

Jessup Clayton Yeaman -#26

TALL XVIII

Session 7- South Texas

November 6-10, 2023

Our Cohort's 7th Session was held in November 2023, and was focused in the southern and coastal bend area of Texas.

I have addressed our activities for the session below in the order of our schedule:

Texas Farm Credit

We started our session Monday mid-day at the central office of Texas Farm Credit in Robstown, TX. Texas Farm Credit CEO, Mark Miller, welcomed us to the session and gave us a rundown of the Association's market and portfolio. Texas Farm Credit is a part of the broader nationwide Farm Credit System. It is a customer owned cooperative that offers many services to its members including, ag loans, land loans, and various crop insurance products. TFC is one of the fastest growing and highest rated Associations in the entire Farm Credit System.

Cotton Impact on the Coastal Bend

Dwight Jackson, the member services representative for the National Cotton Council, was our next speaker. The National Cotton Council is a federation of national and regional industry segment interest organizations. They have 35 board members, and have voluntary dues, which allows them to be active politically. Mr. Jackson gave a history of cotton in Texas, and described the rise of Anderson, Clayton, and Company (ACCO). Monroe (MD) Anderson was the Anderson in the name. In terms of production in Texas, he said there are usually 5.4 to 7 million acres of cotton in Texas each year. He gave an overview of the cotton bale wrap and how it works as well as the Texas Boll Weevil Eradication Program.

Gulf Compress

Next we traveled by bus to the offices of Gulf Compress. In their conference room, we heard from several different speakers including the President of Gulf Compress, Robert Swize. Gulf Compress is a federated cooperative providing storage and distribution solutions for coastal bend's cotton. They have over 2,750,000 Sq. ft. of storage space in covered contract warehousing, and utilize an electronic storage system. Mr. Swize also discussed some of their

biggest challenges, many of which revolve around regulations and their near inability to get insurance due to their proximity to the coast. While there we also heard from a panel of coastal bend producers and the executive director of the South Texas Grain Association, Jeff Nunley, who gave our group some insight into their production practices and unique scenarios they face in the region.

Frazier Companies

That evening, we were treated to a rooftop dinner at the Frazier Companies' downtown office building in Corpus Christi. Frazier Companies is a family led investment company that is headed by Lynn Frazier. Lynn was in attendance and was kind enough to visit with us about his past successes which included the massive worldwide success story of Magnum Oil Tools International, a company he founded that produced a component that help revolutionize the fracking process.

Tuesday:

Welder Wildlife Foundation

Our first stop of the day was at the beautiful Welder Wildlife Foundation headquarters outside of Sinton, TX. Angie Arredondo, the foundation's Manger of Education welcomed us, and gave us a tour of the headquarters as well as a driven tour of the ranch itself. The 7,800 acres preserve has been in the family since the days of the Spanish land grants. The property boasts some of the best preserved wildlife habitat in the state. The headquarters building housed a 300 bird taxidermy collection thaw was very impressive.

Trade and Commerce through the Port and Coastal Bend

Our next stop was the Texas State Aquarium. We had the opportunity to tour the aquarium prior to gathering in their conference room for lunch and discussion.

Our first speaker of the afternoon was from the Port Commission of the Port of Corpus Christi, Dr. Bryan Gulley. He discussed energy exports, water availability, both sea and groundwater desalination, economic development, and power for the state of Texas. The port is the #1 ag port in Texas and are to. They facilitate trade. The port received a desalination permit in December, only the 3rd in the United States. They plan to pump groundwater, desalinate it, and pipeline it where it needs to go. They will have to put the hypersaline by product water far out in the ocean. Regulation is one of their biggest issues.

Our next speaker was Mike Culberson, President and CEO of the Corpus Christi Regional Economic Development Corporation. Their primary goal is in increase the wealth of the community and advocate for local businesses. They provide a single point of contact when potential new companies are looking at their site selection processes, navigating incentives etc. They have seen a huge amount of growth as of late, much of it tied to LNG. There are about 460,000 people in their region. They also track and collect economic data such as cost of living index. They track building permits, and employment data etc. They have had \$57 Billion in Regional Investment through their efforts. Some recent wins were with huge companies like Tesla Lithium, Lighthouse Point, Steel Dynamics, and GCGV. They have a large pipeline of

upcoming active projects as well including: green industry, Steel/metal fabrication, advanced manufacturing, entertainment, aviation, and aqua farming. They also have a strong commitment to sustainable growth.

Joe Almarez, Director HSE at Valero Refining, Tx. L.P. gave us a rundown of Valero's refineries in the Port of Corpus Christi. Most of their product is shipped out through the port. They do not own the ships that are used to transport the crude or refined products. He described their pipeline systems and also discussed their global footprint. He talked about environmental stewardship, specifically their flare gas recovery systems, which have resulted in a 96% flaring free operations since 2021. They also are reusing exhaust gases to reduce energy consumption among many other efforts. They are always looking at ways to improve energy efficiency. They are a strong community partner. In 2022 they generated \$3.5 million for local projects and charities, and their refinery employees performed 12,000 volunteer hours.

Mike Cowley – A banker's perspective on energy. Mr. Cowley said he feels like energy is the most important issue of our time. It is complex and most people don't understand it. Energy is the lifeblood of our economy. He said there is a strong correlation between energy and U.S. GDP as well as energy and global GDP. He went over ERCOT and our electrical grid system.

Chris O' Conner works for Viterra a massive agriculture network that has over 270 storage and handling facilities. Chris manages several grain elevators for the company. He talked about how his company considers all kinds of things such as environmental concerns, weather and drought situations, international trade, logistics, and general information. The size and scope of their organization was impressive!

Buccaneer Commission

Our next stop was at the beautiful new offices of the Buccaneer Commission (Buc Days). Johnny Philipello, Buc Days President and CEO, welcomed us and gave us some information about the organization. Next, we were given some insight into being an effective representative of agriculture in a political setting by Scott Frazier. Scott Frazier was raised in Nueces County and has been farming and ranching his entire adult life. He is a TALL Alumni. He spoke to us about how to be an advocate for ag causes with any leader or politician. He suggested we know something about any politician prior to having any meeting with one. When you meet with one, be sure and tell your story and how the issue you have affects you directly. Have a solution for the issue if at all possible. Be brief. Leave a brochure or outline of the issue. Get to know their legislative assistants/aids. Be careful what you talk about and stay on task. Know their position on things before you talk about them if possible. Name drop a bit if you can but be careful. Know the group you are going in with. The last thing you want to do is go in with someone that submerges your cause. Be willing to negotiate when the time comes. Remember pay to play and be aware of reality.

It terms of proposing and getting legislation passed Scott had the following advice: Analyze it and find weaknesses before proposing it and have mitigants. Go through the proper channels. Seek your friends. Work with others. It makes your deal stronger. Figure out who your enemies are. Know their standpoints. Work with the opposition to see if you can fix what the issues are for them prior to proposing your legislation. Pick your sponsor carefully. Get as many co-sponsors as you can. You may have to hire or utilize a professional lobbyist. Also get to know the opposition's lobbyists.

Ellis Chapman with the Harte Research Institute was our next speaker. He spoke about commercial oyster farming in the gulf. He said oysters help with fisheries. They pick up excess phosphorus in the water. They help sea grass and aid in carbon sequestration. Texas is the last state in the country to start oyster farming. He said oysters built NY City. Oyster stock in Texas has been heavily depleted. In 2019 they started the industry and TPWD formally legalized oyster farming in 2020. Brad Lomax started the first farm in the state. Mr. Lomax owns Waterstreet, a popular seafood restaurant in Corpus Christi. He said the permitting process is arduous, but your lease is 10 years. The farms are small areas. 8-10 acres is Brad's size. You should glean 250,000-300,000 oysters per acre.

Drew Molly- COO for the city of Corpus spoke next. He said Corpus is a regional water provider. They have three water supplies. The Nueces river, Colorado river, and Lake Corpus. They are now looking at groundwater, but it is brackish. They are also looking at sea water desalination. They want to do 20-30 million of gallons a day. They have secured the water permit. Working on the discharge permit. They also need one more permit. This is separate from the Port project.

Wednesday:

We started our trip further South with a morning spent at the world-famous King Ranch. Our first contact and portion of the tour was with Justin Chopelas, manager of the farming operation. They have 74,000 acres of farmland and are expanding constantly. They should be at 90,000 when they are done. They lease out about 30,000 of those acres. Their leases specify they have to gin with them. What they farm always goes 50% cotton 50% milo then rotates. 27 full time employees. They own a JD dealership. They have a grain elevator, built in 89, and a cotton gin built in 1990. They are currently adding two 750,000 bushel tanks which will double their storage. Fields range from 100 to 3,700 acres. They get about 36 inches of rain annually. They have one plow that is a 69.5 foot wide. They have 10- 9 series tractors, and 8- 8 series tractors.

Daryl White, one of our cohort members is an unit manager on the King Ranch. He assisted with the tour and gave us many other tidbits. The ranch has its own privately funded school system for pre-k through 3rd grade for children of their 140 ranch employees. They call the communities of workers colonies. They split the ranch into units then have unit managers. 23,000 commercial cows. 2,300 seed stock units. They have 20 sets of working pens. Feed yard capacity is 16,000 head, permitted up to 20,000. They don't substitute forage. Only use hay in the pens. They had six figure costs last year in fence and gate repair related to immigration bailouts. They have security in each division. They spend \$2.8 million a year in brush control.

Heath Grigg, their feed yard manager gave us more info. He said they are vertically integrated on the cattle side from seed stock until slaughter. They do a gain test program on their bulls. The feed yard was built in early 1970s. They grow their own hay grazer silage. The cotton seed they feed is from their own gin. Very low death loss on their own cattle, 0.2% usually. They also buy outside cattle. They make \$18-20 an acre on what they lease out for hunting.

King Ranch employee Leroy Montovo spoke to us about their quarter horses at their covered arena. They try to produce the best working horses for the cowboys. He gave a good breakdown of how they break the colts. They have 7,300 registered horses on the ranch. They have won world championships in

cutting and racing. Several trainers gave us a brief demo on colt training. Every cowboy gets a minimum of 4 horses in his string.

Frontera Produce

Our next stop was at Frontera Produce in Edinburg. Frontera Produce is a company that farms and also packs multiple different kinds of herbs, fruits, and vegetables. They have cilantro, ginger, tomatillos, and onions. They have cabbage as well as red cabbage. They have a lot of different kinds of fresh fruits, like cantaloupes, melons, limes, mangoes, watermelons, and pineapples. The farm produces peppers too. They have bell peppers, Poblanos, Serranos, Anaheim chilies, and jalapenos. They are a 30-year-old grower, packer, and shipper company. Melons and onions are their biggest commodities. They have Texas melons from May through October and in the winter months they sell melons that are from Mexico. Watermelons have the most rejections. They farm 2,800 acres. Onions have the biggest margin. Hatch chiles and Anaheim peppers are the same thing. Walmart is their largest customer. They also sell to HEB. HEB inspect at Frontera facility before they even ship. Their company pays \$15 an hour. In Mexico they pay \$15 a day. They use H2A for most of their harvest crews. They are more expensive than local but much more reliable. 80% drip irrigation that is rolled up every year.

Rio Grande Valley Sugar Mill

Our tour of the sugar mill was led by Dale Kerstetter, the mill's occupational safety and environmental compliance. He said environmental law enforcement is done by TCEQ and the EPA. This is the only sugar mill in Texas. Sugar cane needs heat and water. The hotter the better. They cane can grow 10 to 15 feet tall. It will grow three inches a day after a rain. There are 105 farmers in the coop. The farmers plant it, grow it, but then once it's ready for harvest the coop takes over. It takes a full year to grow sugar cane. Once you cut it, it will grow again with water. They plant on a three-to-five-year cycle. It takes 30 to 60 inches of water to grow it. Planting starts in August/September. Once the cane is in the mill, they grind it. They boil the juice to get the sugar. They make 120-150k tons each season. The liquid that is left over is black sap molasses which is used in cattle feeds and tubs. They make 4 million gallons of the molasses. They generate electricity using the steam by-product to turn turbines. All sugar cane mills use the pulp that is left to run the steam ovens. They are 100% self-sufficient. Usually, they start harvesting in October. Dale mentioned that they grow lots of sugar cane in Florida. They burn cane fields before harvest. The state gives them permits to burn from 10:00 am till 4:30 pm. They use a PA system with an audible warning prior to burning. They also place warning signs around the fields a week prior to harvest. Over 220 full time maintenance employees, with many more during harvest. They spend \$13 Million a year in labor. Australia used to be #1 sugar producer. Now it's China. All sugar cane harvesters are single row. Cost \$300,000 each. The coop farmers have to get their seed stock from them and are not allowed to get it elsewhere. One acre of seed cane will give you 6 acres of cane. They have 105 members with 80 to 90 growing at any time. Typically need 20 tons to an acre to break even. Good years they can get 50 tons. 10 tons of cane will give you 1.1 or 1.2 tons of sugar. They receive 300 truckloads of cane every 24 hrs during harvest. They will harvest 17,000 acres this year but normally 30-40,000. An interesting fact, the tiny bit of molasses in raw sugar keeps ants and other bugs away.

Thursday

Rios of Mercedes

Our first stop of the day was the Rios of Mercedes boot factory. Mr. Ryan Vaughn -CEO of the company was kind enough to give us many insights related to the history of Rios/Anderson Bean and how they do business. He showed us both of their factories and walked us through the entire boot making process. They only do wholesale, with no direct to customer marketing. Rios of Mercedes was started in 1800s,

Anderson Bean was started in 1985. The company also bought Olathe in 2001. They also recently bought the Honcho brand and factory recently. Their Horsepower and Macy Bean boot lines are made in Mexico. Rios' core business is competitive horse-show world. They have a team of sales reps that travel and meet with retailers. Retailers get to custom design boots for their customers. Cavender's is their biggest customer. Mr. Vaughn said that government regulations are his biggest concern. Both US and Mexico. Lots of pushes to stop exotic skin trade. 60% of their products come out of Mexico. Lots of domestic hides come from the great lakes area and the northeast. They try not to get hides other than exotics from other countries. They often get American hides tanned in Mexico too. They have 150 employees in their factory on site. They make about 300 pair a day in the Anderson Bean factory. He said on any given day they have about \$3.2mm in leather inventory in the back. Most leather is bought by the square foot. \$3- \$12 a square. About 80 different people will touch each boot. The Rios factory is the nicest products. About 50 employees in that factory make 60 pairs of boots a day.

Lone Star Citrus Growers

T.J. Flowers, VP of Sales and Operations, gave us a great tour of this packing facility and provided a great deal of information related to growing citrus in the Valley. Mr. Flowers and his dad started the company in 2007. 75-80% of their packing business is focused on grapefruit, the rest is oranges. Grapefruit acres have been decimated by freezes and development pressure recently. They are a full-service packing shed and also grow themselves. They are growers, packers, and shippers. Product comes to them directly from the field. They wash them, sanitize them, wax them, size, grade, pack them, and sell them. The wax coating the fruit has some fungicide in it to keep them from getting moldy. They have to de-green the fruit which takes 4 days. They ship all over the country, but mostly west of the Mississippi. Texas and Florida provide grapefruit in the winter, California provides grapefruit in the summer. Texas grapefruit is high sugar and low acid. California grapefruits are the opposite. In January and February, they don't have to de-green the fruit. De-greening helps them be able to move crops over a longer season because they start earlier. It matures on the tree. The harvest season begins in October and goes through April. Water is a huge issue for citrus growers. Most modern groves use drip lines. Most groves are small. The average independent grower is 20 acres or less. 90% of grapefruits in the area are the Río Star variety. About 5% of what they get is non-viable, so they use it for juice. Trees can last 90 years but production declines after 30 years.

Pharr International Bridge

Cynthia Garza Reyes was our primary speaker while at the bridge. She said that the bridge is basically a business that the city runs. It handled \$50 Billion in trade this year. It is the third largest land crossing in Texas behind Laredo and El Paso. It is the 29th busiest border crossing in the US, however it is the #1 produce bridge or entry point in the nation. All imports and exports here come across via trucks. She said they will soon break ground on a 2nd bridge to accommodate even more traffic. They are not open 24 hours a day because all the support businesses close. Also, their hours don't match with Mexico's side. Often Mexico will have a holiday and will leave early, and this shuts everything down. Or they won't start on time like we will. Makes the bridge less efficient. Customs and Border Patrol officers took us on a walking tour. Green uniforms are border patrol, blue is CBP, and beige is Air Patrol. They check 14,000 trucks a week. The bridge itself is 3.2 miles long.

Discussion Panel

We finished our day with a discussion panel. a Special Ranger for Texas and Southwestern Cattle Raisers Association, the Executive Director and GM of the Rio Grande Valley Livestock Show, a Hidalgo County Irrigation District Manager, and the mayor of Reynosa Tamaulipas.

The special range said they handle crimes related to livestock and agriculture and that he works closely with his Mexican counterparts, and they are very helpful with Ag theft issues.

Executive Director and GM of the Rio Grande Valley Livestock Show mentioned that they are hosting the 85th show this coming March. They awarded over \$1.7mm in awards last year and have a budget of \$5MM dollars.

The Hidalgo County Irrigation District Manager said they have an allocation of water based on acres. Currently there are 23 irrigation districts in the region. Most have less than 40% of the water allotted that they normally would have. His counterpart across the river is a federal entity. Most irrigation districts are about 100 years old. Most have not been maintained well. They don't have the storage capacity that they used to in their reservoirs due to silt fill in and subsequently they have more evaporation loss with the reduced dept.

Carlos Peña (Mayor of Reynosa Tamaulipas) said that Reynosa is the biggest city in the state of Tamaulipas. Has an MBA from Harvard. Many of the manufacturers that were in China are moving to Mexico. The city's population is 1.1 million. They have 256 large companies with a presence there. Their biggest industries are oil and gas, and wind farms. Minimum wage there is \$475/month. They are trying to focus on the medical industry in order to make it a medical tourism hub. Agriculture has been declining. Petroleum and electricity are both nationalized in Mexico. They work closely with US agencies. He said they have issues with the cartel on the outskirts of their town. He said human trafficking is the main way the cartels are making money right now and is the biggest issue. Followed by contraband like oil and gas. He said the drugs is almost an afterthought. He said they have never had the number of migrants in their city that they do now. The Biden admin is the worst since Jimmy Carter in his eyes. He said that it is advertised down there that it is wide open, with no consequences. The cartel makes them pay prior to crossing. \$3,000 for Haitians, \$20,000 for Russian, \$50,000 for Chinese. They are like travel agencies. To apply for asylum, the US makes them come to the border and they won't change this policy despite them asking them to. He said right now there are 3,000 Russian military members in a camp in his city.

Overall Program

In closing, my seventh TALL session was a very memorable experience. I really appreciate Dr. Jim, Jennifer, and all our speakers and sponsors giving of their time and funds to educate us. The time we spent together learning so much about agriculture in the Coastal Bend and South Texas was a favorite of mine.

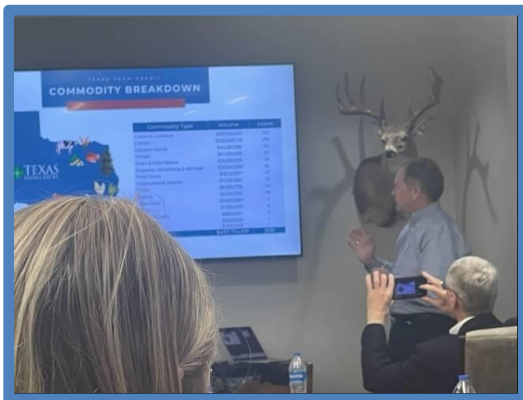
Lance A. Barnett (#2)

TALL XVIII

Session 7 – South Texas

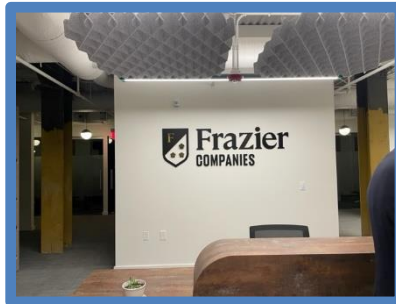
November 6 - 10, 2023

We met at the Texas Farm Credit office in Robstown to park our cars for the week. We heard from Mark Miller, CEO Farm Credit and TALL alum and board member. Texas Farm Credit has 21 branches and operates in 100 counties in south and east Texas. 65% of their loan base is in livestock and cotton. Mr. Miller spent time with us during the week and added value to our overall understanding of agriculture in South Texas. Dwight Jackson with the National Cotton Council spoke to us on the history of cotton in the region as well as a description of the NCC organization. Cotton is one of the most important ag exports in Texas and the NCC advocates both with the government and public on issues important to Texas cotton producers and stakeholders.



We loaded the bus and went to the Gulf Compress in Corpus Christi. Robert Swize, president of Gulf Compress, shared with us the history of how cotton used to be compressed at central locations vs. at the gin where it is currently baled. Gulf Compress works with 18 gins in South Texas and serves as a warehouse prior to export and shipment. Jeff Nunley, executive director of South Texas Cotton & Grain, shared his story of starting at his association with very little transition. The lack of transition allowed him to build the organization into one that advocates for South Texas agriculture. He participated in every ag organization he could find to network and become known. Involvement was key to his success and he strives to build leadership in ag positions. We then heard from Jon Gynn and Colin Chopelas, producers in the corpus area. They and Mr. Nunley discussed the tremendous risks of farming and how most farmers are passionate about the vocation of feeding and clothing the world. They emphasized the critical importance of getting involved in organizations to advocate and influence policy. They and others confirmed that it makes a difference and that it's important to have all

producers, small and large, on the same side of issues. We concluded the day with entrepreneur Lynn Frazier. He developed a frack drilling plug in his garage and later sold the company for a lot of money. His story is inspirational and a testament to what hard work, a solid business plan and strategy, and good timing can do. He emphasized the importance of “shaking hands” i.e. networking and meeting people. It made the difference in his success.



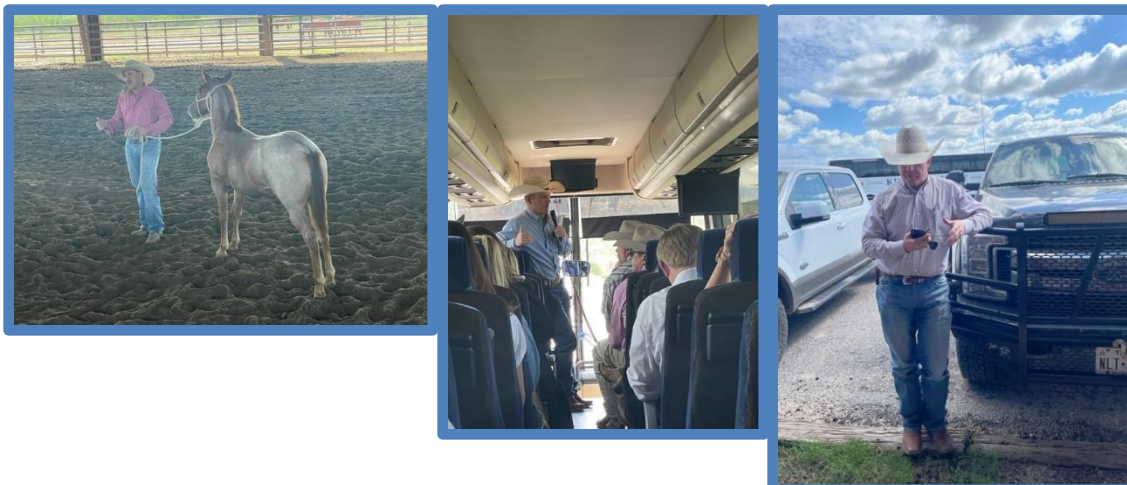
On Tuesday November 7th, we visited the Welder Wildlife Foundation near Sinton, Texas. We toured the historical building and wildlife collections and then did a bus tour of the reserve. The foundation was set up to conserve habitat, facilitate research and education, and promote working land lifestyles. The bird collection they have is especially impressive. We then went to the Texas State Aquarium in Corpus Christi and toured the exhibits and saw a dolphin show. We had lunch and a panel discussion at the aquarium. Dr. Bryan Gulley, Port of Corpus Christi Commissioner, discussed that Corpus is the largest revenue port in the state, #1 in ag exports and 2nd in the country in liquid gas. They are working on a desalinization plant and the permit challenges were discussed at length. We then heard from Joe Almaraz with Valero Energy Corp. Mr. Almaraz reviewed all of Valero extensive energy operations across the region. Mike Culbertson with the Corpus Christi Economic Development Corp discussed how his organization is the one point of contact for businesses wanting to do business in Corpus. They partner with Del Mar college to support community development. They have 15 active projects totaling in the billions of dollars. The Corpus EDC has focused on low carbon projects and leads the world in low carbon transportation fuel. Mike Cowley with CoBank gave his thoughts on climate change and global politics. To conclude our session at the aquarium, we heard from Chris O'Connor with Viterra Grain. He talked about trading grain and working with farms in the coastal bend region.



To conclude our day, we had dinner at the Buccaneer Commission and Johnny Philipello, president/CEO shared with us his vision and success of growing the Corpus Christi Buc Days. They have been successful in bringing revenue and entertainment to the city while awarding over \$1.4 MM in scholarships. Scott Chapman, TALL alum and local producer has had a lot of experience influencing and advocating for ag with policy makers. He shared with us his tips and experience on meeting with elected officials. The key is to be prepared. Ellis Chapman talked to us about oyster production in Texas. He has great passion about the business and was a lot of fun to listen to. Although Texas is not a large producer of oysters, there is growing interest and money to develop the industry. We ate some Texas oysters and they were delicious!



On Wednesday, November 8th, we checked out of the Omni, loaded the bus, and headed south to the King Ranch. Justin Chopelas, King Ranch farm manager, gave us a tour from the bus of the ranch's farming operations. The ranch has over 60k acres of contiguous farmland of cotton and milo, has a cotton gin, and grain storage. The ranch is in the process of clearing 20k acres of brush land for farming. They have full-time crews working on the project. Darrell White, Area Manager and one of our cohort members gave us a summary of the King Ranch's rich history. Darrell also gave us an overview of their horse and cattle operation. We got to see Lee Roy Montalvo and his team work 3 young colts. Lee Roy is a 5th generation Kineño, a person that comes from a long heritage of working on the ranch. The ranch manages its own horse genetic program and focuses on developing the best working horses in the industry. Mr. Heath Grigg, General manager for ranching and wildlife, gave us an overview of those operations. They have a feed mill and mix and grow a lot of their own feed. Mr. Grigg oversees the tourism, hunting, cattle, wildlife, and quarter horse divisions. They all noted that their biggest challenge is maintaining the generational talent of labor they have.



We had lunch on the bus and then headed to Edinburg to visit Trevor Stuart and John Hausman at Frontera produce. Frontera produces and packs different herbs, fruits, and vegetables. As with many companies we have visited across Texas and the country, labor is a critical challenge. Although a lot of their products are grown in Mexico, they still pack in Texas to ensure quality and customer service. We then went to Rio Grande Valley Sugar Mill in Santa Rosa, Texas. Mr. Dale Kerstetter, Environmental & Safety director, gave us a presentation and tour of the plant. Sugar cane acres planted are 17k vs. 30-40k acres normally planted. The sugar mill employees 525 people during harvest and maintains over 200 year-round. Sugar cane requires 30-60 inches of rain and the valley didn't receive the rain nor was water allocated to the reservoirs north and west of the valley. After the mill tour, we went to Las Nana's Taqueria for dinner and music which was graciously sponsored by Giovana Benitez and Isaac Sulemana, alums from TALL XVII.



On Thursday, November 9th, we visited the Rios of Mercedes Boot Company. Rick Vaughan, President & CEO, gave us an overview of the company's history, business strategy, and challenges they face. Rios is a wholesale boot maker that makes custom and design orders for retailers. Their key challenges are in working through government regulatory issues and exotic hide and skin restrictions. They are continually looking for the latest trends and styles from both working cowboys and the rodeo industry. We then went to Lone Star Citrus and met with T.J. Flowers, owner and VP of sales and operations. Lone Star ships 1.5 MM cartons of citrus each year. They are growers, packers, and shippers and operate a full-service packing station. Although I'm not a fan of grapefruit, I have to admit I liked the Texas Red Grapefruit fresh cut by TJ. We then had lunch at La Ganadera sponsored by one of our own Mauricio Garcia and Gio Benitez. We ate excellent meat, beans, and the fixing. Thanks Mauricio! After lunch, we visited the Pharr-Reynosa international bridge. The Pharr bridge is the #1 border crossing in

the US for produce and #3 largest trade hub on the Texas/Mexican border. The bridge is owned by the city of Pharr and works in coordination with the US customs and US border patrol to ensure the efficient and safe crossing of products. Their biggest challenges are a deficit of truck drivers and increased cost of insurance and fuel. For our final event of the session, we had a panel discussion at the Cambria Hotel in McAllen. Joey Aguilar, law enforcement ranger for the Texas & Southwestern Cattle Raisers Assn discussed the challenges of working in the valley with fences frequently getting cut or run through and theft across the region. Luis Saldaña, executive director & GM for the Rio Grande Valley Livestock Show shared with us his experience as an extension agent and service to the ag. community in the valley. The RGV livestock show is in its 85th year and will host over 1.2 MM people with a focus on ag education and promotion. Antonio Uresti, Hildago County Irrigation Manager shared with us the challenges the region has in water, not only on the US side but the Mexican side. Carlos Peña, mayor of Reynosa, discussed the challenges he faces with migrants, growth, and water. Most migrants come through Tamaulipas with the hope of getting asylum in the US. US policy requires them to apply at the border but the vast majority are rejected or must wait lengthy periods in order to get court dates. He mentioned that a much more efficient process would be to allow asylum seekers to apply in their home countries or in the nearest embassy versus making the dangerous journey to the border. Maquiladoras continue to grow and are the largest business in Reynosa and Tamaulipas. Contrary to popular belief, a lot of workers live in Texas and cross the border to work in the maquilas. We had a very interesting discussions on crime, border business, and challenges. The South Texas trip was awesome! We saw some completely different operations and production. STX is a vital part of the state's economy and growth and contributes tremendously both in product diversity and human capital to Texas Agriculture.

