

## Partners in Profit

Partners in Profit is more than the theme for the highly successful National Conference held at Billings, Montana in September. It underlies almost everything that the American Angus Association has sought to accomplish the past several years.

Your Association has devoted considerable time and money to help insure that both registered Angus breeders and the commercial cow-calf producers who use Angus bulls can operate successful businesses this year and in the future.

Certainly there is more to making a profit in the beef cattle business these days than genetics. But your Board of Directors and the staff of the American Angus Association are convinced, as we move further into the age of specification buying, that superior, dependable genetics, combined with innovative merchandising programs, will more than any other factors govern our success and future growth.

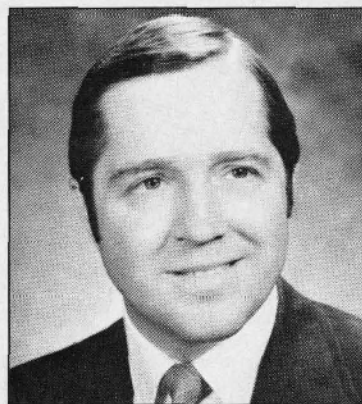
Beef packers in the future are going to know a lot more about the genetics of the cattle they slaughter than they ever have in the past. Dr. Del Allen of Excel Corporation told the Conference audience in Billings. If this is true, then feedlot operators and commercial cow-calf producers will need to do the same. If Angus breeders do their job right, then it is likely that these improved genetics will come from superior, performance tested Angus cattle.

The 1988 American Angus Association fiscal year proved to be record setting in three areas. All three, performance programs, average sale prices and Certified Angus Beef (CAB), show that Angus breeders are gearing up to meet demand for the production of high quality specification products.

During the year Association members processed 256,370 birth, weaning and yearling weights through the American Angus Associations' AHIR program. This was a 16 percent increase over a year ago and some 25,000 more than were ever processed

before by the Association in a 12 month period. What's more, a record 1,854 Association members are involved in the program, a 9 percent increase over a year ago.

Certified Angus Beef sales, project-



*Richard L. Spader*  
*Executive Vice President*

ed at some 63.6 million pounds, were up a whopping 48 percent over a year ago. That is enough CAB to provide every U.S. citizen with a five-ounce portion during the year. It is hard to believe that just five year ago annual CAB sales were 1.6 million pounds. Today CAB is sold in more than 5,000 licensed restaurants and 635 retail stores, and 25 percent of these stores sell only CAB in their meat counters.

These two records (AHIR and CAB) no doubt help account for the fact that the average price of registered Angus cattle sold at auction was at a record level for the second consecutive year. The average price of all cattle sold at 361 auctions was \$1,788 compared with \$1,667 a year earlier. Females in 1988 averaged \$1,676 compared with \$1,598 in 1987, while the average price of bulls hit \$1,940, up from a record \$1,797 in 1987.

Registrations were up for the second consecutive year at 143,520 head, although transfers at 86,357 head were down 1.4 percent. Looking to the future though, the number of new regular members who joined the Associa-

tion was 1,612, up over 7 percent, while new junior memberships at 946 were up by more than 17 percent. Another indicator of future growth was the 47,264 A.I. certificates issued. An increase of more than five percent.

Your Association continued to support and fund a strong advertising and public relations program. The advertising program alone generated requests for 5,322 copies of the Angus Sire Evaluation report, much better than a year ago. Although results like these are the most effective way to measure the value of advertising, the ads also received first place awards in the national advertising competition sponsored by the National Agri-Marketing Association.

The programs sponsored by the Activities and Junior Activities departments continued to promote interest in the American Angus Association, and to get members involved in educational, promotional and morale building activities. Our survey of new members who join the American Angus Association continues to show that a large majority of them say that Angus shows and the reports of these events in farm, livestock and hometown publications are a major influence in their getting started in the registered Angus business.

The Angus Journal continued to provide Association members with an outstanding source of information about the Angus business. Large numbers of members continue to take advantage of its circulation to advertise their cattle and their breeding programs. This year the annual Herd Reference edition was the largest edition of its kind in the cattle industry, surpassing any competing publication by 200 pages.

And finally, we finished the fiscal year in excellent financial condition. Details of our fiscal year and the financial report are printed in this 1988 Annual Report. I think you will be proud of the accomplishments of your American Angus Association during the past 12 months.

# Certified Angus Beef fills strong industry demand



Growth of the Certified Angus Beef program, during 1988 and the past six years is the model of a product that fills a strong industry and consumer demand.

During the 1988 fiscal year CAB sales hit 63.6 million pounds, a 48 percent increase over the some 43 million pounds sold in 1987, which itself was a 44 percent increase over the 29.7 million pounds sold in 1986. Three years before that, in 1983, sales of Certified Angus Beef were 1.6 million pounds. Since that time, growth of the program has been unprecedented in the industry. CAB is the largest branded beef program in the world and appears to be limited only by the supply of cattle that can meet the visual requirements and rigid carcass demands of the product.

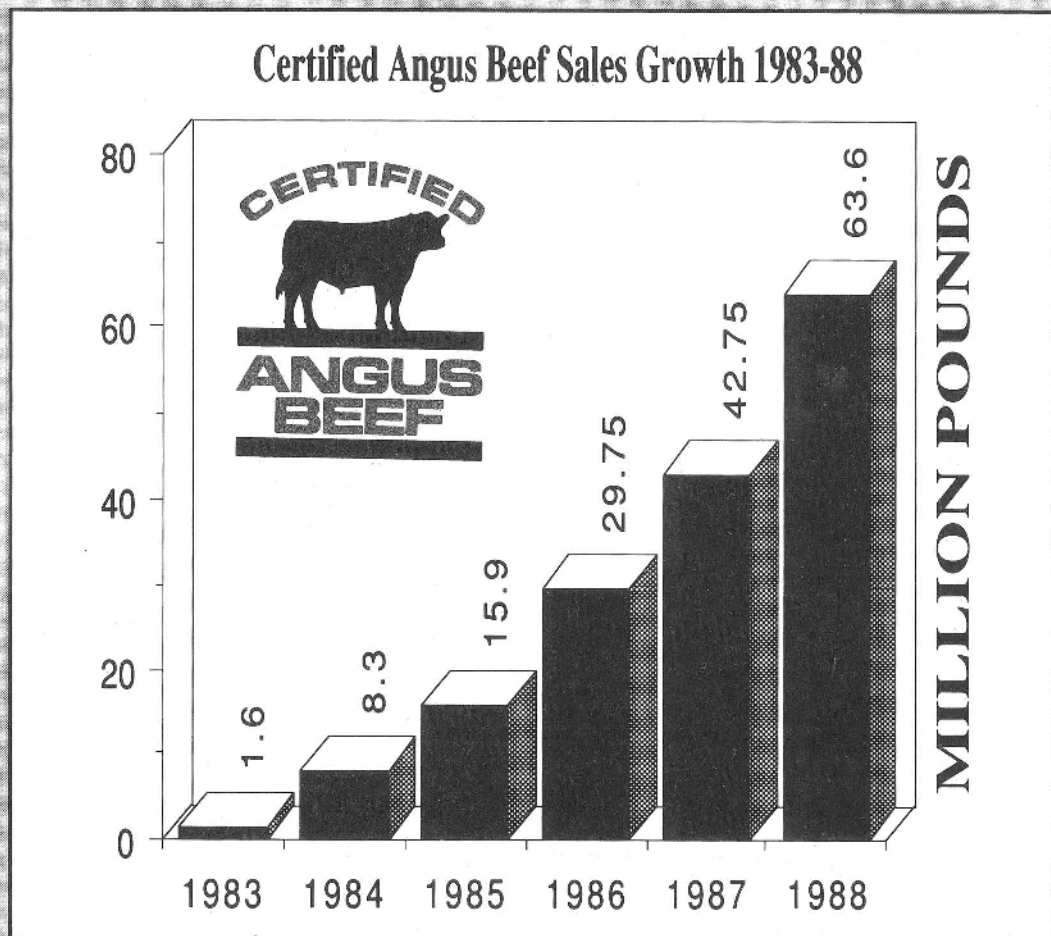
The 63.6 million pounds of CAB sold in 1988 was enough to provide every U.S. citizen a five-ounce portion and had an estimated wholesale value of \$200 million. It wasn't long ago that just five million pounds were sold in one month, yet during late 1988, monthly sales averaged nearly

six million pounds. Approximately 1.5 million predomi-

nantly black cattle with traditional Angus beef type and no evidence of a hump or long ear were purchased by the 25 CAB packers. Someone calculated that if aligned head to tail the cattle would trail from Atlantic City, New Jersey, to Yellowstone National Park, a cattle drive of tremendous proportions. Of this number, 23 percent or 350,000 head, produced carcasses that met the CAB standards. One must keep in mind that this 23 percent acceptance rate is obtained from general run cattle, many of which are crossbred. Some pens of well-bred and well-fed Angus steers produced carcasses of which a much higher percentage are accepted as CAB.

Contrary to what some people believe, expensive, white tablecloth restaurants are not the main sales outlet for CAB. Although some of the best restaurants in the country, even

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## Angus service paces industry

"Service to members", these are the words that drive the people who do data processing and provide member service. The two departments work hand in glove to provide fast, accurate processing of records and information for Association members.

What this means to breeders is that if their work arrives in St. Joseph on Monday, and there are no mistakes in it, it is processed and mailed back to breeders on Tuesday. One-day turn around time is available only at the American Angus Association. Most other breeds work in terms of weeks

or even months, instead of days.

The Association's computers are massive and up-to-date. They must be to make EPD calculations and churn out performance pedigrees faster than the old-fashioned ancestral pedigrees once were produced.

Breeders continue to update their own computerized systems with the American Angus Association's herd management software program. More than 30 breeders a year purchase the system and put it to work on their farm or ranch. It provides instant access to a breeder's animal records and

can automate the recording of animals and reporting of AHIR information. It eliminates the mistakes breeders can make when copying records on to registration or AHIR forms.

This fast, efficient service provides Angus breeders with another slight edge over the tough competition in the registered industry today. It also takes some of the stress and strain out of the record keeping that each year seems to become a larger and larger part of doing business, whatever the field.

*This is the Breeder's eye view of the Angus Herd Management Computer Software package that is available from the American Angus Association. An increasing number of members are discovering that home computerized record keeping saves time and money and helps eliminate mistakes.*



## Certified Angus Beef

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the world, use CAB, 52 percent of CAB sales are through retail stores, with approximately one-third of the licensed CAB retail outlets offering no beef product other than CAB. Food service establishments account for 45 percent of sales, and export demand now takes three percent of the total CAB production to 18 foreign countries. This increase in retail sales means that a higher percentage of each carcass is merchandised as CAB. Some 46 percent of each CAB carcass was labeled and sold as CAB in 1988

versus only 30 percent in 1987.

More than 5,000 restaurants sell CAB in 1988 along with 625 retail stores and five export companies. Japan is a growing market for CAB, and during the year the New Tokyo Restaurants in Japan, a large chain, was licensed to serve and promote Certified Angus Beef.

Recognizing the need for additional cattle to fill the growing demand for CAB, the CAB program this year introduced a supply development division to help channel more cattle into the CAB network and aid interested producers in obtaining carcass data on their fed cattle sired by registered An-

gus bulls. Fed cattle producers who want to supply CAB packers now have a choice of selling to 25 packing plants in the 13 states of Texas, Minnesota, Florida, South Dakota, New Mexico, Nebraska, Kentucky, Iowa, Kansas, Pennsylvania, Idaho, Ohio and Illinois. In addition to the Certified Angus team already mentioned, there are 15 fabricating plants that handle CAB plus 44 food service distributors and nine retail distributors. The offices for CAB are located at 154 East Buckeye, Box 819, West Salem, Ohio 44287.




## Angus ads geared to influence nation's cow-calf producers

The message of Angus superiority in the beef industry was carried to every corner of the U.S. and to many parts of the world in 1988 through the American Angus Association's national public relations and advertising program.

The major portion of the national advertising budget was designed to deliver a strong Angus message to 83 percent of this nation's cow-calf producers, at least 8 times during the advertising program. In addition, regional-manager ads and advertising in a variety of other livestock publications that don't make specific demographic information available pushed this ad readership and frequency much higher.

Three new ads were produced for the 1988 advertising campaign and all three were involved in winning national awards from the National Agri-Marketing Association. Awards express the advertising industry's approval of the Angus advertising, but it is results that

**Merlyn Carlson**  
President, Carlson Ranch Co., Lodgepole, Nebraska,  
shares his bull buying secrets with cow/calf men.



"3 rules for buying the right herd bull:  
1. Buy by the EPD numbers.  
2. Buy by the EPD numbers.  
3. Buy by the EPD numbers."

"EPD, Expected Progeny Difference. These numbers are your key to getting the herd bull that will perform the best in your program. We AI our heifers, but find that the quality of available Angus herd bulls assures us of a very satisfactory and cost efficient breeding program. I can't overemphasize the importance and value of EPD."

The quickest, cheapest and best way to get your program in tune, and keep it in tune, with today's beef market is to buy registered Angus herd bulls with the right EPD numbers. Birth weight, weaning weight, calving ease, milking ability—whatever you need, at whatever level, just name it—Angus has it.

It all starts with the *Angus Sire Evaluation Report*. Thirty years of studying thousands of Angus cattle in order to bring you accurate, reliable data to make herd bull selection a solid scientific decision instead of a guessing game.

We'd like for you to have a copy of the most recent *Angus Sire Evaluation Report* absolutely free—just fill out and mail the coupon today.

**FREE \$10.00 value**  
Angus Sire Evaluation Report  
An accurate and reliable guide for the best herd bull selection and breeding.

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_  
COUNTRY \_\_\_\_\_  
MAIL TO: American Angus Association  
622 Franklin Blvd.  
St. Joseph, MO 64501

**ANGUS**  
The business breed.

Every cow in the Beef Train is pulled by customer demand. For the best, ride all the way, get ahead with Angus.

*This Merlyn Carlson ad is one of three new additions to the award winning Angus advertising campaign that ran in 1988. The Carlson, Amy Barr and Anonymous ads will appear in farm and livestock publications beginning with the November 1988 issues.*

are interested in the Angus breed will continue to receive correspondence and support from the Association.

The P.R. Department works with all major livestock publications to make sure the accomplishments of the Angus breed receive appropriate recognition. Goals are to insure that the American Angus Association is perceived as a leader in the industry, and that Angus cattle are presented as a breed that should be included in most any commercial operation.

During the year, the staff sent out 28,840 copies of 126 separate news releases to editors of farm and livestock publications and radio farm directors. In addition some 604 rolls of film were ex-

posed by the P.R. staff and regional managers. These were developed in the Association's darkroom and 37,585 individual pictures were printed and furnished to farm and livestock publications and to the home town newspapers of members.

Showing that Angus Association members are active, involved, and leaders in their community and the livestock business is another goal of the public relations program. Many of the news releases and photos about members winning shows, being elected to various Angus or livestock organization offices and the like go to hometown and home state media. In addition the Association's growing computer-generated news release program, prepares special releases about individuals to go specifically to their hometown media. It starts when a person joins the American Angus Association. A news release about this event is automatically written and mailed out. News releases also go out automatically when a member joins the AHIR program, has cows listed in the Pathfinder Report, when Juniors enter



*Thousands of Angus breeders who take part in the wide variety of Angus events receive publicity in their hometown media this past year thanks to news and photo releases like these prepared and mailed out by the Public Relations Department. Last year the department sent out 28,840 copies of 126 separate news releases and it developed 604 rolls of film and printed and mailed out 37,585 individual photo releases to farm and livestock publications, radio farm directors and hometown newspapers and radio stations.*

count. The ads drew some 5,500 responses to the Association's offer to mail a Sire Evaluation Report to readers. Followup on these requests each year insures that cattle producers who



## Regional Managers drove 434,120 miles

The "Jack of All Trades" label goes to the Association's 11 regional managers. But fortunately for American Angus Association members these men are masters of most everything they are called upon to do. Their skills range from merchandising to photography, from management consultant to guest speaker, and from sale ringman to Angus cheerleader.

In short the crew in the field provided all manner of services to American Angus Association members, and except for Angus Journal advertising space and ring service, it is all free to Association members.

During the year the 11 men drove a total of 434,120 miles on American Angus Association business, to average 39,400 miles per regional manager.

That of course doesn't include air miles or miles traveled as a passenger in someone else's vehicle. Each person averaged 99 nights away from home. Often when most people's day is ending, they climb into their car and drive for several hours in order to be ready for the next day's scheduled event.

### Association Regional Managers, their territories and addresses and telephone numbers.

**WAYMON ASHLEY**-Arizona, New Mexico, Texas  
3213 Cheryl Lane,  
Fort Worth, TX 76117  
(817) 834-6552

**JOHN BARTON**-Iowa, Missouri  
Rt. 1, Columbia, MO 65201  
(314) 449-3051

**RICHARD DYAR**-Alabama, Arkansas, Louisiana, Mississippi  
Rt. 1, Crossville, AL 39562  
(205) 659-6305

**DAVID GAZDA**-Florida, Georgia, North & South Carolina  
1170 White Oak Drive  
Athens, GA 30606  
(404) 353-3446

**CHUCK GROVE**-Kentucky, Ohio, Tennessee  
Rt. 1, Box 929  
Forest, VA 24551  
(804) 525-4687

**DON LAUGHLIN**-Colorado, Kansas, Oklahoma  
P.O. Box 8847  
Wichita, KS 67208  
(316) 686-7670

**BILL POWELL**-Delaware, Eastern Canada, Maryland, New England States, New Jersey, New York, Pennsylvania, Virginia, West Virginia  
8789 Treasure Ave.  
Walkersville, MD 21793  
(301) 845-2154

**JIM SHIRLEY**-Manitoba, Minnesota, Nebraska, South Dakota  
1334 Orchard Drive  
Brookings, SD 57006  
(605) 692-1613

**DON TRIMMER**-Illinois, Indiana, Michigan, Wisconsin  
5 Knottingham Ct.  
Normal, IL 61704  
(309) 662-6691

**BRUCE WEETER**-Alaska, Central Canada, Montana, North Dakota, Wyoming  
Pray, MT 59065  
(406) 333-4444

**JEFF WINDETT**-California, Idaho, Nevada, Oregon, Utah, Washington, Western Canada  
25005 Prairie View Dr.  
Aurora, OR 97002  
(503) 678-1009

## Public Relations

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cattle in any Association sponsored show or are named National Junior Angus Showmanship contestants. A computer release goes out on all breeders exhibiting cattle at the National Angus Show. Elected delegates to the annual meeting of the National Junior Angus Association and the annual meeting of the American Angus Association also received hometown publicity. In 1988 there were 7,787 computer-generated

news releases mailed, up from some 5,500 a year earlier.

In addition to answering the some 5,500 requests generated by the Association's advertising program, another 3,136 individual requests for Association information and literature were handled by the department. Most are from prospective new members and students.

Commercial cattle producers who use Angus bulls in their operations were kept in touch with the Angus business through the Angus Beef Bulletin. This publication is mailed twice a year, free,

to all who have had an Angus bull transferred to them in the previous two years. The last Bulletin went to some 30,000 cattle producers. Each issue includes information about the Certified Angus Beef program and how producers can take advantage of it, feature stories on successful commercial cattle producers who use Angus bulls regularly and other general information about the Association and its programs. The purpose of the Angus Beef Bulletin is simply to re-enforce the readers' decision to purchase Angus bulls and encourage them to continue.