

# BOARD ACTION



## Highlights from the June Board meeting

*The following is a review of the topics discussed and actions taken during the June 5-7, 2018, meetings of the American Angus Association Board of Directors in Charleston, S.C.*

### Activities Committee/Events and Education Committee

Alan Miller moved, seconded by Jonathan Perry, to approve changing the name of the Activities Committee to the Events and Education Committee to align with the current name of the American Angus Association's Events and Education Department. The motion passed unanimously.

The Committee reviewed current judges' cards for Roll of Victory (ROV) and junior shows.

The Angus Heritage Foundation Selection Committee presented the 2018 nominees. Jonathan Perry moved, seconded by John Grimes, to accept the 2018 nominations for the Angus Heritage Foundation. The motion passed unanimously.

The Committee discussed proposed judges for the Northern International Livestock Exposition (NILE) ROV show. Alan Miller moved, seconded by Jonathan Perry, to approve the judge names submitted for the NILE ROV show. Motion passed unanimously.

Discussion was held on show policies regarding the "white towel rule" and the National Junior Angus Show (NJAS) exhibitor/helper policy. The Committee supported staff to make changes at their discretion

during the show season.

The Committee discussed the NJAS Carcass Contest/Value Discovery Contest. No action was taken.

Staff presented a proposed list of judges for the West Virginia ROV show. Mike McCravy moved, seconded by David Dal Porto, to approve the proposed list of judges for the West Virginia ROV show. The motion passed unanimously.

## ANGUS

### THE BUSINESS BREED

Jonathan Perry moved, seconded by John Grimes, to approve a proposed list of emergency judges for the ROV show season to be used if the current selected judge cannot attend. The motion passed unanimously.

Chuck Grove moved, seconded by David Dal Porto, that the Association Board approve the report of the Activities Committee/Events and Education Committee. The motion was unanimously approved.

### Breed Improvement Committee

Guest speakers reviewed selection indexes (\$Values) and reported on

progress of the Angus \$Values update project.

Staff reviewed the recently implemented updates to economic assumptions used to calculate Angus \$Values. The change to a seven-year average baseline value has resulted in less change than in prior years. Correlations between old and new \$Values were approximately 0.99.

Staff summarized activity of the Structured Sire Evaluation program, including recently processed data on the second project progeny group.

Staff reviewed member response to the new MaternalPlus® incentive program, reporting a significant increase in program participation in recent months. Plans for interns and staff to collect foot scores on older genotyped females were described, along with results of a project to genotype influential legacy sires.

John Grimes moved, seconded by Dave Nichols, that the Association Board approve the report of the Breed Improvement Committee. The motion was unanimously approved.

### Finance and Planning Committee

The Finance and Planning Committee discussed the budget planning process for the Association and the four entities for fiscal year 2019 (FY19).

The Committee discussed the June 2019 Board meeting. James Coffey moved, seconded by Jerry Connealy, to approve an off-site June Board meeting in FY19. The motion passed unanimously.

Don Schiefelbein moved, seconded by Barry Pollard, that the Association Board approve the report of the Finance and Planning Committee. The motion was unanimously approved.

## Industry Relations Committee

Communications staff presented new concepts for the national advertising campaign for the Committee to review prior to unveiling in FY19.

James Henderson moved, seconded by Mick Varilek, to add Chris Engel, the director of Angus Link, as staff support to the Industry Relations Committee. The motion was unanimously approved.

James Coffey moved, seconded by James Henderson, that the Association Board approve the report of the Industry Relations Committee. The motion was unanimously approved.

## Member and Affiliate Services Committee

Staff provided an update regarding the 2018 delegate election, including relevant dates.

A member request was made to create an option for transferred hard-copy papers to be returned directly to the buyers. Dave Hinman moved, seconded by John Pfeiffer Jr., to direct staff to create an option for members to have hard-copy papers mailed directly to the buyers at a fee of \$3 per transferred certificate. The motion carried by a unanimous vote.

Rules of the American Angus Association were reviewed and information was presented regarding the increased number of corrections required relating to parentage.

Discussion focused on the recent trends, administration options and educational opportunities for our membership. It was moved by Dave Nichols, seconded by John Pfeiffer Jr., to adopt and utilize a best practices statement and to increase the DNA parentage correction fee for registered animals to \$5 beginning Jan. 1, 2019. This motion was unanimously approved.

Mike McCravy moved, seconded by Dave Nichols, that the Board approve the report of the Member and Affiliate Services Committee. The motion was unanimously approved.

## Research Priorities Committee

The Committee reviewed two proposals that were both recommended to be presented to the Angus Genetics Inc. Board of Directors for consideration (see Angus Genetics Inc.).

Jonathan Perry moved, seconded by Jerry Connealy, that the Board approve the report of the Research Priorities Committee. The motion was unanimously approved.

## Special Feeder Calf Committee and Angus Link<sup>SM</sup> Update

Staff presented the findings that were referred to the Board from the Special Feeder Calf Committee meeting convened May 15-16, 2018. The topics included:

### Business plan overview

Angus Link aligns with the commercial programs goal of the Association's Long-Range Strategic Plan. There is value in the program for Angus breeders, cow-calf producers, marketing channel organizations and cattle feeders. Appealing and communicating value to each of these target audiences will be critical to the success of the program.

### Index component update

\$Beef, \$Grid and \$Feedlot will translate into Beef Score, Grid Score

and Feedlot Performance Score. The three scores will be scaled with a range of 0-200. To keep the system simple and consistent, the industry average for all feeder calves will be 100 for each score.

### Proof-of-concept trial data

Three separate trials were presented in which Angus Genetics Inc. (AGI) retroactively enrolled cohorts of cattle and gathered their feedlot and carcass performance data. The trials showed that the model works well, and scores and profitability are positively correlated. More trial work is being done.

### Enrollment Requirements

#### • Sire Group:

A minimum of 50% of the bulls used to sire an enrollment group must be registered Angus bulls. At least 75% of the bulls must be bulls that are registered with a breed association, and no more than 25% of the bulls used to sire an enrollment group can be non-registered bulls. Lastly, semen used for AI breeding will require proof-of-purchase to be on file.

#### • Cow Herd:

Total number of calving females in the herd and a description of their breed composition. Additionally, all historical bull information provided will influence the genetic profile of the enrollee's cow herd.

#### • Calf Group:

Number of calves being enrolled and a description of the predominant coat color of the enrollment group.

### Vaccination Protocol

Enrollment groups are required to receive at least one clostridial (blackleg) vaccine, one five-way modified-live virus (MLV) vaccine (or two doses of a killed equivalent), and one bacterial (Pasteurella) vaccine. If

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the enrollee wishes to list in detail the health protocol used, there will be space on the marketing document.

### Implementation Plan

The top priorities as we near the summer launch are hiring field staff representatives and a program administrator, completing the website and web-based enrollment platform, and finalizing the communication plan.

### Financials

The program is tracking ahead of budget, and it is expected that expenses will be lower than the 2018 budgeted amount.

James Henderson moved, seconded by John Pfeiffer Jr., that the Board approve the report of the Special Feeder Calf Committee. The motion was unanimously approved.

Staff also presented an update of three additional program components to the Board:

- Initial Enrollment Pricing Offer
- Angus Link/AngusSource®  
Combination Pricing Recommendation
- Minimum Angus Link Transaction Amount

Jerry Connealy moved, seconded by Jonathan Perry, that the Board approve the Angus Link update. The motion was unanimously approved.

## Angus Foundation

Minutes of the Angus Foundation Board of Directors meetings of Feb. 22 and Feb. 23, 2018, were considered. Alan Miller moved, seconded by Barry Pollard, to approve the minutes as distributed. Motion passed unanimously.

A financial report was presented. Total assets were \$20,674,000, and consisted of current assets of \$510,000, investments of \$20,162,000, and non-current assets of \$2,000. Current liabilities were \$31,000 consisting of accounts payable, and accrued liabilities. Long-term liabilities of \$24,000

consisted of accrued awards and accrued health insurance benefits. Net income for the period ending April 30, 2018, was \$282,000.

100% unrestricted gross revenue of \$28,445 from the 2018 Angus Foundation Annual Fund mail solicitation “Angus & Your Future” was allocated toward beef cattle research.

Financial projections for the year ending Sept. 30, 2018, were reviewed. The net income from operations for



the year then ending is projected to be \$524,800. Barry Pollard moved, seconded by Dave Nichols, to accept the financial report. Motion passed unanimously.

President Milford Jenkins updated the directors on the organization’s operations and activities.

Director of Development Rod Schoenbine reported on his communications with Angus breeders, allied industry members and friends of the Angus breed about opportunities to support their Angus Foundation.

Guest speaker Joe Cassady, South Dakota State University Department of Animal Sciences department head/professor, reported on the hair-shedding research project that is funded by the Angus Foundation.

Staff reported that an allied industry position on the Foundation’s Resource Development Committee was vacant with one year remaining of the three-year term. Ashby Green, Neogen Beef Genomics territory manager, High Springs, Fla., was nominated to fill the balance of the term. Richard M. Dyar moved, seconded by Barry Pollard, to elect Green. The motion passed unanimously.

Recruitment of leadership gifts to

Phase I of the new “Angus: Researching New Frontiers” drive is under way. Combined with the American Angus Association’s \$250,000 commitment, new gifts and pledges by individual directors and staff of both the American Angus Association and the Angus Foundation totaled nearly \$300,000 toward the overall goal to raise \$1 million for beef cattle research by Dec. 31, 2020.

Angus Foundation Outside Representative Lamar Steiger, a frequent speaker to 501(c)(3) not-for-profit organizations, presented on the topic of relational fundraising and encouraged Board members and staff to integrate in their advocacy of the organization’s mission.

## Angus Genetics Inc.

Minutes of the Feb. 22, 2018, AGI Board meeting were previously distributed. Mick Varilek moved, seconded by Alan Miller, to approve the minutes as provided. The motion carried unanimously.

A financial report was presented. Total assets were \$1,449,000 and consisted of current assets of \$1,423,000, and non-current assets of \$26,000. Current liabilities were \$914,000 consisting of accounts payable and accrued liabilities. Long term liabilities of \$5,000 consisted of accrued health insurance benefits. Net income for the period ending April 30, 2018, was \$289,000.



Financial projections for the year ending Sept. 30, 2018, were reviewed. The net income from operations for the year then ending is projected to be \$2,800.

David Dal Porto moved, and James Henderson seconded, to accept the

financial report. The motion passed unanimously.

Staff reviewed developments in the beef genetics industry and announced a new genotyping services agreement with Zoetis. Several AGI staff members and collaborators will be speaking at the upcoming 50th Beef Improvement Federation (BIF) meetings.

The Board considered a recommendation from the Research Priorities Committee that AGI provide funding for the Angus Genome Project as budgets allow. Dave Nichols moved, and James Henderson seconded, to approve the recommendation. The motion passed unanimously.

The Board also considered a recommendation from the Research Priorities Committee that AGI provide funding for the project “Translating High Immune Response (HIR™) Genomics to Improve Beef Cattle Health and Welfare,” in fiscal years 2019, 2020 and 2021. Dave Nichols moved, and Alan Miller seconded, to approve the recommendation. The motion passed unanimously.

## Angus Productions Inc.

Minutes of the Feb. 21, 2018, Angus Productions Inc. (API) Board meeting were approved unanimously on a motion by James S. Coffey that was seconded by Chuck Grove.

A financial report was presented. As of April 30, 2018, total assets were \$3,120,000, and consisted of current assets of \$1,495,000, investments of \$1,161,000, property and equipment of \$171,000 and non-current assets of \$293,600. Current liabilities were \$1,067,000 consisting of accounts payable, accrued liabilities and deferred income.

Long-term liabilities of \$726,000 consisted of deferred compensation and accrued health insurance benefits. Net income for the period

ending April 30, 2018, was \$219,000.

Financial projections for the year ending Sept. 30, 2018, were reviewed. The net income from operations for the year then ending was projected to be \$88,700. James Coffey moved, seconded by Barry Pollard, to accept the financial report. The motion passed unanimously.

President Rick Cozzitorto shared the plans API is following to stabilize business and improve customer support, including accomplishments to date.

Editor Shauna Hermel presented the prototype and vision for the newly redesigned *Angus Beef Bulletin* that will premier this fall.

General Manager Sara Reardon shared insights into Angus Media’s digital assets, along with staffing changes that have occurred since the February meeting.

The new editor of the *Angus Journal*, Julie Mais, was introduced.

## Certified Angus Beef LLC

Minutes of the Feb. 21, 2018, meeting of the Certified Angus Beef LLC (CAB) Board of Directors were approved previously via email.

A financial report was presented. Through April 2018, brand finances reflected a strong bottom line with income currently exceeding budget by 9%.

Total assets were \$18,450,000 and consisted of current assets of \$7,753,000, investments of \$7,260,000 and property and equipment of \$3,437,000. Current liabilities were \$1,099,000, consisting of accounts payable and accrued liabilities. Long-term liabilities of \$612,000 consisted of accrued health insurance benefits. Net income for the period ending April 30, 2018, was \$4,344,000.

Financial projections for the year ending Sept. 30, 2018, were reviewed. The net income from operations for the year then ending is projected to be \$218,000.

Jonathan Perry moved to accept the financial report. The motion was seconded by John Grimes and passed unanimously.

Brand sales exceeded prior year by 8.5% through April. All divisions are experiencing growth, with international and retail segments posting the largest increases.

Supply continues to be very



supportive of sales growth. With an increase in total fed-cattle slaughter, the number of Angus-influenced cattle available as well as improved quality grading and record CAB brand acceptance rates, the brand has seen a 17.4% increase in certified carcasses.

The Board discussed the current hurdles that exist in the industry preventing universal utilization of camera technology for beef carcass grading and brand certification. Efforts continue to identify approaches to elevate the use of such technologies that can further the level of objectivity applied during the certification process within licensed plants.

Staff provided an update on the continuing efforts to utilize technology to enhance product quality and certification processes.

In response to a U.S. Cattlemen’s Association petition regarding labeling of “fake meat,” CAB did submit formal public comment in support of the petition to USDA Food Safety and Inspection Service (FSIS).

Dialogue continues with the Ohio State University Agricultural Technical Institute regarding the possible construction of a CAB brand Learning Center at the university

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farm in Wooster, Ohio, to be used to meet the increasing need to engage customers via hands-on real-world beef production education.

Planning continues for CAB to host a portion of the National Angus Convention pre-convention tour at the CAB office and Culinary Center this coming November.

A review of the brand's marketing and public relations efforts was shared, highlighting the #BrandtheBarn project, culinary school engagement, consumer recipe testing, trade advertising campaign, web search optimization tools, restaurant branding approaches, partner utilization of the new CAB brand university training program, and various international marketing initiatives including our new Japanese website.

With "Angus brand confusion" increasing in the marketplace, marketing approaches were discussed to further differentiate the CAB brand and solidify its premium position with consumers globally.

## Board of Directors

A financial report for the Association was presented. Total assets were \$24,748,000 and consisted of current assets of \$1,507,000, investments of \$17,100,000, and property and equipment of \$6,138,000. Current liabilities were \$970,211, consisting of accounts payable, notes payable, accrued liabilities and deferred income. Long-term liabilities of \$702,000 consisted of notes payable, deferred compensation and accrued health insurance benefits. Net income for the period ending April 30, 2018, was \$1,127,000.

Financial projections for the year ending Sept. 30, 2018, were reviewed. The net income from operations is projected to be \$1,033,900.

Don Schiefelbein moved, seconded by James Henderson, to accept the

financial report as presented. The motion was unanimously approved.

James Coffey moved, seconded by James Henderson, to approve a proposed amendment to the previously approved minutes of the Feb. 20-23, 2018, Board meeting. The motion was unanimously approved.

The Board considered a resolution to approve an expense for genotype testing by AGI to enhance the Association database. Chuck Grove moved, seconded by Mick Varilek, to approve the proposed resolution. The motion passed by a vote of fifteen (15) in favor and one (1) opposed.

James Coffey moved, seconded by Alan Miller, to appoint two Association members to serve as Election Observers for the 2018 delegate election: Tricia Holmes, Benton, Iowa, and Alan Mead, Barnett, Mo. The motion was unanimously approved.

The appointments are required in the Association's Bylaws in Section 3.8 Election of Delegates.

The Board approved committee reports as noted in each committee section.

## Next regular board meeting

Sept. 11-13, 2018, Saint Joseph, Mo.



*Editor's Note: Officers and directors present were Kevin Yon, president and chairman of the Board; John Pfeiffer Jr., vice president and vice chairman of the Board; Don Schiefelbein, treasurer; James S. Coffey; Jerry Connealy; David A. Dal Porto; Richard M. Dyar; John F. Grimes; Chuck Grove; James W. Henderson; Dave Hinman; Mike McCravy; Alan Miller; Dave Nichols; Jonathan Perry; Barry Pollard; and Mick Varilek.*

### PRODUCT INFORMATION

NADA #141-450, Approved by FDA

## Banamine® Transdermal

(flunixin transdermal solution)

Pour-On for Beef and Dairy Cattle 50 mg/mL

**BRIEF SUMMARY:** (For full prescribing information, see package insert)

### Non-Steroidal Anti-inflammatory Drug

Only for topical use in beef and dairy cattle. Not for use in beef bulls intended for breeding; dairy bulls; female dairy cattle 20 months of age or older, including dry dairy cows; and suckling beef calves, dairy calves, and veal calves.

**CAUTION:** Federal law restricts this drug to use by or on the order of a licensed veterinarian.

**DESCRIPTION:** Each milliliter of Banamine Transdermal pour-on contains 50 mg flunixin (equivalent to 83 mg flunixin meglumine), 150 mg pyrrolidone, 50 mg L-menthol, 500 mg propylene glycol dicaprylate/dicaprate NF, 0.20 mg FD&C Red No. 40, and glycerol monocaprylate NF qs.

**INDICATIONS:** Banamine Transdermal pour-on is indicated for the control of pyrexia associated with bovine respiratory disease and the control of pain associated with foot rot in steers, beef heifers, beef cows, beef bulls intended for slaughter, and replacement dairy heifers under 20 months of age.

**CONTRAINDICATIONS:** NSAIDs inhibit production of prostaglandins which are important in signaling the initiation of parturition. The use of flunixin can delay parturition and prolong labor which may increase the risk of stillbirth. Do not use Banamine Transdermal pour-on within 48 hours of expected parturition. Do not use in animals showing hypersensitivity to flunixin meglumine.

**USER SAFETY WARNINGS:** Not for use in humans. Keep out of reach of children. Flunixin transdermal solution is a potent non-steroidal anti-inflammatory drug (NSAID), and ingestion may cause gastrointestinal irritation and bleeding, kidney, and central nervous system effects.

This product has been shown to cause severe and potentially irreversible eye damage (conjunctivitis, iritis, and corneal opacity) and irritation to skin in laboratory animals. Users should wear suitable eye protection (face shields, safety glasses, or goggles) to prevent eye contact; and chemical-resistant gloves and appropriate clothing (such as long-sleeve shirt and pants) to prevent skin contact and/or drug absorption. Wash hands after use.

**In case of accidental eye contact, flush eyes immediately with water and seek medical attention.** If wearing contact lenses, flush eyes immediately with water before removing lenses. **In case of accidental skin contact and/or clothing contamination, wash skin thoroughly with soap and water** and launder clothing with detergent. **In case of ingestion do not induce vomiting and seek medical attention immediately.** Probable mucosal damage may contraindicate the use of gastric lavage. Provide product label and/or package insert to medical personnel.

**RESIDUE WARNINGS:** Cattle must not be slaughtered for human consumption within 8 days of the last treatment. Not for use in female dairy cattle 20 months of age or older, including dry dairy cows; use in these cattle may cause drug residues in milk and/or in calves born to these cows or heifers. Not for use in suckling beef calves, dairy calves, and veal calves. A withdrawal period has not been established for this product in pre-ruminating calves.

**PRECAUTIONS:** As a class, cyclo-oxygenase inhibitory NSAIDs may be associated with gastrointestinal, renal, and hepatic toxicity. Sensitivity to drug-associated adverse events varies with the individual patient. Patients at greatest risk for adverse events are those that are dehydrated, on concomitant diuretic therapy, or those with renal, cardiovascular, and/or hepatic dysfunction. Banamine transdermal should be used with caution in animals with suspected pre-existing gastric erosions or ulcerations. Concurrent administration of other NSAIDs, corticosteroids, or potentially nephrotoxic drugs should be avoided or used only with careful monitoring because of the potential increase of adverse events.

NSAIDs are known to have potential effects on both parturition (see Contraindications) and the estrous cycle. There may be a delay in the onset of estrus if flunixin is administered during the prostaglandin phase of the estrous cycle. NSAIDs are known to have the potential to delay parturition through a tocolytic effect. The use of NSAIDs in the immediate post-partum period may interfere with uterine involution and expulsion of fetal membranes. Cows should be monitored carefully for placental retention and metritis if Banamine Transdermal pour-on is used within 24 hours after parturition.

Not for use in dairy or beef bulls intended for breeding because reproductive safety has not been evaluated.

**HOW SUPPLIED:** Banamine Transdermal pour-on, is available in 100-mL (NDC 0061-4363-01), 250-mL (NDC 0061-4363-02), and 1-L (NDC 0061-4363-03) bottles.

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