

from the office

LEAD IN

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In the early 1900s the minimum fee to register an animal in the American Aberdeen-Angus Breeders Assn. was \$3. Later, during the depression, it was lowered \$1 per head. In the early 1960s the minimum registration fee was still only \$3 per head. And today, despite something like 140% inflation since 1967, the new minimum fee which went into effect July 1 is only \$6.

Clearly, the fees of the American Angus Assn. are a bargain compared with nearly any other time in the 97-year association history.

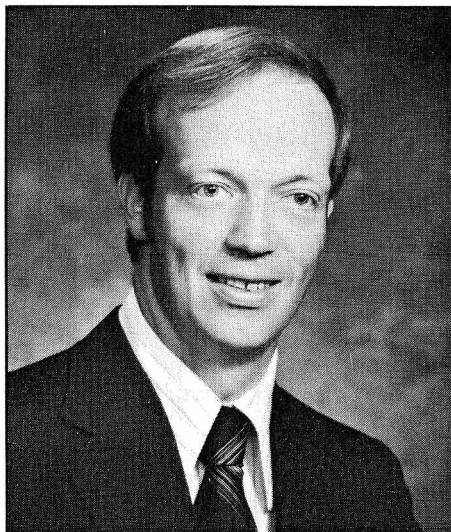
Despite this, increasing fees is not a pleasant process. But in these inflationary times, it is necessary if we are to maintain the services association members have become accustomed to and need.

The logic behind the current round of increases, which amounted to \$1 in every price category for registrations, transfers and A.I. service certificates, was based upon sound economic policy originating in the board's Finance Committee.

Choices Were Simple

The choices they had were simple—eliminate or curtail some services or generate enough revenue to maintain services at acceptable levels. The decision obviously was the latter—to make a small increase in fees to cover rapidly rising expenses and to review the fee schedule annually and recommend adjustments whenever they seem necessary.

The American Angus Assn. and the ANGUS JOURNAL are in sound financial condition. The financial condition of ANGUS JOURNAL was never a consideration in the decision to increase association fees. It was simply a matter of increased costs to the association for labor, equipment, ser-



vices and energy.

In addition to raising fees, several administrative changes have been instituted at the association to hold down costs and to help balance the association budget.

Budgeting for the ANGUS JOURNAL is handled by a separate committee from the one in charge of association budgeting. Because of increasing costs on almost every front in the publishing field, administrative changes also have been instituted for the JOURNAL. For example, charges have been approved to cover the cost of screening photographs in JOURNAL ads, and other cost-efficient savings have been incorporated in the printing process.

JOURNAL on Budget

Despite lower than anticipated ad revenue, which is affecting all segments of the farm publication field, the JOURNAL is

on budget at the time of this writing. Obviously, what happens to the cattle business in late summer and fall will have a major impact on the financial status of both the association and the ANGUS JOURNAL; however, our hopes and expectations are that ANGUS JOURNAL will break even for the year and that the association will show a small surplus.

The downturn in the cattle business has been a disheartening turn of events for many of us. After suffering through several years of adversity and after having reduced our national cow herd to the lowest level in years, we were poised for what we assumed would be several good years of improving prices. The grain embargo, extremely high interest rates and nearly unheard-of inflation rates for the U.S. changed all this. And to top it all, we had to deal with extremely high on-farm production of pork and poultry.

Conditions Moderating

All of these factors seem to be moderating. Economists point to profitable beef prices beginning late this year and hopefully extending well into the first half of this decade.

If we continue to improved the quality of our cattle while maintaining a high level of breed and individual herd advertising and promotion, I believe we will see Angus expand their share of the beef cattle market during the next few years.

I am thoroughly convinced that the Angus breed offers me of the things the commercial beef cattle industry needs than any other breed and that we are on the verge of an explosion in value of good Angus cattle—if not within the next few months, then certainly within the next few years. 