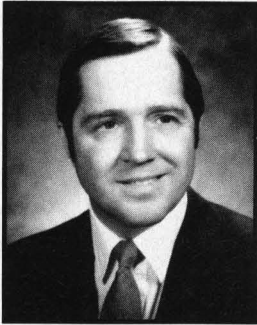


LEAD IN

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If estimates are correct, we have stabilized the national cow herd and started a modest increase. There is a lot of talk about how this will affect our present and future business.

It is good news for registered Angus breeders in more ways than one. First, herd expansion means the retention of more heifers which brings a demand for more Angus bulls that can produce light birth weights and more calving ease.

Second, more cows will bring demand from commercial cattle producers for breeds that meet the needs of specification buying and value added marketing. The Certified Angus Beef program has already brought value-added marketing to the Angus business, and we can expect increased demand in this area, as well as in the general beef marketing arena.

Third, beef specifications are narrowing all the time. As a result, cattle producers need breeds that, straightbred or crossbred, will provide optimum carcass weight, as well as yield and quality grade. Considering the reproductive and production ability of Angus cattle, we know our breed will play a significant role in the commercial industry well into the future.

We found this to be true in a recent survey of some 400 cow-calf producers to determine their herd breed makeup and their buying intentions. The survey, which is a continuing program for the Angus Association, was conducted by Rockwood Research of St. Paul, Minn.

The average cow herd size in the national sample is 100 head. In this group some 57 percent said that Angus constituted the major breed or was one of the major breeds in their cow herd. The next closest was Horned Hereford with 38 percent, and Charolais and Simmental were tied with 17 percent each.

As for purchasing intentions, some 57 percent of the group plan to purchase at least one bull in the coming year. The average planned purchase is three bulls. Some 25 percent of the bulls to be purchased will be Angus, followed by Simmental with 22 percent. Horned Hereford was third in purchase intentions with 17 percent and Charolais and Limousin tied for fourth with 12 percent.

These figures support the apparent improved demand we have seen for Angus. Much credit for this must go to the sound, predictable cattle Angus breeders have produced in recent years, cattle that are backed by solid performance records. Also, the CAB program and the growing demand for other high quality beef have also improved demand for our product.

We need to take advantage of the momentum the Angus breed now enjoys and continue our efforts to breed and promote top performing Angus with predictable genetics for the years ahead.