

LEAD IN

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As a baseball pitcher moves into the fourth or fifth inning of a game having not allowed a hit, players in the dugout refuse to discuss or even mention the possibility of a no-hitter, for fear of jinxing the outcome.

I feel a twinge of superstition as I report to you the business results of the first two months of our fiscal year. But the figures are too good to keep secret. Furthermore, there seems to be no good reason why we can't expect them to hold for the 1989 fiscal year, barring an extension of the drought or some other natural or politician-inspired disaster.



For the first two months of the fiscal year, registrations total 28,567 head, up 14.08 percent from last year. Transfers of 15,306 are up 18.89 percent. Thanks to improved prices and better salesmanship on the part of Angus breeders, the number of new herds started in the first two months total 280 (as measured by new regular memberships), up over 5 percent from last year. Plus there have been 138 new junior members, nearly a 4 percent increase. The number of new A.I. Service Certificates issued in the two months is 11,883 up nearly 30 percent.

To some these figures may seem very high. But the fact is they may not reflect enough increased Angus business to fill the demand for our cattle. The record high average auction prices set for Angus females during the 1988 fiscal year reflects the strong demand for Angus bulls. There is every indication that this will continue.

The Certified Angus Beef program continues to expand. Mick Colvin and his crew expect sales of CAB to hit 80 million pounds in 1989. This compares to the record 63.6 million pounds sold in 1988. On top of this is the growing demand for higher quality beef on the part of many other non-CAB retail outlets and restaurants. If cattle producers improve the potential of their calves to grade Average Choice or better, then there is every likelihood that they will accomplish this with Angus bulls.

This doesn't mean, of course, that every Angus bull or female that you record will automatically bring the average auction price. Those average prices are set with above average registered cattle. Most of them have very acceptable pedigrees and sound performance records. What's more, almost every good sale, private treaty or auction, is the result of a sound advertising and merchandising program.

The point is that we are off to a very strong start in the Angus business for our 1989 fiscal year. It is bolstered by renewed demand for Angus cattle, driven by the demand for CAB and for quality beef. Also it is driven by the need for many commercial beef herds to return to the basics and to breed some uniformity back into their operations. An abundance of other meat is going to keep beef prices from soaring to demand-reducing heights as we start to rebuild our national cow herd. Furthermore, the excellent advertising and information programs that are funded by our checkoff dollars are rebuilding demand for our product.

As we discard our 1988 calendars, and head into the first year of this decade I wish every one of you a "Happy New Year" with every expectation that it will be just that, especially as your Angus business is concerned.

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