

Year in review

It was an honor to present the following annual report to the convention of delegates at the 122nd Annual Meeting of the American Angus Association Nov. 14, 2005, in Louisville, Ky. To say we had a good year is an understatement, as I will point out later. But, first, let me recap some of our activities for the past year.

The breed of choice

Angus presence in the beef industry, both at home and abroad, is very strong. This became evident last year when then Association Vice President Ben Eggers of Mexico, Mo., and I attended the 11th World Angus Secretariat meeting in South Africa. Representatives of 11 Angus societies from throughout the world reported excellent growth in numbers and improved demand for Angus cattle.

Almost without exception, Angus has become the prevailing breed in the beef-producing nations of the world. Along with this global demand, high interest was expressed in promoting a universal genetic evaluation of Angus cattle.

Program features expand

In our own National Cattle Evaluation (NCE) process, two additional genetic values relative to reproduction were added — a calving ease direct (CED) expected progeny difference (EPD) and a calving ease maternal (CEM) EPD. As promised, a weaned calf index (\$W) was added to the suite of dollar value indexes (\$Values) for registered Angus animals, and a customized version of \$W was made available on the Internet. Realizing the importance of cow efficiency to commercial beef production, the Board also directed the addition of a cow energy savings index (\$EN).

The Angus Optimal Milk Module allows the incorporation of variable factors such as cow weight, milk levels and feed costs to

arrive at optimum milk EPD levels to fit a particular scenario.

The Association is working in concert with the U.S. Department of Agriculture (USDA) and several genomic researchers, both in the U.S. and abroad, on an international gene-sequencing project. Funding for such is from designated research funds of the Angus Foundation.

A new, extensive multiyear computer update called ProRodeo has been approved by the Board and is now being implemented by staff.

After several conferences with users of the Angus Information Management Software (AIMS) program and months of programming, a new version, 2.4, was released to the membership in early 2005. Currently, more than 50% of registrations and performance information are submitted electronically through AIMS and AAA Login. In addition, 155,995 registration certificates were in electronic storage at the Association office at the end of fiscal year (FY) 2005.

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ADMINISTRATIVE STAFF

Executive vice president: John Crouch
 Executive administrative assistant: Diane Strahm

Vice presidents: **Finance**—Richard Wilson ■ **Information & Data Programs**—Bill Bowman ■ **Industry Relations**—Jim Shirley

DEPARTMENTAL STAFF BY DIVISION

Finance—Milford Jenkins, director of Foundation development; Kenny Miller, assistant director of finance; Richard Wilson, director of finance

Industry Relations—James Fisher, director of activities & junior activities; Ty Groshans, assistant director of commercial programs; Sara Moyer, director of industry & member communications; Jim Shirley, director of commercial programs; Shelia Stannard, director of activity communications & event coordinator

Information & Data Programs—Lou Ann Adams, director of information systems; Bill Bowman, director of performance programs; Scott Johnson, director of Angus Information Management Software; Sally Northcutt, director of genetic research; Bryce Schumann, director of member services & office management; Carol Waller, assistant director of member services & office management

AMERICAN ANGUS AUXILIARY

President—Sharee Sankey, Council Grove, Kan. For a complete list of officers, visit www.angusauxiliary.com.

REGIONAL MANAGERS—Refer to page 165.

CERTIFIED ANGUS BEEF LLC

President—Jim Riemann, Wooster, Ohio. For a CAB staff listing, refer to page 76.

Programs involving service to the commercial industry continue to expand. AngusSourceSM has been accepted as an official USDA Process Verified Program (PVP). The first AngusSource feeder-calf sale took place last year in Joplin, Mo., and a second AngusSource sale was in Springfield, Mo., in early November.

In addition to the AngusSource tag, a Beef Improvement Records (BIR) tag is available to producers who wish to take

advantage of radio frequency identification (RFID) technology.

Educational efforts increase

As with all organizations, educational efforts are essential to our success. Thanks to support from the Angus Foundation, the Angus Education Center is now online at www.angus.org/AngusEducation.html. Educational modules include paper and electronic registration and transfer, as well as

presentations on AIMS, AngusSource and freeze-branding.

Angus outreach seminars on Association programs continue to be popular with our members. Staff members organized and participated in 15 such meetings in strategic regions of the country in 2005.

In late September 2005, a crowd of 350 people from 27 states, Canada, Australia and Denmark attended the National Angus Conference & Tour in Missouri. Participants enjoyed a challenging array of speakers, a visit to the office in Saint Joseph, Mo., and an exceptional tour of Angus herds in the state.

Thanks, Missouri, for your efforts in staging a great tour. (The 2006 National Angus Conference will be in Boise, Idaho, and the tour will include Idaho and Oregon.)

Financial support from the Angus Foundation was also directed toward the first edition of "Cattlemen's Boot Camp." This educational seminar, open to the beef industry, was conducted with the outstanding cooperation of the staff and students at Colorado State University in Fort Collins in October 2005. Commercial and seedstock producers from 14 states attended.

The Angus edition of *The Cattle Show* was filmed in May 2005 and aired nationwide on RFD-TV in July 2005. This 30-minute production featured the advantages of Angus cattle and Association programs. DVDs of the show are available by request.

A number of shows and field days took place during the course of 2005. Highlighting these events was the National Junior Angus Show (NJAS), hosted by the Colorado Angus Association and the Western States Angus Association. This world-class event saw 588 juniors lead 1,087 cattle into competition. What's more, there were 11 other events in

which junior members without cattle could participate. Thank you, Colorado and Western states, for your efforts.

Competition at the 2005 National Western Stock Show (NWSS) was fierce, with activities running almost nonstop. The National Western has fast become a marketing event, as at least one sale is scheduled each night or day of the show. The 2005 National Western Bull Sale was excellent, as 46 bulls sold for an average of \$5,886.

Prior to the sale, the Angus Foundation Heifer donated by Stan Thomas, Three Trees

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Ranch, Sharpsburg, Ga., was purchased by Duane Pankratz of LaGrand Angus & Hereford Ranch, Freeman, S.D., for \$97,500. Thank you, Stan Thomas and Dr. Pankratz. Our thanks are also extended to American Live Stock Insurance Co., Lathrop Livestock Transportation, Trans Ova Genetics, BovaGen, Genex and Merial for contributing to the Foundation Heifer Package and for their longtime support of Association programs.

The 2006 Foundation Heifer has been donated by Bill and Barb Rishel, North Platte, Neb. (See the March 2006 *Angus Journal* for full coverage of the NWSS and the sale of the Angus Foundation Heifer Package.)

The annual Leaders Engaged in Angus Development (LEAD) Conference, which is fast becoming an international event, was in Idaho last summer. The program drew 144 young people from 34 states, Canada and Australia.

With assets of \$3.2 million, the Angus Foundation provides 40 scholarships to worthy junior Angus leaders annually.

We were honored to host a two-and-a-half-day American Angus Auxiliary conference in May 2005. The theme of the conference was "Excellence — No Exception." The group met with staff and discussed ways and means to provide greater support to the Angus industry. Thank you, ladies, for all you do.

Brand growth

Even though it was difficult dealing with the loss of export markets in 2003, the *Certified Angus Beef*® (CAB®) brand rebounded with another excellent year. A record 12.8 million head were identified for the CAB program, with almost 2 million carcasses certified. Our Feedlot-Licensing Program (FLP) now partners with 80 feedyards in 17 states.

Substantial increases were observed in the sale of CAB products. Retail sales, at 292 million pounds (lb.), posted an increase of 5%, with ground beef leading the charge, up 13.4%. Total sales, at 533 million lb., paved the way for sales in excess of 500 million lb. six years in a row.

CAB has been successful for two major reasons. First, CAB is synonymous with high-quality Angus beef worldwide. Secondly, the CAB program is the only branded program in the world with a full-time staff devoted to doing whatever is necessary to maintain and expand the market. CAB President Jim Riemann and his staff have certainly done their part toward increasing demand for Angus seedstock.

Angus communication

None of these programs would be effective without industry communication. In this regard, Terry Cotton and the crew at Angus Productions Inc. (API) are without peers. The award-winning *Angus Journal*, with a circulation of 17,000-plus, is the most widely read purebred beef publication in the world. The *Angus Beef Bulletin* is mailed to 90,000 commercial producers five times per year. Each publication places timely information regarding the feeding, breeding, management and marketing of Angus cattle in the hands of the industry.

The Web Services Department continues to expand, creating more than 35 new ranch and industry Web sites in FY 2005. They also provided Web banner ads, sale reports, sale book postings, and real-time coverage of events such as the Beef Improvement Federation (BIF) convention, the National Angus Conference and the NJAS.

The Special Services Department continues at a blistering pace with a continuous production of sale books and brochures.

Furthermore, I cannot say enough about our staff of regional managers. They are 13 strong, and they cover the Angus industry like a blanket. The demand on their time is overwhelming, but they are always there when you need them. Thanks, guys.

Foresight

During the past three decades, many new programs have been adopted as a result of the foresight of your elected officers and directors. These ladies and gentlemen have served in good times and bad times, made hard decisions and stood by them, oftentimes in the face of resistance.

Make no mistake — the programs put in place by these folks have been effective. They have served our membership well. They have served the beef industry well.

The year 2005 perhaps could be termed the best year in our 122-year history. Let's look at the figures.

- ▶ Registrations, at 324,000, posted an increase of 8.5% over the previous year.
- ▶ Transfers were up by 6%.
- ▶ New memberships were up by 4.2%.
- ▶ Registrations of embryo transfer (ET) calves were up by 14%.
- ▶ Artificial insemination (AI) accounted for 47.3% of our calves, up from 46.8% last year.
- ▶ Weight submissions for Angus Herd Improvement Records (AHIR) were up by 11%.
- ▶ AHIR members were up by 8%.

- ▶ Ultrasound records were up by 17%.
- ▶ Female prices averaged \$3,193, up \$577.
- ▶ Bull prices averaged \$3,035, up \$328.

We have passed 300,000 annual registrations three times in our history. The first time was in 1962, en route to 406,000 in 1968. We passed it again in 1975 on our way down to 133,000 in 1986. The reason for the decline was simple: We forgot the needs of commercial beef producers and consumers, and we paid the price for it.

We passed 300,000 again in September 2005. Why? Again the answer is simple: The Angus breed is the business breed. Angus breeders have utilized Association programs to improve genetics that meet the needs of the commercial industry. The CAB program created a consumer demand for high-quality Angus beef that is unprecedented.

Start running

Two facts of life are indisputable: Times are changing, and consolidation continues to occur. No one is visionary enough to predict life in the Angus business in 2020, or perhaps even in 2010. But we do know it will not be like it is today! Charles Darwin may have said it best when he said, "It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change."

Instead of being a victim of change, we would rather benefit from it by intensively focusing on our five basic core strategies, which are:

- ▶ Achieve Angus excellence through information.
- ▶ Increase beef demand with Angus equity.
- ▶ Identify and implement relevant technologies.
- ▶ Optimize resources.
- ▶ Create opportunities.

I will close with an African proverb: "Every morning in Africa, a gazelle wakes up. It knows it must outrun the fastest lion or it will be eaten. Every morning a lion wakes up. It knows it must outrun the slowest gazelle or it will starve to death. So, it doesn't matter if you are a gazelle or a lion. When the sun comes up, you'd better start running."

It has been my honor to have served you this past year. Thank you.


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