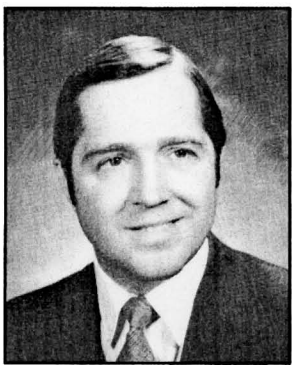


LEAD IN

Richard L. Spader

Executive Vice President, American Angus Association



There is a problem at the American Angus Assn. that we have been puzzling over for the past few years. In the face of what appears to be increased demand for Angus bulls, we have seen registrations and transfers continue to decline.

This is of grave concern, of course, because registration and transfer fees make up the bulk of the income for the Association. These fees pay for our national advertising and public relations program, premiums at open and junior shows, and for most of the cost of programs and services for the membership.

There is, of course, a \$1 fee on weaning weights, but it pays for only a small fraction of the total cost of collecting, processing, and reporting performance information back to the members.

We have known for some time that fewer and fewer people transfer cattle that are sold to cattle producers who are not members of the Association. Sometimes these Angus Association members just hand the registration papers to the new owners—sometimes they don't even do that.

While checking Association records to see what percentage of cattle at various large auction sales were actually transferred to new owners, we came upon a very revealing and disturbing fact. Not only are many Angus cattle (particularly bulls) not transferred, they are not even registered. One large registered Angus herd that sells numerous bulls each year had less than 10 percent registered bulls in the sale. Each bull sold had a "pedigree" in the sale catalog, but virtually none were recorded. Regional Managers tell us that this is becoming more common in many parts of the country.

I guess it is only natural that Association members want to avoid as much paper work as possible and save a few dollars whenever they can. But when it comes to cutting down on registrations and transfers, the long range costs to individuals and to the breed as a whole may far outweigh the immediate dollar savings.

First of all, as we have discussed before in this column, it is a dangerous precedent to accustom your commercial customers to buying unregistered bulls. If registration papers come to mean little or nothing to them, then there is little to keep these people from saving their own bulls or buying cheaper commercial bulls from other sources. When we fail to sell the registered concept and performance pedigree and when we fail to take the time and effort to explain to our customers the added value we have put into each animal, we sell ourselves and our breed short. And,

we fail to reinforce the person's good judgment in purchasing registered, performance-tested Angus bulls.

First, we sell our own breeding program short. If you are in the registered Angus business—if it's a business you are proud of and that you think is worthwhile—then you should be selling registered Angus cattle. What would a buyer think of a John Deere dealer, for example, who actually sold machinery without the full guarantees and backing of the parent company? I wouldn't like it, particularly if I didn't get some obvious and sizable price discount.

Second, the practice puts your national Association at a financial disadvantage at a time when revenue is already short. Registration and transfer fees, since the beginning of breed organizations, have been the traditional way breeders financed the activities of their associations. There have always been a few who produced and sold unregistered cattle, but they were in the minority. If, however, this is a new trend, and it can't be turned around, then your Association has two alternatives: either cut back on advertising and promotion and other programs and services for the membership, or develop new ways for members to finance these services.

Personally, I would like to see the trend nipped in the bud. The minimum cost of both a registration and a transfer is \$11. That's less than many breed associations charge for a registration, and about .8 percent of the average price that a registered Angus animal brought at auction last year. That's a small part of the value of a good registered bull or female. What's more, I am firmly convinced that the benefits you, your breed, and your Association received from registrations and transfers are well above this modest \$11 investment per head.

AJ