



# Board Action

► Highlights of the Feb. 25-27, 2004, meeting of the American Angus Association Board of Directors

## Board meets in Saint Joseph

*Pursuant to notice, the meeting of the American Angus Association Board of Directors was called to order in the boardroom of the American Angus Association, Saint Joseph, Mo., Feb. 25-27, 2004. The following officers and directors were present: Joe Elliott, president; John Crouch, executive vice president; Minnie Lou Bradley, vice president; Ben Eggers, treasurer; Leo Baker; Gregg Blythe; Bill Davis; Al DeClerk; Mark Gardiner; Joe Hampton; Jot Hartley; Paul Hill; Jay King; Robert "Bob" Schlutz; John Schurr; Dave Smith; Richard "Dick" Tokach; and Rob Thomas. Highlights of the meeting are as follows.*

### ACTIVITIES COMMITTEE

Auctioneer and judges for the 2005 National Western Angus Bull Sale were chosen. John Dickinson and David Gazda will be the sale managers.

Hip height measurements for frame score calculations on sale bulls in Denver will be discontinued, beginning with the 2005 sale.

There will be no associate judge for the North American International Livestock Exposition (NAILE) and National Western Stock Show (NWSS) Roll of Victory (ROV) Angus shows.

The New England and New York junior Angus associations will host the 2005 Eastern Regional in Springfield, Mass.

A new rule concerning the use of aerosol products for fitting and grooming cattle will become effective July 1, 2004:

*New Rule 11, Part 3, Section IX of the Rules of the American Angus Association:*

*Effective July 1, 2004, at any show for which the American Angus Association appropriates funds toward the payment of premiums, no exhibitors, individuals assisting exhibitors or member owners shall be allowed to use products contained in or dispensed from aerosol cans on any animals exhibited at such shows.*

### BREED IMPROVEMENT COMMITTEE

Capabilities for interactive \$Value (pronounced dollar value) Indexes were approved for use by members and affiliates through AAA Login. The customized Web-

based tool with user-defined variables will be available May 1, 2004. The custom \$Values are designed for within-herd use in assisting commercial bull buyers producing for a specified market.

The committee reviewed a letter submitted by the Angus Society of Australia, requesting that breeding values on Australian sires be incorporated into the American Angus Association National Cattle Evaluation (NCE).

This reciprocal arrangement would affect the American Angus Association database, performance analysis and associated publications. No action was taken.

A progress report was given on the development of a Weaned Calf Index.

The new \$Value Indexes utilize preweaning growth and maternal components, along with economic inputs for costs associated with the cow-calf unit.

A summary was given on the heifer pregnancy rate project conducted by Minick et al., Iowa State University (ISU). This ISU research report can be viewed online at [www.iowabeefcenter.org/pdfs/BRR/R1878.pdf](http://www.iowabeefcenter.org/pdfs/BRR/R1878.pdf).

The committee discussed current DNA diagnostic tests that are commercially available to the industry.

### COMMERCIAL & INDUSTRY RELATIONS COMMITTEE

The AngusSource tagging program (visit [www.angussource.com](http://www.angussource.com)) has been extremely successful since its inception last August.

► More than 15,000 tags have been ordered in six months.



- The AngusSource "sale book insert" has been downloaded from the Internet 800 times, and many bull sale books have used this piece this spring.
- Enrollments include approximately 55% heifers and 45% steer and bull calves.
- An "all-natural" component will be added to AngusSource to document cattle that have been managed in accordance with programs such as the Certified Angus Beef® (CAB®) Natural program.

► To help promote the use of registered Angus bulls, commercial calf price data will be collected this fall,

analyzed and hopefully used to illustrate the advantages of using registered Angus bulls in commercial cow herds.

Promotion of the Bull Listing Service (BLS) will be increased prior to peak bull marketing seasons in the future. This service — provided as a cost-effective tool to list bulls by location, expected progeny differences (EPDs) and genetic lines — has seen good demand from commercial producers, but relatively few bulls have been listed by American Angus Association members in the past year.

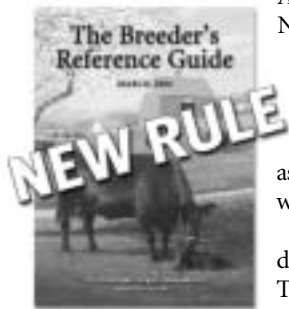
### FINANCE COMMITTEE

The financial report for the four-month period ending Jan. 31, 2004, was reviewed. The cash balance on the consolidated financial

report is \$3,403,000.

The investment portfolio of \$12,829,000 consists of government and agency notes, money market accounts, bank certificates of deposit (CDs), bond mutual funds, and stocks managed by Chase Investment Counsel Corp. The total of all assets is \$23,354,000. Long-term debt consists of \$125,000 for an Olympic sponsorship commitment, \$627,000 for accrued health benefits and \$244,000 for the deferred compensation liability. The net income for the period is \$1,947,000.

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The Finance Committee expanded the current investment policy for the American Angus Association to include additional investment styles in both the equity and fixed income portions of the investment portfolio. Funds in the mutual fund families of Vanguard, T. Rowe Price, and Dodge & Cox were approved as investment alternatives. Also, the Gold Trust Co. was approved as a money manager for funds in the Association's investment portfolio.

### MEMBER SERVICES COMMITTEE

The committee decided to allow any printed registration papers to be mailed into the office to be converted to electronic stored registrations free of charge between June 1, 2004, and Sept. 30, 2004. The fee to convert papers to electronic storage after Sept. 30, 2004, will be at the normal correction fee of \$2.

A process and timetable were established for reviewing and redrafting the rules, the charter and the bylaws for the American Angus Association. The committee will meet with staff and counsel in late April to begin this process.

Preliminary results of research on microsatellite genotyping for a Class 1 genetic defect were reported.

### PUBLIC RELATIONS COMMITTEE

The committee reviewed the Association's history with advertising agency NKH&W Inc. and the current advertising campaign. Future campaigns were discussed, and input was gathered from directors, regional managers and staff, including the following key points.

- ▶ Continue differentiating Angus from other black breeds.
- ▶ Angus bulls offer multiple traits (calving ease, maternal, growth and carcass value) to smaller-scale breeders who might use only one bull.
- ▶ The Association offers tools to ensure success and profitability.
- ▶ AngusSource and identification (ID) are still key issues.
- ▶ The Association and breed are known for honest people and breeder integrity.

Discussion continued on restructuring advertising functions to include more in-house responsibilities and resources from



Angus Productions Inc. (API).

The committee voted to direct up to \$40,000 for services obtained from API, including future issues of the *Angus Beef Bulletin* and other special projects.

Staff gave an update about promotional efforts at the 2004 Cattle Industry Annual Convention and Trade

Show in January in Phoenix.

The *High Plains Journal* ran an eight-page Angus insert in its Feb. 16 issue. This is the second year for the project, which includes a back page "black-hide" ad with Angus editorial and program information.

The Communications and Public Relations Department has 10 intern applicants this year. Interviews will be conducted soon.

### CERTIFIED ANGUS BEEF LLC

Jim Riemann presented the President's report, sharing a personnel update that included the hiring of David MacVane as an executive account manager for the northeast, Diane Merrill as a value-added-products (VAP) brand manager and Brooke Enders as a supply development marketing manager. Other highlights included the possible licensing of another regional packer, an update on the bovine spongiform encephalopathy (BSE) crisis and its effects on international markets, along with various new retail and foodservice customers who have recently joined the program.

Riemann reported on the progress of the CAB Natural product line, and that production is scheduled to begin in the next few weeks. Initial interest from licensees in the new product line is high.

Brent Eichar shared a PowerPoint® presentation showing the decline in business due to the impact BSE has had on international markets. Eichar also discussed the 23% decline in certified cattle numbers through January 2004. Eichar then presented a revised budget that was approved as presented.

### ANGUS PRODUCTIONS INC.

The API Board approved a one-time adjustment of the *Angus Journal* base page rate to \$595 per page to commemorate its 25th anniversary under ownership of the

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### Board adopts rule to prohibit aerosol products at shows

At the regularly scheduled meeting of the American Angus Association Board of Directors, Feb. 24-27, the Activities Committee and the full Board, after thorough discussion, adopted a rule that prohibits the use of aerosol cans and the products in aerosol cans.

The new rule, as passed, amends Part 3, Section IX, of the Association Rules by adding a new Rule 11, No aerosol products. The rule states:

*"Effective July 1, 2004, at any show for which the American Angus Association appropriates funds toward the payment of premiums, no exhibitors, individuals assisting exhibitors or member owners shall be allowed to use products contained in or dispensed from aerosol cans on any animals exhibited at such shows."*

"This new rule is not a 'no-fit' rule. It simply eliminates aerosols. People can still wash, clip and fit," says James Fisher, director of activities and junior activities for the Association. "It will be effective July 1 at any and all shows that the Association participates in with premium payment, both open and junior."

The current Rule 11, Discipline, suspension and expulsion, becomes Rule 12 under the same title.

The rule put in place by the Board of Directors in September 2003 to eliminate the use of products in aerosol cans in the makeup area at Association-sponsored junior shows remains in effect until July 1, at which time the new rule takes effect. For more information about the rules of the Association, go to [www.angus.org/newmem.html](http://www.angus.org/newmem.html).

**Editor's Note:** We have subsequently been informed that the board of the American-International Charolais Association (AICA) passed a rule at its board meeting March 5 banning the use of products in aerosol cans and the use of baby powder at AICA-sanctioned shows as of June 1. During a meeting March 4, the NAILE in Louisville, Ky., banned the use of aerosol sprays from the lineup area for all cattle shows. The All-American Angus Breeders' Futurity Executive Committee adopted a rule eliminating the use of "glues (spray adhesives), paints or color enhancers (dyes) of any kind on show animals" for its 2004 open and junior shows.



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American Angus Association. The issue will be published in July 2004.

The four-color photo separation process is no longer as labor-intensive or costly as it once was; therefore, color separation charges will be eliminated, retaining only the photo insertion charge of \$12.50 per photo.

After review of varying postage costs at different postal classifications, it was decided to include all affiliates who have received a properly transferred registration within the last three years in the *Angus Beef Bulletin* mailing list, which will require the *Bulletin* mail under the Standard A postal rate.

A fifth *Angus Beef Bulletin* will be added, to be published in July.

### ANGUS FOUNDATION

The Kentucky Angus Association donated \$40,000 from the proceeds of the 2003 National Junior Angus Show (NJAS) to the Angus Foundation. The Foundation will provide

sponsorship for a future NJAS in Kentucky.

The Board held a brief discussion on potential fund-raising options and voted to work with Summitcrest Farms to host a presale party to benefit the Angus Foundation Oct. 30, 2004.

The Foundation's "Celebrating the Vision" reception in Louisville, Ky., was a great success. More than 200 Angus Foundation supporters gathered for the reception to celebrate the vision for the Angus Foundation.

The 2004 Angus Foundation Heifer Package sold in Denver, Colo., to Sterling Hunter, Bath, Mich., and Mountain Meadow Cattle Co., Steamboat Springs, Colo., for \$55,000. The package featured BT Everelda Entense 51N, donated by Beartooth Ranch of Columbus, Mont. The package also included insurance from American Live Stock Insurance; trucking from Lathrop Livestock Transportation; a flush and implantation of three embryos by TransOva Genetics; Ivomec® provided by Merial; a \$1,000 semen package from Genex; an

Angus Information Management Software (AIMS) package from the American Angus Association and a banner ad from the API Web Marketing Department.

The 2004 Angus Foundation Golf Tournament will be July 13 in conjunction with the NJAS.

The 2004 Silent Auction will be during the NJAS.

Angus Foundation Scholarship applications are available on the NJAA Web site, and at the Association. The deadline for application is May 15.

Chad Ellingson will be the Angus Foundation delegate to the Young Cattlemen's Conference (YCC), an event hosted by the National Cattlemen's Beef Association (NCBA).

### NEXT BOARD MEETING

June 8-12, 2004

