

Association and Angus industry enter new fiscal year with vigor

The meeting of the Board of Directors of the American Angus Assn. was called to order at 9:15 a.m., Monday, September 14, 1987 by President Joe Neely in the board room of the Association. The following officers and directors were in attendance: Joe Neely, president; A. Harvey Lemmon, vice president; Richard L. Spader, executive vice president; Gary Dameron, treasurer; Tom Drake, Conrad Grove, Richard Janssen, Paul May, Paul Meier, Joe Bill Meng, Fred E. Smalstig, Andrew Starr, Keith Stevenson, Paul Stueland, Robert Thomas, Vance Uden, and Wayne Wyble. Members of the Association staff and the *Angus Journal* were also present as was General Counsel Leland J. Badger of Jenner & Block, Chicago, Ill.

Report of Executive Vice President Richard L. Spader:

It's a pleasure to address this last meeting of the fiscal year, realizing Fiscal 1987 will be one of the best years in this organization for over a decade. As we wrap up our last few weeks, it appears all areas of our business will show an improvement over Fiscal 1986. This is a milestone in itself and points out Association strengths in Fiscal 1987.

More important, I believe it's reflective of improved times in the cattle business and a demand for all Angus cattle produced and marketed by our members. As we review the positive figures, I think it should also be noted that all breeds are not observing this business increase which, to me, indicates Angus are acquiring a bigger share of the purebred and commercial market at a time when beef cattle numbers have stabilized. As I've mentioned before, I believe this positive trend is a reflection of an improved breed and an improved Association and programs that have kept pace with the beef industry changes.

Since our last meeting there have been no staff changes within the organization. Business has continued to flow well through the office and breeder problems have been minimal.

The Herd Reference Edition of the *Angus Journal* was the primary objective during the time frame of our last meeting, and I believe the issue in July has been well received by the membership. As the largest of all breed issues in 1987, it points out the strength of the Angus business today.

More recently and in the forthcoming October issue of the *Journal*, will be the Sire Evaluation Report. This information was sent to all bull owners in early August and our efforts this year will be for a wider

HIGHLIGHTS

- Financial health reflects heightened Angus demand
- Rule change covers registrations
- Rule change for registration
- Judges nominated
- ROV, other show sites named
- Ad focus will feature new testimonials
- EPD to replace EBV

distribution of the data. Our seven-point plan is:

1. To Angus breeders through the *Angus Journal*;
2. Availability through the *Angus Beef Bulletin*;
3. Through national advertising;
4. Letter to breeders who requested a Report in 1986;
5. Colleges, universities, and extension personnel;
6. Feedlots;
7. Packers.

Last year we estimated that 25,000 Sire Evaluation Reports were in circulation and we will aim for this number, or more, in 1987-88. In addition, emphasis will be placed on the carcass section of the Report which I think some people are not aware exists. In a very unsolicited comment, a major feeder on the CAB tour last month indicated his five-year goal was to have known genetics on all cattle he's feeding. This line of communication about known Angus genetics will likely become more and more important as our industry proceeds. It should also be pointed out the American Angus Assn. is the only breed that distributed its annual Sire Evaluation Report at no charge to the industry.

In the next couple months we'll be finalizing plans for the annual meeting. As you're aware, ballots were counted August 18 and the list of delegates and alternates have been contacted and a list sent to all Directors and candidates to the Board. The delegate list will be published in the October *Angus Journal* along with a biography of each Board candidate.

We've also finalized plans through Public Relations for the first of four annual Conferences, and it appears this first Conference will be held in Montana in 1988. I've asked Public Relations to approve the Conference concept and program, and I feel we can focus even more attention on

Angus cattle in these next years through a well-designed national event.

Numerous other reports will be forthcoming through the Committees but, in summary, I believe this is a year in which we should all be extremely proud, and I encourage each and every one of you to spread the good word as we address groups in the coming months. I believe the potential for this breed to grow is very real and the increase, though slight, in new members joining this Association is very encouraging.

The following is a review of the topics discussed and action taken during the quarterly Board meeting:

Executive Committee:

The Executive Committee suspended the junior membership of Jason Cooper, Blanchard, Okla., through December 31, 1988, under a proposed Consent Order with Jason Cooper. If no agreement and Consent Order is concluded, the matter will be brought to the full Board by the Executive Committee under By-Laws Article VII.

The Committee reviewed attorney-client relationship as it pertains to Certified Angus Beef's legal work and billing procedures.

Finance Committee

The Finance Committee reviewed the Association's financial reports, currently estimating a year-end profit of approximately \$500,000.

The proposed budget for Fiscal 1988 was adopted with revenue expectations of \$4,394,500 and expense projections of \$4,283,100.

The mileage rate the Association pays for business miles on personal cars was changed to 22½ cents, effective October 1, 1987.

Public Relations

The new advertisements that will be used in the 1988 advertising program include a revamped Robert Hillier feedlot ad with a new steer picture and four new advertisements featuring Andy O'Hair of O'Hair Ranch Company, Livingston, Mont.; Tony Jansma, Rock Rapids, Iowa, a feeder cattle order buyer who handles over 400,000 head a year; Steve Pierson, Beef Specialists of Iowa; and Ralph Gnoirsky of Olson Foods of Seattle.

These "qualified experts" will explain the kind of cattle they need to help them be more successful in the cattle business, and the copy will explain how Angus cattle will help commercial cow-calf producers and feedlot operators produce this kind of cattle.

The advertising program will begin in October with a four-page insert in *Successful Farming* magazine. This insert will be an updated version of the "Beef Train" brochure. The magazine will overrun 5,000 of these inserts that the Association will use for promotional purposes. Because of a change in *Successful Farming's* printing policy, the brochure will be mailed to the magazine's entire circulation at the beef cattle rate.

The advertising schedule, designed by Fletcher/Mayo Advertising, will reach some 85 percent of all commercial cow-calf producers and more than 90 percent of the cattle feeders with at least seven messages during the year.

The Public Relations Department is mailing a computer generated, personalized letter from Dick Spader as a follow-up to the 4,300 requests for Sire Evaluation Reports that came in from the 1987 advertising campaign. Each letter will contain a return postcard that can be used to request a copy of the 1987 Sire Evaluation Report.

Planning & Industry

No agenda items were scheduled for this committee during this quarterly Board session.

Breed Improvement

Expected Progeny Differences will replace EBV on all AHIR forms, APPs, and PRCs on or about November 1, 1987.

Guidelines for CAF have been completed and are available to interested persons. Terry Goehring is the staff member handling these requests.

A second National Cattle Evaluation analysis will be conducted each year to update EPD. This will be accomplished in December-January and while a new Sire Evaluation Report will not be printed, the data will be available to everyone.

The staff was directed to work out procedures for calculating daughter longevity and calving interval and for making this information available to the Angus industry.

Activities

Jim Bright will be judging the 1988 National Western and David Medeiros, Turlock, Calif., will be the associate judge.

Denver Sale entries are coming in slowly.

The Board approved an increase in premium support for Denver's 1989 carload and pen shows. Premiums in the carload show must be approved by the National Western Committee.

The Board approved a new approach to the Breeder Six Head Class. Beginning with the 1988-89 show season, Breeder Six Head Class, the exhibitor must be the breeder and the first owner of the animal entered. Breeder is defined as the owner of record of the dam at the time of ser-

vice. First owner is defined as the owner of record of the dam at the time the calf is dropped. The breeder and first owner must have the same member code. They do not have to maintain ownership.

A change in the classification for Junior Calves (1988-89) was approved. The Junior Calf Division will be in the classifications at shows July 15 and after.

The following shows were approved for 1988-89 ROV shows:

1. Central States Fair, Rapid City, S.D.
2. Wisconsin State Fair, Milwaukee, Wis.
3. Ozark Empire Fair, Springfield, Mo.
4. Appalachian Fair, Gray, Tenn.
5. Louisiana State Fair, Shreveport, La.
6. Maryland State Fair, Timonium, Md.
7. Western Washington Fair, Puyallup, Wash.
8. Grand National, San Francisco, Calif.
9. Colorado State Fair, Pueblo, Colo.
10. Tri-State Fair, Amarillo, Texas.

Angus Heritage: The following were approved to be inducted into the Foundation:

- Charles "Chilly" Peery, New Market, Va.
- Richard Bell, Osceola, Iowa.
- Kenneth Haines Sr., Park City, Ky.
- Gilman Stewart, Greensburg, Ind.
- Joe & Jack Keefauver, Johnson City, Tenn.

Registration number Eleven Million will be awarded to the Grand Champion Bull at the 1987 North American ROV National Angus Show.

The dates for the Western National Angus Futurity have been moved a week earlier—April 17-19, 1988—Reno, Nev.

1988 Junior Shows:

Western Regional—Reno, Nev., April 16-17, Judge: Dave Medeiros.

Eastern Regional—Columbia, S.C., June 24-26, Judge: Jim Gillooly.

National—Springfield, Mo., July 12-15, Judges: Breeding Cattle, Ken Conway; Steers, Doug Hixon; Showmanship Judges: Li Bowman, Brian McCulloh, Roland Starnes.

1989 Junior Shows:

National—Louisville, Ky., July 15 through 22 in conjunction with the All-American Futurity. Exact dates to be determined soon.

Western Regional—Reno, Nev.

Eastern Regional—Pennsylvania.

Leadership Conferences are being considered for the Northwest Region and for California next spring.

Gold Awards in 1987 have been received by 15 juniors in 1987. This is an increase from previous years.

Plans are in the making to increase educational events and activities at the National Junior Angus Show for those young people interested in Angus cattle but unable to show cattle at this event.

Rules & Arbitration

The Suggested Sale Terms & Conditions were discussed, however, no

changes were recommended at this time.

The Rules regarding Eligibility of Animals were discussed with the Committee's recommendation that the following requirements be deleted from the Association Rules, Part 3, Section II, Rule 2:

"B. A calf sired by a bull less than nine months of age at the time of service shall not be eligible for registration.

C. A calf produced by a heifer less than 18 months of age at the time of calving shall not be eligible for registration."

The suggested rule change was approved by the Full Board with the second reading to be held at the March, 1988, meeting of the Board of Directors.

Angus Productions, Inc.

Fiscal year 1987 is closing very successfully. August and September were slightly ahead of budget which has contributed to the positive bottom line.

Two other areas of discussion were the *Angus Beef Bulletin* and Special Services. The *Angus Beef Bulletin* was mailed the first week of September with eight pages of advertising, all from the western section. However, this first issue was sent nationwide, plus a copy to every breeder with an *Angus Journal* autumn sale date for their possible future advertising needs.

The *Angus Beef Bulletin* will also be available at the booth in Louisville, and each delegate will have one at their table during the Annual Meeting.

The Special Services Division has acquired many new sale catalogs this fall, along with the repeat business. The increased business is directly due to the positive relationship of this office between breeder and sale management, a competitive pricing structure, and the ability to service the account.

Certified Angus Beef

Reports were given regarding the National Certified Angus Beef Conference held in Colorado in August.

The Board approved hiring a person to develop an Interim Supply Development Project for CAB. This individual will work with packers, feeders, and producers in helping meet supply needs for the CAB program.

The budget for 1988 was approved.

Discussion was held on U.S. Patent & Trademark Office's refusal to register the three word phrase "Certified Angus Beef." The Board voted to defend, if necessary, the Certified Angus Beef name under both common law and truth in advertising law.

New Business

The next scheduled meeting of the Board of Directors will be held at the Executive West Hotel, Louisville, Ky., at 7 p.m. on Saturday, November 14, 1987.

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