

Board Action

Highlights of the Sept. 5-7, 2001, meeting of the American Angus Association Board of Directors

Pursuant to notice, the meeting of the American Angus Association Board of Directors was called to order in the Boardroom of the American Angus Association, Saint Joseph, Mo., Sept. 5, 2001. The following officers and directors were present: Howard Hillman, president; Leroy Baldwin, vice president; Steve Brooks, treasurer; Keith Arntzen; Leo Baker; Jim Bradford; Minnie Lou Bradley; John Curtin; Ben Eggers; Joe Elliott; Jot Hartley; Paul Hill; Brian McCulloh; Cecil McCurry; Lowell Minert; Abbie Nelson; Dave Smith.

Executive Committee

The first order of business was a review of the genetic task force report that was submitted to the Board. Howard Hillman discussed the report and again thanked the participants who devoted a day to the task force meeting.

After thorough discussion, the Executive Committee and full Board unanimously approved a motion to direct staff to study further the concept of recording ancestral information and performing multi-breed evaluation for Angus-influenced cattle and to bring a progress report to the November 2001 Board meeting.

The second order of business was further discussion on the mailing list policy adopted at the June 2001 Board meeting. Staff mentioned that different individuals had written the Board about the mailing list policy, and those letters had been made available to the Board. Staff discussed two proposed amendments to the policy. After discussion, the Executive Committee and full Board adopted the following amendments to the current mailing list policy:

State associations can access their respective nonmember mailing list by submitting a sample of their mailing material to the American Angus Association for approval. Mailing material must be directed to promotional efforts of the state association in the recruitment of new members or promotion of state Angus association programs. Once approved, the nonmember mailing list for the state will be made available for one-time use in mailing the approved material at the cost of 10¢/label with a minimum of \$100.

The Association will make available to active members, at no charge, a list of member and nonmember buyers of Angus cattle that were registered and transferred from their membership(s).

This is a one-time-a-year service to active members and will include a list of member and nonmember buyers for the past five years.

A referral from the June Board meeting was a letter from the Ranchers-Cattlemen Action Legal Fund/United Stockgrowers of America (R-CALF USA) regarding country-of-origin labeling for U.S.-produced beef products.

It was pointed out that the National Cattlemen's Beef Association (NCBA) has a working group appointed to address different aspects of country-of-origin labeling, with a report due at the next NCBA Executive Committee meeting. After discussion, the Board decided to take no action until the NCBA report is available.

Next, staff distributed a copy of the Long-Range Plan report containing contributions from each Association department. The report covered the programs and work of the past year that were directed to individual goals in the Association's Long-Range Plan.

Staff then presented revised job descriptions because of the reorganization of Association departments. This was primarily a result of the merging of the Activities and Junior Activities departments and the distribution of responsibilities to various departments of the Association. Staff also distributed descriptions of the revised committees as approved at the June Board meeting.

Jim Shirley presented a report from the regional managers.

Next, the committee discussed a rule change in Section II: Registration, Rule 7b, of the Association Rules. The committee and full Board approved the change. The amended rule now reads as follows:

Name: An animal's name cannot contain more than 28 characters and spaces, and only English letters and Arabic numbers shall be acceptable.

Joint letters, brands, or other

unusual marks or symbols will not be accepted. If an Angus family name is included in the name of an animal to be registered, it shall be the duty of the first owner to determine the correctness of such name before assigning it.

The Association reserves the right to change the name assigned to an animal on an application for registry if it is deemed advisable to do so.

Activities Committee

The following people were approved as nominees for 2001 Angus Heritage Foundation induction:

- ▶ Conrad Grove, West Chester, Pa.
- ▶ Ben R. Houston, Platteville, Colo.
- ▶ Bill Roche, Galt, Calif.
- ▶ Wayne Smith, Winigan, Mo.
- ▶ Richard L. Spader, Rosendale, Mo.
- ▶ Wayland Crouch (deceased)

The 2002 Angus Foundation Heifer Package includes the choice of any fall 2001 heifers from the Shady Brook Angus Farm herd at Leoma, Tenn.; insurance from American Live Stock Insurance; trucking from Lathrop Livestock Transportation; a flush and implantation of three embryos by TransOva Genetics; and Ivomec® provided by Merial.



The Board approved adding cow-calf and bred-and-owned bull classes to the Association participation statements for state junior Angus preview shows.

The Board approved changing the age allowance of the calf being shown in the cow-calf classes to a maximum of 280 days.

The following shows were approved unanimously for regional-preview status for 2002:

- ▶ Northwest Regional Preview in Washington state
- ▶ Atlantic National Regional Preview — Timonium, Md.
- ▶ Kansas Junior Angus Association — Hutchinson, Kan.
- ▶ Mid-Atlantic Junior Angus Classic — Harrisonburg, Va.
- ▶ All-American Angus Breeders' Futurity — Louisville, Ky.

The Western States Angus Association will host the 2003 Western Regional Junior Angus Show at Reno, Nev.

The West Virginia Angus Association will host the 2003 Eastern Regional Junior Angus Show in Lewisburg, W.Va.

The Missouri Junior Angus Association will host the 2004 National Junior Angus Show (NJAS) in Kansas City, Mo.

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The Board approved making two divisions in the cow-calf class at the NJAS, beginning in 2002. The two divisions will be bred-and-owned cows and owned cows. The calves in both divisions must be bred-and-owned.

Approval also was given to add cow-calf classes to the Association standard classifications for open shows beginning with the 2002-2003 show year. The cow-calf entries cannot be exhibited in the group classes (junior get-of-sire, get-of-sire, breeder six head). The cow-calf classes will be included in the Roll of Victory (ROV) point system.

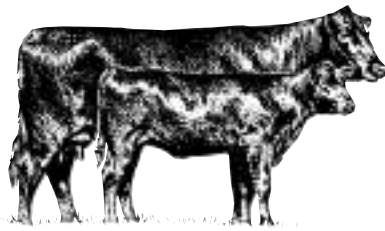
It was also approved to award a junior premier breeder at the National, Eastern and Western regional junior Angus shows.

A new premium-participation schedule for all shows in which the Association participates was approved.

Finance Committee

The Finance Committee reviewed the financial reports for the 10-month period ending July 31, 2001. The cash balance on the consolidated financial report was \$2,385,440.42. The investment portfolio of \$11,652,146.82 consisted of government and agency notes, money market accounts, bank certificates of deposit, bond mutual funds and stocks managed by Chase Investment Counsel Corp. The total of all assets was \$21,112,942.08. Long-term debt included a note payable in the amount of \$596,822.94. Also included in long-term debt were funds totaling \$581,954.33 for sponsorship of the winter Olympics in Salt Lake City, Utah. The excess of revenue over expenses for the period was \$1,520,962.55.

The Finance Committee adopted a budget for the fiscal year (FY) ending Sept. 30, 2002. The budget had total revenues of \$7,698,100 and total expenses of \$7,667,800, with an excess of revenues over expenses of \$30,300. The individual revenue categories



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were budgeted about the same as expected for the current year, except for membership income. Membership income changed because subscriptions to the *Angus Journal* are now separate from dues and because a new fee schedule for membership dues was scheduled to become effective Oct. 1, 2001.

Public Relations Committee

The Public Relations Committee reviewed response to the Association 2000-2001 national advertising campaign, with more than 2,100 requests being made for information about the Commercial Relations Department programs. Beginning Oct. 1, 2001, calls to 1-800-55-ANGUS will move in-house from an outside call-answering service and will be processed by the Communications and Public Relations Department.

The committee reviewed the final layouts for the 2001-2002 campaign. A series of five four-color, one-page ads will run in national media, and the same series in black-and-white will run in state and regional media. The response item for the campaign will be the *Black book*, a pocket-sized recordkeeping book produced by the Commercial Relations Department.

A report was given on the 2001 National Angus Conference and Tour, which is set for Sept. 30-Oct. 3 in North Platte, Neb. Plans are underway for the 2002 National Angus Conference and Tour in Sacramento, Calif., which will be April 23-26, 2002. The event will tie in with the Western National Angus Futurity (WNAF) in Reno, Nev., which will be celebrating its 50th anniversary and hosting the National Angus Show.

Shelia Stannard reported about publicity via news releases and black-and-white photographs mailed to media. She reported about the newsroom on the Association Web site, which has had great response, and the new e-mail service, which allows e-mail distribution of news releases to media. She

shared samples of the 2001 NJAS media kit, along with three revised brochures.

Breed Improvement Committee

A pilot project on Angus fertility has been started. Principal investigators are Jennifer Minnick and Doyle Wilson, Iowa State University (ISU).

Staff was directed to accelerate exploration of methodology for providing genetic prediction on embryo transplants.

Genetic prediction for cloned animals will be derived from the performance of their offspring. They will not receive the expected progeny differences (EPDs) of the cell donor.

Funding for the National Beef Cattle Evaluation Consortium was not included in the current Senate agricultural appropriations bill. Letters had been sent to key senators in an effort to have the legislation reintroduced.

A total of 110 ultrasound field and lab technicians are enrolled in the Annual Proficiency, Training and Certification Program at ISU the last two weeks in September.

It was suggested that staff and advisors re-examine weaning weight age-of-dam adjustment factors currently used in the Angus Herd Improvement Records (AHIR) program.

Industry Relations Committee

An update was given on the Commercial Relations Department programs, and the Angus Beef Record Service (BRS) Online program was demonstrated. Enhancements to Angus BRS Online by the Information Services (IS) Department have enabled commercial producers not only to view and sort data but also to enroll their cow herds and enter



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subsequent data online.

Committee members discussed the progress report on the Association long-range goals. A discussion relative to the promotion and expansion of the Angus BRS program ensued. Staff outlined the BRS *Black book* project, announced previously at the June Board meeting.

The pocket-sized date book will have pages for cow and calf information, in addition to an annual calendar. Association members ordered customized books. Additional books will be used by the Association as a reader response for the national advertising campaign for Angus BRS and will be presented to potential users of the Angus BRS program at events across the country.

Information was presented on a pilot project in progress among West Virginia University, Angus BRS and Boehringer-Ingelheim Animal Health (BI). With assistance from BI, approximately 900 cows are to be enrolled in the Angus BRS program, with part of their calf processing fees paid by BI.

A discussion ensued relative to the Angus Resource Clearinghouse Network (ARCNet) and its relationship with auction markets hosting Angus-influenced sales. ARCNet continues to host more cattle listings, and the updates have been received positively by users of the site. Potential buyers viewing cattle for sale on ARCNet have voiced their demand for additional information relative to health information, management and — especially — registration numbers of sires to tie genetic information to the calves for sale.



Long-Range & Administrative Planning Committee

Staff updated the committee on projects for the IS Department.

A new feature of the member logon Web site is a way to pay annual membership dues online. If a member logs in and their dues are going to expire within the next 60 days, they will have the option to pay their dues online.

Another new feature of the member logon Web site is the AHIR Active Dam List. The feature displays all active cows for the member. It also lists the cow's latest calf and whether the calf has been registered or weighed at birth, weaning and yearling. The

feature also gives members an opportunity to provide a reason or disposal code for their cows that have no calf reported that year.

Angus BRS users had been given the ability to submit data online. Dam and sire enrollment and breeding, weaning, yearling, feedlot and carcass information can be entered using the Angus BRS Web site.

Workshops designed to provide specific sections for beginning and advanced Angus Information Management Software (AIMS) and Crystal Report Writer were presented in Billings and Great Falls, Mont.

Certified Angus Beef LLC

Jim Riemann presented his president's report, which included fiscal year trends in cattle-acceptance rates and pounds sold. He reported that overall number of head certified and acceptance rate will be up slightly for the year while product sales are expected to fall slightly below last year's level.

Riemann provided staff updates, including the hiring of a design supervisor and the loss of the company's director of genetic programs. He shared that plans for FY 2002 include the hiring of a full-time representative in Japan.

Riemann shared divisional highlights, including

- ▶ the licensing of a new packer, Better Beef of Ontario, Canada;
- ▶ highlights of the Best of *the Breed* (BoB) contest;
- ▶ success at the foodservice level with the Mr. Hero chain bringing on *Certified Angus Beef*® (CAB®) product;
- ▶ Retail Division paramount account and secret shopper programs;
- ▶ extensive focus on the eastern Canada market by International Division staff; and
- ▶ continued development of partnerships with value-added product processors.

Discussion followed regarding brand positioning and dynamics of the branded beef industry. Finally, staff provided an update on various brand assurance issues.

Under new business, staff presented a review of FY 2001 marketing activities and an overview of focus areas for 2002. Growth, customer service, brand building, maximizing the Olympic investment and value-added products were identified as core areas of focus.

Daral Jackwood of Ohio State



▶ Growth, customer service, brand building, maximizing the Olympic investment and value-added products were identified as core areas of focus for Certified Angus Beef LLC (CAB).

University presented an informative update on the DNA research. The project was moving along nicely, and staff presented ideas for moving the technology forward. After extensive discussion, direction was given to staff to further develop the ideas for review at the December Board meeting.

Staff presented the proposed budget for FY 2002, which included a 9% increase in revenue. Fulfillment of the Olympic Suppliership and rollout of account supplies with the new logo were identified as increased expense areas. To balance the budget, cuts were made in a number of areas, with the most effect seen in the areas of public relations and advertising.

Angus Productions Inc.

The Angus Productions Inc. (API) financial report ending July 31, 2001, had a year-to-date total revenue of \$3,723,279.04 and total expenses of \$3,890,350.96. Regular advertising pages were within 0.3% of budget.



The FY 2002 budget was accepted with total income of \$5,136,800.00 and total expenses of \$5,136,800 for a proposed balanced budget.

A year-end report was given on all API departments. *Angus Journal* total pages were within -0.9% compared to FY 2001; sale book pages were equal to 2001, or 1,224 pages; and for the same period production expenses had decreased 2.5%.

A summary of the 2001 Livestock Publications Council (LPC) critique and contest was presented. API publications

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► There were 14 teams in the Angus Foundation Golf Tournament in July during the National Junior Angus Show in Denver, Colo.

again received many awards in the writing and advertising categories.

An editorial planning session for the field editors was conducted in August. An outline of the 2002 editorial calendar was presented.

The Web Marketing Department reported that 73 Web sites were being hosted, 52 banner ads had been produced, and 155 online sale books were posted.

A list of past-due accounts of 120 days or more was evaluated, and the API Board did not act on that portion of the meeting.

Angus Foundation

Staff reviewed the financial status of the Angus Foundation for the period ending Aug. 31, 2001. As of Aug. 31, 2001, the Angus Foundation had total current assets of \$321,827.69 and total investments of \$820,917.85 for total assets of \$1,133,745.54. The Angus Foundation had no liabilities.

There were 14 teams in the Angus Foundation Golf Tournament in July during the NJAS in Denver, Colo. The tournament was at the Thorncreek Golf Course, Thornton, Colo. The golf tournament had helped to bring increased exposure to the Angus Foundation.

The Angus Foundation Silent Auction was conducted during the NJAS. The event generated \$5,994 for the Angus Foundation.

The 2002 Angus Foundation Heifer Package will be headlined by a heifer donated by Shady Brook Angus Farm, Leoma, Tenn. The purchaser will get to pick

from the 2001 fall heifer calves at Shady Brook. The Santini family is to be thanked for the tremendous offering. The package also will include the insurance from American Live Stock Insurance, transportation from Lathrop Livestock Transportation, a flush and implantation provided by TransOva genetics, and Ivomec provided by Merial.

Staff reported that Keith Evans had completed the history book that the Association had commissioned. The book will be sold through the Angus Foundation as a fund-raiser.

The election for the 2001-2002 Board was then conducted with the following officers and Board members elected:

President, Abbie Nelson
Vice president, Keith Arntzen
Secretary/treasurer, Richard Wilson
Board members:
Brian McCulloh
David Smith
Paul Hill

The next Board meeting is scheduled for Nov. 10 and 13, 2001, at Louisville, Ky.



MU ag economists testify on costs of current Missouri livestock marketing law

Two University of Missouri agricultural economists provided expert testimony to state legislators on the impact of the new Missouri livestock marketing law.

Ron Plain and Bruce Bullock spoke Sept. 6 to Missouri House of Representatives and Senate committees considering changes to the new livestock law.

"Why would a packer pay the same price for Missouri livestock as for Kansas livestock if buying in Missouri brings the added risk of a lawsuit for price discrimination?" Plain asked legislators. "Since the law was enacted, some packers have stopped buying Missouri livestock."

The law, which took effect May 29, was designed to protect smaller farmers from being offered lower prices for livestock by meatpackers. Packers historically have offered higher prices to producers who sell large lots of uniform cattle or swine for processing.

The new law allows farmers to sue packers, and possibly collect triple damages, if they feel they've been offered an unfairly low price. Fear of such suits has caused some packers to pass up Missouri livestock altogether.

"The unintended consequence of this legislation has been to

sharply increase the cost to packers of buying slaughter livestock in Missouri," Bullock told legislators. "The natural and quite predictable response to this higher cost of doing business in Missouri is to either quit buying slaughter livestock in Missouri or to reflect this higher cost of doing business in Missouri by offering lower prices for Missouri slaughter animals."

By the economists' calculations, the shunning of Missouri livestock would cost producers \$19 million during the new law's 19-month duration. It is set to expire, unless renewed, in December 2002.

"Missouri producers have already lost some \$3 million in income since the law has been enacted," Plain said.

The Missouri House and Senate are considering a compromise bill to alter the marketing law during the current special session.

"How our producers are further impacted by the marketing law will depend on what that final compromise looks like," Plain said.