

BOARD ACTION

Highlights from the June Board meeting

The following is a review of the topics discussed and actions taken during the June 3-6, 2019, meetings of the American Angus Association Board of Directors in Olympic Valley, Calif.

Breed Improvement Committee

Staff reviewed the Angus dollar value indexes (\$Values) and expected progeny difference (EPD) updates implemented on Friday, May 31, 2019. Correlations between old and new \$Values were generally high.

Staff reviewed fertility haplotypes.

Communications and PR Committee

Staff discussed increasing digital placements for the national advertising campaign and reducing the number of spreads in print publications.

Staff presented viewership ratings for *The Angus Report*, showing growth over the last year.

An update was given on various video projects completed over the course of spring.

Events and Education Committee

David Dal Porto moved, seconded by Chuck Grove to remove the requirement that consigned bulls

be in the top 50% of non-parent bulls for EPDs to qualify for the National Western Angus Bull Sale at the National Western Stock Show (NWSS). While there will be no minimum requirements, all bulls must have complete EPDs and \$Values. Motion passed with three (3) in favor, one (1) opposed.

ANGUS

THE BUSINESS BREED

John Grimes moved, seconded by Alan Miller to replace the weaned calf value index (\$W) with the maternal weaned calf value index (\$M) on the judge's cards for Roll of Victory (ROV) and junior shows. Motion passed unanimously.

The Angus Heritage Foundation Selection Committee presented the 2019 nominees. Chuck Grove moved, seconded by John Grimes to accept the 2019 nominations for the Angus Heritage Foundation. The motion passed unanimously.

Discussion was held regarding Oregon State Fair ROV show. Staff was directed to send a letter to the Oregon State Fair ROV show outlining the rules regarding the selection of judges for the ROV.

Discussion was held pertaining

to a letter from a member regarding National Junior Angus Show (NJAS) deadlines. Staff was directed to send a response with an explanation of NJAS rules and deadlines.

The committee discussed proposed judges for the North American International Livestock Exposition (NAILE) ROV show. Alan Miller moved, seconded by John Grimes to approve the judge names submitted for the NAILE ROV show. Motion passed unanimously.

Member and Affiliate Services Committee

Jerry Connealy moved, seconded by James Coffey to incorporate The *Certified Angus Beef*® (CAB®) brand "Targeting the Brand™" logo within the Association pedigree look up feature for both bulls and females using non-parent values. Motion passed unanimously.

James Coffey moved, seconded by James Henderson to update the mailing list request form to include current staff contact information. Motion passed unanimously.



Angus Foundation

Minutes of the Angus Foundation Board of Directors meetings of

2019 Association Board meeting dates

Sept. 9-12	Saint Joseph, Mo.
Nov. 1	Reno, Nev.
Nov. 4	Reno, Nev.

Feb. 20 and April 25, 2019, were previously distributed. Barry Pollard moved, seconded by Jerry Connealy to approve the minutes as distributed. The motion passed unanimously.

A financial report was presented. Total assets at April 30, 2019, were \$21,684,500, and consisted of current assets of \$412,900, investments of \$21,155,400, and non-current assets of \$116,200. Current liabilities were \$49,300 consisting of accounts payable and accrued liabilities. Long-term liabilities of \$27,800 consisted of accrued health insurance benefits. Net income for the period ending April 30, 2019, was \$375,100. Barry Pollard moved to approve the financial report, Mick Varilek seconded the motion, and it was passed unanimously.

Staff provided an overview of unrestricted cash flow year to date through April 30, 2019.

Jerry Connealy moved, seconded by James Henderson to continue to hold the Angus Foundation Heifer Package fundraiser at the National Western Angus Bull Sale. Motion passed unanimously.

Barry Pollard moved, seconded by Mick Varilek to reestablish the Spruce Mountain fundraising event and packages, dependent on scheduling considerations, for the 2020 NWSS. Motion passed unanimously.

Staff provided a review of Angus Foundation scholarships. It was noted that a record amount of scholarship dollars will be awarded at the 2019 National Junior Angus Show in Louisville, Ky.

David Dal Porto moved, seconded by Lamar Steiger that a memorandum of understanding (MOU) be assigned between

the Association Board and the Angus Foundation Board which outlines mutual expectations and a financial agreement. Motion passed unanimously. The MOU will be presented for consideration at the September Board meeting.

James Henderson moved, seconded by Barry Pollard to disband the Resource Development Committee, effective Nov. 2019, and to restructure a new committee to be called the External Relations Committee (ERC.) The ERC will operate under the Angus Foundation Board and will align with the comprehensive external relations strategy. Motion passed unanimously.

Barry Pollard moved, seconded by James Henderson, to approve a nominating committee appointed by James Coffey to work with staff in developing a list of potential at-large members of the Angus Foundation Board and the ERC. The committee will be comprised of John Grimes; chair, Chuck Grove and Alan Miller. Motion passed unanimously.



Angus Genetics Inc.

The minutes of the Feb. 19, 2019, meeting of the Angus Genetics Inc. (AGI) Board were previously distributed. Jerry Connealy moved, seconded by Alan Miller, to accept the minutes as distributed. Motion passed unanimously.

A financial report was presented. Total assets as of April 30, 2019, were \$1,109,400, and consisted of current assets of \$1,058,700, fixed assets of \$29,200 and non-

current assets of \$21,600. Current liabilities were \$738,600 consisting of accounts payable, accounts payable intercompany and accrued liabilities. Long-term liabilities of \$5,600 consisted of accrued health insurance benefits. Net income for the period ending April 30, 2019, was \$96,000. David Dal Porto moved to approve the financial report, Jerry Connealy seconded the motion and it passed unanimously.

Developments in the beef genetics industry, including a newly published USDA blueprint for animal genomics research and a new selection tool for immunity released by Angus Australia were discussed. AGI involvement in the upcoming Beef Improvement Federation (BIF) meetings was reviewed.

AGI research was reviewed as well as potential development of an Angus on dairy index.

Plans to host an off-site AGI Board meeting set for August 2019 were discussed also.

Genomic testing services provided by AGI were discussed. GeneMax Focus™ will be discontinued in the near future, and customers will instead be directed toward use of GeneMax Advantage™.

ANGUS MEDIA™

Angus Productions Inc.

Minutes of the Feb. 20, 2019, Angus Productions Inc. (API), Board meeting were previously distributed. Chuck Grove moved, seconded by Jonathan Perry to accept the minutes as distributed. The motion was passed unanimously.

A financial report was presented. Total assets as of April 30, 2019, were \$3,302,500, and consisted of current assets of \$2,106,950, investments of

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\$673,200, fixed assets of \$300,200 and non-current assets of \$222,200. Current liabilities were \$1,089,100 consisting of accounts payable, accounts payable intercompany, accrued liabilities and deferred income. Long-term liabilities of \$221,100 consisted of accrued health insurance benefits. Net income for the period ending April 30, 2019, was \$1,081,400. John Grimes moved to accept the financial report as presented. Jonathan Perry seconded the motion. It passed unanimously.

An update of the Pasture-to-Publish (P2Pub) sale book builder was presented, which is set for an internal launch this fall.

Staff presented a tiered, per-page pricing structure for Angus Media sale books set to go into effect immediately.

Staff presented an update on *Angus Journal* production including workflow efficiencies and an enhanced digital presence.

Staff presented an update on *Angus Beef Bulletin* production including the editorial calendar and an enhanced digital presence.

The Board welcomed Bob Bruncker, a 30-year ag marketing communications veteran and current regional director of J.L. Farmakis Inc., as Industry Representative.



Certified Angus Beef LLC

The minutes of the Feb. 20, 2019, meeting of the Certified Angus Beef LLC (CAB) Board of Directors were approved previously via email.

A financial report was presented.

Total assets at April 30, 2019, were \$17,586,100, and consisted of current assets of \$6,348,900, investments of \$7,813,400 and fixed assets of \$3,423,800. Current liabilities were \$716,300 consisting of accounts payable, accounts payable intercompany and accrued liabilities. Long-term liabilities of \$762,300 consisted of accrued health insurance benefits. Net income for the period ending April 30, 2019, was \$3,284,600. James Henderson moved to approve the financial report, seconded by Jonathan Perry and it passed unanimously.

Royalties were up 6% over the budgeted income and expenses remain in line with budget.

Brand sales projected to be up 6.5% through May with all sales divisions showing nice increases over the prior year.

Exceptional retail growth accounted for over 58% of the overall sales growth fiscal year-to-date.

Supply has been very strong with certified head count up 15.7% in large part due to a record acceptance rate of 36% for the year-to-date.

The Board approved purchase of 3.5 acres across the street from the existing brand office on Riffel Rd. It is expected to close in July 2019.

The Board reviewed a formal request from the Canadian Angus Association (CAA) to allow red-hided Angus cattle to be eligible for the Certified Angus Beef® brand in brand-licensed Canadian plants. The request was tabled until the September CAB Board meeting.

Board of Directors

A financial report for the Association was presented. Total assets at April 30, 2019, were \$23,495,300, and consisted of

current assets of \$1,560,000, investments of \$15,745,000 and fixed assets and goodwill of \$6,190,600. Current liabilities were \$1,032,100 consisting of accounts payable, accrued liabilities and deferred income. Long-term liabilities of \$850,800 consisted of deferred compensation and accrued health insurance benefits. Net loss for the period ending April 30, 2019, was (\$26,300). James Coffey moved, seconded by James Henderson, to accept the financial report as presented. The motion was unanimously approved.

Mark McCully was announced as the American Angus Association CEO, effective June 10, 2019.

Jonathan Perry moved, seconded by Jim Brinkley, to appoint two Association members to serve as Election Observers for the 2019 delegate election: Alan Mead, Barnett, Mo., and Anne Lampe, Scott City, Kan. The motion was passed unanimously.

This appointment is required in the Association Bylaws in Section 3.8 Election of Delegates.

It was announced that the American Angus Association will host the 2025 World Angus Forum in tandem with the annual National Angus Convention.

James Coffey moved, seconded by Barry Pollard to approve the following recommended by the Foundation Board:

1) amend the Angus Foundation bylaws to eliminate the president position;

2) create a director of external relations position to be the top executive position at the Angus Foundation and to be hired by and report to the Association CEO.

Motion passed unanimously.

John Grimes moved, seconded by Jonathan Perry to approve a special committee appointed by President John Pfeiffer Jr. to establish goals for the Association CEO. The committee will be comprised of Don Schiefelbein, chair, David Dal Porto, Jerry Connealy and John Grimes. The motion was passed unanimously. The committee will then report to the full board at the September 2019 meeting in Saint Joseph, Mo.

The Board approved committee reports and recommendations:

Breed Improvement Committee report and recommendations: motion by John Grimes, second by James Coffey, unanimous approval.

Commercial Programs committee report and recommendations: motion by Jerry Connealy, second by

David Dal Porto, it was unanimously approved.

Communications and PR Committee report and recommendations: motion by Mick Varilek, second by Dave Hinman, unanimous approval.

Events and Education Committee report and recommendations: motion by Jonathan Perry moved, second by Alan Miller, it was unanimously approved.

Member and Affiliate Services report and recommendations: motion by Mike McCravy, second by Jonathan Perry, unanimous approval.

Next regular board meeting

Sept. 9-12, 2019, Saint Joseph, Mo.

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



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