



ORAL HISTORY PROGRAM
INTERVIEW ABSTRACT

CONSULTANT: Wayne Baker and Jimmie Shearer

DATE OF BIRTH: Not provided Gender: Male

DATE(S) OF INTERVIEW: October 24, 1996

LOCATION OF INTERVIEW: Sunland Incorporated, Portales, N. M.

INTERVIEWER: Jane O'Cain

SOURCE OF INTERVIEW: NMF&RHM X OTHER _____

TRANSCRIBED: Yes: March 4, 1998

NUMBER OF TAPES: Two

ABTRACTOR: Sheila Klug

DATE ABSTRACTED: January 29, 2001

QUALITY OF RECORDING (SPECIFY): Good

SCOPE AND CONTENT NOTE: The history of the Sunland Corporation, discusses the various types of peanuts, particularly the Valencia, which is grown in New Mexico, how they are processed and used, and some of the diseases which plague peanut growers. They also talk about the business aspects of the peanut industry and the affect of NAFTA and GATT.

DATE RANGE: 1985-1996

ABSTRACT (IMPORTANT TOPICS IN ORDER OF APPEARANCE):

TAPE ONE, SIDE A:

Wayne Baker, one of the founders of Sunland Incorporated, and Jimmie Shearer, its president and CEO, stated that Valencia peanuts have been grown in Roosevelt County starting in the 1920s. This led eventually to peanuts' being a major industry there; ninety-five percent of the nation's Valencia peanuts are grown in the Portales area. They recount how worries about the industry's being more and more controlled by outsiders led to the formation of Sunland by seven families in the 1980s.

Baker and Shearer describe the problems of the early days of the company: financing, constructing the plant, and buying and building the processing equipment.

They discuss the reasons Valencia peanuts are grown in New Mexico, how they differ from other varieties, and the various uses of them. Although Valencia peanuts represent only one percent of the total peanut market, it is a gourmet product used primarily as an in-shell product and for peanut butter, as it requires no additives. Peanuts grown in Portales are also free from aflatoxin (a disease).

The consultants also provide the history of price supports and how they work. Additionally, they describe some aspects of marketing and how their refusal to pay slotting fees keeps them out of some stores.

The consultants state that the local farmers want to raise peanuts because it's the best cash crop for the area. Farmers will grow wheat and corn for rotation, but depend on the peanuts for cash. They used to grow sweet potatoes, but that was very labor intensive, and once the peanut harvest was mechanized everyone switched from sweet potatoes to peanuts.

TAPE ONE, SIDE B:

Baker and Shearer describe their plans to expand the cooperative to have other varieties shipped to Portales from Georgia and for them to supply the California market—i.e., be the “peanut hub” of the Southwest.

The describe in some detail the processing of peanuts, including the two inspections by the U. S. Inspection Service, sorting of peanuts by color, cleaning, shelling, roasting, packaging, and shipping the finished product.

The color of peanuts is determined by the soil they're grown in and by some diseases, such as rhizoctonia, a soil-borne disease. They used to have a fungi disease called black hull, but this problem has been solved by rotation of crops.

They also discuss the growing market for organic peanuts and how the peanuts are verified as organic.

The consultants also describe the problems associated with financing, which they feel is their biggest problem. This is due to the volatility of the market plus the fact that they must work on a yearly basis, rather than a “just-in-time inventory” that many manufacturers can use.

Baker relates that the people that passed NAFTA [North American Free Trade Agreement] didn't understand peanuts. For one thing, the law only covers raw peanuts and does not cover processed peanut products. This translates to a big threat of peanuts being brought in from China or anywhere to Mexico and being processed there and brought into the U.S. as a finished product that is much cheaper than what they can produce.

TAPE TWO, SIDE A:

The consultants describe how the company was incorporated and the number and duties of their employees. They tell about how banking regulations have changed since they started. They feel they could not start a company today like they did back in the '80s. They also point out that very few of the peanuts raised in New Mexico are actually consumed in New Mexico, thereby bringing lots of dollars into the state from elsewhere.

TAPE TWO, SIDE B: Blank