

# Board Action

Highlights of the Sept. 11-12, 2002, meeting of the American Angus Association Board of Directors

*Pursuant to notice, the meeting of the American Angus Association Board of Directors was called to order in the boardroom of the American Angus Association in Saint Joseph, Mo., Sept. 11-12, 2002. The following officers and directors were present: Leroy Baldwin, president; Steve Brooks, vice president; Joe Elliott, treasurer; Keith Arntzen; Leo Baker; Jim Bradford; Minnie Lou Bradley; Ben Eggers; Mark Gardiner; Jot Hartley; Paul Hill; Jay King; Brian McCulloh; Lowell Minert; Abbie Nelson; Dave Smith; and Richard Tokach.*

## EXECUTIVE COMMITTEE

A committee consisting of legal counsel, staff and Board members was appointed to study the feasibility of adopting a rule addressing both unethical and unprofessional behavior and conduct displayed by exhibitors and members at shows.

## ACTIVITIES COMMITTEE

Staff reported on the 2002 North American International Livestock Exposition (NAILE) in Louisville, Ky. Randy Daniel of Colbert, Ga., has been confirmed to judge the Roll of Victory (ROV) show and has selected Frank Jackson of Bentonville, Ark., as the associate judge.

The following people were selected as nominees for 2002 Angus Heritage Foundation induction:

- Lyle Haring — Iowa
- Dave McMahon — Arkansas
- Ray Woodward — Montana
- W.J. Harrer — Montana (Deceased)
- The National Western Livestock

Committee approved the American Angus Association's request to include cow-calf pair classes in the junior show. Expected progeny differences (EPDs), ultrasound rib fat and rump fat measurements and weights on the bulls and females will be given to the judges the day of the respective shows. Bill Conley will be the judge and Doug Slattery the associate judge for the open Angus shows at the National Western Stock Show (NWSS).

The 280-day age specification in the cow-calf classifications was reviewed. The committee approved wording change of the cow-calf classifications calf's age to read:

*(Show classifications for Jan. 1 through July 14) Cow-calf classes ... Calf must be the cow's most recent natural calf and be born Sept. 1, or after.*

*(Show classifications for July 15 through Dec. 31) Cow-calf classes ... Calf must be the cow's most recent natural calf and be born Jan. 1 or after.*

The 2003 Western Regional Junior Angus Show, along with the Western National Angus Futurity (WNAF), will be changing to a two-day show schedule to be held in Reno, Nev., on April 26-27.

The committee voted to weigh bulls at the National Junior Angus Show (NJAS).

The committee also decided to review requests for regional preview status an additional year in advance.

The following requests were unanimously approved as regional preview status for 2003:

- ▶ Mid-Atlantic Junior Angus Classic — Virginia
- ▶ Nebraska
- ▶ Atlantic National
- ▶ Northwest — Idaho
- ▶ All-American Angus Breeders' Futurity — Louisville, Ky.

North Dakota's request to hold a regional preview was approved for 2004.

The request by the Western States Angus Association to host the 2004 Western Regional Junior Angus Show at Reno, Nev., was also approved.

The request from the Western States 2001 NJAS Planning Committee to host the 2005 NJAS in Denver, Colo., was also approved.

In the future, exhibitors in junior shows will be required to wear tucked-in, collared shirts while in the showring.

## FINANCE COMMITTEE

The committee reviewed the financial reports for the 11-month period ending Aug. 31, 2002. The cash balance on the

consolidated financial report is \$3,089,000. The investment portfolio of \$10,332,000 consists of government and agency notes, money market accounts, bank certificates of deposits, bond mutual funds and stocks managed by Chase Investment Counsel Corp. The total of all assets is \$20,717,000. Long-term liabilities include notes payable of \$424,500 and accrued personnel commitments of \$716,000. The net income for the period is \$2,362,000.

The committee adopted the proposed budget for the fiscal year ending Sept. 30, 2003. The budget has total revenues of \$7,872,500; total expenses of \$7,821,700; and an excess of revenues over expenses of \$50,800.

## PUBLIC RELATIONS COMMITTEE

The Kansas City Business Marketing Association (BMA) recently honored the Association with two advertising awards.

The 2002-2003 national advertising campaign was presented. A continuation of

the "Black Hide" campaign includes five single-page ads that feature bulls, females, Beef Record Service (BRS), Certified Angus Beef LLC (CAB) and Southeastern producers.

A breeder advertising kit is in production and will be available to breeders by Oct. 1.

Posters featuring "The Color of

Money" headline have been produced and have been made available to members. A mailing to auction barn managers is scheduled to go out soon. It will include the poster and information about AngusSource. Other means of distribution were also discussed.

Updated media schedules were distributed and staff briefed the committee on additional funds that had been included in the advertising budget for regional promotion in the southeastern United States.

Staff reported on the summer intern program. A media kit for the NJAS was developed and was successful in generating local media interest.

Staff briefed the committee on publicity

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that had been completed for summer shows and events and reviewed year-to-date publicity numbers.

Staff compiled a literature review of all Association promotional pieces for the committee's review. Current ad response was reviewed and ideas to increase response were discussed.

### BREED IMPROVEMENT COMMITTEE

An overview of the Association's historical relationship with ultrasound processing and the National Centralized Ultrasound Processing (CUP) Laboratory and Technology Center was presented, as well as requests received by the Association from three new laboratories, each seeking approval from the Association to accept ultrasound interpretations from their labs. Discussion centered on the rationale for accepting data from multiple laboratories vs. continuing to accept image interpretations solely from the National CUP Lab.

Discussion points included the following:

- ▶ The Association's significant research funding of the ultrasound concept, through the grant phase to Iowa State University (ISU), had permitted the staff to observe and play a part in the evolution of this process.
- ▶ Staff's interfacing and interaction with the National CUP Lab has resulted in a joint effort by the lab and Association staff to identify and work through start-up issues and other problems.
- ▶ The National CUP Lab has, as a result of this interaction over time, a clearly defined protocol that has evolved to offer both the Association and our breeders a level of consistency and predictability for image interpretation.
- ▶ A single lab, especially when it is one that the Association has not only funded through research grants, but worked with over the years to develop a protocol and process that we are now comfortable with, gives the Association and its breeders the additional assurance that:
  - There will be uniformity in the protocol for image interpretation;
  - There will be no confusion or resulting bias that one lab's interpretations are more favorable or more negative than another's; and
  - The concept of a single lab, fundamental to our original concept of

centralized ultrasound processing at the time we began funding, will remain in place.

Discussion culminated in the decision to continue for the present time to accept only those ultrasound interpretations processed by the National CUP Lab.

Protocol was reviewed and approved to implement the plan for adjustments to the sire EPD accuracy values. Sire accuracy values for birth, weaning, milk and yearling weight traits will be held at 0.85 until data submitted from the three largest contributing herds makes up less than 50% of the total progeny data submitted on that sire. The new accuracy adjustments will be applied to the spring 2003 National Cattle Evaluation (NCE).

A review of the requirements for structured sire evaluation approved by the Board at the February 2000 meeting, and then amended at the June 2000 meeting, was evaluated. A synopsis of how these amended requirements would affect the carcass progeny data being submitted was reviewed. Following discussion it was decided to change the "Requirements" for Structured Sire Evaluation to now read as "Recommendations" for Structured Sire Evaluation.

The committee considered a request submitted by a state Angus organization that an informational forum be held in conjunction with the American Angus Association Annual Meeting in Louisville relative to the Angus derivative concept. Following discussion, the request was deferred to the full Board.

### COMMERCIAL & INDUSTRY RELATIONS COMMITTEE

Last July, EPD updates were mailed to all affiliate buyers who had an Angus bull transferred into their ownership in the past two years. It was decided to continue the updates on an annual basis, to be mailed following the spring edition of each year's sire evaluation.

The National Beef Cattle Evaluation Consortium is organizing a genetic evaluation project for commercial ranches and is interested in cooperating with the BRS. John Pollock, Cornell University, is organizing the pilot project at Bell Ranch in



New Mexico. The Consortium has requested that BRS Online serve as the Web-based data collection service for this pilot project. After data from the project is submitted to the BRS, it can be sent to Cornell for analysis and future in-herd genetic evaluation. The Association will cooperate with the Consortium on the Bell Ranch Project on a two-year basis.

Several changes have been made to the American Angus Association's commercial cattle listing service. Formerly known as ARCNet (Angus Resource Clearinghouse Network), the service has been renamed AngusSource. A weekly update of feeder calf and Angus-influenced sale listings will also be e-mailed to feedyards and other buyers during peak calf runs. Interested buyers can access [www.AngusSource.com](http://www.AngusSource.com) to sign up for the weekly update. The committee suggested implementation of a site enabling Association members to submit their customers' AngusSource listings. Staff will coordinate this project, which will likely be accessible through the Member Logon feature of [www.angus.org](http://www.angus.org).

### MEMBER SERVICES COMMITTEE

Several new Web site enhancements have been completed. The ARCNet Web site was renamed AngusSource. Besides the new name for the Web site, programming was implemented to allow buyers to sign up for a weekly e-mail that will list cattle added to the site during the past week.

A new feature was added to the Member Logon Web site called 'EZ Registration' where members have quick entry registration for calves with Angus Herd Improvement Records (AHIR) weaning data already turned in.

A new Web site was developed to allow bull tests to enter their bulls and print an ultrasound barn worksheet to use at scanning time.

Staff reported that the AIMS 2.2 upgrade continues to be successful. Since the upgrade, two patches have been released via the Internet. Ongoing development continues. It was also reported that two workshops will be held in Louisville in November.

Staff reported on the options for listing nonhomozygous black animals that carry the E+ allele at the MCR-1 loci, commonly referred to as the Wild Type Color Allele. Animals with this genotype are not true red carriers, but they can produce red progeny. The committee approved the creation of a new category under Genetic Factors named Wild Type Color Gene and to amend the rules accordingly.

This action adds the following language

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to Section VII Rule 4 e. (page 38) of the March 2002 *Breeder's Reference Guide*: "B. Wild Type Color gene."

This action will also add the verbiage "B. Wild Type Color gene" to the Genetic Factor section of the application for Artificial Insemination (AI) service certificates. The statement, "WT — Wild Type Color Gene" will be added to the Suggested Terms and Conditions under the genetic defect guarantee section in paragraph 3 on page 26 of the March 2002 *Breeder's Reference Guide*. The letters "WT — Wild Type Color Gene" will also be added to the Performance Registration Certificate in the Genetic Defect or Genetic Factor Codes section. The letters WT will follow the registration number of any animal that is a carrier of the Wild Type Color gene when listed on a Performance Registration Certificate. Please see item 10 on page 17 of the current *Breeder's Reference Guide* for an example of the Genetic Defect or Genetic Factor Codes section of the Performance Registration Certificate.

The Animal Genetics Laboratory at Ohio State University will not do DNA tests after Jan. 1, 2003. The committee instructed staff to interview and recommend a new provider for approval at the November Board meeting in Louisville, Ky.

The committee unanimously ratified the \$50 additional fee for cell-clone transplant registrations.

The committee passed a motion to modify the current rule on cell-clone transplants to require DNA typing of the cell-clone transplant prior to application for registration.

Paragraphs 2 and 5 of the amended Rule 5 (B) Cell-cloned transplants now read as follows:

2. The cell-donor animal and the cell-cloned animal must be DNA-marker-typed.

5. DNA-marker-typing of the recipient dam may be required by the Association.

The committee approved a motion to proceed with the development of Angus Information Management Software (AIMS) Ranch Hand using in-house resources.

### ANGUS FOUNDATION

The American Angus Association has commissioned a new painting by artist Frank C. Murphy. Prints will be made to be signed and numbered by the artist as a fundraiser for the Angus Foundation. An art book of all the paintings commissioned by the American Angus Association is currently in production and will also be sold to raise funds for the Angus Foundation.

The Angus Foundation will increase the scholarships for 2003 by \$5,000. This additional money will add three \$1,000 scholarships for a total of 18 \$1,000 scholarships. In addition, the top two scholarships will be increased to \$3,500 each.

A heifer donated by Whitestone Farm of Aldie, Va., is headlining the 2003 Angus Foundation Heifer Package. The heifer is Eila Eila 755P of Whitestone. She is a Feb. 20, 2002, daughter of DHD Traveler 6807 and Eila Eila of Conanga. The heifer is a full sister to Connealy Dateline. The package will also include insurance from American Live Stock Insurance, transportation from Lathrop Livestock Transportation, a flush and implantation provided by TransOva genetics, Ivomec® provided by Merial and an AIMS software package.

The elections for the 2002-2003 Board were then held with the following officers and Board members elected:

President: Abigail Nelson

Vice President: Keith Arntzen

Secretary/Treasurer: Richard Wilson

Board Members: Paul Hill, Dave Smith, Jay King.

### CERTIFIED ANGUS BEEF LLC

The financial reports for the period ending Aug. 31, 2002, were presented. They highlighted the increased sales and cost-cutting measures that had been implemented, resulting in a balanced budget.

The president's report was presented and the Board was updated on acceptance rates and sales by each division. It appears total sales for the year will be around 540 million pounds (lb.) — approximately 5 million lb. more than last year.

Staff reported on the continued growth of *Certified Angus Beef*® (CAB®) Prime product and value-added products (up 25% for the year).

The proposed budget for fiscal year (FY) 2003 was presented. The budget reflected an increase of approximately \$1.7 million in revenue with additional expenditures in the areas of cooperative marketing, sales incentives and the brand-building campaign.

### ANGUS PRODUCTIONS INC.

Angus Production Inc.'s (API's) financial and budget reports for the period ending Aug. 31, 2002, were presented. API has a year-to-date total revenue of \$4,477,096.66 and expenses of \$4,411,677.24, for excess revenue over expenses before nonoperating charges of \$65,419.42. An income tax adjustment of \$21,408.00 results in a net increase of \$44,011.42.

The proposed budget for FY 2003 was presented. The proposed budget is projecting total revenue of \$5,267,100 and total expenses of \$5,267,100. The committee accepted the budget for FY 2003 as presented.

Chairman Brooks opened a discussion from the June 2002 API Board meeting



► "Apple Blossom Time" by Frank C. Murphy.

regarding the establishment of two reserve funds that would enable API to meet future financial needs.

The committee approved a motion to establish a reserve to fund the estimated cost of the post-retirement health benefit to employees of API. The initial balance in the post-retirement fund shall be the amount of the estimated cost of the benefit on Sept. 30, 2002, rounded up to the nearest \$10,000.

The committee also approved a motion to establish a capital replacement fund to provide for investment in new technology, upgrades in technology and other capital needs. Staff was directed to use his discretion as to the amount of and timing to fund the reserve, pending cash availability at the close of the fiscal year.

Regular advertising pages in the *Angus Journal* are down 95 pages, or 4.7%, compared to the same period last year. Sale book pages in the *Angus Journal* have increased by 17 pages for a total of 1,353 pages for the same period.

The Land Stewardship Award program had three nominees. This year's winner is Llangollen Farms of Middleburg, Va. They will be recognized at the Annual Banquet in Louisville, Ky., and in the November issue of the *Angus Journal*. General Manager Terry Cotton recognized three Angus producers for being honored at the summer Cattle Industry Convention. Jim Bradford of Brad Z Ranch in Guthrie Center, Iowa, and Armstrong Farms in Saxonburg, Pa., are regional nominees for the NCBA Environmental Stewardship Award. Minnie Lou Bradley, Memphis, Texas, is a regional nominee for NCBA's Vision Award.

The Board reviewed API's current policy on reporting estimated EPDs in the *Angus Journal*, *Angus Beef Bulletin* and Web pages. The policy was amended to include the Web Department. The policy now reads:

*"Angus Productions Inc. will use their reasonable best efforts to publish the most current EPDs in Angus Journal and Angus Beef Bulletin advertising, Angus catalogs, Web pages and other promotional materials prepared by API.*

*"EPDs will be values that are generated by the current practices utilized by the American Angus Association Performance Programs Department, including calculated values that would normally appear on an animal's Performance Registration Certificate, Angus Performance Pedigree, and an AHIR*

*performance summary or on the American Angus Association's Web site."*

## **OTHER BUSINESS**

Responding to a specific request from a state association, the Board also took up discussion on and then voted to conduct an informational forum at the upcoming meeting in Louisville on the subject of the Angus derivative concept. The forum will be informational in nature. It will first explore what such a program could entail and then weigh its potential impact and implications.

Participants selected to address the membership will be asked to discuss both the perceived problems and the perceived benefits of such a concept. In order to allow the membership and the Board time in which to react to such a presentation, the Board also agreed to defer any further consideration of the concept until June 2003.

## **NEXT BOARD MEETINGS**

1 p.m., Nov. 16, 2002 — Louisville, Ky.

3 p.m., Nov. 19, 2002 — Louisville, Ky.

