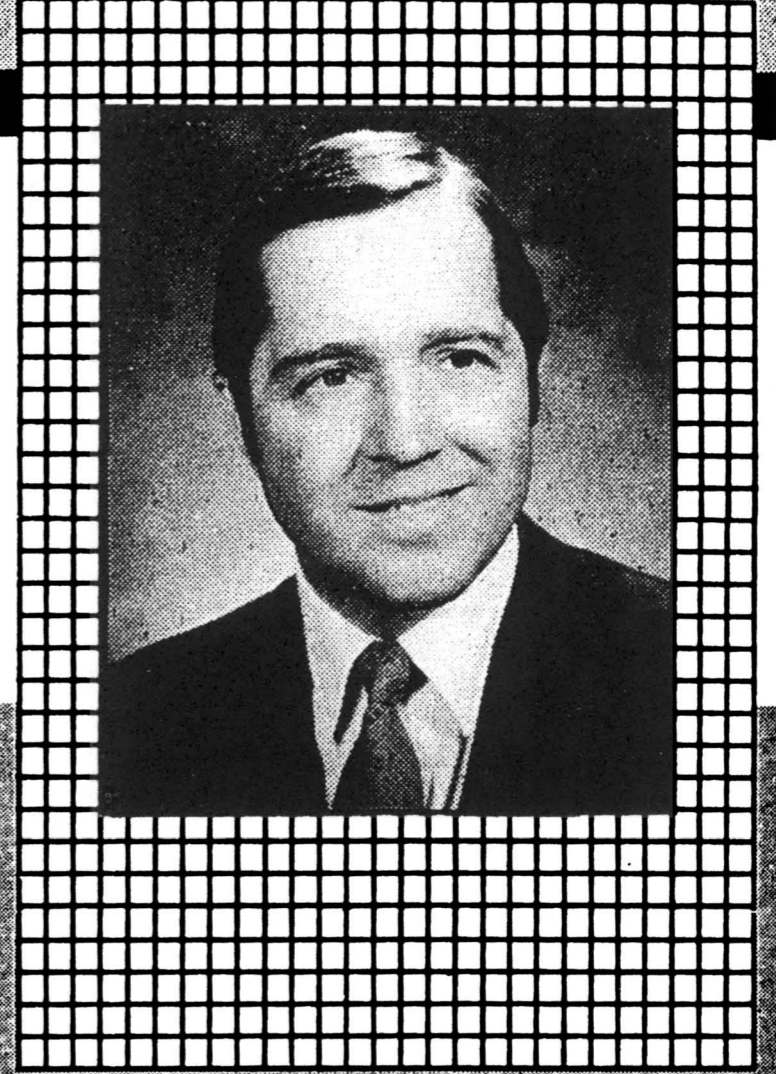


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Richard L. Spader

Executive Vice President, American Angus Association



Those of you involved in the American Angus Assn. for a decade or so prior to 1959 know what it feels like to experience solid, across the board, annual growth in American Angus Assn. statistics. During this period the number of registrations and transfers processed by the Association increased every year.

It just so happens I joined the American Angus Assn. in 1969. That year the number of registrations dropped for the first time in more than a decade. And through the ensuing years, although we did experience some up periods a couple of times, the general trend in nearly all Association statistics was down. So for me, and for many others who are members of the American Angus Assn., Fiscal 1987 is unprecedented.

During the year our organization chalked up increases in every department—registrations, transfers, new members, A.I. Service Certificates, CAB sales, and auction price averages. More complete figures are printed in Association Highlights, so I won't repeat them here, but the percentage increases are as follows: Registrations up 5.8 percent; Transfers up 7.4 percent; New Members up less than 1 percent; A.I. Service Certificates up 11.7 percent and though CAB sales and auction price averages will be up, we don't have the figures at the time this is written.

During this long period of consolidation in the Angus business, and in many other areas of the cattle business, your Association has maintained a solid base. We have remained a fiscally sound, strong organization that many consider to be the best beef breed association in the world. Certainly during this time we have made impressive strides forward. We have developed a sound, progressive, extremely

useful performance records program. We have published and distributed more National Sire Evaluation Reports than any other breed association and laid the groundwork for reporting all performance records information in Expected Progeny Differences (EPD). In fact, it should be a reality by the time you read this message.

Your Association purchased the *Angus Journal* in 1978 and turned it into a profitable subsidiary of the American Angus Assn. The *Journal* helped us maintain the largest, most talented and best trained staff of Regional Managers in the country. The *Journal* also allowed the Association to provide excellent communications with our members at a very economical price. What you pay for the *Angus Journal* is less than the cost of the blank paper and postage. Everything printed on the paper is, in effect, free.

During the 1959-1986 period, and in spite of budget cuts, we have produced award-winning, effective advertising, promotion and public relations programs. When other breeds were virtually forced to eliminate their advertising programs, we aimed strong Angus selling messages at our biggest source of customers—commercial cow-calf producers. The Association also maintained strong activities and junior activities programs. New features like the National Junior Angus Assn., junior recognition, the summer job program and others have been added.

Less than a decade ago the Association funded startup of the Certified Angus Beef program. That was a bold step at a time when revenue was shrinking and some people in a position to know advised the Board of Directors that such a program could never pay its way. Today, you know the results. The Certified Angus

Beef program is growing at an extraordinary rate and is providing a growing market and valuable promotion for Angus cattle. It has paid back all of the initial investment and then some.

Probably most important, members of the Association have made tremendous genetic change and progress in their herds. Most people in the beef industry agree there has been more positive change in the Angus breed in the 1970s and 1980s than in any other beef breed.

All of which means that this year's upward trend was no accident. It is something that thousands of people have worked to achieve for a couple of decades or more. No one knows, of course, whether we are on the threshold of another period of solid growth and expansion of the Angus breed, but it certainly seems possible. In fact, many people not directly associated with Angus cattle have expressed their optimism to me about the Angus breed and the things that our members have accomplished over the years.

I share this optimism and look forward to working with you to produce succeeding years of growth and positive Angus accomplishment for the breed, its members and for the American Angus Assn.

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