that they do not employ union workers. The Sullivans treated us to lunch at Willie G's Seafood and Steak House at the Harbor. We then met with their father Gerald, who toured us throughout the Port of Galveston by boat and through the ship channel explaining the enterprise of the Port. He explained that it is an independent port that does not operate on any tax revenue. It is considered a niche port that handles what Houston won't and can't handle. It's access to open water within an hour compared to that of four hours for Houston traffic makes it more appealing for business. We then were docked at Texas A&M Galveston and headed to our last session.

Texas A&M University- Galveston

Our next speaker was Col. Len Waterworth, USA (Ret), Special Assistant to the CEO for Leadership Development. He discussed the Surge Protection Advancing the Ike Dike Concept: The Next Step.

Col. Waterworth explained the need for a regional investment from businesses and the national security issues that raise concern at the Port Of Houston. His focus was that over 6 million people reside in the surrounding area and that Houston was the 4th largest American city. The second largest petrochemical complex is located at the port and both ports make it the #1 exporting region in the US with \$110bil and the regions GDP totals \$450bil.

He explained of the building of the Ike Dike, which its intent is to protect people, industry and the environment. The research has shown that a coastal spine as the first line of defense would help reduce storm surge and lessen damages from hurricanes. Hurricane Ike was a category 2 storm that destroyed areas surrounding the Gulfport area.

Houston Police Department Ride-Along

The last session we ended well into the night as part of the Houston Police Ride Along. My partner in defending crime that night was Officer Justin Kilty, a four-year veteran with the Houston PD. His father is an investigator, so law enforcement and preserving justice is in his blood. We immediately hit the beat and began working the night. We first responded to a domestic abuse in the 3rd Ward area and began looking for the suspect within the surrounding neighborhood. We then took other calls of burglary at a nearby BMW dealership which after some tenacity and perseverance we located said burglar suspect. We continued are patrols through the neighborhoods, making traffic stops and attempting to locate drug activity and offenders and responding to calls. We eventually caught the suspect regarding the domestic abuse call from earlier in the night. The ride along gave me a better feel for what urban life encounters and how we all come from different areas but have the same common ground.

The Houston area trip and sessions were once again an enlightenment as to how different areas offer different opportunities for the folks that reside or choose to do business there. There are

many business opportunities of agriculture that go past the farm and this experience highlighted that. Diversification was shown in many of the businesses we visited or listened to and shows the need to continue to survive in the industry.