



# Board Action

► Highlights of the June 8-10, 2004, meeting of the American Angus Association Board of Directors

## Board conducts business in June

Pursuant to notice, the meeting of the American Angus Association Board of Directors was called to order in the Storyville Room at the Renaissance Pere Marquette Hotel in New Orleans, La., June 8-10, 2004. The following officers and directors were present: Joe Elliott, president; Minnie Lou Bradley, vice president; Ben Eggers, treasurer; Leo Baker; Gregg Blythe; Bill Davis; Al DeClerk; Mark Gardiner; Joe Hampton; Jot Hartley; Paul Hill; Jay King; Robert "Bob" Schlutz; John Schurr; Dave Smith; Richard "Dick" Tokach; and Rob Thomas. Highlights of the meeting are as follows.

### ACTIVITIES COMMITTEE

Discussion was held on whether there was a need to clarify Section IX, Rule 11, No Aerosol Products, the rule adopted in February 2004 relating to shows. Following discussion, the committee determined that it was desirable to clarify the rule so that it now reads as follows:

#### Rule 11

Effective July 1, 2004, at any show for which the American Angus Association appropriates funds toward the payment of premiums, no exhibitors, individuals assisting exhibitors or member owners at such show shall be allowed to use any coloring agents on any animal exhibited.

The Association may adopt and implement various tests designed to monitor this prohibition, including but not limited to a "white towel" or "white glove" test. No aerosol cans or other pressurized containers will be allowed in designated make-up areas.

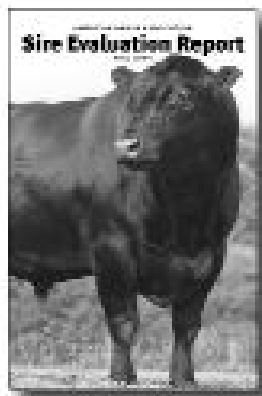
Jeff Dameron will serve as the associate judge at the North American International Livestock Exposition (NAILE) show.

### BREED IMPROVEMENT COMMITTEE

A program for using Interactive Custom \$Values as an educational module in AAA Login was implemented May 1, 2004. The June issue of the *Angus Journal* carries an instructional article about the Custom \$Values.

An updated report for the Weaned Calf Index (\$W) research project was presented. The \$W index is designed to predict economic performance of Angus genetics, incorporating revenue and cost differences associated with expected progeny

differences (EPDs) for birth weight, preweaning growth, milk production and mature size. Following a review of the selection index components and the methodology, the committee discussed potential development and time frame for the \$W index, to be reported at the September 2004 Board Meeting.



The analysis for the fall 2004 National Cattle Evaluation (NCE) was outlined. All traits will be analyzed in-house for the July 2004 release except for birth weight and mature size. The new in-house software for scrotal circumference (SC) and yearling height includes embryo transfer (ET) calves. The weaning/yearling weight model

includes individual performance for ET calves out of registered Angus recipients only. Also, accuracy calculations have been improved for birth weight, weaning weight, yearling weight, milk, SC and yearling height. The more conservative accuracy values will align similarly to accuracies published for ultrasound.

Activities during the recent Beef Improvement Federation (BIF) meeting in Sioux Falls, S.D., were summarized. Much of the meeting focus revolved around the current status of DNA marker technology in the industry. The BIF Web coverage provided by Angus Productions Inc. (API; [www.bifconference.com](http://www.bifconference.com)) has been widely used.

Details were given regarding the purpose of a newly formed working group, the DNA Technology Committee, to draft BIF

guidelines that will better define the following areas of concern with regard to molecular technology: 1) terminology and nomenclature, 2) molecular sampling protocols, 3) DNA test validation, and 4) best use practices for incorporating DNA testing into breed improvement programs and, ultimately, NCE. The committee consists of representatives from the BIF board of directors, breed associations, universities and the Roman L. Hruska Meat Animal Research Center (MARC).

In March 2004, a written request had been made from the National Beef Cattle Evaluation Consortium (NBCEC) for the American Angus Association to participate in its proposed multi-breed genetic evaluation prototype research. The committee voted unanimously not to participate in the project.

Staff was directed to consider the implications of generating and printing an average progeny ratio for SC and to report back at the September Board meeting.

### COMMERCIAL & INDUSTRY RELATIONS COMMITTEE

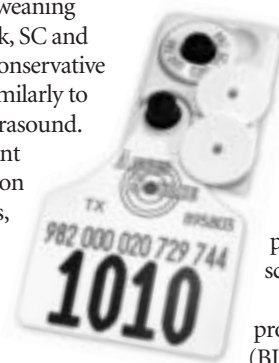
The committee discussed investigating alliances within the production chain (backgrounders, feedyards, packers) that would allow all parties involved to utilize radio frequency identification (RFID) technology (or current ID technology) for production data that would benefit producers as well as the Association.

AngusSource matched pair sets of ear tags (RFID tag and matching visual tag) became available June 1 at a cost of \$3.25 each.

Staff reported that the second phase of the affiliate EPD update is scheduled to be mailed Aug. 1.

The committee discussed a plan for promotion of the Bull Listing Service (BLS).

The committee recommended that staff establish a system to determine price comparison of AngusSource cattle to nontagged Angus cattle and cattle of other breeds.



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### FINANCE COMMITTEE

The committee reviewed the financial reports for the seven-month period ending April 30, 2004. The consolidated financial report has a cash balance of \$3,285,000 and total current assets of \$6,191,000. Investments of \$13,468,000 are in a diversified portfolio of fixed income and equity securities. Total assets are \$23,860,000. Liabilities consist of current liabilities of \$1,368,000 and long-term liabilities of \$996,000. Net income for the period is \$2,599,000. The balance sheets and income statements for each company were also reviewed.

The committee discussed the projected income statement for fiscal year (FY) 2004, ending Sept. 30, and the preliminary budget for next fiscal year.

The committee reviewed activity in the investment portfolio for the year, including additions to the Information Systems (IS) fund and gains from appreciation in market value. The diversification of investments in the portfolio was also discussed.

### MEMBER SERVICES COMMITTEE

Lou Ann Adams reviewed statistics on electronic data and also reported on projects that have currently been implemented by the IS Department.

Work continues on two major programming projects: 1) converging Angus Herd Improvement Records (AHIR) and Beef Record Service (BRS) systems and 2)

calculating NCE EPDs in-house. Fourteen of the 17 published EPDs will be calculated at the American Angus Association for the fall 2004 evaluation.

Some of the programming projects for this summer include a database system for the Angus Foundation and an electronic distribution system of press releases and pictures to replace the current distribution system that uses the U.S. mail.

Scott Johnson distributed a CD-ROM with a 30-minute Angus Information Management Software (AIMS) introductory video (available upon request), which is now being distributed to anyone interested in AIMS, as well as to new users. A longer instructional video is also planned.

The committee reviewed a new set of preliminary rules for the Association. These

rules were drafted as a result of the committee's meeting in late April 2004 in Kansas City, Mo. The primary purpose of this session was to familiarize the committee with a newly drafted set of proposed rules, rewritten and reformatted to read more easily, and to introduce and discuss some newly developed rules and policies. The committee will take up a final draft of a new set of rules in September 2004.

### PUBLIC RELATIONS COMMITTEE

The Association has formed an agreement with Graphic Arts of Topeka Inc. to be responsible for the creative and media buying of the 2004-2005 national advertising campaign. The committee reviewed the ads and the media schedule and unanimously approved the "Power of One" campaign, after staff members make recommended changes to the copy and media schedule.

The Public Relations Department is currently working with the IS Department to move to electronic distribution of publicity, with a goal of having the project completed by Oct. 1. The database is being updated to include e-mail addresses for all publications and farm broadcasters. Equipping staff with digital cameras will aid in this distribution process.

The 2004 National Angus Conference and Tour will be Sept. 14-17 in Roanoke, Va. An insert about the event was to appear in the July *Angus Journal*. Katherine Meadows is the Virginia tour coordinator.

Shelby Axtell, Meade, Kan., is the summer communications intern. She attends Texas Tech University and will work on several projects during the summer.

### CERTIFIED ANGUS BEEF LLC

Certified Angus Beef LLC (CAB) has a year-to-date total revenue of \$6,585,297 and expenses of \$6,385,448 for a balance of \$199,849. Brent Eichar shared the projected 2004 FY-end report, reflecting an estimated deficit of \$114,000.

Jim Riemann shared the sales numbers and cattle acceptance trends through April, reflecting a year-to-date decrease of 18.2% in certified cattle available for fabrication. Other highlights included an update on the bovine spongiform encephalopathy (BSE) crisis and its continuing effects on international sales (a decrease of nearly 75% from the previous year), and an update on the marketing and sales of *Certified Angus Beef*® (CAB®) brand Natural. Riemann provided an update on the

newest value-added item of CAB® Steak Strips and the great publicity that had been received, along with the various brand promotion efforts that had been conducted by the marketing/communications team in both Detroit, Mich., and Pittsburgh, Pa.

Eichar presented a preliminary FY 2005 budget reflecting an increase in revenue of 8.7%. Increased spending was reflected in the areas of staff salaries and benefits, along with a contingency contribution increase of \$503,000.

### ANGUS PRODUCTIONS INC.

The API year-to-date financial report includes a total income of \$3,761,639.02 and total expenses of \$3,477,768.26, for a balance of \$283,870.76. An income tax adjustment of \$15,429.00 for the period resulted in revenue over expenses of \$286,441.76.

A third spring issue for the *Angus Beef Bulletin*, to be published in March 2005, was approved, bringing the total to six issues per year.

The present circulations of the *Angus Journal* and *Angus Beef Bulletin* are 16,890 and 82,147, respectively.

A new format for reporting sales and shows in the *Angus Journal* was discussed. Sales and shows will be published as inserts three or four times per year rather than as monthly columns. Super-point Roll of Victory (ROV) shows and the National Junior Angus Show (NJAS) will remain in the main book.

### ANGUS FOUNDATION

Angus Foundation staff will develop policies and guidelines regarding any Angus Foundation fund-raising event that is hosted by an individual breeder and/or is conducted at a breeder's farm/ranch venue in conjunction with a production sale.



Angus Foundation staff will develop preliminary plans for the Angus Foundation Reception at Louisville, Ky., this November for review at the September Board meeting.

### NEXT BOARD MEETING

Sept. 1-3, 2004

