



The 1990s are indeed a decade of opportunity. And foremost, as we enter this last decade of the 20th century, is the opportunity to make some money out of the cattle business for a change.

Prices are profitable. At this point, there doesn't seem to be any big rush to increase cow numbers. This is good news because it means we are not pulling a high percentage of heifers out of the beef pipeline to further reduce supplies and push consumer prices much higher than they already are.

It also means, of course, that a slow and gradual buildup in the cow herd will give the industry time to improve demand for our product through well-planned advertising, promotion and information programs financed by the checkoff. This could stretch the profitable period for those of us in the cattle business through a good part of this decade, and maybe beyond.

Profitable prices, now and in the future, will allow Angus breeders to concentrate on improving their end product. They give us the luxury of thinking seriously about identifying sires in our breed that produce a high-quality, well-marbled, lean product. Research and experience tells us this kind of beef is most in demand today, and probably will increase in the future.

Unfortunately, feedlot operators and packers do not always send appropriate monetary signals to the commercial cow/calf industry. If they paid what top cattle are worth and discounted the junk accordingly, we would see this trend toward combined quality and leanness accelerated — and Angus would benefit. But that time is coming and we have the opportunity to gear our operations accordingly.

In the meantime, our Certified Angus Beef program, and its growth and acceptance nationally and in many foreign countries, provides us with incentive. It's enough to make us aware of the potential profit we can realize if we start now to breed the kind of cattle that will fill the expanding demand for quality and leanness.

Specification buying will become more of a reality in the years ahead. This, combined with value-based marketing, will open more doors of opportunity for the far-sighted and aggressive Angus seedstock producer.

Profitable cattle prices also give us the opportunity to improve herd advertising, sales and promotion programs. If you budgeted five percent of your gross sales of registered cattle for advertising and marketing during the lean years, at least maintain that same percentage today. Use improved prices to build new markets for the cattle you produce. It's not necessary to increase production to improve profits. It can also be done with a marketing program that lets you sell your cattle for all that they are worth.

Make sure you register and transfer your cattle. We have talked before about the self-defeating practice of registered seedstock producers who sell unregistered cattle and who try to save a few dollars by not transferring a Performance Registration Certificate to every person who purchases one of your bulls. If you believe in the registered seedstock concept, then demonstrate it to your customers.

Registrations and transfers also provide most of the funds your American Angus Association uses to serve you and to advertise and promote the breed. Our advertising budget is the largest of any breed in the United States today. That is one reason why the Angus business has grown the past four years or so, at a time when cow numbers in the United States were dropping or holding steady.

But with inflation of only four or five percent a year, the purchasing power of your Association can be reduced by 20 to 25 percent in just five years. We have the opportunity to build a much stronger national Association in the coming decade, one that can continue to provide the high levels of quality service that is unique to the Angus breed. This strength must be accompanied by continued growth in Angus registrations and transfers.

You can't help but be excited about the opportunities Angus cattle, Angus breeders and the American Angus Association have in the next 10 to 20 years. They are, however, only opportunities. It will take imagination, dedication and a big dose of old-fashioned hard work and initiative to grasp them and turn them into realities.

