

# International Trade Show Works For Pennsylvania

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**BROWNSTOWN** (Lancaster Co.) — A local grain-moving equipment dealer and service business conducted its first international exporting deal as a result of the Pennsylvania Department of Agriculture's first International Trade Event.

Two weeks ago, Jack Conrad, owner and president of EMM Sales and Service, signed a contract with a large, family owned grain-hauling business in Mexico to supply about \$50,000 worth of customized Walinga grain vacuum equipment.

If the Mexican business owners are satisfied with the equipment, and the support provided by Jack's brother and field and service representative Dick Conrad, the deal could well represent a total of \$3 million in sales for Conrad.

He was visibly happy with the prospects two weeks ago, as were the representatives of the Mexican business.

The Mexican company is TMU, which stands for Transportistas y Molineros Unidos, and it is owned and operated by the family of Francisco Pena, his son Rodrigo Pena and L. Marco Antonio Pena.

The company hauls corn for human consumption to tortilla plants throughout the Mexico City region. It's a multi-billion dollar industry that Francisco started by hauling corn for himself and others, and that continued to expand until he became mostly a hauler.

However, up until now, the corn hauled by TMU has been stored in bags.

Right now the Mexican company is in a transition that Conrad said is similar to the transition that occurred locally about 25 years ago — from the labor intensive individual bag hauling of grain — in this case corn for tortillas — to the use of bulk hauling and storing.

Conrad is in a position to help.

The Penas needed some equipment that could move grain from a flat storage into a truck bin, or storage bin without damaging the grain.

A PTO-driven grain blower that

is manufactured by Walinga and modified older trucks can be modified by Conrad for the Penas' business uses.

Further Pena is to become a sole distributor of the equipment, through Conrad, in Mexico.

Part of the contract also provides that Conrad's brother Dick be in Mexico 20 days after TMU receives the equipment — it was to be trucked to the border town of Laredo, Texas, and TMU would take over the customs handling and final delivery.

For both the Penas and Conrad, the business deal is the result of more than two years of discussions and establishing a personal relationship.

It also represents a new world of opportunity for Conrad. While he has a relatively large distributorship region in the United States, this is his first international deal — the world is opening up.

And while the North American Free Trade Agreement (NAFTA) has helped to create an environment for increased trading between Mexico, the United States and Canada, the reality is that for a small businessman, such as Conrad, the doors to trade aren't readily opened.

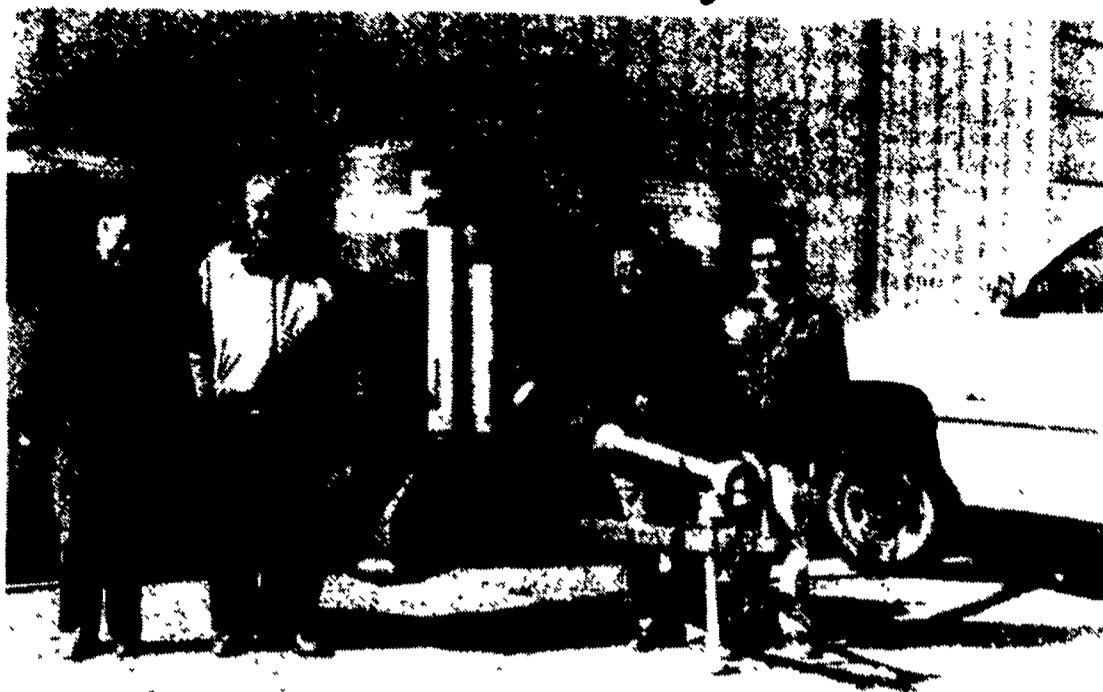
Large international companies have had trouble for years attempting to break into international markets because of not understanding the needs, traditions, or unique situations in the various markets.

Also, trade laws, local customs and language problems have also been obstacles.

For large companies with the ability to hire translators, research and development teams and pay for extended travel or expertise, the barriers to opening up trade have been sometimes very difficult to overcome.

For a business such as Conrad's, which has a fairly limited customer base, international dealings have mostly not been considered.

Conrad gave credit to the state Department of Agriculture and Gov. Tom Ridge for providing the opportunities for him to meet with potential international trading partners two years ago, at the first



From the left, Francisco Pena, owner of TMU in Mexico, and Jack Conrad, owner of EMM Sales & Service in Brownstown, as well as Rodrigo Pena and L. Marco Antonio Pena, stand with a compact grain vacuum that handles grain with minimal damage. Conrad and the Penas met through the first International Day Event and recently completed a business deal that represents the first exporting for Conrads business.

state Farm Show International Trade Show, held at a Harrisburg hotel.

Even before the fruits of the first trade show began to be realized, some questioned the state being involved in directly supporting a forum to link Pennsylvania businesses to international buyers. Despite second-guessers and detractors, it panned out well, according to businesses involved.

"It's the first time the state government has done more than collect my taxes," Conrad said, in praise of the International Day event.

Conrad said that after all the talk about helping small business, the International Day event was the first time that he has truly seen evidence that state government was actively doing something, especially for small business.

Under the direction provided by Gov. Ridge, the PDA developed a system of helping to promote exporting that incorporates a cooperative agreement with other state departments and a crew of regional people who help locate

businesses within their region who might be interested in exporting, or who might have some commodity or service for sale that is of interest by an interest in another country.

Under Russell Redding, state deputy agriculture secretary for marketing, promotion and program service, the Bureau of Market Development has been turned into an effective link between Pennsylvania agribusiness and out-of-state and international customers.

For the Conrad/Pena relationship, the state was matchmaker, provided a translator, and also helped by attending local meetings and finding out information necessary to both parties in discussing their business possibilities.

But Glen VanDerSchaaf, a trade representative with the PDA Bureau of Market Development/Domestic and International Trade Division, said Conrad is as much to credit for having the sensibilities necessary to be able to conduct business outside of the well-known community in which he lives.

VanDerSchaaf said that small business has very much opportunity to break into the international market, but it requires some fundamentals that can't be taken for granted.

He said that honesty, integrity, commitment and developing relationships with customers are as crucial as having the desired product.

"It takes time to build that relationship," VanDerSchaaf said. "Your not going to make the sale the first time," he said.

But he added that for those who are truly seeking to establish their business outside of United States borders (other than Canada), the potential is there.

"Jack (Conrad) has vision," VanDerSchaaf said, explaining that while EMM Sales and Service was built upon serving animal feed grain businesses, he has been able to adapt to the human feed grain requirements of the Penas.

In fact, VanDerSchaaf said that both the Penas and Conrad have vision, and share a common history.

Both started off relatively poor, worked and saw opportunity to provide a service. For both, their endeavors resulted in expansion.

The Penas' TMU developed into a huge grain hauling business, but it is not without competition.

The Mexican government, which subsidizes the hauling of the corn for tortillas, wants more efficiencies. The Penas need to show they can be competitive.

EMM Service and Sales has the equipment they need, but they also need the company's ability to modify, repair and service equipment and provide technical support.

Both men have family operations and both are trying to create a future for their sons.

Conrad isn't alone in having conducted sales through meetings at the International Trade Show.

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