

Economic Development Seminar (Class XI)
Garden City, November 9, 2011
Reid Shrauner, scribe

Dr. Alison Felix from the Kansas City Federal Reserve spoke to us about the present recession and how Kansas is fairing compared to the nation. Kansas was late to enter the recession and is late getting out. Employment first reported small growth in February 2010. The aviation industry, unique to Wichita, also was slow to get hit. Kansas City has a lot of telecom based jobs and this industry has been hit very hard. Western Kansas has done very well through the recession due to the strength of the ag sector. Decent yields and record prices have helped the region thrive economically. Real Estate values are down but not too much compared to other places. On average they are down 4% since the peak before the recession.

The class moved out to a briefing on the beef cattle feeding industry, hosted by Class X graduate Ty Brookover. Ty's grandfather, Earl Brookover, was a pioneer of commercial cattle feeding in the region. He learned how to drill both water and natural gas wells in Texas, California and Peru. When he moved to the Garden City area, this experience allowed him to grow crops on semi-arid land with irrigation. While in California he learned about confinement cattle feeding and figured out how to make it work in Southwest Kansas. Once his systems were proven it was just a matter of time that critical mass grew the industry. Having so many cattle fed in the area was the attraction for the packing plants to put their businesses here.

The mill at Brookover's lot is called a California style mill. It was designed in the 1960's but is well maintained and still works well.

While viewing the original north feed yards the class took notice of a new highway near the property. In fact, the state of Kansas just completed a highway project that went directly through the feedlots. The state did not want to compensate the Brookover's fully, so there was a lawsuit. Now completed, the highway is there, Brookover's feedlot is smaller and many dollars were spent on legal fees for only a partial settlement.



The main thing that was most interesting about the tour were the stories of the critical role that the immigrant Hispanic community played in the cattle feeding industry and the story of developing the land and the beef industry using the resources of southwest Kansas available at the time.

Dinner with our donors took place at the famous Pho Hoa Restaurant. This Vietnamese cuisine dinner was served in courses and family style and was accompanied by a slide program of the Class X tour to Viet Nam last March. We started with egg rolls and a vegetable beef soup. Next came jellyfish salad and I have to admit it was pretty good. The next course was fried rice with a hot pot of seafood, variety meats and quail eggs. This was especially good with rooster hot sauce. The bread was true to form for Viet Nam, a French baguette, and dessert was fresh oranges.

Local KARL graduates Ty Brookover and Dana Nanninga told us how they loved the Viet Nam Tour of Class X. They emphasized how different the culture was yet how common the young people's interests were in our modern culture, especially in the global business language of English and social media tools. Ty noted how "insane" the traffic was as the youthful population recently transitioned from a bicycle mobile society to motorbikes.

Dana Nanninga talked about the local leadership roles she and Ty have been serving in since return and how they frequently meet to discuss and collaborate on youth development experiences in the area.

Jack Lindquist, KARL Program President, took the opportunity to thank the area donors for making these experiences possible and how the KARL "Family" is developing into a high impact unit of economic development in Kansas. This was emphasized when Class IV alums Lance Woodbury and Donnie Young announced a KARL Endowment Fund campaign to memorialize a fellow classmate that had passed, Stacy Steward. Lance was pleased to announce that the needed \$10,000 to name a KARL Foundation endowment fund after their classmate had already been surpassed with just a few phone calls.

Jack thanked Ray Purdy for hosting the seminar and assisting with area fundraising. A charter board member with KARL roots dating back to 1989, Ray has helped raise over \$300,000 for the program.

We concluded the evening with a reception and "executive session" at the home of our host Ray and Dena Purdy.

Thursday Nov. 10, 2011
Jon Schmidt, scribe

Thursday was the biggest and most informative day of the time spent in Garden City. The morning began with a filling breakfast and usual talk of the events of the previous night and expectations of the coming day and tours. The first scheduled event was a panel discussion of local issues hosted by Lance Woodbury. Before we could start Debra had us review the day before and decide what we would take away from touring the Brookover Cattle Company and dinner the evening before. Jarrod, the chair for the day, then introduced Mr. Woodbury. Lance was a class 4 KARL graduate and is still a big supporter of KARL and its undertakings in the Garden City area. Those on the panel were Matt Allen, the City Manager of Garden City; Consuelo Sandoval, the United Way Coordinator; and Ron Shortridge, co-owner of Cattle

Empire. The discussion began with a question to Ron on “What needed to be changed today?” His response was a paradigm shift in the way family-owned businesses will be operated in the future. His solution was to have employees be part owners in the business they work for. Discussion continued about this idea with Consuelo following the talk with positive news about the United Way and how even in down economic times the area around Garden City is still able to raise significant funds. Matt was brought into the panel discussion with a question about lot property values and how to develop them. The conversation also covered water rights, KDOT land acquired for expansion for the highway, and the diverse culture of the area. An interesting fact from Matt was that in a recent lack of school teachers some were hired from Detroit. That led to a large group being hired and now they are buying homes and settling down in the area. Wrapping up the discussion, Jarrod presented each with a bottle of KARL wine and we loaded the bus to head to the Tyson beef processing plant.

Arriving at the Tyson plant we checked through security and were greeted by the management and watched an informative video on how Tyson was founded. In the early days the company had hauled chickens from the south up to the northern states to sell at market. From there they expanded to raising their own chicks, hatching their own eggs, and grinding their own feed. These endeavors made Tyson one of the first agriculture companies to be vertically integrated. Tyson became the recognizable name for chicken in the US and has held the title since. They eventually grew and expanded into beef, partnering with Iowa Beef Packers (IBP) to cover more markets. After several mergers Tyson runs the largest beef processing plants in the world. While touring the plant we saw several of the 30,000 head processed per week at that plant. The KARL class was permitted to cover the harvesting process backwards from boxed beef to just being hung on the rail. An interesting stop was at the grading section where a camera was used on the ribeye to assess a yield grade. Tyson has over 3,200 workers in two shifts operating Monday through Friday. We were informed that they ship 1000 age verified cattle and cater to Egypt, Taiwan, Russia, as well as many others, including our own local markets. We wrapped up the Tyson tour with a discussion about the beef industry and a presentation of our appreciation for their time. Ray Purdy was generous to give us a commentary of the surroundings as we ventured through the Garden City area between our stops. Along the drive we concluded that the consumers and public need to be informed of how the food gets to their plate or someone else will and it might be from a viewpoint we don't agree with.

Arriving at Sunflower Electric near Holcomb we saw the coal railcar unloading facility and were informed that the train doesn't stop but the cars flip over and are emptied onto a conveyor. Lunch was then provided to the group and all were full by the time the session began. The plant produces 2,235,472.2 MWH and uses 1,355,016.5 tons of coal per year.

Sunflower's motto is:

Technical Competency

Respect & Dignity

Accountability

Integrity

Trustworthiness

Servant Leadership



After visiting with the management and workers it was clear that all of those parts are being implemented and they're producing a great product with enriched employees. During the presentation the group was informed about the difference between peak, intermediate, and base loads; with wind power not being able to sustain a base load. The facility is looking at a \$2.2 billion expansion to deliver more power to the area and local states. A time for discussion followed covering land issues, workers, and how to deal with government regulations with the group touring the plant in the end. Along the tour we followed the process of the coal coming into the plant and being crushed in five drums each producing 44 tons per hour of pulverized coal that is blown into the boiler raising the temperature to 2400 degrees. Someone wanted to roast a hotdog in the viewport on the fifth floor but was informed the employees had tried but the hotdog was incinerated. Mike began "tweeting" as we loaded the bus to head to Larry and Becky Jones' for supper and a presentation by Judge Tom Webb.

Arriving at the Jones' home the class began to relax and converse about the day with an entertaining game of pool breaking out. Larry and Becky had prepared a beef meal to coincide with our tours and an excellent cobbler and ice cream for dessert. Judge Webb then shared his inspiring life story from being a neglected child in Korea to his adoption by a family in Oklahoma. Throughout his life Tom was blessed and cared for, being taught the lesson to take time to impact someone else's life for the better. He challenged each of the tables to discuss and share what we would take from his message and how we would apply it in our own lives. Following the discussion he presented each class member with a copy of his story and in turn we also presented him with another great bottle of KARL wine. The group then loaded up on the community college bus and returned to the hotel for an executive session and much needed sleep before Friday's early morning.

Friday Nov. 11, 2011
Craig Poore, scribe

First thing in the morning we traveled to the Royal Farms Dairy by bus. Steve Irsik gave us a background on how the dairy was formed and introduced the co-owner/manager, Kyle Aberhoff. They operate a 6000 head dairy which has a 60 head double milking parlor that operates 24-7. Each cow produces 70 lbs of milk per day. Each gets cleaned before pumping, gets a body condition inspection, and then gets hooked up to the machines. They employ 60 workers in their facility. Kyle discussed how the waste from the facility is pumped through a system of pipes, then spread on their farm ground through pivot sprinklers. This gives nutrient rich water direct access to the field.



From there we headed to Wind River Elevator/ Bonanza Ethanol Plant. This partnership keeps the elevator shuffling grain at all times and gives the plant ample supply. The plant is a 55 million gallon facility, which produces 165 gal of fuel alcohol per day, producing 115 gal/min of ethanol per day. They can use either 100% corn, milo or a blend if needed. They consume 57,000 bushels per day, with storage to hold a 5-day supply. This is a great location, because they can ship their wet distillers to feedlots in the area. We toured the plant and discussed the process, and the steps along the way. They are in the first stages of building a CO₂ plant. This will be beneficial, allowing them to sell the CO₂ to oil companies, rather than run it through scrubbers in the plant.

After the plant tour we motored back to the hotel, discussed what we thought throughout the weekend, and dismissed.

