

Directors Plan for the Future

The meeting of the Board of Directors of the American Angus Association was called to order in the Board room of the American Angus Association, St. Joseph, Mo., on Sunday March 20, 1994 by president Paul Meier. The following officers and directors were present:

Paul Meier, president
T.D. Steele, vice president
Jack C. Baker
Ralph Bridges
WilliamFBorror
John Hamilton
Dr. Robert J. Hillier
Howard Hillman
Richard McClung Jr.
Dr. B. Neil Marshall
Tom Perrier
William H. Rishel
Lawrason Sayre
Charles Smith Jr.
T.D. Steele
Glen Swanson
Stan Watts
William H. Wilson

A quorum was declared present.

EXECUTIVE COMMITTEE

The Executive Committee of the American Angus Association met in conjunction with the Rules and Arbitration Committee Sunday, March 20. The committees reviewed a letter received last fall from Bill Conley of Groton, Mass., regarding AI service certificates. They also discussed a letter with additional points on the subject from Richard Spader. It was recommended the AI certificate be redesigned to simplify the form. There was a general consensus that first, the Association develop the procedures for handling AI service certificates electronically, and second, that the Association should not be responsible for collecting the fees due the bull owners for AI service certificates.

Richard Wilson reported on an evaluation of the internal control procedures of the Association and its subsidiary. It was suggested that the Association's auditors meet with the Board each November after the audited financial report for the year.

A letter was reviewed regarding Mexico market development. It was approved

to implement a marketing plan for Mexico with the intent of hiring part-time assistance for the project not to exceed \$25,000.

The National Junior Angus Foundation Board met earlier in the week and voted to request financial assistance from the American Angus Association while building the Foundation funds to a larger amount than its current \$137,935.34. The goal is to build the Foundation fund to a minimum of \$500,000. The Board approved a motion to support the NJAA Board and its expenses up to \$25,000 for fiscal 1994 to be reviewed on an annual basis.

Future needs of the Angus Herd Management System (AHMS) Software was discussed. It was pointed out that personnel will be needed when the new software is made available to the membership this summer. A job description for director of software product development was presented. It was approved to adopt the new position and direct staff to seek a person or persons to fill the future needs of the AHMS Software program. The staff was also directed to bring to the June 1994 Board Meeting a proposal regarding the cost of personnel and maintenance of the AHMS Software program.

The committee was asked to consider names of Angus breeders for committees of the National Cattlemen's Association.

FINANCE COMMITTEE

Operating cash and cash invested in money market accounts totals \$671,882.07. The investment portfolio consisting of government bonds, corporate bonds rated triple A, bank certificates of deposit, bond funds and stocks managed by Chase Investment Council Corporation totals \$3,759,396.79. Excess of revenue over expenses for the period is \$644,938.38.

The committee discussed the Association's investment portfolio. Chase Investment Council Corporation manages \$1,447,305.90 of the total investment portfolio of \$3,759,396.79. The market value of Chase's portion of the portfolio is \$1,647,606.39, reflecting unrealized appreciation of \$220,300.49.

The committee also noted the current

size of the reserve is about 40 percent of consolidated operating budget.

Staff reported an amendment is needed in the pension plan to facilitate the payment of benefits to participants in the plan. This amendment relates to how benefits are paid. It does not affect the cost of the plan or the level of benefits paid to participants in the plan. Amendment approved.

PUBLIC RELATIONS COMMITTEE

The Public Relations Committee studied the latest Rockwood Research survey of U.S. commercial beef producers. It shows 60 percent of producers have Angus as the dominant or one of the dominant breeds in their herd. The next highest was Horned Hereford with 28 percent. When asked what breed or breeds of bulls they had purchased in the previous year, Angus led with 37 percent. The next highest breed was Charolais with 19 percent. Horned and Polled Hereford combined accounted for 16 percent. When asked what breeds of bulls they would purchase in the coming 12 months, Angus led with 43 percent, followed by Charolais at 19 percent.

Two new features were added to the 1994 advertising program. The first was advertising on the Data Transmission Network (DTN), offering free information if people called a toll-free number. The telephone number was also included in the radio ads to help generate further response.

Through March 10, response from the print ad campaign (from coupons returned and reader service cards checked) totals 7,126, compared to 6,384 last year. In addition the radio and DTN response totaled 507, bringing total response for 1994 to 7,633. Each of these people receive "Your Key To Accurate Bull Selection," the "Angus Advantages" booklet and the Certified Angus Beef Program "questions" folder.

In general the group agreed that commercial producers are buying Angus bulls for three broad reasons: first, to improve their cow herd with Angus-sired replacement heifers; second, to improve the carcass quality of their calves; and third,

BOARD MINUTES

to take advantage of the fact that black Angus feeder calves sell for more money. Other advantages that commercial cow-calf operators look for, they said, are calving ease.

Susan Shoup reported that so far this year the department has sent out 8,496 copies of new releases, plus some 5,500 computer generated new releases. In addition the Public Relations Department has printed and mailed out 9,725 photographs to a wide variety of publications.

RULES & ARBITRATION COMMITTEE

The committee discussed the Suggested Sale Terms & Conditions as related to the sale and transfer of artificially bred females. The Board approved a committee recommendation that the Suggested Sale Terms & Conditions be revised to read as follows:

AI Service Certificates

1. AI service certificates shall be furnished by the seller, on **demand of the buyer**, at no cost to the buyer, for all females bred artificially to bulls not owned by the seller. This recommendation was approved by the full Board of Directors, and becomes effective immediately.

The committee again discussed the electronic crediting procedures for AI certificates which will give breeders the option of electronically transmitting AI service certificates from one member code to another, thereby eliminating a good deal of paper work, and speeding up the process. This program should be on line sometime in June 1994, at which time the membership will be made aware of how they may benefit through the use of this new procedure.

The committee also discussed Association Rules, Part 3, Section VII, Artificial Insemination, Definitions, Rule 2 (b). The discussion centered around the definitions of "immediate family." It was the feeling of the committee the rule should remain as it now reads, as any changes would only tend to create more controversy.

BREED IMPROVEMENT COMMITTEE

Funding in the amount of \$8,000/year for two years was approved for Iowa State University in support of research entitled "Validation of Real-Time Ultrasound on Live Animals to Predict Body Composition Traits."

Preliminary proposals in the amount of \$6,000 to Texas A&M University was approved for research regarding "Impact of Selection for Marbling and Maternal Value on Calving Interval and Age at First Calving in Angus Cows" and "The

Effect of Offspring Birth Weight on Subsequent Calving Interval in Mature Angus Dams" subject to staff approval of the final proposals.

Staff and technical advisors were directed to investigate costs and technical procedures involved in international Angus evaluation.

Committee directed staff to design a new booklet elaborating on the interpretation and use of all expected progeny differences (EPDs).

PLANNING AND INDUSTRY COMMITTEE

The first subject was a report on the status of the AHMS (Angus Herd Man-

agement System) software. Mike Ebner, the developer of the new Angus Windows®-based software, reported that the project is on schedule. Part one of the five-phase project has been completed and part two is very near completion. General release of this new software is scheduled for this summer. Discussion also followed on priorities that may exist for future releases of the AHMS software. It was approved that the AHMS software be released only to members of the Association.

There was a feeling expressed by some directors that the spring Board Meeting be moved to an earlier date to shorten the time period from the November meeting

BOARD MINUTES

held in Louisville. Future dates of board meetings will be discussed in June.

The committee discussed the influx of black breeds of beef cattle in the industry, which was referred from the November 1993 Board Meeting. It was mentioned that we continue to emphasize the Angus advantages in advertising including our database of information, carcass EPDs and the Certified Angus Beef Program to differentiate Angus from other black breeds.

ACTIVITIES COMMITTEE

James Fisher reported the 1994 LEAD (Leaders Engaged in Angus Development) Conference will be held at YMCA of the Rockies in Estes Park, Colo., August 6-8.

A total of 121 entries have been received for the 1994 Western Regional Junior Angus Show April 23-24 in Reno, Nev. Alex Dees, Yuma Ariz., will be the judge.

The Eastern Regional Junior Angus Show will be in Raleigh, N.C., June 18-19. Greg McCurry, Sedgwick, Kan., will be the judge.

The National Junior Angus Show and Showmanship Contest are on target for July 12-16 in Des Moines, Iowa.

The 1995 Western Regional will be

held again in conjunction with the Western National Angus Futurity in Reno, April 29-30. The 1995 Eastern Regional will be in Timonium, Md., June 16-18, and the 1995 National Junior Angus Show is scheduled for July 18-22 in Louisville, Ky.

The Registered Angus Steer Show and Carcass Contest at the North American in Louisville has been discontinued effective in 1994. A proposal for a junior division of the Certified Angus Beef Program Value Discovery Project was approved to be implemented in 1995. Complete details to follow.

Dean Hurlbut reviewed the 1994 National Western ROV and Pens and Carloads Shows. The measurements and methods for obtaining them for the 1994 show were discussed. All measurements will remain the same for 1995 with the exception of weighing the females. Females will not be weighed.

The participation statement in the Angus Feeder Calf Division at the National Western will be revised. A request for division champions in the National Western Junior Angus Show will be submitted to the National Western classification committee for approval. Chuck Grove presented a very positive National Western Angus Sale report. Grove was unanimously approved as manager of the 1995 sale.

CERTIFIED ANGUS BEEF PROGRAM

Staff reported that approximately \$250,000 in CAB Program income over that budgeted for the year is expected, and expenses for the year are anticipated to remain near budgeted amounts, with the exception of account supplies expense reflecting an increase of approximately \$75,000 due to new account start-ups. It was the general consensus of the Board that no budget revisions were necessary at this time.

Staff reported on the progress made to date in securing a builder for the new CAB Program executive office in Ohio. Two developers are currently in the process of drafting final proposals from which to choose.

Staff reported with the rapid growth of the Program being beyond that previously anticipated, two new employment positions with the CAB Program staff will be requested prior to September. Staff reported the Denver office moved to its new location March 15.

Staff reviewed the previous day's CAB Program supply development strategic planning session. It was suggested the staff develop a proposal to increase the investment of resources toward supply development division activities for presentation at the September Board meeting. Darrell Wilkes, of Integrated Beef Technologies presented a proposal on electronic identification of cattle and the "Angus Alliance" concept for the Board's consideration.

ANGUS PRODUCTIONS INC.

The circulation of the *Angus Journal* has grown to 19,323 in the first five months of fiscal 1994. Total advertising pages during the same period has increased 17.5 percent and the variable production costs are down a minus -4.3 percent. The yearly postal audit conducted by the United States Postal Service for the second class postal permit were found to be well organized and with the guidelines regarding distribution for the *Angus Journal*.

The Board approved a motion that staff proceed with plans to formulate a readership survey for the *Angus Journal*. This survey will be a vital productive communication link between the *Angus Journal* and its readership.

The United States Postal Service is requesting a postal rate increase by January 1, 1995.

Staff is instructed to monitor this legislation and keep the API Board informed about how it will affect the *Angus Journal* and *Angus Beef Bulletin* mailing costs.

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