

President's Perspective, Q & A



▶ “Joe Elliott (pictured) will always be remembered as a good-natured, fun-loving individual who genuinely cares about people,” says fellow Board member Richard Tokach, Saint Anthony, N.D. “He has given 100% to the members of the American Angus Association. While Joe is quick to share his opinion, he is always willing to listen to others, compromise if need be and then act in the best interests of the American Angus Association.”

American Angus Association
President Joe Elliott
answers questions about
the Angus industry.

by *Becky Mills & Shauna Rose Hermel*

Q Were you intimidated seven years ago as a new Board member?

A Humbled a few times, but never intimidated. Brian McCullough and I were new on the Board of Directors. The first 30 minutes of our first meeting we were asking all these questions. The older members were looking at us like, “Who are these people?”

Q What do we need to work on as a breed?

A I don't think the Angus breed has a glaring weakness, but I'd say increasing the percent retail product while maintaining the grade.

Q What are you working on in your own herd?

A Increasing efficiency. We're trying to decrease mature size while maintaining growth to the desired market weight. Any growth past the desired market weight is counterproductive. Maximums don't keep you in business, efficiency does.

Q What are your personal goals?

A To leave things better than we found it. That is every human's responsibility. But what I think is better may not be what other people think is better.

I also want to have fun. Cattle are my biggest source of fun. I could have made more money doing something else.

Q What is the biggest challenge facing the American Angus Association?

A To stay abreast of what is going on in the industry and to keep the Angus breed on the cutting edge. We need to constantly find a market for commercial Angus cattle sired by registered Angus bulls to add value to properly transferred registration papers. That's what we hope AngusSource is going to do.

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Q What's ahead for the American Angus Association?

A As a Board, we're working on modernizing the language in the bylaws and charter. The last time they were updated was in the 1920s. The membership will vote on the proposed revisions in the fall.

We have to constantly change to keep up with the changing needs of the membership and the industry. Both are constantly going through an evolution.

Q How does one make changes to the charter and bylaws?

A Only by a vote of the delegates at the Annual Meeting or at a called meeting for the stated purpose of changing the charter and bylaws can amendments or changes be made to the charter and bylaws. A majority vote in favor of changes to the bylaws is required if the delegates and alternate delegates receive written notice setting forth the proposed changes to the bylaws 30 days before the vote. This notice must be submitted by the executive vice president. If no such notice is given, then a vote of 75% in favor of the changes must take place.

In the case of amending the charter, written notice must be given, and a two-thirds positive vote must take place.

Q What types of changes are being considered?

A In 1956 the charter was revised to change our name from the American Aberdeen-Angus Breeders' Association to the American Angus Association. Before 1956 the last time we took a long look at the charter was 1923. Our language has changed, although lawyer talk tends to still be lawyer talk, and we need to modernize the wording. We are chartered in the state of Illinois, and its requirement of wording in a charter of a not-for-profit corporation has been altered.

All changes being considered in the bylaws are minor. Perhaps one of the biggest is to not allow Board members to vote by proxy. I personally have never seen this happen, and the Board will recommend that it cannot happen.

Q Will the members have opportunity to review and comment on proposed changes before they are voted on or brought before the Annual Meeting?

A All delegates and alternate delegates will receive a copy of any proposed changes well in advance of the annual meeting. I encourage them to ask questions on anything that they feel might need clarification.

This long look at our charter and bylaws is

way, way overdue. Our Board should undertake such an endeavor at least every 25 years.

Q What is the biggest challenge facing the cattle industry?

A Educating urban people on how important the cattle industry and agriculture are to their lives. More than 85% of the people in the United States are three generations away from the farm. They take food for granted. Cheap food. Safe food. Abundant food. So why worry?

They aren't bad people; they just don't understand what it takes to feed and clothe them, and they are the ones who make the rules and interpret the laws. We need to be more proactive, rather than reactive, and not wait 'til the ox has been gored.

Q How do we educate nonag people as to the importance of agriculture in their lives?

A A mind is the most terrible thing to waste. The second-most terrible thing to waste is an opportunity. Americans have the cheapest, safest, most abundant food in the world. They do not realize this, much less know why.

We must use our communication vehicles to educate our membership as to how to make our urban brethren aware of the importance of agriculture to their way of life. I would like to see a speaker on this subject at our annual conference each year. A regular column in the *Angus Journal* and the *Angus Beef Bulletin* would sure help.

The United States is already dependant on foreign oil, and if education of the policymakers on this subject keeps lagging, my grandchildren might see us dependent on foreign food. If you look deep into history, and you must remember that history is written by the winners, one of the biggest reasons that many world powers fell and that many uprisings within a country happened is because the people were not being fed. Rome, the former U.S.S.R. (Union of Soviet Socialist Republics) and Somalia are just a few.

We must not only use our available opportunities, we need to make opportunities. We do not need an office in Washington; we *do* need to give our membership the initiative and the knowledge with which to state the importance of agriculture to their neighbors.

Q What do you consider to be the most important accomplishments the Association has achieved during your tenure as a director and officer?

- ▶ Keeping a good staff in place.
- ▶ Putting "adding value to a properly transferred registration paper" on our major priority list.
- ▶ Adding to our communication skills and the scope and efficiency of our communications.
- ▶ Efficiency of operations. Electronic submission of AHIR (Angus Herd Improvement Records) data, registrations, transfers and storage of paperless registration certificates. Not only have these things increased the efficiency of the Association, they have lessened the paperwork for our members.
- ▶ Expansion of the Angus Foundation. Bringing in a Foundation director of development might be one of the biggest boosts the Association has ever had. Few people realize that the Foundation was formed to help with junior programs, education and research. The sky could be our only limit with this move.
- ▶ Reorganizing the Certified Angus Beef (CAB) program from a committee of the Association to a limited liability company (LLC).
- ▶ Adding to the strength, predictability and ease of understanding our genetic prediction tools. The position of the Angus breed has risen in the minds of commercial cattlemen because our data, EPDs (expected progeny differences) and \$Value indexes are believable and easy to understand.
- ▶ Creation of the Commercial Programs Department. This has led to Angus Beef Record Service (BRS) and AngusSource.
- ▶ Taking ultrasound from research to reality.
- ▶ Expansion of the CAB program.

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Q What does it take to be a good leader?

A Good ears, the ability to admit mistakes, a knowledge of history, realizing where you are and where you need to go, good ears, saying what you mean (don't beat around the bush) and meaning what you say, good ears, the ability to admit mistakes and seek advice from wise people, a touch of meanness, controlled impatience, and good ears.

Q You have a reputation for asking a lot of questions. How important is that to being an effective leader or officer?

A Very important. There are three reasons to ask a question.

1) For knowledge. Not just for your knowledge but for others present. Many times people will not ask questions because they think they will look stupid, they do not know enough to ask one, or they think they know the answer when it turns out they do not.

2) To see if the person you are asking will tell you the whole truth or just beat around the bush. I can't stand people who do that. Sometimes when you ask a question you should already know the answer.

3) To stimulate discussion.

Q How do you go about meeting the needs of a membership with so much diversity and so many different views of the industry?

A We can meet the needs of a diverse membership. The Board, staff and members of our Association must listen to each other, think about why each does things the way they do and remember what business we are in. We are in the food business, which I feel some people have forgotten.

Many people over many years have worked very hard to position the Angus breed as "The Business Breed." Every move that the Association makes should be aimed at moving our breed upward to a stronger position in the food business.

Over the years, our Boards and the staffs of the Association and its subsidiaries have kept us moving in the right direction. The Association must help our membership stay on the cutting edge of the industry by giving them tools, services and information that are useful. There is room in "The Business Breed" for people with different views of the industry, and we can meet their needs as long as everyone remembers why we are in business.

Q In 2003 the Board and staff went through a long-range strategic planning session to develop initiatives and actions necessary to accomplish five core strategies (noted in bold below). Has the Association followed through on those initiatives?

A That was the third long-range planning session that I have been through on this Board. Long-range planning is always a work in progress.

Achieving Angus excellence through information is so very important to all of our objectives. We have increased our communication with the commercial producer through the *Angus Beef Bulletin*, and we have instructed staff in charge of the BRS and CAB Supply Development to make their databases mesh so both databases will be more useful. The informational meetings we had in each regional manager's area this winter and spring are just a few of the things we have started.

Increasing the demand for beef is a function of many things:

- ▶ providing the consumer with an

enjoyable eating experience when they eat beef;

- ▶ the availability of our product — not only in amount of supply, but in price when compared to alternative products; and
- ▶ educating consumers that beef is a healthy food choice.

The good work of the CAB Supply Development team and taking ultrasound from research to reality are two things that have identified good genetics and have educated those in the production chain in better ways to produce a larger high-quality supply of Angus beef. Educating ourselves, our membership and our customers about the facts, based on science, to refute misinformation about healthy diets, environmental issues and industry issues has been approached by increasing stories along these lines in the *Angus Journal*, the *Angus Beef Bulletin* and *Black Ink*.

Equity is defined in *Webster's* as having value in excess of claims against it. "Angus equity" can best be defined as *Certified Angus Beef*[®] (CAB[®]) brand product. The great work done by the staff of CAB in promotion, guaranteeing the integrity of our product, education, supply development and product development; the genetic identification tools offered and being developed by the American Angus Association; and the information disbursement of Angus Productions Inc. (API), the Association and CAB are adding to this equity. An enjoyable eating experience that is in good supply at a reasonable price, perceived to be healthy to the consumer and friendly to our environment, is the goal we are working toward with the strength of all of our entities.

Some people think we have another problem along this same line, which is other Angus-based branded beef products. CAB was started with the hopes to increase the demand for registered Angus breeding cattle. The success of CAB has spawned the birth of other Angus brands. This is both a blessing and a problem. More than 80% of the cattle identified at harvest as Angus-type fail to meet all of CAB qualifications, yet many go into other Angus beef programs. These programs help create a demand for Angus seedstock. Some of the best, and most cost-effective, advertising the Angus breed has ever received is from the fast-food chains using Angus beef.

Q What committees did you enjoy most and why?

Finance, for three reasons.

1) Because it has to be done right. If you can't turn on the lights in the morning, nothing else matters.

2) I enjoy working through a problem. During the uncertainty that followed the Sept. 11, 2001, terrorist attack on the World Trade Center in New York City and Dick Spader's death in October 2001, we had to make major cuts in the budget. The Board and staff faced the problem head-on, and we have ended up stronger than ever.

3) Rich Wilson, director of finance, is a class act.

I have enjoyed all the committees, but all the others pale when compared to finance.

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But other Angus-based products are a problem because of confusion about the quality of Angus products. Ford Motor Co. makes the Town Car, and it makes the Focus. Both can add to the profits of Ford shareholders. We, as an association, must keep CAB at the very top of the beef business and promote it as the best that the industry has to offer. We also must be able to work with other Angus-based programs, but certainly not to promote them to the same heights as we do CAB. We must remember that all Angus-based beef products can add to the bottom lines of our shareholders — our members.

Identifying and implementing relevant technologies we've done a ton of. The Member Services Department has implemented many things with new technologies with AAA Login. Registration, transfers, purchasing AI (artificial insemination) certificates and transferring AI certificates all can be done online. The electronic storage of registration certificates is just one of the time- and cost-saving technologies that Member Services has implemented. Breed improvement has done the same with the analysis and disbursement of AHIR data.

Our genetic identification tools and data have expanded and become easier to understand. The commercial industry has embraced these changes brought on by new technologies.

Taking ultrasound from a research project to an EPD and the \$Value Indexes have been two of the most notable. We are working on expanding the \$Values to include important traits other than feedlot and grid values. Our goal is to put a realistic dollar value on all economically important traits using science and technology.

API has been a master in embracing new technologies. The printing industry and its related industries are always changing. No other breed can boast of an information arm that turns out the quality and services that API does. One thing that has just happened through new technology is there will be no added cost for the use of four-color photos in advertising.

CAB's Supply Development and new product development are constantly looking at and for new technologies.

Optimizing resources and creating opportunities are crucial. Maximums do not keep you in business; efficiency keeps you in business.

As I have stated elsewhere, our industry is constantly going through an evolution. We

saw an opportunity to help commercial producers sort the genetic differences in their herds and at the same time add to our database. BRS and AngusSource were put into place because of the opportunity. Instructing the staffs of breed improvement and supply development to configure their databases so they will mesh helps optimize resources and create opportunities.

The Angus Foundation is a huge opportunity. We have just hired a full-time Foundation director of development to help grow this important entity.

Q You mention adding a Foundation director of development might give the Association one of the biggest boosts it's ever had. Would you elaborate?

A Thus far, protecting our mailing list has been the biggest thing we have done for the Foundation, and it has turned out to be a boost. We had no one on staff with the knowledge to expand the Foundation; plus, no staff member had the time to devote to such a task. There are untold opportunities within our membership, in the agricultural community and even outside our industry through which dollars can be added to our Foundation.

The Foundation was formed to benefit the junior programs, education and research. All the genetic identification tools we have are a result of research, and not a dime was funded from the Foundation. If we had had a large, growing Foundation in years gone by, we could have reached where we are today more quickly. Every entity of our Association can benefit from a healthy and growing Foundation.

Q In May the Association announced a new internal structure, appointing three vice presidents and expanding the regional manager team to 13. Why was that necessary?

A The size of the American Angus Association has grown greatly during the last 10 years. With this growth, it was necessary for the responsibilities of overseeing the operation to be split. One person can no longer monitor all departments and handle the other duties of the executive vice president. This has been necessary to offer the same level of service to our growing membership and to stay on the cutting edge of the industry.

As for expanding the regional manager team to 13, it had to do with offering service to our membership. When we looked at the

membership, cattle numbers, number of sales and opportunities in each area across the nation, we felt that the regions realigned were the ones that needed this the most. It is my hope that we can do more of this in the future.

Q With the addition of a regional manager, a Foundation director of development and a new assistant finance director, as well as the promotions to vice president of three individuals, are we in danger of being overstaffed or of having too many chiefs?

A There is only one way not to have too many chiefs. That way is to have the right people in the right jobs. I feel that we have the right people and the right chiefs.

Q What do you see as the biggest threat to survival for U.S. cattlemen, and seedstock producers in particular?

A Lack of communication and lack of education are the biggest threats. We need to listen to our customers — the bull buyers, the feedlots, the packing industry, the wholesale industry and the consumers of the food we produce. We must hear what they say and communicate with words and actions.

We must realize that this country has a cheap food policy, and the voters take cheap, abundant, safe food for granted. We must educate ourselves as to how to educate the 98.4% of the population who are not involved in production agriculture to the importance of our industry to their way of life. We must be proactive rather than reactive.

Q During your time on the Board, and in your comments here, you have always stressed the need for good communication. How have we progressed in our communications?

A In 1950 the *Angus Journal* going to the post office was the only way to communicate with our membership. The printing industry has had many advancements. The fax machine showed up one day. Then some person — I don't know who it was, but he or she was not from Tennessee — came up with the Internet. Evolution, evolution, evolution; will it ever stop? No, thank goodness.

Technology can be a great tool, and API has done a very good job of identifying and embracing useful technologies, but our communication responsibility is much bigger than the *Angus Journal*, the *Angus Beef*

Bulletin and the Internet. Every department in Saint Joseph, Wooster and Manhattan must work better as a team — Team Angus. No longer can just the staff in a public relations department decide what needs to go into the mail. No longer can CAB alone help develop a supply. No longer can the regional managers communicate with all breeders. No longer are we an Association with 12,000 members all making their breeding decisions based on who won at Chicago, Ill.

Part of the restructuring just completed was to replace the Communications and Public Relations Department with the Industry and Member Communications Department; this is much more than a name change. This was done because the Board realized that more departments needed to communicate with our industry in addition to communicating with our members. Three key things are in this:

- 1) Team Work — “Team Angus”
- 2) Two-way communication — it has to work both ways: the Association to others and others to the Association
- 3) Education

Along the way we hired a new ad agency. We feel that this new group has fresh ideas and a better understanding of where we are and where we would like to go.

Board member Joe Hampton stated in his remarks at the last Annual Meeting, “The world is flat. — Class of 1491.” We can never leave things alone when an opportunity for improvement exists. Communication is the most important responsibility that the American Angus Association has. If you do not do it right, before long you won’t be able to turn on the lights. Evolution, evolution, evolution.

Q To underwrite the costs on several items the Association, API and CAB have looked to sponsors from allied industry to defray some costs. Your thoughts?

A We have not had a fee increase on registrations and transfers since the early 1980s. To keep offering the level of service to which our members have grown accustomed, we must defray some cost by getting sponsorship for some services.

We must remember that we only need to make money to offer services; we are not in business to offer services to make money.

If we had not protected our mailing list a few years back we could not get these sponsorships. Let me explain. To be an active member of the American Angus

Association, you must pay a yearly \$30 membership fee and buy an Angus animal or register an Angus animal every three years. If that annual membership fee were all it took to get the Association mailing list, we would not be getting thousands and thousands of dollars of sponsorship for these events and services, not to mention dollars to the Angus Foundation.

Q What is the best thing someone could say about your term on the Board and as President of the American Angus Association?

A When he made a decision in the Boardroom it was never self-serving but was always for the betterment of the industry.

