

# Trans-World Genetics Wins Madigan Award for U.S. Agricultural Export Excellence

by Linda Habenstreit

Last December, USDA awarded the first Edward R. Madigan U.S. Agricultural Export Excellence Award to Trans-World Genetics Ltd. of Sheboygan Falls, Wis. Recently, AgExporter spoke with Trans-World Genetics's Chief Executive Officer Louis A. Prange about his company and how it came to be honored with this prestigious award.

## AgExporter: What does Trans-World Genetics produce and export?

**Prange:** We produce, distribute and market products and services related to dairy livestock genetics. The primary products we export are frozen bovine semen and embryos, as well as live cattle.

What is unique about our company is that we have a multinational progeny testing program. We sell semen from U.S. bulls to several countries simultaneously and then regularly analyze the latest breeding data to see what traits the sires are passing on to their daughters.

For example, we use the breeding data to determine whether the bull has transmitted improved mammary systems, size, capacity or other traits by comparing the sires' daughters to the rest of the population. We may find that the daughters are producing more milk or a more desirable fat and protein content than the general population. We also look at the maternal side of the equation to see what cows are transmitting improved traits.

We use this information to meet our customers needs. Every breeder in the world has a different set of criteria based

on factors like what the cows are fed in a particular country or whether the milk produced goes to manufacture cheese, as in Switzerland, or fluid milk, as in Argentina.

## AgExporter: It sounds like dairy livestock breeding has become very rigorously science-based.

**Prange:** Yes, it has. Breeding used to be more of an art form. To a certain extent it still requires that touch. Today scientific breeding tools give you the direction in which you want to travel, much like the rudder on a boat helps a sailor steer.

Ten years ago, international progeny test results were not a factor in determining the sires' ability to deliver improved production or other traits. Now, it's just as important to know how that sire performed in various populations as it is to know how he performed in just one. This knowledge can either enhance or reduce our marketing capabilities.

## AgExporter: How did you get involved in this business and in exporting?

**Prange:** I grew up on a dairy farm and my grandfather was a breeder of dairy cows and my father specialized in production. When my father did some international work, we had a lot of visitors from Germany. In college, I was on a dairy cattle judging team and was exposed to people who exported.

In the early 1970s, I realized that the international market was vital, from a breeder's standpoint. I began working for the marketing arm of the Holstein Association, which at the time had a contract with the Foreign Agricultural Service to expand and develop markets for U.S. dairy livestock genetics. I traveled extensively for several years.



In 1974, I founded Trans-World Genetics. In 1978, we shipped between 4,000 and 5,000 head of cattle. Because the live cattle market became such a narrow, low-margin market involving substantial risk, we evolved from transporting live cattle to ship-

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UNDERSTATEMENT.”

LOUIS A. PRANGE,  
CHIEF EXECUTIVE OFFICER

done a lot of work in Asia, we certainly can supply product and services there when requested.

**AgExporter: What have been your greatest exporting successes and toughest challenges?**

**Prange:** Our greatest success was opening the first U.S. artificial insemination (AI) center in 1984 to meet Swiss health regulations requiring that all imported bull semen come from populations free of Infectious Bovine Rhinotracheitis (IBR). IBR is a virus that causes flu-like symptoms in cattle.

When the European Union (EU) harmonized its health standards to make them consistent among member countries, it adopted the Swiss health requirements. Since we already met this requirement, we had entry into the EU market—well ahead of other AI centers in the United States. This accomplishment probably accounts for the success of our business today.

On the flip side, exporting to the EU immediately after harmonization became one of our greatest challenges. Although harmonization greatly helped us in the long run, initial shipments regularly got held up in Customs either because the importing veterinarian did not recognize or was not aware that health standards had changed. It took a great deal of negotiating to help the veterinarian understand that the shipment did meet the standards and should be released.

**AgExporter: What are your future goals for your company?**

**Prange:** Right now our goal is to hold the course and maintain our market share in Europe as it deals with bovine spongiform encephalopathy (BSE) and foot-and-mouth disease.

These crises demonstrate how much globalization has affected and will continue to affect our business—and virtually all businesses—in the future. Although globalization has been very beneficial, it has also heightened competition and lessened differences among products.

For example, over the past 10 years, the direction of global breeding programs for dairy cattle has followed a much more parallel, common course. Breeding programs are being designed for very specialized purposes and those designs are fitting into many more places than they used to. As I mentioned earlier, some countries, like Switzerland, require a certain amount of fat and protein content for cheese production, while others, like Argentina, have a different set of criteria for fluid milk production.

Globalization has created a fast-paced, ever-changing landscape. We must remain flexible to keep up. If other countries change their selection criteria for dairy cattle genetics, we change ours to a certain degree as well. It's very interesting and challenging work.

**AgExporter: What made you decide to apply for the U.S. Agricultural Export Excellence Award?**

**Prange:** In 1999, we received the Wisconsin Governor's Export Achievement Award for small, high-technology businesses. The Governor and the Wisconsin Agriculture Secretary encouraged us to apply for the Madigan Award.

Needless to say, we were very gratified and surprised when we learned that we had won the U.S. Agricultural Export Excellence Award. We consider ourselves a very small part of the entire U.S. export market—to say we are “specialized” is an understatement.

ping frozen embryos and semen. Today, we ship a planeload of live animals every two or three years.

Shipping frozen embryos and semen requires careful handling and good documentation. The product is frozen in liquid nitrogen, which is a hazardous material. To ensure the best care and top standards, we work with highly professional export service providers in the areas of freight, insurance and international delivery.

**AgExporter: What are your major markets?**

**Prange:** We have a strong presence in South America and Europe with between \$2-3 million in annual export sales. We have livestock partners and regional representatives in Australia, Brazil, the Dominican Republic, Germany and Switzerland. They help us maintain international market potential, growth and expertise.

We sell to Argentina, Austria, Canada, Colombia, Ecuador, France, Italy, Mexico, the Netherlands, South Africa and the United Kingdom. Although we have not



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**AgExporter:** Do you have any words of advice for aspiring U.S. agricultural exporters?

**Prange:** I received the following words of advice from a shoe salesman: “Provide your customers with the absolute best service.” I suppose the only thing his business and mine have in common is the hides of our cows eventually turn up in his shoes. Yet his philosophy can easily be applied to our business or to any other.

Good service builds customer relationships and helps solidify them. When we get a customer inquiry, the rule in our office is to reply within 24 hours. I think this rule has done as much to stimulate our business as anything else we could have done. When your customers tell you, “We enjoy dealing with you because you operate so professionally,” it’s like getting a pat on the back.

Naturally, giving the best service to your best customers is understandable. There are times when a market may not be particularly vibrant. That does not mean that you can stop servicing the market. Sometimes, your presence at a trade show or traveling with a trade mission helps you plant a seed for the future. I have learned that development of livestock export markets is a slow process—it does not always yield immediate results. People you meet will remember you because they saw you and shook your hand. They may not be ready for your product right now, but when the time comes, you may be the first one they call. ■

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## The Edward R. Madigan U.S. Agricultural Export Excellence Award

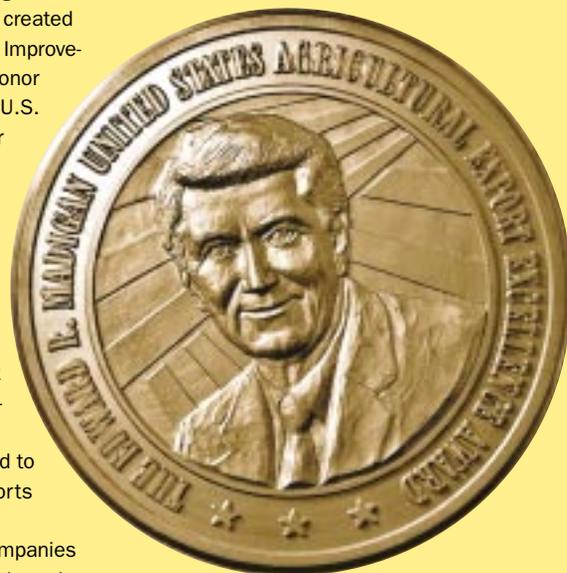
**T**he Edward R. Madigan U.S. Agricultural Export Excellence Award was created under the Federal Agriculture Improvement and Reform Act of 1996 to honor entrepreneurial efforts to advance U.S. agricultural exports. It is named for the 24<sup>th</sup> U.S. Secretary of Agriculture, the late Edward R. Madigan, who, as an Illinois Congressman and later as Secretary of Agriculture, played a major role in re-shaping U.S. agricultural policy to enable farmers and ranchers to respond more effectively to market signals and pursue export opportunities.

The Madigan Award is designed to help increase U.S. agricultural exports by:

- identifying the efforts of U.S. companies to develop and expand markets through new products and services and innovative marketing techniques;
  - recognizing the achievements of those who have demonstrated or supported entrepreneurial efforts to expand and create new markets for, or increase the value or volume of, U.S. agricultural exports; and
  - disseminating information on successful methods for developing and expanding markets for U.S. agricultural exports.
- development of new agricultural export markets; or
  - creative marketing of products or services in these markets.

To qualify for the Madigan Award, companies must have exhibited significant entrepreneurial effort or provided significant assistance to others to create new markets for, or to increase exports of, U.S. agricultural products.

For more information, contact:  
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Companies may apply for award consideration in one of three categories by writing to the board of evaluators or by being nominated for the award by the governor of the state in which they are headquartered. The board, consisting of five members, may select up to 12 award recipients each year. The three categories are:

- development of new products or services for agricultural export markets;