



Richard L. Spader
Executive Vice President

Growth portends profits ahead

The growth experienced by the American Angus Association in 1984 came precisely in the areas that portend expansion for the Angus breed and increased profits for Angus breeders in the years ahead.

For the fiscal year ended September 30, the number of AHIR birth, weaning and yearling weights reported by members to the American Angus Association was up more than 10 percent for the year. This kept alive, despite economic recession in the cattle business, a nearly unbroken string of successive years of increased AHIR records use by members of the American Angus Association.

The second significant growth area was in the Certified Angus Beef program. Within the past 12 months the program began to fulfill the promise that its supporters have long envisioned. In March 1984, CAB production hit a one-month high of one million pounds for the first time in the 6-year history of the program. In contrast, it took nearly two years from the time the program was started to produce a cumulative total of a million pounds. For the entire 1984 fiscal year,

8.3 million pounds of Certified Angus Beef were produced, a more than 500 percent increase over the 1.6 million pounds produced in 1983. From California to New York and Singapore to Tokyo, consumers are enjoying the outstanding flavor and quality of Certified Angus Beef. And, the numbers become larger every day.

The importance of these two factors is obvious. If we continue to breed more efficient, more profitable cattle through the use of performance records, and if we continue to promote an increasingly large amount of Angus beef to consumers we will be able to command top prices for our product—both seed stock and finished cattle—and expand the demand for the right kind of registered Angus.

The year past also saw the American Angus Association support one of the largest advertising budgets in the history of the Association. The message of Angus advantages was presented in print to nearly 90 percent of all cow-calf producers in this country a minimum of five times. Moreover, research conducted the past two years proved that these messages were also read and understood. However, it has not been acted upon as we feel it should.

Research this year convinced us that commercial cattle producers seem to be locked in the jaws of a dilemma. They are using many cross-bred bulls and bulls of exotic and continental breeds in their herds at the urging of "experts," and "coffee shop" researchers. At the same time, they have seen their calf crop percentage drop along with their profits. They seem to understand that they are likely taking the wrong approach to cattle production, but have hesitated to break away.

To encourage a departure from currently accepted standards of cattle production, the Association in 1984 developed a new, unique advertising campaign. This was done by retaining the services of the leading agricultural advertising agency in the world and by commissioning a research program to uncover marketing problems and to point the way to increased Angus sales. The result was the development of the

"elephant" ad campaign that is set to make its debut in November 1984. The campaign is designed to stop people, make them chuckle about the breeding trends in the cattle business, and consider the benefits of using more Angus in their operations.

We can be proud of accomplishments in all areas of the Angus business. The Angus Journal continued to grow and prosper. In 1984 it contained more pages of advertising and editorial than any year since the Association began publishing the magazine.

During the year your Board of Directors approved the purchase and installation of a new computer. It will be put in place over a long weekend in October, and by the first of December 1984, registrations, transfers, and AHIR records will have a one-day turn around time. Information received on a Thursday, for example, will be processed and mailed back to the breeder on Friday. This level of fast, accurate, efficient service is not available to any other producer of registered livestock.

The Board also approved Angus steer registration that may open up new avenues of promotion for Angus cattle, and new markets for Angus breeders. New programs for registered Angus steers are now being developed.

IDEAS '85, our 1984 Angus Leadership Conference was one of the most successful we have ever held. It attracted state and local Angus association leaders from 28 states, plus Canada. It reminded us again of the broad based strength of the Angus breed and the quality of people who make up our grass roots leadership.

Our Junior Activities program continued to involve young people from across the nation in the Angus business. The National Junior Angus Show is the largest show of its kind in the world. We have a strong foundation of young leadership that helps assure the future success of the Angus industry.

Read this 1984 Annual Report carefully. I feel confident that you will be impressed by the strength of the Angus breed and the potential that it possesses for growth and profits in the year ahead.

500 percent growth in Certified Angus Beef

Certified Angus Beef may not yet be a household word in this country, but in 1984 it became a true national program with distributors and retailers in most parts of the United States. In addition, large volume distributors and retailers were signed on that helped boost CAB sales volume to record levels.

Total production of CAB hit 8.3 million pounds in the fiscal year ended September 30, up some 500 percent from the 1.6 million pounds produced a year earlier. Figuring an average wholesale price of \$3 per pound, the value of Certified Angus Beef merchandised during the year was \$24,900,000. Income from the program was up by 288 percent to \$266,924 with expenses at \$251,344 (see financial report).

It was the first full year of production for National Beef Packers of Liberal, Kansas. The size and efficiency of this company and their commitment to

high quality beef added flexibility and depth to the CAB program that allowed the development of larger markets like the 48-store Gristede's account in New York City.

Large volume distributors who were signed on in 1984 include Newport Meat Company of Huntington Beach, California. In September 1984 alone, Newport handled some 96,000 pounds of CAB. Other large distributors, new this year, are Facciola Meats, Palo Alto, California; Lieber Foods, Atlanta, Georgia; Dole and Bailey Inc., Woburn, Massachusetts; Blue Ribbon Packing, Houston, Texas; Texas HRI, Dallas, Texas and Vanclair Meats Limited, Mississauga, Ontario.

Two CAB events made history during the year. The first was the meeting of a meat packer, cattle feeders, commercial cattle producers, registered Angus breeders and officers and staff of the American Angus Association. They met to discuss Phase II of the CAB program that will involve identification of quality commercial feeder cattle, sired by registered Angus bulls, and promoting them to CAB outlets. A pilot identification program will be operated in 1985.

The second trend setting program was the CAB distributors meeting and tour. Representatives from all national distributors of Certified Angus Beef met with owners and managers of Na-

tional Beef Packers in Liberal, Kansas, and toured the packing plant and company owned feedlot. Then they traveled to St. Joseph, Missouri, for a meeting to help streamline distribution and beef up promotion of Certified Angus Beef.

A promotion highlight was a display and promotion booth at the National Club Managers convention in Nashville, Tennessee. It was the first time that the CAB distributors had worked together to promote Angus beef to potential users like top level club managers.

The growth of the program also required staff additions during the year. Tim Hussman was named Assistant Director of the program during the year and Kirke McKean was signed on as summer assistant.

More AHIR weights taken in 1984

More than six out of 10 calves recorded by the American Angus Association also have their weaning weight recorded and reported for the Association's Angus Herd Improvement Records program. This is the extent to which performance records have become a dominant factor in breeding registered Angus cattle today.

This is a far cry from just a decade ago when the 67,390 weaning weights processed represented only about 19 percent of all calves registered, compared to 1964's 61 percent.

For the 1984 fiscal year, 231,574 birth, weaning and yearling weights were processed by the Association, a 10 percent increase over last year. In addition, the number of American Angus Association members who are active participants in the AHIR program climbed by one percent to 1,880. This means that the average breeder on AHIR collected an average of nearly 57 weaning weights during the year.

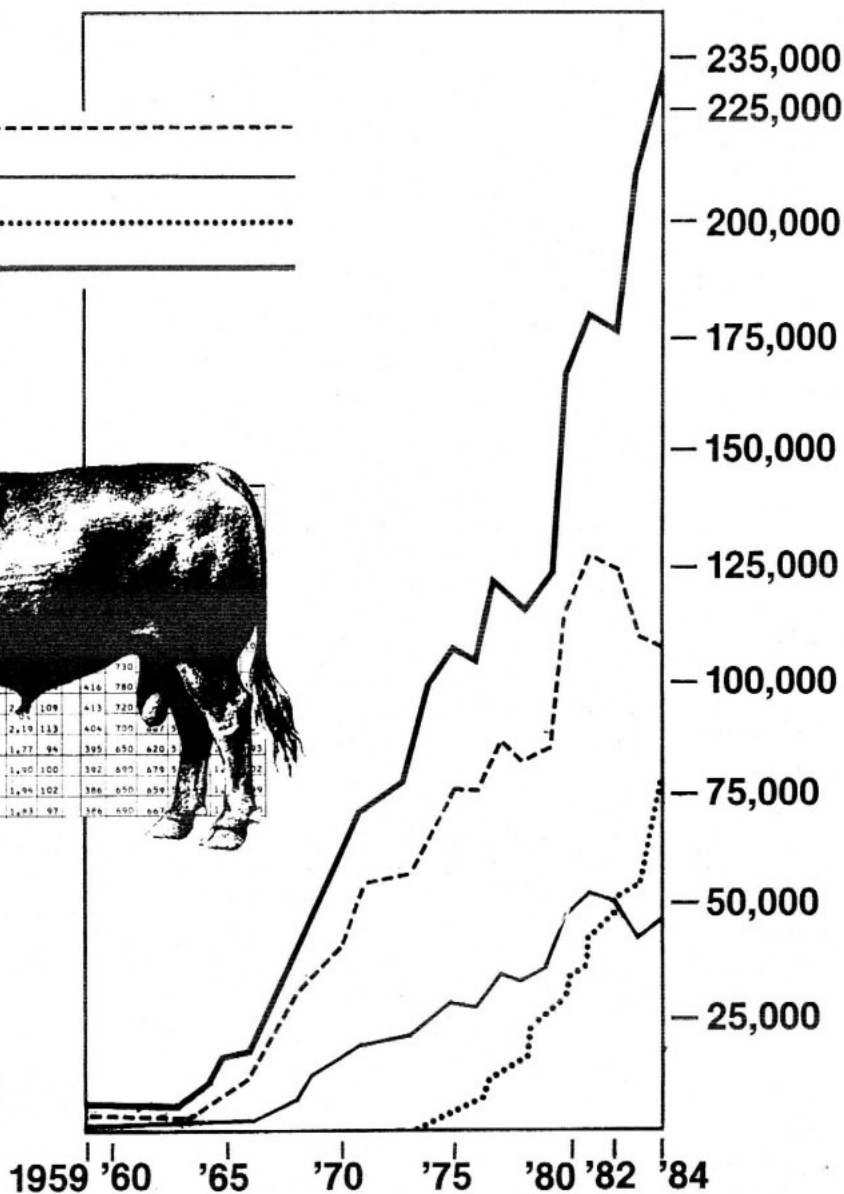
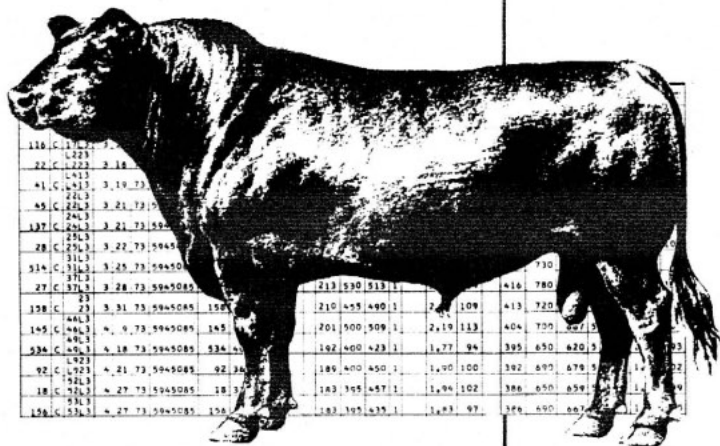
During the year, several improvements were made in the program to make Angus performance records more valuable to breeders and easier to understand and use. They are:

- An Estimated Breeding Value (EBV) is now being calculated for birth

The 48 New York Gristede's markets this year became the largest CAB retail outlet. Vito Aviolla is meat manager.



WEANING WEIGHTS -----
 YEARLING WEIGHTS _____
 BIRTH WEIGHTS
 TOTAL WEIGHTS _____



weight. This has become more important in recent years as the trend to select and use animals with larger mature size brought with it some increase in dystocia. Also, the use of continental breeds by the commercial industry has made producers much more conscious of calving ease scores. The new calving ease EBV will allow members to identify and merchandise bulls that produce easy calving.

•In order to make Sire Evaluation figures much more accurate, a program was developed to take into account the genetic contribution the cow makes to the growth of a calf. This information is used to adjust sire evaluation results to more accurately reflect the genetic makeup of the bulk being evaluated. In short, it means that if a bull is mated to only high performing cows his sire evaluation figures will not be relatively improved over those of a

bull that is mated to average or below average cows.

•Finally, the calving and weaning report form was revised to provide breeders with birth, weaning, yearling and maternal information on each calf processed. The information makes the report much more beneficial to the breeder, particularly since preliminary information on replacement heifer and sale bull selection is made at weaning time.

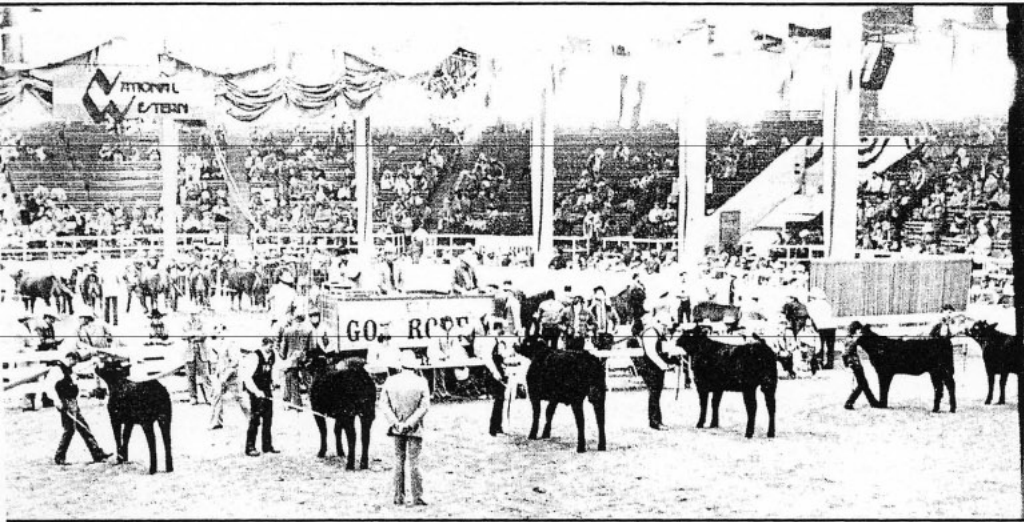
The evolution of performance testing in the Angus business has been one of the major success stories of the American Angus Association. For many years now, the Association has been a leader in the industry with respect to the development, implementation and widespread use of performance records programs. Every effort is being made to ensure that this continues into the foreseeable future.

Shows, events promote Angus

Special activities, sponsored by the American Angus Association, play a big part in the promotion of the Angus breed and education of breeders. The activities, coordinated by the Activities Department, range all the way from arranging special low air fares for members who want to attend the National Western Stock Show, to planning Angus activities at the National Western



Breeders study other operations on Montana Angus Tour.



A capacity crowd jams the arena for the National Western Angus Show in Denver.



Murray Fretz discusses member communication at IDEAS '85, the 1984 leadership conference in St. Joseph.



Art Linkletter laughs at his own story at 100th Annual Banquet in Louisville.

Activities

(continued)

and other shows, and to organizing such events as IDEAS '85, the 1984 Angus Leadership Conference.

The new year was kicked off with the 1984 National Angus Show held at the North American International Livestock Exposition in Louisville, Kentucky. The event was also the site of the 100th Annual Meeting of the American Angus Association. It attracted a large crowd to the show, the annual meeting and the annual banquet which featured humorist Art Linkletter, our guest speaker.

A new program that came out of the Activities Committee of the Board of Directors and the Activities Department in 1984 was the plan to register Angus steers and develop programs for registered Angus steer shows. The first such event will be at the 1985 National Junior Angus Show in Tulsa, Oklahoma in July.

A very special event was the first ever joint meeting of Angus cattle auctioneers and Angus sale managers with

the officers and staff of the American Angus Association. These Angus merchandisers had the opportunity to view the American Angus Association close up and see how it functions, and to meet staff members who seldom travel on Angus Association business. The men also provided valuable insights and suggestions for improving Angus Association programs. Plans call for similar meetings in the future.

The initial 50 members of the new Angus Heritage Foundation were inducted at the 100th Annual Banquet of the American Angus Association in Louisville last November. These men and women both living and dead, have made major contributions to the Angus breed in the United States. Up to five new names will be added to the list each year, and their names will be permanently inscribed on the Angus Heritage Foundation Plaque that hangs in the American Angus Association headquarters.

Working closely with Dean Hurlbut, Director of Activities for the American Angus Association, is the Director of Junior Activities. Consequently another highlight of 1984 was in April when Mark Wyble, a native of Opelousas, Louisiana, was named the fifth Director of Junior Activities.

Advertising increased in 1984

A basic rule of merchandising is that good advertising plays a bigger role in a declining market than it does when sales are expanding. The American Angus Association increased its advertising impact in 1984 despite the continuing recession in the cattle business.

The message of the economic advantages of Angus was carried to the commercial beef industry in 1984 on the back of the largest advertising budget in Association history. One partial result was that the average price of all bulls sold at auction during the fiscal year remained virtually unchanged from 1983, holding at \$1,620 per head compared to \$1,622 in 1983. What's more, despite heavy cow culling by the entire cattle industry, the average Angus female sold at auction in 1984 brought \$1,412, down from last year's all-time record high of \$1,486. These figures look even better when compared with a decade ago, when the average price of Angus bulls sold at auction was only \$1,042 and the average price of females was \$753. Angus breeders deserve a great deal of credit for their individual promotion efforts and for supporting a major national Angus advertising campaign.

Research conducted by the Association with commercial cattle producers during the year showed that the Angus messages were received and understood. The research helped provide the information used to develop a new, unique advertising campaign that will unfold in 1985. The "Elephant" ad campaign is designed to boost the interest in, and sale of Angus cattle.

In addition, the Association's national public relations program continued to reach into all areas of the country at a variety of levels. For example, staff-prepared stories and photographs on the Certified Angus Beef program were carried in packer, restaurant and beef distributor publications in addition to the daily press. Also, the staff worked with the national media and columnists on related stories as well as with the

P.R. counsel for large business who were initiating their own CAB programs.

At the same time, the Department wrote, printed and mailed 31,805 copies of 262 news releases to farm and the general media, along with 34,363 photographs printed in the Association darkroom. These were primarily reports of Association member activities such as shows, field days, meetings, elections of officers and the like. In addition, more than 3,000 individually prepared news releases were sent to the home town newspapers of people who joined the American Angus Association in 1984. Some 100,000 people viewed the American Angus Association's motion pictures. The most popular film, of course, was "The Good Life, Breeding Registered Angus,"

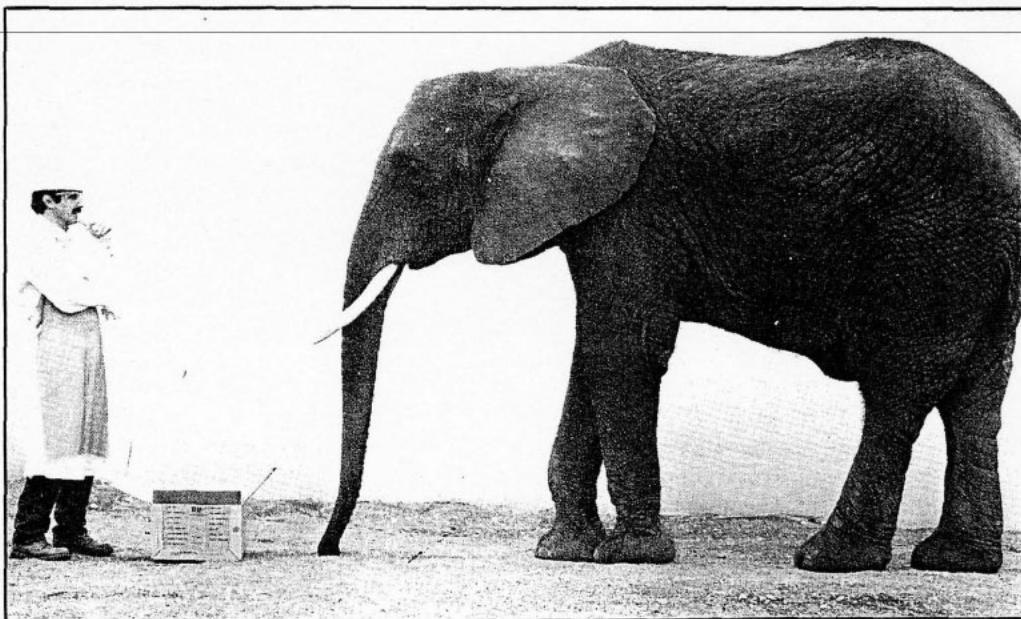
which was only released in September 1983. It was seen by more than 77,715 viewers, plus it was shown twice on television and used by at least five area school film libraries who made video tapes of the movie and do not report this viewership to the Association.

The national advertising and promotion programs continue to provide a strong base for sales of Angus breeding cattle, and Certified Angus Beef. Even better, they lay the foundation for much improved Angus business, when the current cattle business recession comes to an end. If experience tells us anything, it is that bad economic times are inevitably followed by good times, and the organizations that benefit most during a growth period are the ones that promote heavily and effectively during the preceding recession.



A best of NAMA award goes to "The Good Life," the Association's new motion picture. Accepting are producer David McAlister (left) and Association PR director Keith Evans (right).

How to fit an elephant into a beef packer's box is the dilemma dramatized (below) by the new Association advertising program planned in 1984 and set to run in 1985 fiscal year.





Young Association members parade their heifers at 1984 National Junior Angus Show in Columbus, Ohio.



Juniors learn skills in Angus programs.

ing junior Angus programs and young leaders, The National Junior Angus Association named Evelyn Edmunds, Advisor of the Year for 1984. She is the adult advisor to the South Carolina Junior Angus Association.

Making sure that young people have nationally sponsored or sanctioned events in their part of the United States each year is another goal of the American Angus Association junior activities program. In addition to the Eastern Regional Junior Angus Show in Harrisonburg, Virginia, and the Western Regional Junior Angus Show in Reno, Nevada, four states were hosts to Regional Junior Angus Preview Shows in 1984. They were at Springfield, Missouri; Rome, Georgia; Lufkin, Texas; and Caldwell, Idaho.

competition took part in the 1984 National Junior Angus Showmanship Contest.

Young Angus enthusiasts also involved themselves in the political process at the National Show in Columbus, when 63 junior Angus delegates from 32 states elected six new directors to the 12-member National Junior Angus Association Board of Directors. They also ratified a new set of by-laws and set up an advisory board to help establish long range goals for the group.

The chief source of funding for the National Junior Angus Association, The Angus Foundation, got a big boost last January when a heifer donated by Windy Acres Farm, Harrison, Nebraska, along with a package that included semen from top bulls, free transplant services and 30 days of free insurance, sold in Denver at the National Western Angus Sale for \$21,000. The buyer was George Becker, Enderlin, South Dakota, a long time supporter of junior Angus work.

Youngsters become involved in other ways too—by taking part in the Association's summer job program, by participating in the American Angus Auxiliary's scholarship program which provides educational funds to six qualified boys and girls, and also by working in one of the 56 state and local junior Angus associations throughout the United States.

Outstanding achievers were given special recognition during the year. The highest award in the National Junior Angus Recognition program, a solid gold lapel pin, was presented to 11 outstanding youngsters. In addition, 13 bronze and 14 silver level awards were presented to juniors who are still on their way to winning the coveted gold.

Recognizing that good adult leadership is necessary to develop outstand-

Regional managers provide service

The common denominator of nearly every Angus activity is the American Angus Association regional manager. Their activities range from servicing Angus Journal accounts to helping plan a local field day or speaking at a state Angus association annual meeting.

More than any other job in agriculture, a person must be a successful jack-of-all-trades to be a successful American Angus Association regional manager. Within a single day an RM can help put on an Angus show at a state fair, take publicity photos of the winners, write copy for a breeder advertisement in the Angus Journal, and then drive 200 miles in the late afternoon and evening to preside as a ringman at an auction sale the following day.

During the 1984 fiscal year the 16 men who travel for the American Angus Association and the Angus Journal racked up some 670,000 miles. That is something like one and one-half round trips to the moon.

To be most accurate, these men should probably be called regional service managers, because it is service that they provide in such abundance.

Junior members get involved

There were more opportunities than ever before for young people to become involved in the Angus business, and in American Angus Association sponsored activities and leadership projects during the 1984 fiscal year.

The highlight of the year's junior activities calendar was the National Junior Angus Show July 7-10 in Columbus, Ohio. Youngsters from 28 states brought 501 head of cattle to the event, which included the first ever Junior Angus Steer Show. Also, 74 young people who were winners in their state

Better service is Association goal

The American Angus Association which already provides its members with the fastest service in the registered livestock business, made plans in 1984 to make its service even better.

During all of 1984, work that was received on a Monday was processed and mailed back to breeders on Wednesday—a three-day turn around time. No other breed association even comes close to this kind of speed. With the purchase in March of a new Honeywell computer, to be installed in October 1984, the Association will be able to provide one-day turn around time for both registrations and transfers as well as performance information. Beginning about December 1, work that is received on a Monday will be processed and mailed back to the breeder on Tuesday. It will all be possible thanks to the foresight of the Board of Directors and staff, the work and dedication of Association employees, and the miracles of modern computerized data processing.

Office services, however, involve a lot more than just checking work for accuracy and processing it as fast as possible. It is possible, if a breeder needs the work "today" to get a certificate of registration or transfer hand typed and in the mail in a matter of a few hours rather than a few days.

Don Painter, Office Manager and Director of Member Services, and Donna Holmes, Assistant Office Manager, are also involved regularly with members, answering questions about genetic defects and how to avoid them. Painter also works to help members solve minor disputes, usually the result of a misunderstanding.

The office, in fact, is a bovine version of "Information Please." Providing service to members includes answering a constant barrage of questions about the registered Angus business. They range from questions on how to use blood typing for parentage verification to explaining the A.I. Service Certificates, or through giving details on embryo transplanting, and how to register the calves.

Annual Report '84

Responsibility for keeping the rule book up to date and seeing that it is distributed to all new members is another office service, as is answering questions and dealing with problems relating to American Angus Association rules and policies. In fact, the rules are contained in the "Breeder's Reference Guide." In addition to the rules and by-laws of the American Angus Association, the book contains the suggested terms and conditions for sales and an operations guide for registered Angus breeders. The guide can be used by members to answer many of their own questions, ranging from how to properly name cattle to how to tattoo them successfully.

Breed associations are the creation of individual producers who have joined together to form a service organization. At the American Angus Association the staff and employees take the word "service" very seriously.

Print 281,134 copies of Journal

A small forest was needed just to make the paper used to print the Angus Journal in 1984. In all, 623,986 pounds of paper were used to produce 281,134 copies of the Journal that were mailed to subscribers and used in the office.

Business for the Journal remained very good, despite the beef cattle recession (see financial report in back of this report). Total advertising pages for the year was 2,484 compared with 2,157 a year earlier. The number of sale catalog pages increased from 288 in 1983 to 360 in 1984. Readers got an even bigger bonus in editorial. In 1984 there were 991 pages of information and entertainment for readers compared with 908 pages a year earlier.

But these statistics don't tell the story. What is most important about the Angus Journal is that it reaches all active members of the Association with news and features to help Angus breeders, from the newest junior member to the breeder who has been in the business for decades.

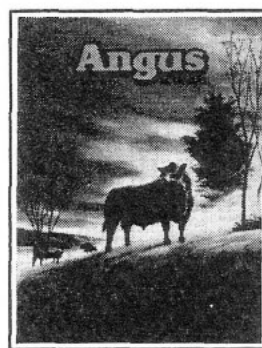
The highlight of the year was the 664-page June-July Herd Reference Edition. The largest ever published by an association-owned magazine, it was a true reference book with valuable reference lists ranging from "A.I. Organizations" to a "Year in Review" of the Journal.

Last April a new monthly merchandising feature was introduced into the Angus Journal. Written by Keith Evans, Director of Communications and Public Relations, it is one part of a commitment by the Association and the Journal to help members improve their advertising and merchandising programs and thus to increase their individual sales and profits.

Just last August the Certified Angus Beef Headlines section was added to introduce members to the people who produce and sell Certified Angus Beef. The growth of the CAB program has brought many new people into the Angus fold. The Journal staff felt that it is important that breeders know and understand the people and organizations that are going to have a major influence on the Angus business in the years ahead.

The year was kicked off with publication of the 1984 Sire Evaluation Report in the October issue. It wasn't the first time this valuable report had been published in the Journal, but its 64 pages made it the largest in the history of the magazine.

The Angus Journal is really the property of the members of the Association, Editor Nancy Ann Sayre emphasizes. "We want members to think of the magazine as their own, and tell us what



they like to read and what kind of information they find most useful," she said.

If you have saved your back issues take time during the winter of 1984-85 to look them over. The June-July Reference Edition will help you find articles that are of special interest. And if you have comments or suggestions for improvement, let the editors know.

For the Record: 1984 Angus Association Statistics

REGULAR MEMBERSHIPS

1. Texas	155
2. Kentucky	125
3. Missouri	101
4. Tennessee	101
5. Virginia	91
6. Oklahoma	88
7. North Carolina	81
8. California	78
9. Georgia	72
10. Illinois	65

JUNIOR MEMBERSHIPS

1. Texas	104
2. Illinois	87
3. Oklahoma	68
4. Ohio	61
5. Missouri	58
6. Indiana	57
7. Iowa	50
8. Tennessee	42
9. California	41
10. Louisiana	41

REGISTRATIONS

1. Montana	14,290
2. Missouri	13,737
3. Nebraska	11,650
4. Iowa	9,181
5. South Dakota	8,462
6. Texas	8,184
7. Kentucky	8,122
8. Virginia	7,222
9. North Dakota	7,074
10. Kansas	6,754

TRANSFERS

1. Missouri	8,929
2. Nebraska	6,512
3. Texas	6,140
4. Montana	6,002
5. Kentucky	5,654
6. Virginia	5,529
7. Tennessee	5,204
8. Oklahoma	4,618
9. Kansas	4,584
10. Georgia	4,428

AHIR

	Total Weights	Birth Weights	Weaning Weights	Yearling Weights	Participating Members
1. Montana	33,751	10,616	13,940	9,195	154
2. Nebraska	18,595	6,899	8,752	2,944	96
3. South Dakota	17,313	5,840	7,813	3,660	90
4. Iowa	16,392	5,238	7,427	3,727	120
5. North Dakota	12,123	3,858	5,842	2,423	87
6. Missouri	10,830	3,712	5,112	2,006	92
7. Kansas	10,623	3,416	5,026	2,181	81
8. Virginia	10,573	3,705	5,523	1,345	80
9. Georgia	8,144	3,055	3,265	1,824	70
10. Idaho	7,101	2,621	3,007	1,473	53