



C.L. "BUTCH" OTTER
GOVERNOR

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GOVERNOR OTTER'S RUSSIA TRADE MISSION A SUCCESS

AGREEMENTS WILL HELP BOOST IDAHO EXPORTS FOR SEVERAL YEARS

(BOISE) – Governor C.L. "Butch" Otter reported preliminary results today indicating successes for many of the 17 Idaho companies he led on a nine-day trade mission to Russia last month.

Participants on the mission to Moscow and St. Petersburg, November 15-23, represented a variety of fields, including seed potatoes, potato machinery and storage equipment, animal feed, peas/lentils/chickpeas, live cattle, beef, timber, technology, banking and university research/international education.

"This was one of our most successful trade missions yet," Governor Otter said. "Every company on the trip made excellent contacts with potential customers and several of them received orders on the spot. The overwhelming interest we received verifies the tremendous opportunities in Russia for future sales expansion for Idaho companies."

Russia is the world's 11th largest economy, and is a growing market for many of Idaho's industry sectors. Idaho exported \$21 million worth of goods to Russia in 2012, up 17 percent from the previous year. Overall, international trade is responsible for more than 98,000 jobs throughout Idaho.

Double L, a potato equipment manufacturer in Heyburn, expects to sell one piece of equipment by year-end valued at \$145,000, and will have delivered quotes for another \$1.8 million in sales as they follow up with customers that company officials they met on the mission.

Keith Esplin of NEU Seed in Rexburg reported that "opportunities for Idaho agriculture in Russia are much greater than I expected. Governor Otter made us all proud." Esplin sold 12 containers of seed potatoes to Russia, and expects more opportunities to arise from the mission in the future.

Clinton Arnold of Logan Farm Equipment in Sugar City described the mission as a "game changer" for his company. "Based on our meetings, we feel confident in estimating an increase of our export business to the region by 75 percent and would boost our exports to well over 25 percent of our overall annual sales."

Jos Zamzow, owner of Dynamite Marketing – an animal feed and nutrition business in Meridian – estimated that his company realized \$300,000 in sales last April on the Governor's trade mission to Asia, and he

was equally optimistic about last month's mission: "I think we could realistically double our international sales by dipping our toe into the Russian market," he said.

Earlier this year, Russia banned imports of American beef. Jay Theiler of Boise-based Agri Beef Co. participated on the mission to help resolve the issue. He said the Governor "was extremely knowledgeable about our industry and helped us open doors with key government officials that may jump-start the resumption of trade in beef with Russia sooner rather than later."

The mission was partly supported through State Trade and Export Promotion (STEP) Grants, distributed by the Idaho Department of Commerce and funded in part through a cooperative agreement with the U.S. Small Business Administration (SBA). The location for the trade mission to Russia was selected based on a survey of Idaho companies.

Below are more results from some of those who participated in the Governor's Russia trade mission:

Double L – "Looking at the mission, it's hard for me to imagine that we could have arranged meetings like these on our own. The Governor's presence lends credibility to the efforts of the participating companies and helps us establish relationships of trust. The Governor and his staff are interested in helping Idaho companies generate new business. Ultimately – and I agree with Governor Otter on this point – these trade missions do more to strengthen ties between nations and peoples than any efforts made solely between government officials." Chris Hunsaker, President.

Milestone Equipment of Blackfoot – "We felt the trade mission was a great success. We feel the Russian farmer is now more educated as to the process we offer for potato handling and cutting. Hopefully, they will use this information to increase their efficiency in growing potatoes. We were honored to be a part of this trade mission and feel that Idaho was well represented, and we hope this leads to a profitable outcome for our state." Danny Mitchell, President.

Tim Shaw Herefords of Cascade – "We thought the trip was very educational; we now better understand the complexity of shipping cattle internationally. By meeting with key players we see the possibilities of getting Idaho cattle in a shipment in the future. Idaho livestock exports to Russia year-to-date total more than \$12 million and this trip will give us the opportunity to further increase that number." Tim Shaw, President.

Agri Beef – "The Governor understands the language of business and the importance of trade in creating win-win partnerships. We are grateful to the Governor for his efforts to understand our business issues and his willingness to roll up his sleeves and help us get it done." Jay Theiler, Vice President.

George F. Brocke and Sons of Kendrick – "George F. Brocke & Sons, Inc.'s participation in the recent Governor's Trade Mission to Russia will result in a substantial increase in our sales to Russia. In a large part this increase is due to Governor Otter's commitment to promoting Idaho products and Governor Otter's ability to effectively promote products of Idaho." Dean Brocke, President.

nextScan Inc. of Meridian – "We have been doing business in Russia for the last four years. After the mission the level of interest in our microfilm scanning technology in Russia has grown notably, and we have identified enough tangible opportunities to predict with a good level of confidence that we should accomplish our initial mission goal of doubling our Russian business volume in 2014." Ernesto Pinal, Vice President.

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