

The Syllabus

K-State Master of Agribusiness *A decade of developing agribusiness leaders*

Volume 8, Issue 3 • Fall 2007 A newsletter for Master of Agribusiness students, alumni and friends

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MAB to Southeast Asia *Malaysia, Thailand and Vietnam 2008*

MAB is planning its third international trip **November 7-22, 2008**, with planned visits to various crop operations, agricultural and food-related industries, aquaculture and shipping ports, as well as sight-seeing.

A different kind of agriculture... Less than one-third of Southeast Asia's land is in agricultural use and most of that is small family or communal farms. Due to low yields and a growing population, the region is one of the largest marketplaces for food. However, the rapid economic growth of these countries shows potential for positive growth in the agricultural industry. The opportunity to see biofuel plants, shipping ports, wet markets, developing aquaculture and region specialties such as rice fields and palm oil plantations should provide a unique view of agriculture for trip participants.

Southeast Asia Itinerary

November 7th

Depart U.S. from West Coast

November 9th

Arrival Kuala Lumpur

November 10th

Travel to Malacca

- Visits to palm oil and rubber plantations Evening free time in Kuala Lumpur

November 11th

- Visit to Forest Research Institute of Malaysia (FRIM) and canopy walk
- Batu Caves
- Free time to explore Chinatown



Rates:

Double Occupancy Rate:

Single = \$3,600* Couple = \$7,200*

Single Occupancy Rate = \$4,140*

**These are current estimates*

What's included:

- Roundtrip international airfare from West Coast
- Double occupancy hotel accommodations with breakfast
- 11 lunch and dinner meals as per itinerary
- Guided sightseeing and admission fees
- Airport-hotel transfers

Additional Expenses:

- Visa for Vietnam (\$65)
- Additional meals (14)
- Airfare from local origin to West Coast
- Optional trip insurance
- Souvenirs & personal items

November 12th

- Visit the Malaysian port facility at Klang
- Travel to Bangkok
- Dinner aboard the *Loy Nava*, a refurbished rice barge

Students complete thesis projects

To access an electronic version or view a thesis defense, log onto K-State On-Line, www.online.ksu.edu, with your eID and password. Go to the MAB Community Page, go to Content and click on Theses.

Debbie Clough, class of 2004

Reaction to and Potential Economic Impact of a Foot and Mouth Disease Outbreak in Kansas

Travis Holt, class of 2004

A Decision Model to Determine Class III Milk Hedging Opportunities

Ray Smith, class of 2002

An Economic Comparison of Reduced Tillage and No-Till Crop Production in Western Kansas With and Without Opportunity Cropping

Southeast Asia trip itinerary continued from page 1

November 13th

- Professional visit to Charoen Pokphand Group Head Offices (CP)
- Visit the United Nations office
- Evening free time in Bangkok

November 14th

- The Grand Palace, Emerald Buddha Temple and Wat Po, home of the enormous Reclining Buddha
- Traditional Medicine Practitioners of Bangkok headquarters



November 15th

- Travel to Hanoi
- Tour the Hanoi Old Quarter by cyclo
 - Traditional northern Vietnamese dinner

November 16th

- Travel to Halong Bay
- Visit the US Grain Council and American Soybean Association aquaculture farms
 - Spend the night on Junk boat in Halong Bay

November 17th

- Return to Hanoi
- Traditional water puppet performance and dinner at rice farm



November 18th

- Visit a local wet market and Vietnamese hog farm
- Ho Chi Min Mausoleum and home, the Museum of Ethnology, Temple of Literature, Truc Bac Lake and Hoa Lo Prison
- Visit with Foreign Agricultural Attaché from the US Embassy

November 19th

Travel to Ho Chi Minh City

- Port of Ho Chi Minh, Vietnam's largest deep water container port
- Free time to explore Cholon (Chinatown), Ben Thanh Market and Binh Tay Market

November 20th

- Drive to the Mekong Delta and tour the narrow inlets and sustenance farms by boat and klong
- Visit the Vietnamese headquarters for Cargill
- Free time to explore the markets and alleyways of Old Saigon



November 21st

- Excursion to Cu Chi Tunnels and Ho Chi Minh Trail
- Return to Saigon to visit the Reunification Palace and the War Remnants Museum

November 22nd

Return to the U.S.

If you are interested in more information or would like to register for the trip, please contact Mary Bowen, mjbowen@ksu.edu or 785-532-4435. Information about this trip and reviews of previous trips are available at www.mab.ksu.edu/Alumni/International_Trips.html.



Scholarship donations help MAB students

Since the MAB program began 10 years ago, 22 students have been awarded departmental, alumni and Arthur Capper Cooperative scholarships to help with the cost of the program. It is through these gifts donated by MAB alumni and supporters, some MAB students are able to continue their education.

Scholarships allow us to attract students who otherwise may not be able to enter the program due to financial reasons, including individuals from throughout the United States and international students. The diversity that these students bring to the program benefits all participants.

Emmanuel Foko, class of 2008, is a recipient of an MAB scholarship. "My enrollment for the MAB program was definitely a major path towards advancing my career. As a

student, expenses such as flight, hotel and rental car were vital things to consider. I was so privileged to receive the MAB scholarship which helped with the above expenses and made my campus sessions successful," Foko said.

Each year we conduct a small campaign to raise money for these scholarship funds. Money provided to MAB scholarship accounts is very helpful to students unable to receive financial aid or company reimbursement. We would like to thank those who have given money to these scholarships. Your contributions have helped keep the program successful and growing for a decade.

If you are interested in making a contribution to one of the MAB Scholarship funds, please contact Mary or Lynnette to discuss options.

AGEC 710 wins award

Over the years, the MAB program has been awarded a dozen national and regional awards and in October, the program will be awarded the Association of Continuing Higher Education's (ACHE) Distinguished Program Award for its Comparative Food and Agriculture Systems course. The course is being recognized for its unique and innovative development and delivery.

The course was created in 2003 to give students a better understanding of the food and agriculture industry at a global level from people who have experienced it first hand. Many MAB students have taken the Comparative Food and Agriculture course to fulfill their required elective hours. Students who took the course during the first couple of years may not recognize it now.

The original offering covered four regions: the MERCOSUR, Russia and the Former Soviet Union, the European Union and East Asia. Instructors included Allen Featherstone, MAB Program Director; Daniel Conforte, a Universidad ORT business school professor in Montevideo, Uruguay; Pavel Sorokin, a Moscow State Agro-Engineering University professor; Nicolas Habert, an Ecole d'ingénieurs Purpan professor in Toulouse, France; Yann Duval, an economist in Bangkok, Thailand; and Ravi Chaveesuk, a Kasetsart University professor in Bangkok, Thailand.

After being awarded a grant from the USDA/CSREES International Science and Education Competitive Grants Program in 2006, the course has added four new partners, a section on Oceania and is developing sub-Saharan Africa, South Asia and North America modules. New professors include: Keith Woodford, a professor from Lincoln University in New Zealand; Lisa House, Associate Professor and Undergraduate Coordinator in the Food and Resource Economics Department, University of Florida, Gainesville, FL; Theodora Hyuha, a senior lecturer at Makerere University in Kampala, Uganda; and Rajinder Sidhu, an economics professor

at Punjab Agricultural University, Ludhiana, India.

"I took the Comparative Foods course before joining the MAB program, and found the discussions with the international instructors from the perspective of different regions of the world fascinating. When I

heard they were adding an additional region, Oceania, I requested access to the chat sessions. I also was interested in the sessions with the former instructors to get an update from the existing regions as it had been two years since I had taken the course," Marcella Warner, class of 2008, said.

The course offers an in-depth view of the global food and agribusiness industry and gives U.S. students an inside view of international agriculture taught by those with a lifetime of knowledge regarding the region.

"Students learn about other regions of the world they do not know. For example, they often have clichés about the European Union and realize that many issues are fairly similar in the US and in the EU. From my opinion, somebody can sell products to somebody else only if he knows well the history, culture, and way of life," Habert said.

The other big change is the technology utilized for the course. Lectures are still pre-recorded and students receive binders with a course CD, lecture notes, readings and assignments. However, the live chat sessions are now held in Wimba, allowing multi-audio/video conversations.

"Everyone has a chance to talk and actually ask questions. If they have a built-in or video camera they can broadcast video as well," Featherstone said. "It is much more interactive and an even better learning experience."

The live weekly chat sessions are led by the international professors where students can ask questions and interact directly with faculty around the globe. The opportunity to question the instructors creates an interactive and engaging learning environment as well as establishes international connections.

"Everyone agreed I could have presented most of the same material, but it would not have been near as interesting or effective," House said. "What made the course especially interesting to everyone involved were live chat sessions where the students had the chance to directly ask professors from around the world questions about agriculture in their region."

For more information about the international faculty or the course, go to www.mab.ksu.edu/gaen.

*"I took the Comparative Foods course before joining the MAB program, and found the discussions with the international instructors from the perspective of different regions of the world fascinating."
- Marcella Warner*

Upcoming Events

October

Accepting applications for MAB Class of 2010

November 26

Deadline to attend fall commencement - Approval to schedule final examination and diploma information forms due

December 1

Scholarship applications due for January 2008

December 7

K-State fall commencement

December 14

Final copy of thesis electronically deposited with graduate school

January 6 - 11, 2008

Campus Session

January 21 - 25, 2008

Thesis Campus Session

March 17 - 21, 2008

Campus Session

May 2, 2008

Deadline to attend spring commencement - Approval to schedule final examination and diploma information forms due

May 16, 2008

K-State spring commencement & final copy of thesis electronically deposited with graduate school

November 7 - 22, 2008

Southeast Asia Trip



Alumni Spotlight

Essien Ita

MAB Class of 2003
Energy Broker
Austin, Texas



by Cristina Mansfield

The Alumni Spotlight focuses on an MAB alum and is written by Cristina Mansfield, a 2004 graduate.

Lessons Learned in owning a chemical distribution company...

Essien Ita completed undergraduate studies in mathematics and natural sciences, but his career path eventually lead him to the food industry. When he enrolled in K-State's MAB program he was a Regional Sales Manager for Kraft, covering a territory from New Jersey to South Carolina. "I loved the industry and loved working at Kraft, but I have had the itch to work for myself since I was a child." After completing his thesis on *Lessons Learned in Operating a Niche Aroma Chemical Distribution Company*, he started looking for a business to purchase.

In reviewing the financial statements of Melchem, Inc., a distributor of fine and specialty chemicals for the flavor and fragrance industry, Essien thought he had found a diamond in the rough. The small family-owned New Jersey business was not a typical distribution company but more of a broker, relying on U.S.-based companies to buy and re-sell products from manufacturing countries. Melchem, Inc. had limited coverage, for example buying supplies from East Coast companies to sell in the Midwest. "The profit margin was only pennies per kilo, a very small profit margin."

Essien purchased the business with the intent of establishing direct relations with firms in China and India, two primary chemical manufacturing exporting countries. During the first year he made no major changes, but simply observed how the company functioned. Then he began to implement a plan to reduce the product listing and increase the number of high volume customers.

When he bought the company, Melchem, Inc. had a 200-plus product listing. Eventually he trimmed it to the 15 main products demanded by customers. The company was also

selling to everyone: almost 99% of its customers were very small outfits that purchased only 1-2 drums at a time. "We wanted sales volume to be high and profit margins to be low, but not that low." He slowly pruned the smaller customers and recruited larger ones in, including Proctor and Gamble, Colgate, Shell Oil, McCormick, and Quest International.

Essien encountered a number of obstacles along the way. First, he tried to break into direct purchasing of chemicals and worked with a Chinese manufacturer. But the process was complicated and it took months for the U.S. buyer to test the sample and inform Melchem that the product was not an adequate chemical footprint match. It could take up to a year for the Chinese manufacturer to rework the

product, a process that might need to be repeated yet again. Essien started to think he lacked the capital to finance what could be a long-term process.

One large U.S. buyer suggested that Melchem, Inc. work with one of their existing suppliers. Essien decided to follow their advice even though he was hesitant. His instincts would turn out to be right. Even though the volume of sales increased, Melchem, Inc.'s profit margin continued to be very low compared to the 40% made by the importers - too low to be sustainable. Although he informed the

Chemical footprints:

A chemical manufacturer can actually create a footprint of its product. Take a common chemical like helium. One can actually create a specific type of helium by adding some other elements. Once integrated, these elements are there forever. The competition cannot match the footprint because it is difficult to figure out. To do that you need to get a sample and test it. Even if you identify the components, you need to figure out how the chemical was processed (e.g. production temperature and purification and homogenizing processes).

U.S. firm of his dilemma, they did not prove responsive and offered him no guidance. Essien realized that the buyer was more interested in Melchem, Inc.'s minority-owned status than they were in his cost-saving ideas.

He also failed to convince chemical companies of the need for a newer

distribution model. To illustrate, he contrasts the slow-paced change in the chemical industry to the fast-paced changes in IT, where suppliers locate their distribution points close to the manufacturing sites. "A company like Dell only pays when they use the inventory." Essien had observed that chemical manufacturing sites in New Jersey were overloaded with



Essien Ita (right) speaks with Class of 2009 student Clair Doan (left) at the March 2007 MAB campus session. Ita was one of three industry guest speakers during the week.

"In the MAB you learn more than agriculture, you learn about how agriculture fits into everything. How agricultural inputs affect the American family. The MAB enabled me to think at a fundamental level."

Lessons learned... continued on next page

In the NEWS...

Alan Lana, class of 2004, is now an Intelligence Analyst for CRA Inc. at the Governor's Office of Homeland Security, State Terrorism Threat Assessment Center in CA.

Kelly Huenink, class of 2001, has left her position with Colorado Corn and is now self-employed as a Partner in an agricultural accounting firm. She also serves as the Operations and Finance Manager for a large farm/ranch in Hudson, CO.

Stephen Olson, class of 2009, and his wife, are expecting the birth of a baby girl in November.

Oussama Alaoui, class of 2005, was selected by the Australian government to represent Morocco on the Council for Australia-Arab Relations (CAAR). The trade council will be comprised of 22 members from different countries.

Emmanuel Foko, class of 2008, has joined General Mills, Inc. as an Operations Team Leader. He and his family have relocated from California to Reed City, MI.

Sara Sellers, class of 2007, is developing her own company, Ideal Management, in Morocco. She is working in Inner Mongolia, China on a dairy beef feedlot project.

Travis Gullickson, class of 2005, and his wife, Erica, announce the birth of their daughter, Lillian Frances. Lillian was born on July 20. She weighed 6 lbs, 1 oz and was 19.5" long.

Nate Broders, class of 2006, has taken a new position as Manager of the Distillers Grain Division of Hansen-Mueller Co. in Omaha, NE.

Lon Frahm, class of 2002, has been appointed by Kansas Governor Kathleen Sebelius to serve a four-year term on the Kansas Arts Commission.

Chris Simms, class of 2009, has been selected as a finalist for the Virginia Farm Bureau Federation 2007 Young Farmers Excellence in Agriculture Award. He will be competing in the State finals in November.

Elizabeth Conzo, class of 2009, is transferring to Deere's market research group in Kansas City, KS. Her new position is Market Analyst.

Cathy Forshee, alumni, is now an Instructional Technologist Specialist working with Title III, in addition to teaching economics courses for Cloud County Community College in Concordia, KS.

Marcella Warner, class of 2008, has been promoted to Associate Professor and Agriculture Department Head at Dodge City Community College, Dodge City, KS. She oversees the department, teaching, advising, and management of a 150 acre Soils Lab and 110 acre Live Animal Lab.

Misty Fuller, class of 2008, announces the birth of her son, Preston Douglas, on Thursday, June 21.

Cristina Mansfield, alumni, is designing an anti-corruption training workshop for trainers in Phnom Penh, Cambodia. She presented the workshop in September.

Jacob Harmon, class of 2009, has accepted a Sales position with Sands Level and Tool in Neodesha, KS. The company is owned by Kraft Tool Co.

Lessons learned... cont'd from previous page

supplies and hardly had enough room for manufacturing. He wanted to implement the IT model in the chemical industry by warehousing raw materials and finished products, freeing up the manufacturer to do what they do best. He also presented the idea of having distribution points in foreign countries and was ready to partner with a third-country distribution partner. But large firms move slowly, "by the time they get to your suggestion, you are \$500,000 dollars in the hole."

Coming to the realization that he needed to recoup some of his investment, Essien closed the company in mid-2007. "If I had more capital, I could have stayed in longer, but the ending would have probably been the same. I figured I should use what was left of my capital to follow my own intuition."

What did he learn from this very valuable experience? First, that he did not want to be classified as a minority-owned firm. "People tend to keep you in that classification and not listen to you as someone who has great ideas about saving

money... When you register as minority-owned, you attract precisely the people who want to use you as a rubber stamp." Second, he wanted an audience that would listen to him. "The problem is attitude and size - the companies are so big and so focused on their products, that it is hard to get them to move on something that they feel is down the pipeline. They lack vision."

"I learned a lot from the experience. I learned that you have to take chances, and the best education comes from experience."

About the MAB program, Essien says, "You learn more than agriculture, you learn about how agriculture fits into everything. How agricultural inputs affect the American family. The MAB enabled me to think at a fundamental level."

Essien currently works as an energy broker based in Austin, Texas importing crude oil from West Africa. "I learned a lot from the experience, however, and do not regret it. I learned that you have to take chances, and the best education comes from experience." He also listens to his intuition more.

Look how we've grown in 10 years

It has been ten years since Kansas State University developed its Master of Agribusiness (MAB) program. The MAB program was the first graduate agribusiness program in the nation to be offered via distance education. Over the years, the program has grown into an internationally recognized, award-winning program and we are celebrating a decade of building agribusiness leaders.

"I chose the Master of Agribusiness program at K-State because of the flexibility, convenience and the credibility of the program. It also had the international aspect I was looking for all in one package. What I didn't expect, was the close friendships and business contacts I've made with the other students," thesis student Jeff Ast, Business Development Manager, Lallemand, Inc., Milwaukee, WI, said.

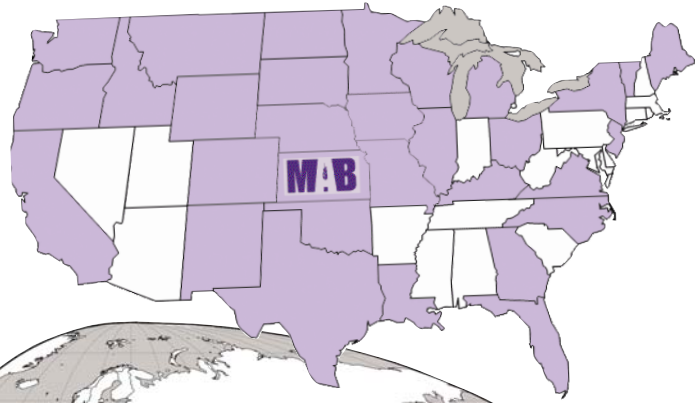
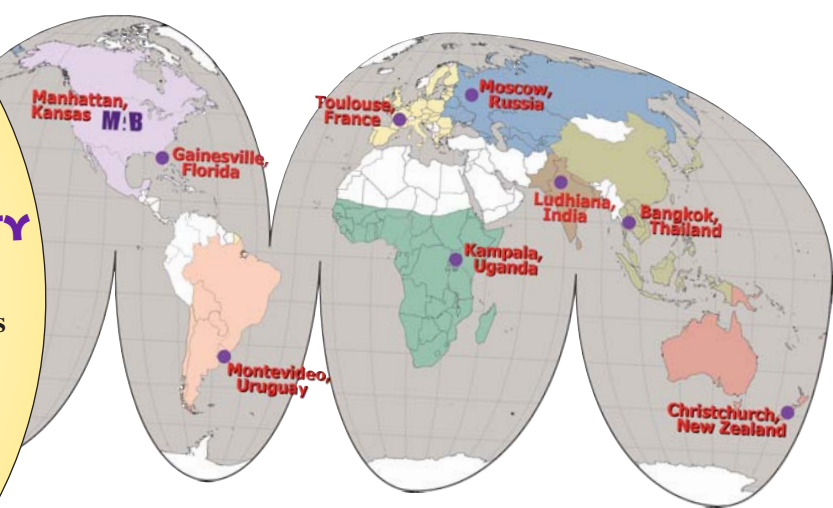
MAB GROWTH & DEVELOPMENT

- 9 International Partner Institutions
- 12 National and Regional awards for MAB Program, faculty and courses

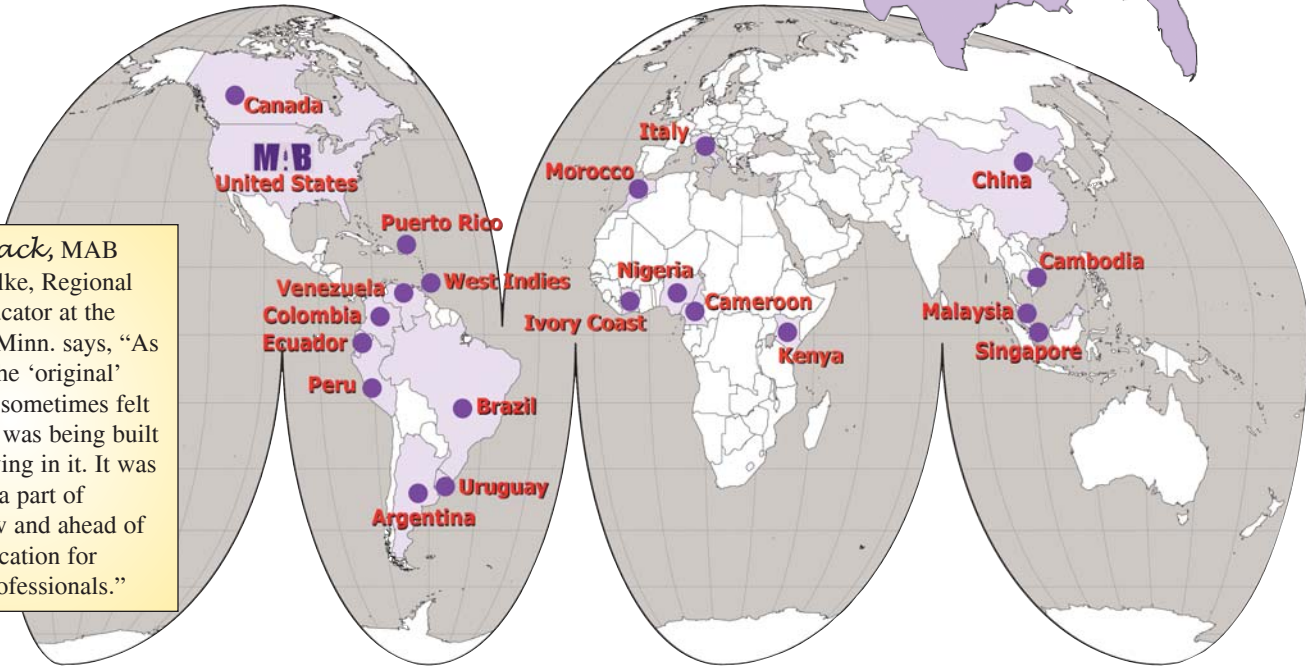
GROWING ALUMNI COMMUNITY & INVOLVEMENT

NUMEROUS Journal articles and publications by MAB Alumni

- 2 Professional Development & Networking Events
 - Kansas City 2005
 - Manhattan & Junction City 2007
- 3 International Agribusiness Trips
 - South America 2004
 - Russia 2006
 - Southeast Asia 2008



MAB students and alumni come from more than **30** states and **20** countries



Looking back, MAB Alum Bret Oelke, Regional Extension Educator at the University of Minn. says, "As a member of the 'original' MAB class, it sometimes felt as if the plane was being built as we were flying in it. It was exciting to be a part of something new and ahead of its time in education for working ag professionals."