



Board Action

► Highlights of the Sept. 11-12, 2003, 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, Saint Joseph, Mo., on Sept. 11-12, 2003. The following officers and directors were present: Steve Brooks, president; John Crouch, executive vice president; Joe Elliott, vice president; Keith Arntzen, treasurer; Leo Baker; Gregg Blythe; Minnie Lou Bradley; Bill Davis; Ben Eggers; Mark Gardiner; Jot Hartley; Paul Hill; Jay King; Abbie Nelson; Robert "Bob" Schlutz; John Schurr; Dave Smith; and Richard "Dick" Tokach. Highlights of the meeting follow.

ACTIVITIES COMMITTEE

The following people were selected as nominees for 2003 Angus Heritage Foundation induction: Leroy Baldwin, Ocala, Fla.; T.J. Cawood, Cleveland, Tenn.; Robert Long, Amelia Island, Fla.; and Orin James, Sr. (deceased), formerly of Cameron, Mo.

The American Breeders' Futurity was approved as a Roll of Victory (ROV) Show for 2004 and 2005.

The following requests to host a regional preview junior Angus show were approved:

- 2004 Southwest Regional Preview Junior Angus Show, hosted by the Texas Junior Angus Association
- 2004 and 2005 Mid-Atlantic Junior Angus Classic, Harrisonburg, Va.
- 2004 and 2005 Atlantic National, Timonium, Md.
- 2004 and 2005 American Angus Breeders' Futurity, Louisville, Ky.
- 2004 Northwest Regional Preview in Prineville, Ore.
- 2005 Northwest Regional Preview in Washington

The request to host the 2005 Western Regional Junior Angus Show made by the Western States Angus Association was approved.

No requests have been received for hosting the 2005 Eastern Regional Junior Angus Show.

The request by the Indiana Angus and junior Angus associations to host the 2006 National Junior Angus Show (NJAS) in Indianapolis, Ind., was approved.

Judges for the 2004 eastern and western regional junior Angus shows, NJAS, and the National Western Junior Angus Show were chosen.

A new rule to govern conduct in the showing for those shows for which the Association appropriates funds toward the payment of premiums was approved. Such rule would create a new Rule 10 to Section IX of the Association's rules. That section relates

to shows. The new rule, effective immediately, provides:

Exhibitors (which, as used herein, shall include owners, their representatives and employees) shall act in a sportsmanlike and professional manner in the showring. Judges and show officials shall be treated with courtesy and respect. Exhibitors shall not engage in or direct any abusive, threatening or obscene conduct toward judges, show officials or other exhibitors.

The committee revised General Rules, Section 1, Rule 4 of the NJAA Information Packet. This rule expands those individuals eligible to file a complaint as it relates to the possession of cattle being exhibited in junior shows under the management of the American Angus Association.

A new rule was approved for junior shows managed by the American Angus Association concerning the use of aerosol cans while fitting cattle in the line-up area. This new rule, effective immediately, provides:

The use of products in aerosol cans in preparing an animal for showing will not be permitted once the animal enters the line-up area for the show. The use of these products in the line-up area will result in the animal being dismissed and not being allowed to show.

BREED IMPROVEMENT COMMITTEE

Final results from the carcass value index project were discussed. Potential steps to implement the use of the Feedlot Value (\$F), Grid Value (\$G) and Total Beef Value (\$B) were presented. A motion was passed to proceed with the implementation of Total Beef Value, creating a single, breed-based value using current industry-relevant components. Also, the development of an interactive Web-based tool with user-defined variables would be made available. The release of Total Beef Values is scheduled to appear in the Spring 2004 Sire Evaluation Report.

A decision was made to develop a reproduction value that could be used in concert with the Total Beef Value, with the goal of generating a net merit value encompassing all industry segments.

The committee reviewed a letter submitted by a breeder requesting modifications to the Pathfinder Dam program qualifications that would allow cows to be moved to different calving seasons. No action was taken.

PUBLIC RELATIONS COMMITTEE

Staff presented the committee with the elements of the Association's 2003-2004 national advertising campaign. Print ads and advertorials, radio spots, posters, and breeder advertising materials were reviewed. A motion was approved for staff to consider additional ways to promote the AngusSource program and prepare a detailed proposal, including initiatives and costs, for consideration by the Board at the November meeting.

In executive session the Board considered a request for the Association to establish a program to honor veterans at the Annual Meeting in Louisville, Ky. A motion was passed that no action be taken to amend the current Angus Heritage Foundation policy to accommodate this request.

The 2002 Annual Report was honored with a first-place award in the Livestock Publications Council (LPC) critique contest, and the black hide national advertising campaign print series of ads was given a first-place award by the Kansas City Business Marketing Association for excellence in business-to-business advertising.

FINANCE COMMITTEE

The committee reviewed the financial reports for the 11-month period ending Aug. 31, 2003. The cash balance on the consolidated financial report is \$2,863,000. The investment portfolio of \$11,861,000 consists of government and agency notes, money market accounts, bank certificates of deposit, bond mutual funds and stocks managed by Chase Investment Counsel Corp. The total of all assets is \$22,903,000. Long-term debt includes \$522,000 for accrued health benefits for retired employees and \$162,000 for the deferred compensation

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liability. The net income for the period is \$2,991,000.

The committee voted to establish an administration and donor-relations fund for the Angus Foundation. The commitment is to contribute \$100,000 per year for the next 10 years, subject to annual review by the Association Board. Any unpaid portion can be unilaterally cancelled by the Association at any time. This pledge is subject to the availability of cash, and the Association shall solely determine if such cash is available. The initial contribution will be \$200,000 to be paid in fiscal year (FY) 2003.

The committee approved the budget for FY 2004. The budget has total revenues of \$7,942,600, total expenses of \$7,929,600 and excess of revenues over expenses of \$13,000.

MEMBER SERVICES COMMITTEE

Staff reported on the issues for the possible electronic nomination of and voting for delegates. Discussion followed. No action was taken.

The committee discussed the desirability of expanding beyond the current practice of using tattoos as the primary means of identifying animals. A motion passed approving the following:

That the rules of the Association be amended to substitute the words "permanently identified" or "permanent identification" in lieu of the words "tattoo," "tattooed," "tattoo marks" or other similar "ear tattoo" references where the word "tattoo" establishes a basis for a given rule;

That the phrase "permanent identification" be defined in the rule to include the specific forms of permanent identification that will be recognized by the Association; and

That staff present the implemented changes to the Board of Directors at its November 2003 meeting for final approval.

A motion passed to implement a no-print registration paper option and the ability to electronically transfer a no-print registration.

James Reecy, Iowa State University, Ames, reported on the research for development of a DNA test for dwarfism. Reecy reported that samples are currently at the lab for genotyping. In regards to the quality of these samples, they have been genotyping well. The tests being run are expected to provide markers on every chromosome. At the end of the testing process, each sample will have approximately 20 times the markers of a normal DNA test for parentage.

COMMERCIAL & INDUSTRY RELATIONS COMMITTEE

In response to a request during the June 2003 meeting of the American Angus Association Board of Directors, the committee revised the procedure for distributing expected progeny difference (EPD) updates to Association affiliates. The spring EPD updates (mailed to affiliates who had at least two bulls transferred into their ownerships in the last three years) will be supplemented with a fall mailing to affiliates who purchased one bull during a similar time period. This will offer a wider distribution of information to small, mid-sized and large commercial herds using registered Angus bulls.

The new AngusSource tagging program (see www.angussource.com) was initiated on Aug. 6, 2003. It was noted that 2,260 tags have been ordered since the program's inception, and 320 cattle have had "marketing profiles" created.

Association members can use AngusSource as a service to their commercial customers wishing to better document the origin, genetics and management processes of their Angus-influenced feeder calves or replacement females at marketing time.

A project to consolidate duplicate Association affiliate (formerly "nonmember") codes in the Association database will soon be completed. Association members are encouraged to use their customer codes (in addition to names and addresses) when transferring animal ownership. A list of an individual member's past customers and affiliate codes may be found on their AAA Login accounts (www.angusonline.org) under the "Customer Address List" option.

CERTIFIED ANGUS BEEF LLC

Richard Wilson and Brent Eichar, Certified Angus Beef LLC (CAB) senior vice president, presented the financial reports for the period ending Aug. 31, 2003. Eichar reported strong product sales resulted in income exceeding budget, with expenses on track, resulting in a positive bottom line.

Jim Riemann, CAB president, shared a very positive outlook for cattle certified. Sales for FY 2003 are expected to exceed the budget of 580 million pounds (lb.).

Riemann summarized the various marketing activities throughout Dallas, Texas, and Saint Louis, Mo., and began a discussion of the opportunity for the program to produce a "natural" line of products produced without use of hormones or antibiotics. Several Board members expressed their support of the initiative, along with positive comments they had heard from licensees at the annual conference regarding

the potential for a *Certified Angus Beef*® (CAB®) "natural" product.

Under old business, Riemann reported that the possible resolution of a trademark infringement suit that had been filed by the LLC was proceeding positively.

Mark McCully, assistant vice president, reported on the various sales initiatives being pursued to grow CAB sales in FY 2004.

The proposed FY 2004 budget was approved as presented in executive session.

ANGUS PRODUCTIONS INC.

The Angus Productions Inc. (API) Board approved a proposed API budget for FY 2004. It includes \$5,263,200.00 in total revenue and \$5,194,100.00 in total expenses for excess revenue over expenses before non-operating charges of \$69,100.00.

The API Board approved a new advertising option for the *Angus Beef Bulletin*. The new option is described as a 2x3-inch classified advertisement to be paged in an Angus Seedstock Directory section. The proposal included contract pricing at \$360 per year, with classified advertisers becoming eligible for the discount rate on other display advertising in the *Angus Beef Bulletin*.

The Board approved a plan presented for expanding circulation of the *Angus Beef Bulletin* to 100,000 to assist in fulfilling the Association's and API's long-range goal of expanding communication of the Angus message to commercial cattlemen. The plan includes purchasing a mailing list of 71,000 producers owning 50 cows or more. API will mail sample issues of the *Angus Beef Bulletin* with a requestor card to those on the list. Those responding would be added to the *Angus Beef Bulletin* mailing list.

A list of delinquent accounts (past due 120 days or more) was distributed to the Board for consideration. The Board approved the following policy for handling delinquent accounts in the future:

Effective Dec. 1, 2003, any account or accounts that are unpaid in excess of 120 days from the payment due date will be placed on a "prepayment status." Prior to the breeder or account doing any further business with API, they must: (1) Pay all past due amounts, and (2) Prepay for any subsequent service(s). The prepayment period will extend for a minimum of 12 months from the date the delinquent account or accounts were settled. At the end of the 12 months, the account or accounts will then be evaluated for potential removal from the "prepayment status."

ANGUS FOUNDATION

The Board approved the hiring of a director of development for the Angus Foundation.

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A reception for all donors to the Angus Foundation will be held in Louisville, Ky., during the Annual Meeting of the American Angus Association.

Angus Art At The American Angus Association, a book featuring the artwork commissioned by the American Angus Association, will go on sale in Louisville. Keith Evans and Frank Champion Murphy will be available in Louisville to sign copies of the book. It is being sold for \$20, plus \$5 shipping and handling.

Abbie Nelson, Angus Foundation president, appointed a committee to assist with the marketing of the Angus Foundation Heifer Package.

The 2004 Angus Foundation Heifer Package includes BT Everelda Entense 51N out of the famous BT Everelda Entense 65J cow and Twin Valley Precision E161 bull. She is a Jan. 19, 2003, heifer donated by Beartooth Ranch, Columbus, Mont. The package also includes insurance from American Live Stock Insurance; trucking from Lathrop Livestock Transportation; a flush and implantation of three embryos by TransOva Genetics; Ivomec® provided by

Merial; an Angus Information Management Software (AIMS) package from the American Angus Association and a banner ad from the API Web Marketing Department.

The 2004 officers and directors for the Angus Foundation were elected as follows: Paul Hill, president; Dave Smith, vice president; Richard Wilson, secretary-treasurer; Jay King; Bill Davis; and Bob Schlutz.

NEXT BOARD MEETING

Nov. 15 & 18, 2003, in Louisville, Ky.

