

# BOARD ACTION

## Highlights from the June Board Meeting

*The following is a review of the topics discussed and actions taken during the June 7-10, 2021, meetings of the American Angus Association Board of Directors in Wooster, Ohio.*

### Breed Improvement Committee

Options to recognize traits with phenotypic data submitted were discussed. The Committee directed staff to list traits with phenotypic data at the bottom of EPD/Pedigree Lookup for all animals.

Staff presented an overview of potential data needs and how they align with the priorities of the Breed Improvement Committee and the long-range objectives. The Committee directed staff to develop a plan to present in September regarding how to begin gathering the data needed to continue to move the breed forward.

Staff discussed a proposal to Angus Genetics Inc. (AGI) from Angus Australia to complete a hind leg side view evaluation. AGI presented the proposal to the Committee to gauge interest of the American Angus Association in a hind leg side view trait. After discussion, the Committee decided not to pursue this trait.

### Commercial Programs Committee

The Committee was updated on the continued growth of the

AngusLink<sup>SM</sup> Process Verified Claims. Enrollments are up 38% on the year, with enrollments for the Genetic Merit Scorecard<sup>®</sup> (GMS) and Non-Hormone Treated Cattle, NeverEver3 (NHTC/NE3) increasing 100%.

An extensive discussion was held on the future of commercial programs and AngusLink programs. The majority of the discussion revolved around potential modifications to the GMS and the need for a program that will address sustainability and animal welfare.

The Committee was updated on the AngusLink Feedyard Alliance program and its targeted rollout in late summer 2021.

### Communications and Public Relations Committee

The Committee discussed the widely diverse membership of the Association and how communication can be targeted to different groups and their priorities.

The Committee reviewed results of the digital launch of the National Ad Campaign designed to drive the value of registered Angus compared to unregistered Angus.

### Events and Education Committee

Jonathan Perry moved, seconded by Alan Miller, to approve the 2021 National Junior Angus Show (NJAS) Phenotype and Genotype Show (PGS) judge. The motion was unanimously approved.

Chuck Grove moved, seconded by Alan Miller, to approve the nominations for the Angus Heritage Foundation. The motion was unanimously approved.

Jonathan Perry moved, seconded by Chuck Grove, to approve the judges slate for the 2022 National Western Stock Show. The motion was unanimously approved.

Chuck Grove moved, seconded by Alan Miller, to approve changing carload show to eight head, replacing the pen of five show at the 2022 Cattlemen's Congress. The motion was unanimously approved.

### Member Services Committee

Staff presented issues regarding registration eligibility for animals with red ancestors registered domestically and with foreign Angus associations and societies. Jerry Theis moved, seconded by Charles Mogck, to accept the proposed rule

change noted in bold type. The motion was unanimously approved.

**Rule 201: Export Certificate Registration of an animal originally recorded in a Herd Book recognized by the American Angus Association and imported into the United States shall be accepted, subject to the discretion of the Association's Chief Executive Officer, only if an export certificate or embryo transplant certificate issued by the recognized registry organization of the country from which the animal is actually exported has been received by the American Angus Association and the animal otherwise conforms to the requirements set forth in these Rules. To be eligible for registration, an animal originally recorded in a Herd Book recognized by the American Angus Association must have a genomic profile and comply with all genetic condition policies of the American Angus Association. Those animals with red ancestry must meet the requirements of Rule 103.c.**

Rule 102 was then addressed. It was suggested by the Committee to refer this topic to the Association Board for further discussion. See American Angus Association section for details.

Staff presented a request from a member to allow Electronic ID (EID) to serve as an option for permanent ID for registration. After deliberation, no action was taken on this issue by the Committee.

Staff presented an internal procedure for Association Board candidate requests for the delegate and alternate delegate mailing

list. It was recommended by the Committee for staff to adopt the proposed internal procedure.

Discussion took place regarding the possibility of transferred registration certificates defaulting to electronic storage. After deliberation, no action was taken on this issue.

Staff presented information regarding the need for a policy regarding gene editing and provided examples for review. Richard Dyar moved, seconded by Jerry Theis, to direct staff to pursue potential policy for gene-edited animals. The motion was unanimously approved.

## Research Priorities Committee

The Committee reviewed current research projects and discussed the scope of the Association's basic and applied scientific research investments.

Methods to achieve the greatest efficiency and efficacy of the Committee were explored. Also addressed was the importance of disseminating research goals to the beef industry.



## Angus Foundation

A financial report was presented. Total assets at April 30, 2021, were \$25,617,400 and consisted of current assets of \$462,300 and investments of \$25,155,100, of which \$24,299,800 is restricted.

Current liabilities were \$29,900 consisting of accounts payable, accounts payable intercompany and accrued liabilities. Long-term liabilities of \$22,800 consisted of accrued health insurance benefits.

Net income for the period ending April 30, 2021, was \$2,186,300.

Alan Miller moved, seconded by Jim Brinkley, to approve the financial report. The motion was unanimously approved.

The Board discussed questions to build towards a strategic plan. Topics included core competencies of the Angus Foundation, needs served, competitors and collaborators, and areas of potential.



## Angus Genetics Inc.

A financial report was presented. Total assets at April 30, 2021, were \$1,861,600 and consisted of current assets of \$1,292,400; investments of \$497,500; fixed assets of \$60,600; and non-current assets of \$11,100.

Current liabilities were \$990,200 consisting of accounts payable, accounts payable intercompany and accrued liabilities. Long-term liabilities of \$11,900 consisted of accrued health insurance benefits.

Net income for the period ending April 30, 2021, was \$566,800.

James Coffey moved, seconded by Jim Brinkley, to approve the financial report. The motion was unanimously approved.

Staff provided updates on genomic testing, ongoing work to validate potential haplotypes affecting fertility, research agreements and proposals, updates to genomic profile tests, and feedback from the membership on the May 28th updates to the genetic evaluation. Staff also provided a review of GeneMax Advantage™ to capture board input on potential updates.

## **ANGUS MEDIA**

### **Angus Productions Inc. d/b/a Angus Media**

A financial report was presented. Total assets at April 30, 2021, were \$4,003,700 and consisted of current assets of \$2,454,600; restricted investments of \$880,100; fixed assets of \$486,500; and non-current assets of \$182,500.

Current liabilities were \$1,414,400 consisting of accounts payable, accounts payable intercompany, accrued liabilities and deferred income. Long-term liabilities of \$254,700 consisted of accrued health insurance benefits.

Net income for the period ending April 30, 2021, was \$1,353,500.

Darrell Stevenson moved, seconded by James Coffey, to approve the financial report. The motion was unanimously approved.

The Board received an update on Web Services' growing emphasis on customer service and added value for Angus producers. Staff presented an overview of strategies for departmental growth, including some already adopted and some being considered, to help accomplish goals.

Due to several new sale book clients, the Print Services team was able to reach a critical mass to add a new design staff member.

Print Services implemented the second of two rate reductions in two years. Effective immediately, this reduction centers on smaller-page-count books to create cost savings for sales with smaller numbers. This is the largest proportion of sale books produced at Angus Media.

Angus Media continues to work with printers who provide discounted rates for the significant volume, with the Angus Media rate saving members from 10-38% on printing, depending on the size of the job.

With the Association Board in attendance, a brief recap of the API strategy meeting hosted in Saint Joseph, Mo., was provided. Further discussion followed in the areas of using the Pasture to Publish system to capitalize on international opportunities and servicing multibreed sales in which Angus are a minor part of the sale.



### **Certified Angus Beef, LLC**

A financial report was presented. Total assets at April 30, 2021, were \$25,176,500 and consisted of current assets of \$10,862,500; investments of \$8,754,900, of which \$1,996,500 is restricted; and fixed assets of \$5,559,100.

Current liabilities were \$3,948,800 consisting of accounts payable, accounts payable intercompany, accrued liabilities and SBA Loan Liability. Long-term liabilities of \$737,400 consisted of accrued health insurance benefits.

Net income for the period ending April 30, 2021, was \$4,587,800.

Kip Palmer moved, seconded by Barry Pollard, to approve the financial report as presented. The motion was unanimously approved.

The brand remains in a strong

financial position as expenses continue to be managed in relation to revenue, and staff anticipates a positive operational bottom line in addition to investments performing at \$1.3 million through May.

Dave Hinman moved, seconded by Mick Varilek, to authorize John Stika and Brent Eichar to open the new accounts and services needed to meet Certified Angus Beef, LLC (CAB) business needs with Commercial Savings Bank. The motion was unanimously approved.

CAB was recently recognized as a Great Place to Work® by the global organization, based on employee survey results regarding the brand's culture.

Aligned with efforts to promote the sustainability of the brand's supply chain and recognize the efforts of Angus farming and ranching families to conserve grasslands, with consensus support of the Board, a collaboration will be established between the brand and Ducks Unlimited.



### **American Angus Association**

A financial report was presented. Total assets at April 30, 2021, were \$27,020,600 and consisted of current assets of \$4,625,600; investments of \$18,184,700, of which \$10,468,900 is restricted; and fixed assets and goodwill of \$4,210,300.

Current liabilities were \$2,891,500 consisting of accounts payable, accounts payable intercompany, accrued liabilities, deferred income

and SBA Loan Liability. Long-term liabilities of \$813,400 consisted of deferred compensation and accrued health insurance benefits.

Net income for the period ending April 30, 2021, was \$4,075,300.

Jonathan Perry moved, seconded by Alan Miller, to approve the financial report. The motion was unanimously approved.

The Board approved Committee reports and recommendations:

- Breed Improvement Committee report and recommendations: motion by Mick Varilek, second by Darrell Stevenson, unanimous approval.
- Commercial Programs Committee report and recommendations: motion by Jim Brinkley, second by Jonathan Perry, unanimous approval.
- Communications and PR Committee report and recommendations: motion by James Coffey, second by Jerry Theis, unanimous approval.
- Events and Education Committee: motion by Mike McCravy, second by Chuck Grove, unanimous approval.
- Member Services Committee report and recommendations: motion by Dave Hinman, second by Jerry Theis, unanimous approval.
- Research Priorities Committee report and recommendations: motion by Jerry Connealy, second by Barry Pollard, unanimous approval.

As referred by the Member Services Committee, the Board discussed Rule 102 as it relates to those registration applications with red ancestry. Jerry Connealy

moved, seconded by Mick Varilek, to adopt the rule change noted in bold type. The motion was unanimously approved.

**Rule 102: Registration — Form, Content and Methods**

*The sire and the dam of any domestically bred animal, for which application for registration is made, must be registered with the American Angus Association.*

***In the event the sire and/or dam of an animal originally recorded in a Herd Book recognized by the American Angus Association is domestically bred but is not registered with the American Angus Association, the animal must conform to the requirements of Rule 103.c and be registered in a Herd Book recognized by the American Angus Association. (As amended June 10, 2021)***

The Board discussed the changing landscape of genetic evaluation and the potential effects on the industry. Strategies were discussed with the understanding of the importance of staying proactive in order to continue to provide a high level of service to the membership.

Current turmoil within the marketplace in the area of price discovery was discussed.

Successful initiatives established by CAB during the pandemic were presented.

Potential initiatives to address licensee sustainability questions were explored.

Jerry Connealy moved, seconded by Jim Brinkley, to appoint two Association members to serve as Election Observers for the 2021 delegate election: Don Laughlin of Guilford, Mo., and Danny Poss

of Scotia, Neb. The motion was unanimously approved.

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

## Next regular board meeting

Sept. 7-10, 2021, Saint Joseph, Mo. 

*Editor's note: Officers and directors present were David Dal Porto, president and chairman of the Board; Jerry Connealy, vice president and vice chairman of the Board; Chuck Grove, treasurer; Mark Ahearn; Jim Brinkley; James Coffey; Richard Dyar; Dave Hinman; Smitty Lamb; Mike McCravy; Alan Miller; Charles Mogck; Jonathan Perry; Barry Pollard; Darrell Stevenson; Jerry Theis; and Mick Varilek.*