

President's Perspective Q&A

Steve Brooks speaks about his tenure as a member and an officer on the American Angus Association Board of Directors.

by Shauna Rose Hermel

Q What was the hardest thing to get used to as a new director of the American Angus Association?

A I was a little bit intimidated. You have no history, and there were some hard decisions to make right from the start. Some people were outspoken on different sides. You had to sit and listen.

The first meeting I was at, we were trying to put two more people on the Certified Angus Beef (CAB) Program Board. After about three hours of debate, they said, 'Let's go around the table, and we'll give every one of you two or three minutes to say what you think.' Cecil McCurry, John Curtin and I were hit cold. It was hard to make a decision either way right off, because it wasn't something that was out in the world or something to do with performance or shows. It was a structure decision. Those have been the hardest ones.

Q What have been some of the biggest challenges you have faced as a Board member during your eight-year tenure?

A Restructuring the CAB Program into a limited liability company (LLC). Working through the leadership changes when Mick Colvin retired and when Dick Spader died were also challenging. And the Angus derivative thing was a real struggle.

Q How long did you sit on CAB's Board?

A I've been on it all eight years, and I was chairman for two. By about the second Board meeting I attended, Bob Hillier had gone to work for Monfort Inc. That was

considered a conflict of interest, so he had to get off. Because of my carcass work, Ralph Bridges, the president then, asked me if I'd fill out a one-year term. I've been on it ever since.

Q The Association and CAB have disagreed as to the effect of other Angus brands that have entered the marketplace. CAB wants to avoid consumer confusion and protect the quality image of beef labeled Angus. Yet, many of the other branded programs have been initiated by Angus members. To a certain degree, they all create demand for Angus genetics. You've sat at the helm of both organizations. How do you balance the needs of one vs. the other?

A It's tough. I always stood the CAB side until about the last two years. I finally said, 'You know, we have to have a different philosophy, because only 18% of these cattle are making *Certified Angus Beef*® (CAB®), so we need those other brands.' The main goal of CAB is to sell more Angus bulls. Those other brands are a big part of it.

On brand awareness, after 25 years and the pounds we're selling, we should be able to go head-to-head with other brands and have some consumers who know the difference. Maybe we'll never get there at the retail level, but at the restaurant and steak house level, I think the people who own those businesses understand it so well now that they aren't going to switch.

Q Do you think there is a point where we will saturate the high-quality market?

A We've talked about that a lot for the last three or four years. At what point do we become a commodity if you get too much of it around? It's sure possible, but it hasn't happened yet.

Q Would it be a good thing?

A It would be for the beef industry, because it woke people up to the fact that higher quality sells, and consumers will come back and eat it more. If we want beef consumption to go up, we have to change the whole industry to that perspective. When you get down to it, we can add more to the commercial cattleman's pocketbook by increasing U.S. beef consumption 15 pounds (lb.) per capita than by any other means. And yet we know, as a breed, we're maybe the only ones who can do that.

Q Looking at what's facing the Board and the industry in general, what challenges do you think Angus leaders and Angus members have to address?

A They are going to have to take some fat off the carcasses, whether through management or genetics. A lot of it is just an education process, which supply development is working at pretty hard.

And we're getting to a point where the nation's cow herd is becoming so black, and people want to use hybrid vigor. We've been growing by taking market share away from other breeds; that's about over.

Q Other breeds are advertising the need for heterosis. How do we counteract that?

A We just have to keep doing stories. And the sale ring is going to tell them a lot. You know, these straight Angus calves — if we can help document that that's what they are, and they're not black something else — they're going to bring more. We already see it. Angus heifer calves that have a reputation are bringing steer prices. And when they have a commercial cow sale in this country, the Angus cows are always \$100 higher than anything else except maybe black baldies once in a while. People just don't want to buy anything else.

Table 1: Core strategies, American Angus Association

1. Achieve Angus excellence through information
2. Increase beef demand with Angus equity
3. Identify and implement relevant technologies
4. Optimize resources
5. Create opportunities

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Q Does most of that go back to the dollar value of Angus at the end market?

A I think it's just that they are so problem-free. Commercial cattlemen don't want horns, they don't want prolapses, and they don't want bad udders.

A lot of it is the calves they get out of them. If they want to crossbreed, just about any breed works on Angus. Calving ease is a big thing in this country. They've had a lot of problems with the exotic, or percentage exotic, cattle. Some of it is weather, but they blame it on birth weight.

Q Do you think commercial cattlemen would want to keep straight Angus if they had the tools to make the same genetic progress as purebred Angus producers do?

A I think so. I've seen it happen around here. You know how I caught hell when I said you could beat hybrid vigor with our database, but I firmly believe that. I've seen it in commercial herds. There are people who quit crossbreeding and bought the right Angus bulls, and their weaning weights went up 50 lb. They all told me I was crazy when I told them that would happen, but they were bragging about it after it happened.

They get paid on uniformity. With some crossbreeding systems, the calves don't look as uniform.

Q The Board and staff went through a round of long-range planning sessions this spring and summer. Were you satisfied with the results?

A I thought it was great. It was the third one I've been through, and this was way better than what we've had before. These two facilitators got more people in the room involved. And they took more time where you just sat down and talked.

A lot of the good ideas and good discussions, since I've been on the Board, have been at night after we quit and were out of the parliamentary procedure-type setting. People sit and talk, and the next morning it comes out in the boardroom the way it should have been.

Q Rather than developing new ones, the facilitators reviewed the mission and goals set three years ago and concentrated on helping the Board and staff develop initiatives and actions necessary to accomplish five core strategies (see Table 1, page 177). Did you like this approach?

A Yes. I think coming out of this one we were a lot more focused on our customers. My goal from Day 1 has been to have as many people out there working with commercial customers as we have regional managers working with purebred producers. We need somebody to connect the right cattle to the right feedyards and get the data flowing back and forth. And it's started since I've been on the Board. Supply development has been doing a lot of it, but I think we're going to get a lot more focused yet — focusing more on recordkeeping.

The AngusSource program we just created through the Commercial Programs Department offers a lot of promise. It gives our commercial customers a way to document these good genetics and processing strategies, so maybe they can get a better premium for their calves because they are at least half Angus and not just black. People are looking for the right kind of cattle. AngusSource offers ways to identify Angus genetics, ranging from the low-tech AngusSource tag to the Internet-based feeder and replacement heifer finders.

We just need to get out there and get calves tagged and put some steam behind the program.

Q Do we need more people in supply development?

A Either that, or we need twice as many regional managers so they can spend half their time working with commercial people. I think either can do it, but it takes money. You can only do so much, but if we could add another person every year or two ...

I just see so many cattle that the genetics are right, but the management is wrong. And it goes all the way from vaccinations to the ration they are fed and the implants they are given. Supply development has done a lot for opening some eyes. They've done a good job on the feedlot level, but now it needs to get back to the cow-calf man.

Educating our members through programs such as this summer's Boot Camp can enable those members to take on some of the responsibility. In the short term they may have to be the ones who will take it to their customers, and we are seeing more and more of that all the time. But we need to set up a system with regional people who can help make the deals, weigh the cattle and make sure the right number of cattle get on the truck.

Q Are there any points that you want to get across to members?

A I think that a lot of our members take our services for granted. If they stepped into one of these other breeds, and some of them have, they'd find we provide a tremendous opportunity to promote these cattle and select them. We offer members a lot of services that they wouldn't get anywhere else — the turnaround time on registrations; the amount of data; Internet access to the Association, Angus Productions Inc. (API) and CAB. It's why the breed is going so strong. Plus, we have a lot of outstanding breeders, too, who are on the cutting edge. But they wouldn't be there if they didn't have the services.

Q Of the programs the Association has now, which ones offer the most opportunity to members who are willing to grasp them? And what holds the most promise for the future?

A I still think AHIR (Angus Herd Improvement Records). We wouldn't be where we are if it weren't for AHIR. The sheer amount of data that we're getting gives Angus members an advantage, and it's better than the other breeds because there is so much artificial insemination (AI) and so many cross-references to tie it all together. That has really pushed us ahead.

For the future, we need research and technology to select genetics better than we do now. I think we can come up with more expected progeny differences (EPDs) like the new Feedlot (\$F), Grid Value (\$G) and Total Beef Value (\$B) indexes to make EPDs more understandable and useful for our commercial customers.

At our last Board meeting, we directed staff to start working on a reproductive index that will include traits like fertility and longevity. There's been a lot of talk about the cow still having to be sound and have a good udder. Some of the AI studs are addressing that with their scoring systems. It'd be great if we could include measurements for it in our sire summary, and maybe that's something we'll go to next. You can pick now on paper how cattle are going to grow and what they are going to weigh and how they're going to be on the rail. But some of these other functions, you can't do on paper yet. We should be able to do it all on the computer to where you wouldn't have to look at them.

Q One of the fundamental services of the Association is to increase the

value of the registration paper and to encourage more members to transfer the papers to their bull and female buyers. What do you think the biggest hurdle is in getting more people to do that?

A Well, they say it's AI certificates, but I don't know. Some of the individuals making money off selling AI certificates aren't following through and registering and transferring the papers on bulls they sell — even out of their own sires. I try to explain to members the importance of transferring the paper and that, with programs such as AngusSource, we're going to start tracking these commercial cattle by the registrations of their parents to start documenting the value of the Angus in the pedigree.

And I explain everything the Association does for you. AHIR data is pretty important to seedstock suppliers marketing bulls. But the AHIR data processing is getting subsidized by the people registering calves. We're charging \$3 to process AHIR data. Last time they figured it up, it was costing \$4.80 to process them.

Over the years I've had people buy bulls private treaty who always say, 'I don't need that registration paper,' almost like they think you're going to give them \$25 off. I always transfer them and send it to them anyway. I bet I've had five different customers that pulled in three or four years later with that paper in their hand, and they'd say, 'This is the last bull I got. What should I use on his daughters?' They do keep it and look at it and use it. Some of them keep the sale books and some don't; but they'll usually keep that registration paper, and they'll file it. And they look back and use it.

Q What's maybe one of the most rewarding parts of being on the Board?

A I think the people I've met. And we've had some really good years, even one year we were expecting a down budget and it ended up being one of the best years we ever had. And it wasn't just in the Association — it was API and CAB, too. Although there've been hard decisions, they have all been good years, financially and growth-wise, and sales for breeders have been good.

Q What was the hardest part of being a director and officer for eight years?

A The tough part at my age was that I missed a lot of things that my girls (daughters Cassi, Calli and Skeeter) had

Table 1: Highlights of Board activity during Steve Brooks' tenure on the Board of Directors of the American Angus Association, 1995-2003

- ▶ Restructuring of the Certified Angus Beef (CAB) Program Board
- ▶ Restructuring of the CAB Program as a limited liability company (LLC)
- ▶ Expansion of the CAB office in Wooster, Ohio
- ▶ Mick Colvin's retirement and the subsequent hiring of Jim Riemann as CAB president
- ▶ Creation of the Supply Development Division and opening of the CAB satellite office in Manhattan, Kan.
- ▶ Creation of the Feedlot-Licensing Program (FLP)
- ▶ Federal registration of the phrase *Certified Angus Beef*® and CAB®
- ▶ CAB's suppliership to the 2002 Olympic Winter Games in Salt Lake City, Utah
- ▶ Dick Spader's death and the subsequent hiring of John Crouch as executive vice president of the Association;
- ▶ Creation of the Commercial Programs Department and initiation of the department's services, including Angus Beef Records Service (BRS) and AngusSource
- ▶ Preparation of the database to go through Y2K (Project RODEO)
- ▶ Establishment of body composition expected progeny differences (EPDs) based on ultrasound
- ▶ Implementation of the Total Beef Value (\$B) index and setting the course for development of a reproductive index
- ▶ Completion of three long-range planning sessions for the American Angus Association
- ▶ Initiation of the process of bringing the Angus National Cattle Evaluation (NCE) in-house, including the hiring of Doyle Wilson and Sally Dolezal
- ▶ Completion of the new wing of the headquarters office to house an expanding Angus Productions Inc. (API)
- ▶ Expansion of the *Angus Beef Bulletin* to reach a greater number of Angus customers with more information about Angus cattle and how to manage them to meet breed targets

Notes fellow Board member Richard "Dick" Tokach, "Our September 2003 Board meeting could go down as one of the most significant meetings in Association history. We approved the Total Beef Value Index, freeze-branding as a means of permanent identification, paperless registrations and transfers, and expansion of the *Angus Beef Bulletin*. Plus, we approved a number of items to move the Angus Foundation to a higher level. Steve's strongest support can be found for giving members more information, better services and laying the groundwork for the future."

going on — sports and speech contests and things like that. That's the really hard part.

Q What do you want people to remember you for as president of the American Angus Association?

A I'd like to think that when things came up controversial, I always tried to look at both sides of it and was as open-minded as I could be. Even though I felt strongly one way when I came into a Board meeting, I listened to the issues of the other side, and I was willing to change my mind if I felt they were right. And I don't think I created any enemies doing it.

Q Would you do it all over again?

A Yeah. It's the most rewarding thing I've ever done. I've been on a pile of boards, but I've never been on one that was run like this. Everything is so professional. If you want the minutes from 11 years ago, they're there. We dug some minutes out from 1906. It's all there. We have a lawyer sitting in on our meetings, and everything is done right.

I guess I've probably learned as much as I've added. Maybe more.

