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Agriculture Series

JAMES D. MINYARD

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INTERVIEW

Q: This is an Oral History interview of Jimmy D. Minyard. It is part of the Agriculture Foreign Affairs Oral History program. I am James O. Howard. Jimmy, let's begin with

your youth. Tell us where and when you were born and a bit about the environment in which you grew up.

MINYARD: I was born in September, 1930, in west Texas. I pretty much grew up on farms down around Lubbock, Texas. During World War II my dad worked on construction, so we moved around quite a bit. I moved back to the farm and spent the rest of my growing up years there until I went into the Air Force in 1951. That was between my junior and senior year in college at Texas Tech.

Q: How long were you in the Air Force?

MINYARD: 34 months and 9 days, none of which I enjoyed very much. I got out of the Air Force, went back to Tech, and finished up there. I got a Bachelors Degree in Agricultural Economics. I was working on a Master's Degree and had all the work done except for a thesis.

Clint Cook, who was then employed by the FAS [Foreign Agricultural Service], came down to Texas to visit his sister, Polly Cook, who was a biology instructor. He talked to some of the people there about the FAS. He had to do it sort of on the sly because the Dean of Agriculture, at the time, refused to let government employees come onto the campus and recruit. He said that he didn't train people to work for the government.

Clint explained the things that the FAS does. I got interested, and he said that you had to take this junior economist test. So I took that and waited for the results. In the meantime, I was basically farming. My dad worked part-time in construction and was part-time retired, I think you could say. So I was just farming, raising cotton and grain.

I took this test and got the results back and the scores were pretty good. The Agricultural Marketing Service kept sending people out to interview me. They would send people out who had 15 and 20 years of service and they were all the way up to GS-7 and 9. I thought, well, that's just not very good progress for all the years they've been involved. So I pretty much held off until finally I got an offer from FAS to go to work in the Fats and Oil Division.

Q: When was that, Jimmy?

MINYARD: In the fall of 1956.

Q: So you came to Washington. Tell us about it.

MINYARD: I got the offer about November of 1956. By that time, I'd made a commitment to take care of about 96 braceros, or Mexican laborers imported to harvest cotton under a federally sanctioned program. So I had to stay with that harvest until it was over. I asked FAS if they could hold off.

Then I was involved in a car accident in January, 1957, so I had to wait until I got over that. Finally on February 27, 1957, I showed up at the FAS in Washington, D. C., and was assigned to work with Olaf Anderson in the Commodity Analysis Branch of the Fats and Oil Division.

Q: What sort of work were you doing then as a young man right out of Texas?

MINYARD: I thought it was fairly important. I did short-term analyses on whale and fish oil. Then I worked on the sort of the catch-all of all of the oil seeds, safflower. At that time sunflower was not very big. Rape seed was not very big. It was considered an industrial oil in the US, so nobody paid much attention to that.

Based primarily on reports from Agricultural Attachés, we would put together a summary of how much the world production in a particular year was going to be. And then we tried to determine potentials for trade within that year. We wrote articles for Foreign Crops and Markets, a weekly publication of FAS.

Q: Who made use of this information?

MINYARD: That was sort of a puzzle to me. I came to Washington and thought that I was working for US farmers. Then I started to do these reports, and practically the only people interested were commodity traders. Since I had grown up on a farm, I considered them the enemies of farmers.

I remember once asking George Parks whom were we working for, the commodity traders or the farmers. But the commodity traders were the ones basically interested in the short-term analyses that we were putting together.

Q: How long did you stay there?

MINYARD: I stayed there about 4 years. I became a little bit more satisfied with the work, as I found out there were some other people interested in the analysis work we were doing. It just didn't show up as prominently as the interest from these traders because the traders came to Washington or telephoned Washington.

Actually, these analyses were picked up by local farm papers and that sort of thing. So there was some interest, but it just wasn't evident that this was happening.

Q: But someone else was doing the analyses on soybean oil, I gather.

MINYARD: I was working with Helen Francis. Helen Francis was one of the best commodity analysts I ever had the opportunity to train with. She knew exactly how to go about this. She did the soybean oil, she did the palm oil, which at that time was obtained from a very important coconut.

Then we had Tommy Thomason. I don't know if anybody remembers that name. He was doing analyses of industrial oils, including tung oil, linseed oil and some others. They were fairly important at that time. I guess tung oil has pretty much faded out by now, but there were Section 22 hearings on tung oil and all kinds of things that had to be handled there on the market analysis side.

Q: After those years, you moved to another job.

MINYARD: Well, there's one other thing that sort of surprised me in that job. There were 3 branches at that time--there were analysis, competition and marketing branches in each one of the commodities divisions.

The marketing branch, when I came here, was basically staffed with people they had brought in from the outside. I know Bill Stedman was head of the marketing branch in the Fats and Oil Division. For some reason, they didn't seem to operate as part of a team in FAS. They were sort of working there in a vacuum.

I remember once Val Hogan had been to Peru on a market development trip. I went in to ask him, I thought, some fairly innocuous questions about fish oil production which was really taking off there. He explained to me that when they get information it was for use in the marketing division, not for other people. I really couldn't figure out how the marketing people's interests were different from those of the rest of the FAS. However, I found the same thing when I moved from the Fats and Oil Division to the Cotton Division. There I was working in the competition branch.

Q: The marketing branches were those which, a bit later, were working with the cooperators, as they say in market development. So they sort of thought they were the cream of the crop in those commodities divisions. Did they not?

MINYARD: I'm not sure if it was that. I think it was probably some of that. But the main point seemed to be that they didn't feel that they were part of the Foreign Agricultural Service. The old OFAR [Office of Foreign Agricultural Reporting] people were staffed the Commodity Division analysis and competition branches.

These marketing people were new to FAS. They didn't have any of this tradition of analysis work and so forth. So I think they felt somewhat alienated from what was happening on the analysis side. They didn't seem to care very much about it.

Q: Shall we move on now to your new job in the Cotton Division?

MINYARD: I went to work for Horace Porter, who at that time was Chief of the Competition Branch in the Cotton Division. The Director was Bob Sherman. When I moved down there, Horace didn't have a desk for me, so he put me in an office with 2 people in the marketing branch, Guy Shilling and Tilly Bailey.

Guy Shilling let me know fairly soon that I sure wasn't supposed to make much noise around there and disturb their work, because what I was doing was sort of secondary. What they were doing was important.

Tilly Bailey was such an easy going guy that nothing bothered him. He was floating along. He had a very narrow range of interest in technology and that was it. He didn't pay attention to anything else going on around the world. He was perfectly happy doing that.

Anyway, I moved in there. Horace asked me if I would do some long-term studies on the potential for cotton production, consumption, and trade in Pakistan and Iran. So I spent about 6 months, including a 6 weeks' trip to Pakistan and Iran, gathering information. I would study, go down to the library, and review all of the history I could find down there.

Interestingly, I found some studies that P.K. Norris had done. Back in the 1930's, he'd made a trip to Egypt and some other countries studying cotton competition. So his studies were quite useful for some of the things that I was trying to accomplish.

Q: He was one of the most delightful people in the FAS.

MINYARD: He was one of the most honest people I have ever seen. I remember once that the junior professionals, of whom I was one in the early years, had periodic meetings. We met with P.K. Norris and he said, "Now I want to tell you that all of these division directors and branch chiefs will explain how work gets so much harder as you are promoted and assume more responsibility. Actually, it gets easier because everybody else does all the work and you just tell them what to do."

Anyway, I did these studies in Pakistan and Iran. Finally, I did another one on Argentina, and then some odds and ends sort of came along in between. That was the time that the labor unions were really launching an effort to restrict textile imports. For some reason, the competition branch wound up with all of the correspondence related to textile imports.

The labor unions had campaigns going on, to have the textile workers write to the President and to the Secretary [of Agriculture]. Sometimes we had 3000-4000 letters there that we had to respond to. We developed 3 or 4 standard responses which fit 75-80% of the letters. A lot of this correspondence consisted of postcards which were word-for-word copies of what the union told them to write down and send to the Secretary or to the President.

So we were involved in some things like that. It was fairly interesting work because it gave you more time rally look in depth into some of the things that were going on. Long term competition work had more or less disappeared from the FAS before I left there. I think it's rather sad that they don't do that any longer.

I found that trade interest was much greater in these long-term studies than in short-term analysis work, because they had pretty much access to all the short-term information, from telex and so forth. But they didn't have time, or the ability, usually, to sit down and do these long-term analysis trends. So I think there was a lot more interest in some of the long-term studies than there were in the short-term ones.

Q: Anything else you want to record about that division before we move you overseas?

MINYARD: No, it was an interesting division to work in. It had a kind of basic philosophy that if you hadn't grown up around cotton, you couldn't work in that division. I never could figure that out, but they were serious about it. As long as Bob Sherman was there, if you didn't have a cotton background, he didn't want you in his division.

I remember the first guy that came in there that didn't have it, Gordon Nix. He came from Iowa and didn't know a cotton stalk from an okra plant. He had a hard time for a while because the bosses didn't think he could possibly make any contribution as far as cotton was concerned. But the guy was great. He was really bright.

Q: You had about 8 years now in the FAS by now? 7 or 8 years?

MINYARD: Six.

Q: Time you got some foreign experience. What happened?

MINYARD: They decided I should go to Japan to replace Don Nouotny, who was being transferred to New Zealand. I was to be the Assistant Assistant Assistant Agricultural Attaché. I thought that would be fine. My wife Billie agreed, so all of the preparations took a whole month and a half to complete and get everything done and be on our way.

We got to Japan and I found out that being the lowest assistant meant that I did all of the commodity work. I had the responsibility for livestock, for fruits and vegetables, and for feed grains. I had commodity responsibility for everything except tobacco, soybeans and wheat.

Clyde Keaton was Assistant Agricultural Attaché. He did tobacco, wheat and soybeans. Russ Strobel from the Trade Center more or less did poultry because he came out of the Poultry Division here. The rest of it, I had to do it.

The work was quite interesting. My first exposure really to cooperators.

Q: Tell us what cooperators are.

MINYARD: Cooperators are the people who've signed market development agreements with the Foreign Agricultural Service to do export market promotion under PL 480,

Public Law 480, Title 2, I believe it was. It provided funds for commodities that were sold overseas, to be used to promote the consumption of US agricultural products.

Generally these agreements were with commodity organizations which represented across the board commodity interests rather than specific individuals or companies. There were several offices there in Japan that these people had set up--covering wheat, feed grains, and soybeans. The cotton people worked with the Japan Cotton Traders' Association, so they more or less had an office there. Poultry had an office, and I think there were some others.

The rest of them were handled on a visit-by-visit basis. I think at one time we had 22 cooperator organizations working there. Some of them were very small, like 2 or 3 of the livestock associations which would get a couple of visits a year of 3 or 4 days each. Others were fairly substantial projects, spending several hundred thousand dollars.

What I was surprised to find was that they were integrated fairly well with the Agricultural Attaché's office. They regularly communicated back and forth on a broad range of issues. Not just narrow cooperator interest but much broader interests.

Q: In other words, they were intelligence suppliers, was that it?

MINYARD: They provided a lot of information. In some cases, for example, they acted as a go-between between the Attaché's office and government people. Sometimes the government people would feel that they didn't want to approach something officially, so they could talk to one of the cooperator people. That cooperator person would then come and talk to the Attaché, get an answer, and go back.

If the answer was positive, then they'd come directly to the Attaché. Otherwise, they would drop it. Then nobody was embarrassed for having been turned down for proposing something.

Q: No loss of face.

MINYARD: No loss of face. I don't know if people realize it but that is very important in Japan. Quite frankly, it's very important in the United States too. People don't look at it that way, but it's there.

Q: You were working with the rest of the Embassy. You really had some exposure, then, to the State Department.

MINYARD: Yes, and it was a very bad experience, as far as I was concerned. Edwin Reischauer was the Ambassador at the time, and he was a real nice fellow. But his interests were in the political and the cultural side of things, not in the economic.

The economic side of things was sort of ignored. It puzzled me because the Japanese were in this process of what they called "income doubling" at the time, which was really going to pull Japan out of the doldrums. It was a very successful program. It probably tripled their income in a 10-year period there.

In 1964, while they were doing that, they became so prosperous that they lost their GATT protection. This had been under the category for trade with developing countries that gave them special dispensation to apply restrictions and so forth. The Japanese at that time still had all kinds of restrictions on imports that were basically illegal under the GATT.

So I figured that when they lost that, the Embassy should really go after them and make them start removing these restrictions. There was no higher level interest in doing that in the Embassy. They just more or less ignored it. It was that way all along.

I remember once when the "Maid of Cotton" visited Japan. We had some fairly important Japanese involved in some things that she was doing. I talked to the USIS [United States Information Service] people about getting some publicity out of this. I was told that they weren't interested in that because it was strictly a commercial deal.

And so those are the kinds of things which really kind of turned me off on the State Department in dealing with the world. I don't know if it's changed. I've heard a lot of lip service about changing but I don't know if it has or not.

I even got in trouble once. The Japanese were talking about liberalizing grapefruit imports, but they weren't planning to do anything about it. So I found out that the US was going to lift the restrictions we had on mandarin oranges coming into four Northwestern states. There was a problem with citrus canker, a plant disease. They concluded that they could ship those mandarin oranges into Washington, Oregon, Montana and Idaho without endangering citrus or the US becoming infested with citrus canker.

So I went over the Ministry of Agriculture and talked to some people about what a wonderful opportunity this would be to make a trade. They could liberalize grapefruit imports, and we could ship those mandarin oranges in. The Ministry of Agriculture thought that sounded good. They understood this kind of thing.

The next thing you know, we got a phone call from the Embassy. Some of the State Department people were upset and were raising Cain. They said that citrus canker was a technical matter and shouldn't be used to trade for something that was not technical. It was already worked up, and the Japanese were willing to do it.

It took ten years after that to get grapefruit imports liberalized, when we could have done it so easily and much earlier.

Q: Were there some trade-oriented people in the State Department, the Commercial Attachés or some of the Economic Analysts?

MINYARD: There were some nice people there, but they were a long way down the totem pole as far as importance in the Embassy is concerned.

On one or two occasions, when everybody else was gone, I went to the Ambassador's staff meeting. They'd never mention anything about the economic side. If someone brought up an economic question, nobody would ever ask a question about it. They'd early move on to quote somebody's political position on this, that, or the other thing.

It was just a total mystery to me.

Q: Were our agricultural exports to Japan increasing during these years, or did the cooperators have any impact?

MINYARD: I'm not sure what the impact was, but Japan was more or less "discovered" by agricultural exporters during the period I was there. Agricultural exports from the US to Japan went from less than \$500 million a year to almost \$1.0 billion a year during the year that I left. Of course it was mostly soybeans, feed grain, and wheat. They were the big items, but there was a very broad range of commodities, mostly unprocessed products. I handled skins and those kinds of things.

They did liberalize lemon imports while I was there. That, of course, became quite a booming market. Not people eating lemons but because the feeling in Japan was that if you wipe lemon juice on your skin it turns white. Japanese ladies like to have real pale skin. That's probably by far the biggest market for lemon. But it's okay, let them buy lemons!

I can't remember the numbers, but during the time that I was there, the number of trade people that came through the Attaché's office tripled. They would want some help in meeting people or making contacts. Then they reported in on what they discovered or found out.

Q: Did you work shifts during the years that you were there? You started off with commodity analysis.

MINYARD: The work wasn't done on a shift basis. I had commodity analysis, trade policy, and market development responsibility for all these commodities. I was responsible across the board, though there was a lot more activity going on there.

I guess that one of the major scandals in the market development cooperator program occurred while I was there. I'm still not sure, and I guess nobody else figured out exactly what happened, but in the Feed Grain Council Program they had a Japanese-American over there running it named Bill Hatori.

Bill Hatori was accused variously of making off with \$40,000 to \$70,000 in market development money. But not for his personal use. He didn't put it into his pocket. He just did things that weren't very well accepted by U.S. standard. He was taking people to these geisha parties which sometimes would cost \$400 to \$500 per person per night--things like that.

He didn't have enough entertainment money in his program to do it, so he was spending money on entertaining that was supposed to be spent on publications and those kinds of things. There some other things that he was doing that weren't above board, as far as the US side was concerned. He was trying to out-Japanese the Japanese in the way they entertain people.

We had people from the OIGP [Office of the Inspector General -Program] come to Japan and spend a lot of time trying to figure out or sort out what was real and what was not real. The number two guy in the OIGP came to Japan and spent about a month. I think they finally agreed that the Feed Grain Council owed the project about \$40,000, and they paid that back.

Bill Hatori went to Alaska and was tried there for misusing funds. He was actually found guilty, but they decided that they wouldn't put him in jail. They put him on probation. He had to pay the Feed Grain Council back \$100 a month. which would have taken him years to pay off his debt. [Actually, about 33 years at this rate.] He worked in Alaska for 2 or 3 years and then sort of disappeared.

Q: I remember that story. I remember how proud Hubert Dike was that he found him in Alaska. That was, as I recall, one of the few scandals that ever took place in that rapidly growing program.

Are we ready to bring you back from Japan? Is there anything else there that added to the education of Jimmy Minyard or to the betterment of the FAS?

MINYARD: I learned a lot of things in Japan, not all of them necessarily for the betterment of the FAS, but it was a very interesting time to be in Japan. First, they had the Olympics in 1964.

As a result of that, Japan decided that they didn't win any medals because their nutritional standards were so poor. They decided that they had to improve the nutritional standards for children substantially. And so the school lunch program suddenly became a big deal. These market development cooperators were able to cash in on that.

So sometimes, something as esoteric as the Olympics, can have a very substantial impact on market development. These were the kinds of things that I think most people tend to miss when they try to figure out what's going on as far as markets and marketing are concerned.

Q: What was that statistic about the increased height of the Japanese over a certain period?

MINYARD: I'm not sure about that but I know that between 1950 and 1963, compared to 1974 or 1975, they had to increase the size of the desks of the first graders three times, because the kids were getting much bigger. They attributed this to the nutritional benefits.

Q: Jimmy, I remember visiting over there when you were there. You had developed a fine reputation, and FAS decided to bring you back to Washington for a more responsible job.

MINYARD: I came back and was told that there were 3 jobs I was being considered for. One was Chief of the Marketing Branch of Grains and Feeds; one was something to do with Fruits and Vegetables, I'm not sure just what--I don't think that it was a Branch Chief job; and one was Chief of the Program Evaluation Branch of the Trade Project Division, which was sort of the over-all coordinating division for these cooperator market development programs.

I don't exactly know what happened, but I went to see Art Minor. He said, "We've decided you're going to the Trade Project Division." So I assumed that somebody in market development side had more power than Clancy Jean, Director of Grain and Feed Division. [Laughter] I guess that's the reason I went there. I really have no idea.

Anyway, I went to this Trade Projects Division, Evaluation Branch. Actually, it was kind of a dead branch. It had Brick Railing and John Glew, and that was the branch. Brick had very limited interest in it, and when he found that he wasn't going to be Branch Chief, his interest grew even more limited. John Glew was a great salesman but wasn't the greatest evaluator that ever came along.

So I tried to figure out what we might be able to do there. I ran into a young guy named Bruce McAvoy, who was working in the Sales Manager's office at the time. He had kind of a dull job and was ready to make a change. We decided that if we could get him in there, then we could have a little more fun in that branch.

Q: He came out of Sunkist Orange.

MINYARD: No, he went to Sunkist. He had an MBA in Marketing. He'd taken that to get a job as Sales Manager because he thought that would involve selling. It didn't, so he was interested in making a change.

Bob Wicks was working for Keith Vice at the time. They were basically pushing these commodity agreements around and getting people to sign them. Bob got pretty tired of that pretty quick. He wanted a change, so we got him over there in that branch.

We tried to figure out what would be a better way of approaching things. So we developed what we called, "A Logic Sequence Chart." I don't know where the name came

from. I think that Ken Krogh came up with the name. We would take each activity and try to find what might be accomplished with it and try to set up market models for whatever its particular time was, as well as some way of figuring out if we were moving towards accomplishing what might be the potential for that activity.

It was a little different approach because sales weren't necessarily a part of the formula. Not all of these activities--most of them, in fact--were not directly related to sales, but they were indirectly related to sales.

You know, this effort involved such things as commodity awareness and all kinds of esoteric indirect goals that were set up for the different types of activities. This was one of the first of a long line of things, that I tried to do over a period of 20 years to measure the impact of market development, particularly those activities that were considered trade servicing and so forth. They're not directly related to sales. They support sales indirectly.

Quite frankly, we never did come up with anything to satisfy most critics or with a lot of things that would satisfy even reasonable people. When I say "most critics," I'm talking about budget types who would insist that if you spent a dollar, you've got to show a dollar and ten cents worth of return or you're a failure. In their view the return has to be fairly immediate, not long term.

So it became a sort of battle of wits, as to whether the budget people were going to win out or were the market development people going to win. The budget people themselves kept saying, "You should do this." But they couldn't tell us how to do it.

We tried everything you can imagine. We hired people from the economic research service who spent years trying to evaluate programs in this country, like the dairy program. We had some outside people like Ken Hinks, who had retired from the J. Walter Thompson Company.

He was a very brilliant guy. He kept telling us that you have to provide evidence of success, but you don't try to measure specifically. "Evidence of success" is a very good term to hear, but the people over at Office of Management and Budget didn't buy that sort of thing.

So it was very confusing for a lot of people to try to work on this evaluation. I remember once we had a guy from some college, a professor in marketing. We put him on the payroll for a year and told him to figure out some way to measure the impact of trade teams. He spent the whole year working on that.

In the end, he gave us a two-page report which said: "You can't measure that," because, he said, there are so many variables involved. How can you measure what's in a person's mind as a result of his having been part of a trade team?

Q: And yet Jimmy, these trade teams were considered highly successful. Do you have any examples of them, what sort of people were involved?

MINYARD: A lot of the trade teams, I think, were very public. We'd bring teams in from Japan and we'd try to recognize people early in their careers who were eventually going to be leaders in the industry. We would bring them to the U. S. as members of a trade team. In Japan that's fairly simple because each class in the university advances at the same rate. If somebody is pretty good at the university, you know that eventually he's going to be up there as the boss.

So we'd get those people to come over here, show them the industry involved, and make friends with them. In effect, they developed an obligation to you. In Japan, it's a kind of sacred thing to recognize your obligations. So by getting involved early, you have a possibility for a long term relationship. All other things being equal, it gives you a better chance to sell something.

It must be successful because the Canadians soon began grabbing up everybody they could and sending them up to Canada. The Australians were sending everybody down to Australia. Everybody else was trying to get an industry team to go to their country.

I remember one time when we had a group over here. They were a wheat group from the Food Agency in the Japanese Ministry of Agriculture. While they were here, they gathered up some samples of rice. In Japan, rice imports are restricted, but they had had a short crop, as the result of a hurricane. They thought they were going to have to import rice from Indonesia or somewhere else in Southeast Asia.

They found a variety of rice growing in the South called "Nato." I don't have any idea what it was but it was a medium grain rice. They took it to Japan and did some taste tests. Then "Nato" came out number two in the taste test over a lot of Japanese rice. So they bought 50,000 tons of that rice, simply because they had this team over here and tried out these samples.

With these sorts of things, you can't always tell that this will happen when you put a team together--but sometimes they do. These are the kinds of things that make it important.

Q: Jimmy, when was that team brought over?

MINYARD: 1965, I believe.

Q: We are in 1994, almost 30 years later. The Japanese are making a big to-do right now about buying our rice. It's interesting that they bought some that far back.

You must have done pretty well in that evaluation branch because pretty soon they made you Director of the division.

MINYARD: Yes, I lasted there for about a year. It was kind of an interesting division. Francis Harold's branch had the responsibility for maintaining all records on expenditures. Keith Vice's branch, Program Evaluation, had the responsibility for programming the funds. When I left there, Vernon Harness came in from the Cotton Division to take over the Evaluation Branch.

While we were there, we still had Bruce McAvoy. Bruce was very much interested in some of these new marketing techniques that were being tried out at the time. So we decided that we needed a logo for FAS Market Development Activity. Ken Krogh let us have \$10,000 to get this logo approved. Considering that they're talking about \$7 million for the Postal Service logo, I think it was pretty cheap.

Bruce went up to New York and talked to several design companies. We got several proposals back and selected one. It was chosen because it had the initials "FAS" in it and was made to look kind of a leaf. We started using that on every one of the market development activities that FAS sponsored. We had trade fairs, in-store promotions and those kinds of things using the logo.

We also developed a package of across-the-board, in-store promotion because FAS was getting heavily involved in these store promotions at the time. So we developed, I think, four different themes that could be used.

Q: In-store promotions would involve entering into, for example, a contract with a German food chain under which they would promote American food.

MINYARD: That's right. In fact, I believe that Jim Howard entered into a very big contract in Germany with one of the big chains of food stores, but nothing ever came of it.

We had these materials because we were paying big fees for design every time we'd come up with some new promotion. We thought if we could get some standard things going, we could save a lot of money. We had some kits made up, including a little stamp, some banners, shelf toppers, and all kinds of things. We made those available to agricultural attachés and told them that we wanted them to use these in in-store promotions. It was a lot of fun developing those things.

About that time we decided that FAS needed a planning function.

Q: This program involved working with Congress. Jimmy, could you give us some details? Why was it so popular?

MINYARD: Part of it, as I mentioned earlier, was the fact that not very much money was involved, as far as government programs go. The other part is that farm programs were expensive pieces of legislation, and exports reduced the cost of such legislation.

Increasing commodity prices meant that government payments to farmers would be less. The higher the price, the lower the government payments were.

The other thing is that agricultural exports were growing very rapidly. In 1958 they were around \$2 billion or something like that. By the beginning of the 1970's they were up in the \$30 billion range. By the end of the 1970's I think they reached a peak of \$44 billion.

These were things that Congress could relate to very well. They sort of liked the idea that they were part of these programs that were helping all these farmers ship more overseas and reduce the government's agricultural program cost.

Q: As I recall, agricultural exports were going up faster than those in other sectors.

MINYARD: They were much higher than those from most sectors at that point. The only other things close to agricultural exports were some of these high-tech things which Japan now has a big lead in. These items did pretty well there. Beyond aircraft exports, there wasn't much growth in other export sectors. Agriculture was sort of the leader.

Q: There was a change of administrations. When was it that you got involved in the trade act?

MINYARD: In 1977, when Carter became President, and Bergland became Secretary of Agriculture. Dave Hume was in limbo as Administrator of FAS. He didn't know if he was going to go or stay. It turned out that Tom Hughes, who had been with Orville Freeman as his Administrative Assistant back when Freeman was Secretary of Agriculture, wanted to be the Administrator of the FAS.

There was a problem with that because he was with the John White faction, and Bergland was from Minnesota. John White was Deputy Secretary. There was sort of a struggle between the Minnesota and the Texas group as to who was going to control Agriculture at that point.

It took awhile, but Tom Hughes finally became the Administrator of FAS. Tom was totally a political person. He understood that from the word go. So we convinced him that we needed new legislation for agriculture, and particularly for FAS, which would raise our image some and give us some additional tools to work on this export expansion.

The way we began that was by taking some congressional staff people to agricultural attaché conferences.

Q: What's an attaché conference?

MINYARD: Agricultural attachés in a given region of the world get together periodically and discuss what's happening and what needs to happen, including the problems they have in the countries where they are assigned. On a regional basis they prepare

recommendations on whether our agricultural strategy needs a new approach, or whatever needs to be done. Washington officials attend these meetings and update everybody on what is going on in Washington.

So we'd invite some of these congressional staff people to these meetings. Some of us would hint that if certain things were done, we'd be in better shape to support our program. So we got in touch with John Baize on the House Agriculture Committee staff, who was then very influential. A young woman named Nancy Foster was on the staff of Senator Stone, from Florida. Stone was head of the subcommittee for foreign agricultural matters. She became very interested.

So Congress started trying to draft some legislation that kept getting into such a mess that Ed Nichols would come up from Texas with John White.

Q: He had been Commissioner of Agriculture.

MINYARD: John White had been Commissioner of Agriculture in Texas and Ed Nichols was his deputy there. So Ed came to Washington with John White. John left to become Chairman of the Democratic National Committee. And Ed ended up dead--high and dry. So he came over for awhile to work as a Sales Manager. He was interested in market development, so he sat in my office, not in any official capacity. He was just there working.

He was a very good typist so he helped us draft a bill that provided for agricultural trade offices. It provided a program for intermediate trade in agriculture. The CCC [Commodity Credit Corporation] Credit had a 3-year credit program for agricultural products. Then they had the PL 480 [Public Law 480], which is the long-term credit program. But there wasn't anything in between.

So we came up with a program for a ten-year credit program that would be used for facilities to utilize US farm products. What we had in mind was that people could use commodities to obtain money to buy baking equipment or feeding equipment or elevator equipment or whatever. So we got that put in the bill.

We looked at the concept of Agricultural Attachés and decided that they didn't have enough image. So we arranged to promote them to be Counselor in our Embassies. We got that part in there.

Finally, we got provision in the Bill to upgrade the Assistant Secretary for International Affairs for Commodity Programs to be Under Secretary for International Affairs for Commodity Programs.

This legislation was later introduced in both the House and Senate. Hearings were held, and the State Department was against everything in the bill.

I remember in the Senate that Senator Stone was talking about counselor status for attachés. A State Department official testified that the rank made no difference. Senator Stone said, "Can you tell me why you have five counselors in Tokyo, including the Counselor for Administrative Affairs, which is a whole lot less important than agriculture in the scheme of things in Japan?" The State Department official said, "Well, the title does mean something in some countries like Japan." Anyway, we had those hearings and the bill ultimately provided that we could establish not less than 6 and not more than 25 trade offices overseas. So we had a legal commitment to set up 6 trade offices.

Q: A trade office is what?

MINYARD: A trade office would be an FAS office overseas strictly relating to agricultural trade programs. They would give us an additional person in the countries where we set these up, to handle strictly agricultural trade matters and coordinate cooperator market allotment, and to take care of FAS trade promotions.

By that time, the FAS had pretty much backed out of these big international trade fairs. We were doing mostly small attaché sponsored promotions, strictly for US companies. So we didn't have the broad exposure but we felt that we needed some more of these small promotions. Most attachés didn't have time for them. We thought that if we had a trade office, it could handle them.

We struggled and fought with the State Department for every one of them. Every time we wanted to set one up, they'd object. We finally found out that the only way we could ever get them approved was for Senator Stone to call somebody in the State Department. I don't know who, but he was a friend of Tom Hughes. Then, we'd get approval to open a trade office.

I remember one Ambassador came back and said, "Over my dead body will you set up a trade office here." The State Department cabled out and said, "There will be a trade office there." But the guy didn't die--he didn't keep his word.

We had those problems but we got about eight of them set up in the first two years. They're still operating and have proven to be a very effective way of coordinating market development in a particular market.

Q: I interrupted you when you were going through this act. I don't know if there were other aspects of it that you were going to mention.

MINYARD: No, those were the basic things that were accomplished with that trade act. The whole idea was to try to move the image of agriculture a little and to have an Under Secretary instead of Assistant Secretary. To me it didn't mean anything, but apparently in the State Department it's a big deal. So we wanted one of those.

Q: I know that it did help the agricultural attachés in a number of countries to get this higher status and move up in the embassy hierarchy.

Are we ready to go to the Dick Smith administration?

MINYARD: Yes. When Reagan came in as President, he chose John Block as the Secretary of Agriculture. John Block had been the Secretary of Agriculture in the State of Illinois. He, quite frankly, was very astute politically. A lot of things were going on.

The California people decided that they were going to get Dick Smith in there as Administrator of FAS, because Dick had started his career in FAS in the Fruit and Vegetable Division and had stayed pretty close to a lot of those Fruit and Vegetable people through the years. So they succeeded in getting him to be the Administrator of the FAS. It took months to do, but they did it.

Julian Heron at the time was riding very high. He was expanding this law firm that he had set up to represent agricultural interests. He had practically every agricultural interest in California. He had the prunes, raisins, and Sunkist. All of them were his clients.

Julian was pretty much anti-regulation, so he talked to Dick Smith. Dick Smith decided that we were going to do away with most of the FAS approvals for the cooperator activities. Previously, we had required a travel authorization to be approved by FAS for every trip the cooperators made. He threw that out.

We pretty much eliminated everything except market plan and expenditure approval. We moved financial approval of cooperators expenditures out of the embassies where they had been since the program started, back to FAS Washington. The attachés then no longer became involved in approving expenditures. FAS's role became marketing plan approval and long-range planning.

Dick Smith moved Ed Rossmiller, who had come in as the trade policy guy earlier, in about 1977 or 1978 into a planning function. He came in from Minnesota as a trade policy guy. Dick Smith set him up as head of a planning staff. They were bound and determined that they were going to implement a program so that you could set some goals for cooperators in terms of sales. You would have something to measure success of cooperator programs.

They finally found a study by Bob Lesko that had been done back in the early 1970's. They basically used that as a guide for setting up a planning function. They had a lot of trouble because they were going to force the cooperators to set long-term sales objectives. The cooperators objected, of course, because most of them didn't sell anything.

Q: You mean that the cooperators didn't sell anything themselves?

MINYARD: That's right. They were trying to help the trade sell farm products. So they objected pretty strenuously. Their fear was that if they accepted these objectives and didn't keep moving toward those objectives, then people were going to decide that the cooperator program was a failure. They kept arguing that there were so many determinants in terms of market volume that they didn't control. This hassle went on and on. Finally, they agreed that they'd accept a certain amount of this, but only if they were allowed to say that slowing down or declining a market was just as important as increasing it. They did this, but there was never any enthusiasm for it.

Part of the problem was that I mentioned a long time ago that early on, when I started working in the FAS, they had these competition branches that looked at long term trends. That work had disappeared, so nobody had a basis for making these longer term projections, with any degree of certainty. They were depending on some people in Economic Research Service to do it, and they were terrible. They were the world's worst projectors.

So this program never really jelled. The cooperators made the effort but, about that time, the GAO [Government Accounting Office] discovered marketing operations. And by now they have almost killed the program.

We had a committee set up in the FAS that I mentioned before, on regulations and regulation changes. The GAO concluded that that was "incest," that the people being regulated were helping to write the regulations.

Q: Well, that was true.

MINYARD: But they were the ones that were living with them, too. FAS had veto power, so it worked out all right. Everybody was very happy with that situation until the GAO came along and ruined that part of it.

The other thing is that we would never publish the regulations in the FEDERAL REGISTER. We felt that this was not a grant program but was a cooperative effort. So there wasn't a general distribution of these regulations. It was limited to people who were directly involved in the program. But GAO insisted, and finally FAS caved in and published them. Everybody and his brother decided that this was "free money," it was a grant and they should get their share. So there was no control over it, really.

Q: Was there quite an expansion in the number of cooperators while you were still there?

MINYARD: Not a major expansion. We probably went from 40 cooperators up to 50, or something like that, mostly because we tried to insist that if there was to be a cooperator agreement, they had to be broadly representative of the industry concerned. We tried to limit that single company coverage. We would work with some, such as Sunkist, because, they represented the California citrus industry.

Beyond that, most cooperators involved these trade groups across the board. That limited their ability to sign cooperator agreements. We came up with about five different forest products cooperators. The forest products people were supposed to be under the Department of Commerce, but the FAS people signed a cooperator agreement with them. There was an overall agreement and about four sub-agreements with them, covering hardwood flooring, and so forth. That was sort of a renewal of an agreement that we had had back in the late 1960's that didn't work out so well.

Q: I remember that.

MINYARD: The agreement folded in the 1960's because prices went sky high. They didn't really have to do anything, so they just lost interest in it.

Q: Well, Jimmy, I remember that I was overseas when you decided to retire. It was a shock to a lot of people. They very much respected the work that you were doing.

Tell us about your retirement. What brought it on? When was it?

MINYARD: When I first started working in the FAS, there were a lot of considerably older people there. I think that the average age of branch chiefs then was way beyond 40. To me, that was pretty old. Most division directors were well beyond that. I remember thinking, "If these old guys would just get out of here, we could make this thing work better." So I decided that as soon as I was eligible for retirement, I was going to get out of there, so young people couldn't say what I had thought early in my career.

I had my objectives all lined up--to retire in September, 1985. It all worked out well. My kids were grown, and I didn't have to worry about college expenditures. So I set that objective and tried to stay with it.

Then, in late 1984 Congress set up a commission to study agricultural trade. When Congress is totally baffled about something, they set up a commission. This commission which they set up included Congressional, commodity, and industry representatives to look at agricultural trade and export policy. Part of it was related to the Uruguay Round of trade negotiations, which was just getting started. There was a feeling that agriculture had been "short changed" in every trade negotiation that had come down the pike. They wanted some way of saying that agriculture shouldn't get kicked around in these negotiations.

Then they took a broader look at what agriculture should be doing--the exports or trade side in particular. On the House of Representatives side De la Garza, who was Chairman of the House Agricultural Committee, got very interested in this. On the Senate side Senator Bob Dole decided that he was very interested in it. So, naturally, there was a certain amount of "back and forth" as to who was going to be on the commission.

John Baize was a soy bean representative in Washington at the time. He had been on the staff of the House Agricultural Committee for years and years. He had always been on good terms with the staff up there. Baize decided that Ken Bader should be chairman of this commission. So he got De la Garza to push this.

Q: Now who was Bader?

MINYARD: Bader was the chairman or, rather, the President of the American Soy Bean Association.

Q: He had been president of some university?

MINYARD: He'd been chancellor of the University of Nebraska, but at that point he'd been with the American Soy Bean Association about 10 years. He had put John Baize in the job here in Washington, so John supported Bader to be chairman of this commission with Congressman De la Garza. De la Garza mustered enough troops to get Bader approved as chairman. And the Senate side sort of cut the whole commission off and wouldn't have anything more to do with us.

Q: You haven't told us how you came to head the commission.

MINYARD: I'm not sure. One day I was talking to Jim Webster, who was writing an agricultural newsletter. He wanted to know what names were coming out for the commission. I told him that I had heard that Don Nelson and two or three others were being mentioned. So in his next newsletter he wrote this up and said that it's interesting that nobody was talking about Minyard. He said that Minyard knows how to work the Hill better than the Forest Service. They had a fabled ability to get things done. Apparently, that triggered Bader to decide that, since Minyard was going to retire from the Department of Agriculture anyway. He talked to Dick Smith and asked about me. Well, I couldn't retire until September [1985], and this was January [1985]. So Dick Smith agreed that I'd be "detailed" to the commission until I retired. So I went up and was interviewed for this job by Bader and by a congressman whose name I've forgotten and Mike Harper who is the chairman of the board of ConAg. Apparently, I made a very good impression. Mike Harper said, "Look, this is a job you can do."

So I agreed. Working with Bader we got a staff set up. Another person who tried to get the job was Steve McCoy, who was an economist on the House Agricultural Committee. He was a capable guy but he needed some seasoning. He agreed that he would come in as the number two guy on the commission staff. So we put the staff together and very quickly drafted an interim report, which laid out some of the broader things that needed to be done in agriculture.

Primarily, the report said that you couldn't dump agriculture in multilateral trade negotiations. What you need is to devote more resources to agricultural trade here on the Washington side--just international agricultural trade in general.

So that interim report went out, and we spent the next 16 or 17 months trying to develop a final report. We had a series of meetings around the country. We advised the various agricultural interests attending these meetings that we had a commission set up and would like to have these people tell us what they thought their problems were and what the solutions were. Then, after these meetings we sat down and tried to consolidate the material we had collected into a final report.

We had a sort of "dog and pony" show here in Washington, with a series of panels set up, with various people from the Hill and from different sectors of agriculture to talk about each one of the individual aspects. Clayton Yeutter headed up a panel on agricultural trade. At that time Clayton was a special trade representative. We had former Secretary of Agriculture John Block discussing food products. We had a series of about eight panel discussions set up. We invited everybody that had the time to come in and listen to them. We had representatives from the State Departments of Agriculture, and from other departments.

We issued this final report, sent it to everybody on the Hill and everybody else that we could think of. Basically, it was a pretty good report, but when it stepped on somebody else's toes, nothing much happened. But it did result in having a lot more money provided for market development. I'm not sure, at this point, that this was a very smart thing, but they came up first with what they called "targeted export assistance," which is simply a market promotion program. They provided an additional \$110 million the first year for a program which had been operating at \$40 million a year. It turned out that they had to spend it, and they had an awful time doing it. You don't just stand up and "dump" that kind of money on a program.

End of interview