



Two unforgettable experiences early in life made lasting impressions on Kerr Taylor, leading him to become a real estate investor and, ultimately, a rancher of Wagyu cattle.

The first unforgettable experience occurred when Kerr was a junior in college and was awarded a scholarship that allowed him to travel around the world aboard Chapman Colleges' University of the Seven Seas and World Campus Afloat.

One of the more than 20 ports Kerr Taylor visited was Kobe, Japan.

That afternoon, Kerr and a buddy, Joe, peered through the window of the Misono restaurant—dubbed the best steak restaurant on earth—while two of their wealthier friends enjoyed a delectable meal of Kobe beef. Kerr and Joe, unable to afford the substantial price tag of the meal—about \$200 by today's standards—watched from outside while their friends



OLD · THREE

100% FULLBLOOD WAGYU

By Heather Smith-Thomas

exaggerated each mouthwatering bite and flashed thumbs up to their buddies salivating on the other side of the glass.

Even though Kerr had never tasted Kobe beef in Japan, that experience launched his interest in the breed.

The second unforgettable experience took place two years later when Kerr and a friend took a five-month trip on their Triumph motorcycles through the countries surrounding the northern Mediterranean Sea.

One afternoon, while having coffee in a café in Florence, Kerr asked an elderly gentleman, “Who owns these beautiful properties surrounding these thousand-year-old plazas?”

“These properties are owned by the founding families of Florence,” the old man answered. “The families pass them down from generation to generation. They are never sold. They are grandissimo!”

Kerr translated the Italian word for “great” to mean “irreplaceable.” At that moment, something clicked in Kerr’s mind.

That's it! He thought. I will spend my life investing in the irreplaceable.

And so began his journey of creating unique organizations and businesses focused on the irreplaceable. Guided by this vision, Kerr and his team have built successful organizations in real estate, private equity, agriculture, and philanthropy.

As the former Founder, Chairman of the Board, and Chief Executive Officer of AmREIT, a real estate investment firm dubbed the Irreplaceable Corner Company™, Kerr grew his team to more than 50 professionals. He also enlarged the property portfolio to over \$1 billion in assets and increased the investor base to more than 6,000 shareholders and partners.

Along the way, Kerr has focused on what he considers the most important ingredient in growing a company: its culture.

He calls his cultural principles the 5C Cultural Framework. Based on strong core values, character, competence, communication, and community, this concept has allowed him to attract and retain strong teams which have built strong companies.

In 2015, when the Texas marketplace was hot as a firecracker, Kerr and his team sold AmREIT to the largest real estate company in the world.

"We created financial returns for our investors that we believe were the highest ever produced by a public Real Estate Investment Trust—over 30% per annum from the time of listing to sale," Kerr says.

He adds that his company's success in real estate allowed him to pursue a dream deeply rooted in his fondest childhood memories.

Kerr grew up in the rolling foothills of the Shenandoah Valley in Charlottesville, Virginia. He recalls that after his pastor father preached on Sundays, they would often be invited to visit a church family at their home.

"Many lived on beautiful farms that graced the hills and valleys of one of the most attractive agricultural regions in the world," Kerr says. "As we children played together after lunch, I believe I unconsciously fell in love with farm life."



Kerr & Jill Taylor with their daughter & two sons

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LIVING THE DREAM

As AmREIT grew, Kerr began re-searching farmland between Houston, where he lived with his wife, Jill, and the Hill Country surrounding Austin.

"Jill encouraged me to pursue my farm passion," he says, "taking care of our three children while I spent many days and nights driving what we called the 'smile zone'—the circle around our city extending about 80 miles out from its center. I felt the best location for a farm would be no further than an hour and twenty minutes from downtown. Beyond that, travel would become a burden; smiles would turn into frowns."

Months later, as he was driving up a meandering farm road north of Cat Springs, his heart began to beat faster as the landscape suddenly arose and turned into hills and valleys. Traveling through the tiny hamlet of Chappell Hill, he says he leaned forward, eyes widening in excitement. Seven miles north of the hamlet, he pulled his truck to the side of the road.

Across the little road stretched meadows dotted with thoroughbred horses and cattle against a blanket of dark blue flowers known worldwide as Texas Bluebonnets.

He called Jill.

"I've found it!" he declared excitedly.

"WHAT WOULD YOU DO?"

Kerr and Jill knew they wanted to make their newly named Pleasant View Farm environmentally and financially sustainable. This meant they needed it to become income-producing so future generations would not be burdened by expenses like taxes, insurance, and upkeep.

About that time, Kerr met Robert, a farmer whose family had been settlers of the area. Robert was brilliant in ways of country life, and, as the two men got to be friends, Kerr peppered him with questions, including his favorite: "What would you do?"

One day Kerr and Robert met for lunch at Chappell Hill's only restaurant.

Kerr said, "We've discussed my goal of making the farm sustainable financially for my children and their children. How do you think I should do it?"

"Small-time farming is a hobby these days," Robert answered. "You will need to choose wisely what you farm if you want it to be self-sufficient financially. And you will have to have scale or size. It's sad but small farming that can support a family has disappeared in America beginning in the 1950s."

"What do you think I should do?" Kerr asked.

"I think high-end genetic cattle like Wagyu and vinifera wine grapes have legs," Robert said. "Texas is the largest state producing cattle, and Pleasant View Farm is in perhaps the most fertile, pleasing county for raising them. Fredericksburg is now the second most visited wine destination in America, and the wineries there need Texas grapes to continue growing. The High Plains of Texas has become the grape capital of Texas and can grow world-class fruit."

Kerr listened to his advice.

A few years later, he and Jill established Old Three Wagyu and Rowland Taylor Vineyards.

WHO? WHAT? AND HOW?

Kerr explains that, in deciding how to go about building his Wagyu herd, he asked himself three questions:

1. "Who are the best mentors to guide us in building an 'irreplaceable' Wagyu herd?"

As Kerr asked around, the same names came up time and time again. When he asked these ranchers if they would mentor him, they not only agreed, but many have also turned into close friends.

2. "What benchmark will we use to measure our progress?"

Kerr says, "To determine our Wagyu benchmark, we turned our attention back to the day I visited the 'best steakhouse in the world,' the Misono in Kobe, Japan. We asked: 'What are the characteristics of the beef they serve to their customers?'"

Kerr and his team determined that the Misono's choice for Kobe beef came from only cattle born in the Hyogo Prefecture, the area around Kobe. Furthermore, these cattle must be 100% Tajima. Today, their brand has expanded to other cities across Japan, and although they will use other breeds of Wagyu, their "prime choice" remains Kobe Beef, 100% Tajima.

3. "How will we get there?"

One day Kerr met Mitch—one of his Wagyu mentors—for coffee.

"Mitch, I'm on a journey of trying to build the finest Wagyu herd in America. Will you help me?" Kerr asked.

"Sure," he said. "There are many philosophies in what constitutes the 'best,' and many have merit. But the first thing you should do is build a framework of criteria for your herd. Do that and then come back and we'll discuss it."

Over the next few months, Mitch and Kerr had many discussions regarding what is now known as the "Tru Wagyu™ Framework."

The Tru Wagyu Framework consists of the following, in order of priority:

1. Lineage

This is the first criteria in Tru Wagyu scoring. Kerr and his team focus on building a high percentage Tajima herd ("High Tajima"), bringing in genetic attributes from other Wagyu breeds as it makes sense to do so.

Kerr explains, "Chef Fujioka from Misono would say that although the Tajima is the smallest of the four Wagyu breeds, it is the best for marbling and flavor. After all, only 100% Tajima can be called Kobe Beef. I've heard that Kobe Beef does not even enter Japan's Wagyu Olympics held every five years. Just like Bordeaux wines don't compete at the San Francisco Wine Contest, Kobe Beef producers have the number one reputation in the world and are in a class of their own."

2. Genetic & Genomic Testing

Old Three Wagyu uses available science, including complete panel testing from the American Wagyu Association and Australian Wagyu Association's Estimated Breeding Values. They also are informed by the information derived from the 16-16 Analysis.

While recognizing that genetic testing can be biased, Kerr explains, "Over the years, I have come to believe there is a strong correlation between marbling, flavor, and tenderness with a high S.C.D. score, so this characteristic advises us."

He references a famous study written by eight Japanese scientists from the Graduate School of Science and Technology in Kobe, Japan. It focused on the benefits of the S.C.D. Gene. It points out that all mammals have this

gene, but in the Wagyu, it is turbo-charged. This gene turns the saturated fat, known as stearic acid, into mono-unsaturated oleic acid, where the flavor comes from. The study found the measurement of S.C.D. was "a useful tool for selection of favorable flavored beef carcasses" and that the measurement "AA-10" was the highest possible S.C.D. and tenderness score.

Old Three Wagyu believes it has one of the country's largest herds of AA-10 animals and has discovered through data collection that superior scores are highly correlated to the Tajima breed.

Regarding breeding for size, Kerr believes that taste comes first. "The North American cattle business has always focused on putting on pounds. And they are always using strategies to make cattle gain weight fast. Some of these, such as hormones and beta-agonists, make the cattle bigger but hurts their taste profiles.

Regarding taste, bigger is not better. We breed for size where it won't hurt quality."



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3. Phenotype

In calculating the Phenotype score, Old Three Wagyu measures disposition, eye appeal, and growth rate, among other characteristics. Kerr says, "Although we are not trying to pack on pounds for weight alone, we are conscious of EPD or Expected Progeny Difference in our breeding decisions. We want efficient animals in converting input into solid carcass growth, but never at the expense of marbling and flavor."

4. Husbandry

While lineage, genetics, and phenotype make up about 60% of the Tru Wagyu™ Breeding formula, husbandry makes up the rest.

"We have multiple forages on Pleasant View Farm, including various kinds of Bermudagrass, K.R. Bluestem, oats, rye, and our famous Blue Bonnets that keep our females very feminine looking!" Kerr says. "We keep our herd well-watered, happy, and content. The name of our company comes from the fact Stephen F. Austin's first 300 families (known as the "Old Three Hundred") originally settled in Texas around our farm because of the

beauty of its rolling hills, the richness of the soil, and appealing climate."

Kerr believes gentleness in the handling of its herd is important. He said: "We use a hydraulic chute, so our cattle have less risk of possibly getting hurt when we work them, and it's easier and safer for our team. We want things as gentle and kind for our cattle as we can make them. Our Tru Wagyu herd gets its shots, minerals, and plenty of lush pasture. We even play the 'Love Symphony' by Mozart when the breeding time rolls around!" he says with a smile.

According to Kerr, Old Three Wagyu steers are fed precise amounts of high-quality feed twice daily by an automatic feeding system and are harvested humanely at about 30 months. He adds, "We often buy other producers' beef to compare to our own.

We believe our Tru Wagyu formula is creating world-class Wagyu."



Kerr and Jill have 3 children. Their first one, a girl, was adopted from Russia. While adopting her, the couple started a non-profit group called Pathways for Little Feet, which provides financial assistance to families wanting to adopt and pre/post-adoption care to families throughout the process. They also closely partner with Lifesong for Orphans to help build a sustainable farm in Ukraine, teaching skills and trade to aged-out orphans. Pathways for Little Feet has helped place more than 600 children in forever homes.

Kerr and Jill also have two boys, both attending Texas A&M. The farm is only about 45 minutes away from College Station, so the boys have been able to keep close family ties while attending school there.

Most of the original Wagyu cattle were purchased in 2016, and in 2021 Old Three Wagyu began selling some of its cattle. Sales manager Angela Garcia and farm manager, Taylor Zdunkewicz, run the day-to-day operations, and Kerr focuses on long-term strategy.

Taylor has been instrumental in caring for the cattle and helping grow the herd. "He manages all the pastures and works hard to make sure the animals look as good on the outside as they are on the inside and does an excellent job. What's so neat about this breed is how docile they are and friendly. They are amazingly easy to work with, and because we are a modest-sized farm of 520 acres, they all get looked at daily. We can walk into a pasture with 20 bulls and feed some by hand, and it's remarkable. The attention we can give the cattle makes it even easier for them to interact with humans."

When guests come to the farm, one of the favorite things is to show them the cattle, and they get to see and experience the animals up close. "It's neat to see their reaction and realize this is such a gentle herd and gentle breed."

Angela says, "There are more and more farms getting into Wagyu. It's been exciting to introduce our bulls into their herds. One thing that is so amazing about the Wagyu industry is how helpful and encouraging everyone is. Some folks breed for different things, but overall everyone wants to see everyone else succeed and do well."

She adds, "It's been great for us to begin to give back to this breed and help new breeders when they call us with questions."

Kerr says, "I'm thankful for my many friends in the Wagyu Cattle Business. We're all working together to make this breed the best it can be. We may have slightly different philosophies, but one thing unites us all: we raise the best beef in the world, and our future together is bright!"

"We'd love to meet you. Please give Angela a call and come visit us. We look forward to having you join the Old Three Wagyu family!" 🍷

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in the Wagyu Cattle Business."



Angela Garcia



The Taylor Family



Taylor Zdunkewicz