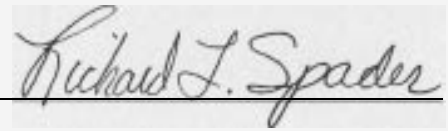


# Lead In



**Executive Vice President,  
American Angus Association**



**H**ow long have you been in the registered Angus business? If it's more than 14 years then you are an old timer, based upon figures just compiled by the Association's electronic data processing department.

This is about twice what most people in the registered beef cattle business generally believe. For years it was said that the average registered beef cattle producer had been in business for only seven years.

One reason for this was a survey the American Angus Association conducted in the mid 1970s. At that time we asked all life members who were put on "inactive" status (hadn't registered a calf in three years) how long they had been in the registered Angus business. Their answers averaged seven years. In other words, the people going out of business have lasted an average of seven years, but the average Angus breeder has been in business nearly twice that long.

What we found, when we asked our computer a few questions this year, is that of the 10,518 members who registered cattle during the 1990 fiscal year, the average member had been in business for 13.2 years. In fact, nearly 15 percent of the people who registered cattle last year had been in business more than 25 years, and 5.5 percent had been in business 35 years or more.

When we look at people who have registered cattle at least once during the past three years, we find that the average member in this category has been in the Angus business for just more than 12 years. And, some 4.2 percent of these people have been in the business 35 years or more.

But there is another side to the registered Angus business. The figures show that a high percentage of people who get into the registered business don't last long. We took a look at two groups of members: those who joined the Association in 1971, just before the big market crash, and those who joined in 1981, when prices for registered Angus were generally on the upswing. We figured new members would drop out a lot faster in 1971 than in 1981. We were a bit surprised at what we found.

Of the members who joined in 1971

nearly 21 percent registered cattle only that first year, and not again. Nearly half of those who joined in 1971 (49 percent) were out of the business after three years, and nearly 85 percent had dropped out after 10 years. On the other hand, four percent were still in business last year, some 20 years after they joined the Association.

What about those who joined in 1981 when things were looking up? More than half (54.2 percent) lasted four years or less. But 15 percent were still in business registering cattle after 10 years.

Why do so many people get in and out of the business so quickly? What we have found in the past is the large majority who don't last long simply decide that the registered business isn't for them. They don't like the paperwork, or the years it takes to build up a market for their seedstock.

Another thing people told us in the 1970s was they could make just as much money with commercial cattle as registered, so they simply stopped registering them. Either people don't start with the right kind of cattle for a registered operation, or they simply aren't able to market them effectively. One thing is sure, marketing is a much bigger factor in a registered cattle operation than it is in a commercial business.

There are some things that all of us can do better to get new members off to a better start. It's important to sell people cattle that will perform up to the buyer's expectation. Following up after a sale to make sure the new breeder understands how to record cattle and what marketing options are open to them, such as Association sales, would also help.

But more than likely, despite our best efforts, we will see a high percentage of new members drop out early. A lot of people who get into any activity — from high school band to lifetime careers — do an about-face and try something else.

Regardless, we in the Angus business are a group of experienced producers of seedstock. We have been in the business for an average of 12 to 14 years, and 25 to 35 years isn't unusual. We have the experience to back up our claim of ...ANGUS — The Business Breed.

