

### President's Perspective



here is an eternal quality to the prairie.
The gentle contours of its rolling hills. The silent peace of tall grass bending in the breeze.
The blue sky that gapes open as far as the eye can see.

In these things are hope and heartbreak, happiness and sorrow, dreams and hard-boiled reality.

Howard Hillman grew up in all of this. The descendant of homesteaders who settled near Canova, S.D., in the 1880s, he learned firsthand the necessity of hard work and perseverance. His folks were a plainspoken people steeped in common sense. He learned from their hardships and realized as a young man that dreams - though often tempered by drought, blizzard or bad markets - should be held onto tightly.

The Hillmans remained in the Angus business for 85 years, slowly and steadily building their cow herd into one of the nation's finest. Howard returned from college in 1963 and became a part of the operation. In time, the farm nearly doubled in size under his management.

The increases in productivity were coupled with careful stewardship of the land, and the Hillmans received both local and national recognition for their environmental practices.









# Plainspoken

Association President Howard Hillman talks about his experiences as a seedstock producer, his goals for the Angus business and growing up on the prairie.

BY ERIC GRANT

"My parents impacted my life to a great extent," says Hillman, who serves as president of the American Angus Association this year. "They made many sacrifices in tough times and gave me the opportunity to be a part of the operation. They instilled in me the importance of hard work and responsibility and the importance of doing a job well. They enjoyed people and trusted everyone; integrity was part of their daily living.

"I'm thankful they made the choice of being in the Angus business. That choice was the result of evaluating the assets of the breed from the start. I heard my folks say many times, in good times and times not so good, that they never, ever, had a regret for being in the Angus business."

The family also helped pioneer the performance movement in the Angus breed. They used artificial insemination (AI) when the technology became feasible, enrolled their herd in Angus Herd Improvement Records (AHIR) the first year of the program's existence and have used Angus Information Management Software (AIMS) since its inception. They also adopted ultrasound technology when it first became available.

"Howard is certainly very open to and objective about new ideas, technology and new innovations," says

John Crouch, director of Angus performance programs. "He's very in-tune with the kind of technologies that breeders will have to use in the coming century."

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In accepting the presidency of the American Angus Association during its 2000 Annual Meeting in Louisville, Ky., Howard Hillman emphasized to members that the beef business is moving away from a commodity focus. Value-added, identity-preserved products are the wave of the future, he says.

## **Keys to survival**

American Angus Association President Howard Hillman offers the following advice to young Angus producers.

- Position yourself to be a low-cost producer and have a vision of where you want to go.
- ▶ Keep in close contact with your customers.
- ▶ Insist that information on carcass performance in the cooler and the fabrication line get back to the producer.
- Know your carcass genetics. The less you know about your cattle, the less value they will have to a prospective buyer. The producer may have to take on the risk of retaining ownership further down the production chain to benefit from the added value.
- ▶ Be open-minded, not bound by tradition. ... We always need to be open to new programs, ideas and changes and to be willing to abolish obsolete programs.
- ▶ Keep an eye on quality. Consolidation is reshaping the industry and is occurring at an incredible pace. It may not necessarily be positive, but competition and profitability may mean producers will have to increase the number of bulls they sell each year in order to remain competitive. Don't sacrifice quality if you must sell more bulls.
- ➤ Focus on efficiently and consistently hitting market targets that are specified by end users of beef and on the traits that have made Angus the leader in the beef industry.
- Get involved in your local, state and national Angus and cattlemen's organizations. It will be a must to keep abreast of what's going on in the industry and to be a part of the fight for survival.

#### **New direction**

Three years ago, however, Hillman and his wife, JoAnne, decided it was time for them to step aside from production agriculture. While the cows had provided them with a good living for many years, the Hillmans now had seven grandchildren to visit, old friends to see and many miles of open road to travel.

So in October 1998, the family — after a long and agonizing decision — dispersed their Bon-View cow herd and moved off the farm for good.

"We miss the daily contact with the people, the customers and the opportunity to breed cattle," Hillman says.

Even so, the Hillmans remain active in the beef industry and closely tied to the success of the Angus business. They own interests in several bulls that they bred and used extensively in their own herd. They also produced 17 young sires and 31 main sires that appeared in the fall 2000 *Sire Evaluation Report*. And Hillman is committed to — and a deep believer in — the performance and information movement now sweeping the industry.

As president, Hillman brings all of these things to the table. Those who know him best say his style of leadership is confident but not flashy, visionary but not radical, proactive rather than reactive.

"I don't believe being president requires me to have a personal mission to change things for the sake of change," Hillman says. "I believe in having vision, but staying focused and keeping things in balance. I believe we need to work on the positives and not the negatives. I'm interested in promoting what's best for the organization, the breed and the membership.

"This means leaving personal agendas out of decisions, making a commitment to contribute, accepting responsibility for your decisions, giving of your time, and making up your mind it will be challenging, rewarding, fun and a great experience."

The centerpiece of his presidency is building on the breed's already phenomenal success story.

Spurred by the growth of the *Certified Angus Beef* (CAB®) brand, Angus cattle have moved to the forefront of the cattle business precisely because they produce high-quality products for consumers, Hillman says.

Angus breeders now sell more bulls and heifers at higher prices than any other breed in the country. Angus-sired calves and fed cattle are in great demand from buyers of all sectors of the industry. Well-marbled Angus "Some people say smaller operations in agriculture can't survive. They may have to do



things a bit differently and seek out niche

markets, but they can be efficient, and they can be profitable."

Howard Hillman

carcasses are the envy of the international marketplace. And, each year, Angus breeders register nearly five times as many cattle as the closest breed.

"We're living in the most dynamic era in the history of the world, and what is going to unfold in the future on a worldwide basis is beyond comprehension," Hillman says. "If we can think it or imagine it, it is probably going to happen. We need to continue to make things happen. We will need to be open-minded to any and all possibilities.

"Let's not just accept the status quo. The Angus Association has prospered because we haven't been satisfied to be average in anything we do. It's an organization that is looked to for its direction not only in this country but on a worldwide basis, and our programs and services are leading the world Angus movement."

#### The president's platform

Hillman believes that Angus breeders — despite their successes — should not take any of it for granted. His presidency will continue to focus on several important fronts.

First, he believes that Angus producers must realize that the beef business is rapidly departing from commodity-oriented production and that value-added, identity-preserved products will be the wave of the future. It will be essential for Angus producers to persevere to produce products that are consistent and high in quality and to secure means by which to lower costs of production.

"Vertical coordination and cooperation among the beef industry segments will accelerate, and beef alliances will continue to evolve," he says.

Second, Hillman believes that Angus breeders need to continue to improve their database and information technology.

"The American Angus Association performance and carcass database remains



Accepting the Angus Heritage Foundation award for the late Clarence Hillman, Canova, S.D., are (front row, from left) Landen Hillman, Brad Hillman, Howard Hillman, JoAnne Hillman, Rhonda (Hillman) Nitschelm holding Jillian; (back row, from left) Christa Hillman, Carmen Hillman holding Lane, MaKayla Hillman, Chase Nitschelm and Austin Nitschelm. The award was presented at the 2000 Annual Banquet of the American Angus Association.

the elite source of genetic information for any breed association worldwide," he says. "It is perhaps one of the most — maybe the most — significant accomplishments of the Association of all time.

"We also know that each breeder will succeed according to that person's abilities, resources and dedication to the task," he continues. "But no one in this Association will fail for lack of effective programs, lack of information and education, or lack of support from this organization.

"Efficient and superior programs and services provided by this Association are designed to be more profitable and more effective for beef cattle producers, but the quality of any product or service is still what the customer says it is. Demands on genetics will be greater than they have ever been in the past. There will be great value placed on the right genetics."

Third, Angus breeders and their Association must find creative ways to distinguish their cattle in the marketplace. This is especially important now because so many other breeds have capitalized on Angus's success, making it difficult for buyers to tell whether a black-hided calf is truly an Angus or not.

"Angus bulls bring top dollar and have had a dramatic impact on America's commercial cow herd," Hillman says. "Angus and Angus-sired calves are bringing premiums consistently, but producers must assure marketing channels that they are

"Cattle producers recognize the role that Angus play in profitable beef operations, and they continue to look to Angus for industry direction. The Angus breed stands poised at the dawn of a new century to make significant contributions to consumers and the profitability of the beef industry."

- Howard Hillman

specifically producing high-quality Angus or Angus-sired calves, not just black calves."

Fourth, the Internet will continue to have a profound effect on the way Angus breeders and their Association conduct business. No doubt, information from all sectors of the industry will share information at an unprecedented level, and the Angus Association needs to be a leader in this opportunity. "Information in the future will equate to dollars in the marketplace," Hillman adds.

Fifth, DNA research and marker-assisted selection technology will reduce the time it takes for genetic advancement. Again, both Angus breeders and the Association need to embrace this technology as its widespread

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"There is no easy answer to the widening economic

gap between agriculture and the rest of America's economy. Certainly, improved profitability for cattle producers will help, but as long as Wall Street continues to create paper millionaires, ranchers will struggle with new neighbors, new environmental regulations, and new threats to their livelihood and their way of life. The producers who continue to survive and thrive in the future will be the ones who are not bound by the traditions of the past."

Howard Hillman

adoption takes place within the industry.

"The American Angus Association will keep informed and involved with all aspects of DNA work in the future and use the technology in the genetic evaluation process as it becomes available," Hillman adds.

Sixth, ultrasound work with the fullanimal model will allow tremendous potential to identify cattle for carcass traits where numbers alone will allow breeders large or small — to contribute to the database.

"It will also allow them to make progress at an astonishing and explosive rate and make it a much more economical and effective way to improve the breed," Hillman says.

Seventh, Angus breeders will need to continue to be leaders in the development of value-added products and production. The Certified Angus Beef LLC (CAB) supply development and feedlot-licensing programs will continue to build a bridge of communication between retailer, packer,

feeder and producer — organizing these segments to work for a common goal that benefits everyone in the long run.

"The CAB program, its success and its growth are proof that consumers are willing to pay more for products that consistently meet high-quality specifications," Hillman adds.

Eighth, Angus breeders and the Association must continue to be diligent in communicating the value of Angus genetics to the industry.

And finally, Angus breeders need to continue to embrace and to foster development among the younger generation. "We need to continue to work with the youth of our organization to pave the way for the next generation of Angus breeders so that they can become potential leaders of our Association, our communities and our country," Hillman says.

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## A lifelong commitment to the cattle business

- Graduated, South Dakota State University (SDSU) with a degree in animal science
- Member of the winning collegiate livestock-judging team at the Chicago International
- President, American Angus Association, 2001
- Currently serves on the American Angus Association
   Executive Committee; Certified Angus Beef LLC (CAB) Board of Directors; and the Angus
   Foundation Board of Directors
- Previously served on and was chairman of the American Angus Association Executive, Activities, Public Relations, Finance, and Long Range and Administrative Planning committees and the Angus Productions Inc. (API) Board of Directors
- Member, National Cattlemen's Beef Association (NCBA); South Dakota Cattlemen's Association; McCook, Miner and Lake County Cattlemen's Association; board of

directors, First American Bank & Trust of Sioux Falls and Madison, S.D.; South Dakota Angus Association; Southeast South Dakota Angus Association (past director and president of both)

- Awarded Seedstock Producer of the Year for South Dakota and Breeder of the Year Award at the All-American Angus Breeders' Futurity
- ▶ Received the Excellence in Range Management and Soil
  - Stewardship Award for South Dakota and was runner-up in the *Angus Journal* Land Stewardship Award contest
  - Named Outstanding Alumnus for Block & Bridle and Honored Agriculturist for the Little International Livestock Exposition
  - Shown at and judged many local and major shows throughout the United States and Canada; has bred and exhibited the grand champion bull at the International in Chicago and the National Western Stock Show (NWSS) in Denver and has exhibited champions at many other major state and local shows
  - ► Active member, Westminster Presbyterian Church of Sioux Falls
  - ▶ Howard and JoAnne have two children and seven grandchildren. Their daughter, Rhonda, her husband, Robert, and their family are in Custer, S.D. Rhonda is self-employed as a speech pathologist, and Robert is a family physician. Their son, Brad, and

his wife, Carmen, and their family are in Sioux Falls, S.D. Brad is employed in an agricultural service company, and Carmen is involved in a bank credit card operation. They have four children.

