

# BOARD ACTION

## Highlights from the September Board Meeting

*The following is a review of the topics discussed and action taken during the Sept. 7-10, 2021, meetings of the American Angus Association Board of Directors in Saint Joseph, Mo.*

### Breed Improvement Committee

Staff provided an Inventory enrollment update showing that as of Aug. 2021, 972 members have enrolled 121,328 females.

The committee directed staff to explore options for adding a young sire nomination component to the structured sire evaluation. Staff will also explore options for working with those who currently collect carcass records.

Staff presented an update for age of dam and age of calf adjustments currently in use. Based on research findings, updates to both age of dam and age of calf adjustments would provide more accurate adjusted birth and weaning weights. It was the consensus of the committee that staff proceed with the updates.

### Commercial Programs Committee

An overview of AngusLink<sup>SM</sup> enrollments was given. Through July enrollments for AngusLink were up 22%, and the program is experiencing strong growth in all process-verified program (PVP) categories. Enrollments continue to be more prevalent in the Western

United States and in the Northern Plains, with growth occurring in the Southern Plains.

The committee discussed the alliance model between other entities and the AngusLink program. It was the consensus of the committee these alliances enabled us to expand the reach of the program, all entities would be allowed to participate if they met the requirements and the programs would be nonexclusive.

### Communications and Public Relations Committee

The committee discussed next steps with the Powered by Angus<sup>SM</sup> program and national ad campaign, including a breeder-use program of the logo to visually represent registered Angus bulls and differentiate those animals from generic Angus bulls.

The committee reviewed the results of the summer Lunch and Learn series and discussed future topics of interest to the membership and beef industry.

### Events and Education Committee

Mark Ahearn moved, seconded by Jonathan Perry, to approve revisions to the current standard classifications.

The motion was unanimously approved.

Chuck Grove moved, seconded by Jonathan Perry, to approve Grand Island, Neb., for the 2023 National Junior Angus Show (NJAS). The motion was unanimously approved.

Jonathan Perry moved, seconded by Alan Miller, to approve the judges slate for the 2022 Western Regional Junior Angus Show. The motion was unanimously approved.

Chuck Grove moved, seconded by Jonathan Perry, to approve the judges slate for the 2022 Western Regional Phenotype and Genotype Junior Angus Show. The motion was unanimously approved.

Jonathan Perry moved, seconded by Mark Ahearn, to approve the 2022-2023 Roll of Victory (ROV) judges list. The motion was unanimously approved.

The committee created a judges list for the 2022 NJAS.

Alan Miller moved, seconded by Jonathan Perry, to change the National Junior Angus Association (NJAA) owned cow-calf pair rule, eliminating the requirement the calf at side must be bred and owned. The motion was approved with three (3) in favor, one (1) opposed.

## Finance and Planning Committee

Total assets on the consolidated financial report are \$85,216,000, consisting of current assets of \$20,310,000; investments of \$54,543,000; property and equipment of \$9,741,000; and non-current assets of \$622,000. Current liabilities are \$8,950,000 consisting of accounts payable, accrued liabilities, Small Business Administration (SBA) loan liabilities (PPP loans) and deferred income. Long-term liabilities of \$1,840,000 consist of deferred compensation and accrued health insurance benefits. Consolidated net income for the period ending July 31, 2021, is \$14,631,000.

Projections of the financial results for the fiscal year that will end Sept. 30, 2021, were presented for the Association and its subsidiaries and affiliate.

Staff presented the proposed budget for the American Angus Association for Fiscal Year (FY) 2022, which has projected revenues of \$17,013,000; expenses of \$17,012,000; and non-operating income of \$510,000, resulting in a budgeted bottom-line net income of \$511,000.

This includes net investment income of \$550,000. It was noted this was the first time in recent history a balanced budget without the use of investment income has been approved. Alan Miller moved, seconded by Barry Pollard, to recommend approval of the 2022 budget for the American Angus Association. The motion was unanimously approved.

The committee discussed funding of the current renovations occurring at the Association headquarters. The committee discussed using funds previously designated and set

aside for this purpose within the investment reserve portfolio. Barry Pollard moved, seconded by Jim Brinkley, to recommend the project be funded out of operating cash and to make the necessary reduction to the investment portfolio designation related to building improvements. The motion was unanimously approved.

The committee reviewed the codes of conduct for directors and employees.

## Member and Affiliate Services Committee

An update was provided regarding staff changes within the Member Services department.

Staff presented the Genome Edit Policy for review and discussion. Mick Varilek moved, seconded by Richard Dyar, to present the policy to the Association Board of Directors for additional discussion. The motion was unanimously approved. See *American Angus Association section*.



## Angus Foundation

A financial report was presented. Total assets as of July 31, 2021, were \$26,106,000, and consisted of current assets of \$481,000 and investments of \$25,625,000. Current liabilities were \$52,000 consisting of accounts payable and accrued liabilities. Long-term liabilities of \$23,000 consisted of accrued health insurance benefits. Net income for the period ending July 31, 2021, was \$2,653,000.

A proposed budget for FY 2022 was presented. Alan Miller moved, seconded by Jim Brinkley, to approve the financial report and the FY 2022 budget. The motion was unanimously approved.

The Angus Foundation Board welcomed Josh Jasper, the new Foundation Director of the National Junior Angus Association (NJAA). Josh introduced himself and shared the impact of Angus Foundation grants on junior Angus programs.

The Board discussed the landscape and potential for further trade school scholarships and the role of financial need in the Angus Foundation's scholarship program.



A financial report was presented. Total assets as of July 31, 2021, were \$1,900,000 and consisted of current assets of \$1,308,000, investments of \$504,000, fixed assets of \$77,000, and non-current assets of \$11,000. Current liabilities were \$1,013,000 consisting of accounts payable, accounts payable intercompany and accrued liabilities. Long-term liabilities of \$12,000 consisted of accrued health insurance benefits. Net income for the period ending July 31, 2021, was \$582,000. A proposed budget for FY 2022 was presented. James Coffey moved, seconded by Mick Varilek, to approve the financial report and FY 2022 budget. The motion was unanimously approved.

Staff provided updates on genomic testing, ongoing work to validate potential haplotypes affecting fertility, research agreements and proposals, and outlined upgrades taking place to GeneMax® Advantage. Staff also provided an update on sustained cow fertility research, reporting AGI is on target with the timeline discussed at the June 2021 Board of Directors meeting. An update on this project will be presented to the membership at the 2021 Angus Convention.

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**ANGUS MEDIA<sup>SM</sup>****Angus Productions Inc.  
d/b/a Angus Media**

A financial report was presented. Total assets as of July 31, 2021, were \$3,495,000 and consisted of current assets of \$1,954,000; investments of \$900,000; fixed assets of \$463,000; and non-current assets of \$178,000. Current liabilities were \$1,411,000 consisting of accounts payable, accounts payable intercompany, accrued liabilities and deferred income. Long-term liabilities of \$255,000 consisted of accrued health insurance benefits. Net income for the period ending July 31, 2021, was \$848,000. James Coffey moved, seconded by Jonathan Perry, to approve the financial report. The motion was unanimously approved.

A proposed budget for FY 2022 was presented. Jonathan Perry moved, seconded by James Coffey, to approve the FY 2022 budget. The motion was unanimously approved.

Staff offered highlights of activities year-to-date that had been explored in greater detail by video prior to the meeting.

Staff presented an overview of Angus Media's editorial efforts, focusing on success of the publications and efforts to expand on the digital front with audio, video and website efforts.

Industry liaison Bob Bruner shared thoughts to close out his term on the API Board.

**Certified Angus Beef  
(CAB) LLC**

The brand remains in a strong financial position with revenue expected to be up 2.3% over budget and travel down 18% with an expected bottom line of \$758,000

before investment earnings.

Dave Hinman moved to approve the financial report as presented; the motion was seconded by Barry Pollard and passed unanimously.

Mick Varilek moved to approve the 2022 proposed budget as presented; the motion was seconded by Chuck Grove and passed unanimously.

The Board continues to stay abreast of the Beef x Dairy market segment and its impact on the brand. This segment continues to drive value for registered Angus bulls with Angus market share growing significantly over the past few years. Additionally, this segment may provide opportunities to capture valuable data on carcass merit, health, male fertility and other important traits.

In maintaining a leadership position in the branded-beef marketplace and responding to consumer and end-user demands, CAB has begun collaborating with Ducks Unlimited to explore sustainability initiatives to establish working grassland stewardship projects for Angus ranchers.

A strategic plan was reviewed for CAB that will direct the brand in the future with initiatives to increase supply, drive sales, cultivate loyalty, become invaluable, brand to win, and grow and diversify revenue.

It was reported while foodservice partners are still dealing with COVID-19 and labor issues, brand sales are on pace to post one of the best years in history.

**American Angus Association**

Respected feedlot veterinarian Kee Jim from Feedlot Health Management and GK Jim

Group Companies presented on future opportunities for genetic improvement and the Angus breed.

President Dal Porto reported the minutes of the June 7-10, 2021, regular Board of Directors meeting were approved in OnBoard on July 20, 2021.

A financial report for the Association was presented. Total assets as of July 31, 2021, were \$27,105,000, and consisted of current assets of \$4,423,000; investments of \$18,560,000; and fixed assets and goodwill of \$4,123,000. Current liabilities were \$3,454,000 consisting of accounts payable, accounts payable intercompany, accrued liabilities, deferred income and SBA Loan Liability. Long-term liabilities of \$813,000 consisted of deferred compensation and accrued health insurance benefits. Net income for the period ending July 31, 2021, was \$3,598,000. Barry Pollard moved, seconded by Alan Miller, to approve the financial report. The motion was unanimously approved.

A proposed budget for FY 2022 was presented. Chuck Grove moved, seconded by Jonathan Perry, to approve the FY 2022 budget. The motion was unanimously approved.

The Board approved committee reports as follows:

- Breed Improvement Committee: motion to approve report by Mick Varilek, second by Alan Miller, unanimous approval.
- Commercial Programs Committee: motion to approve report by Jim Brinkley, second by Jonathan Perry, unanimous approval.
- Communications and Public Relations Committee: motion to approve report by James Coffey, second by Gerald Theis, unanimous approval.

- Events and Education Committee: motion to approve report by Mike McCravy, second by Chuck Grove, unanimous approval.
- Finance and Planning Committee: motion to approve report by Chuck Grove, second by James Coffey, unanimous approval.
- Member Services Committee: motion to approve report by Dave Hinman, second by Gerald Theis, unanimous approval.

Discussion continued on the competitive landscape of genetic evaluation and the importance of driving value for the registration paper.

An update regarding the 2021 Angus Convention in Fort Worth, Texas, was provided.

As recommended by the Member Services Committee, there was extensive discussion regarding the Gene Edit Policy. Darrell Stevenson moved, seconded by Gerald Theis, to approve the policy as presented. The policy is set forth below.

**Rule 104: Animals eligible for registration**

**f. Gene edit policy.** (As adopted Sept. 10, 2021) Registration applications submitted to the American Angus Association (Association) that possess an intentional genomic alteration (IGA) produced by genome-editing will be subject to the following policy. To be eligible for registration, the IGA and/or animals possessing it must initially be approved by the agency or agencies responsible for overseeing livestock genome-editing. Secondly, IGA registration applications will be subject to review and approval by the Association Board of

Directors, who will consider factors including the impact of introducing the IGA into the purebred Angus population. This approval process may also include direction from the scientific community and related industry perspective at the time the application is reviewed. Lastly, in the sole discretion of the Association Board of Directors, the Association reserves the right to deny registration to any genome-edited animal or descendant that fails to provide sufficient benefit or advancement of the Angus breed.

**Registration** — Members submitting an IGA registration application must comply with all current Association rules for registration. Additionally, all animals resulting from genome-editing must be parent-verified qualifying to both sire and dam. The member applying for registration must provide documentation describing the IGA introduced and the proposed functional difference the IGA creates in the genome-edited animal and confirm the IGA is present and functional in the subject animal.

**Designation** — Tracking the genome edit within the Angus population will occur with the following designations. GEF or GED will appear in the name of all genome-edited animals. GEF will indicate genome-edit founder, and GED will indicate genome-edit descendant.

**Pre-approved edits** — Edits to the genome pre-approved by the Association Board of Directors will be listed and made available to the membership.

**Imports** — Registration

of an animal with an IGA originally recorded in a herd book recognized by the Association and imported into the Association herd registry shall be accepted, only if details associated with the specific genome edit(s) have been disclosed. Additionally, imported registrations must comply to all current Association rules and policies associated with registrations, import registrations and genome editing.

**Fees** — A separate fee set by the Association Board of Directors will be assessed to each genome-edited registration application with any approved IGA.

It was reported Barry Pollard has been elected to serve as the Association's Treasurer for 2022.

Barry Pollard moved, seconded by Alan Miller, to approve the following four procedural documents for the Annual Convention of Delegates:

- (1) Order of Business.
- (2) convention procedures.
- (3) election procedures.
- (4) a memo from the Board of Directors to the delegates and alternate delegates.

The motion was unanimously approved. The documents will be sent to delegates and alternate delegates prior to the Annual Convention of Delegates.

Chuck Grove moved, seconded by James Coffey, to approve a resolution to elect Larry Gossen to serve a three-year term as an Industry Representative on the Board of Directors of the Angus Foundation. The term will begin Nov. 8, 2021. The motion was unanimously approved.

Darrell Stevenson moved,

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seconded by Barry Pollard, to approve a resolution to elect Mike Johanning to serve a three-year term as an Industry Representative on the Board of Directors of Angus Productions, Inc. The term will begin Nov. 8, 2021.

Alan Miller moved, seconded by Mike McCravy, to approve Larry

Kuehn to serve as an industry liaison to advise the Boards of the Association and subsidiaries. The motion was unanimously approved.

Jonathan Perry moved, seconded by Mick Varilek, to approve a resolution to amend the Operating Agreement of Certified Angus Beef to allow the current Industry

Representative to serve a fourth three-year term. The motion was unanimously approved.

Jonathan Perry moved, seconded by Dave Hinman, to approve a resolution to elect Dwight "Kip" Palmer to serve a three-year term as an Industry Representative on the Board of Directors of Certified Angus Beef. The term will begin Nov. 8, 2021. The motion was unanimously approved.

Mick Varilek moved, seconded by Barry Pollard, to nominate Jerry Connealy to serve as the Association's President and Chairman of the Board of Directors for 2022. The motion was unanimously approved.

Jonathan Perry moved, seconded by Alan Miller, to nominate Chuck Grove to serve as the Association's Vice President and Vice Chairman of the Board of Directors for 2022. The motion was unanimously approved.

President Dal Porto appointed Jerry Connealy, Chuck Grove and Barry Pollard to serve on the Nominating Committee to propose slates of candidates for the Boards of Directors of the Angus Foundation, Angus Genetics Inc., Angus Productions Inc., and Certified Angus Beef.

## Next regular board meetings

Nov. 5 and 8, 2021, Fort Worth, Texas. [AJ](#)

*Editor's note: Officers and directors in attendance Sept. 7-10, 2021, for the meeting of the American Angus Association Board of Directors, convened in Saint Joseph, Mo., were: David Dal Porto, president and chairman of the Board; Jerry Connealy, vice president and vice chairman of the Board; Chuck Grove, treasurer; Mark Ahearn; Jim Brinkley; James Coffey; Richard Dyar; Dave Hinman; Smitty Lamb; Mike McCravy; Alan Miller; Charles Mogck; Jonathan Perry; Barry Pollard; Darrell Stevenson; Gerald Theis; and Mick Varilek.*

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The first calf we put a coat on was this three-year-old cow's, calf that she pushed into a mud hole. Happened later in the evening so we brought them into the barn and dried the calf off then slipped it into a coat. We figured it was going to get off to a slow start and the coat was going to be good for him. He weighed 101 lbs. That coat lasted a day under five weeks. (Picture one is at birth and picture two is him at four weeks with the coat on.)

Overall we liked the coats, could see benefits for these calves that didn't start out the best. Within a few weeks they were caught up in weight to the other calves that didn't have any issues. All of the coats were easy to put on and fit well, with the exception of the small calf. But do fit a good range of sizes. Of the coats that we put on three of the cows mothered up good. The two that didn't it was no fault of the coat. The cows didn't want the calf prior to putting it on. And with a couple hours of separation they were looking for a calf. And didn't mind the calf having the coat on."

**Tel Menard, Montana**