



# Board Action

► Highlights of the Sept. 1-3, 2004, meeting of the American Angus Association Board of Directors

## Board conducts business in September

*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. 1-3, 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.*

### EXECUTIVE COMMITTEE

Discussion was held concerning written requests that the Association purchase the "Ped Parser Program," a program that downloads pedigrees from the Internet and calculates inbreeding coefficients and co-relationships in Angus cattle. No action was taken.

### ACTIVITIES COMMITTEE

The following people were selected as the 2004 inductees into the Angus Heritage Foundation: Thomas Burke, Smithville, Mo.; Richard Janssen, Ellsworth, Kan.; and Ralph Sydenstricker, Missouri (deceased).

The judges were selected for the following shows:

- 2005 National Western Stock Show (NWSS) Junior Angus Show, Denver, Colo., Jan. 11;
- 2005 Western Regional Junior Angus Show, Reno, Nev., April 23-25;
- 2005 Eastern Regional Junior Angus Show, West Springfield, Mass., June 17-19; and
- 2005 National Junior Angus Show (NJAS), Denver, Colo., July 17-24.

The committee unanimously approved regional preview junior Angus show status for 2006 for the following shows:

- Mid-Atlantic Junior Angus Classic (MAJAC) at Harrisonburg, Va.;
- Atlantic National, Timonium, Md.; and
- Northwest Regional Preview, Filer, Idaho.

The request to host the 2006 Western Regional Junior Angus Show made by the Western States Angus Association was approved.

The committee voted to synchronize the ownership and entry deadlines of the preview and regional preview shows and the NJAS.

### Show

MAJAC  
Western Regional  
Atlantic National  
Regional Preview Shows  
Eastern Regional  
NJAS

The committee approved a request to create 2-year-old and mature cow divisions in the NJAS cow-calf classes.

### BREED IMPROVEMENT COMMITTEE

The final reports for the Weaned Calf Index (\$W) and the Cow Energy Index were presented. The \$W Index is designed to predict economic performance of Angus genetics evaluating birth weight, preweaning growth, milk production and mature size. Release of the new \$Values will coincide with the spring 2005 National Cattle Evaluation (NCE) release. Plans are to pursue an interactive version of \$W with a release scheduled for summer 2005.

An update of ongoing work for new \$Values and educational modules related to the selection indexes was discussed. A customer interactive Optimal Milk Module project is under development, and a reproduction trait feasibility study is also in progress.

Sire progeny average ratios for scrotal circumference (SC) and yearling height were approved to be included on the Angus Herd Improvement Records (AHIR) "Sire Average Progeny Ratios and Production EPD (expected progeny difference)" report, the Performance Registration Certificate (PRC), and the Angus Performance Pedigree. It was also decided to include the individual \$Values on the PRC and the Angus Performance Pedigree.

Regarding the NCE, new mature size

### Entry/ownership deadline

Feb. 1  
March 1  
April 15  
May 1  
May 15  
June 1

software, model and data requirements were summarized by staff. Genetic parameters and EPD statistics were also reviewed. Enhanced mature size EPDs are planned for the spring 2005 NCE.

Temperament data collection will be expanded to include measurements on yearling cattle. The temperament scoring system from the Beef Improvement Federation (BIF) Guidelines will be utilized, and existing cow temperament data will be modified to the new scoring system.

Literature is currently being reviewed on research addressing cattle hair coat shedding in southern region environments.

It was reported that Gloria Hurlbut retired Aug. 31, 2004, after a successful career with the American Angus Association in the AHIR Department. Brenda Schafer will now supervise AHIR Department activities.

The recent National Beef Cattle Evaluation Consortium (NBCEC) Breed Association Workshop in Ardmore, Okla., in August 2004 was summarized. Discussions were held relative to ownership issues involving the Carcass Merit Project (CMP) phenotypic data and DNA materials. The funding received by NBCEC through the Farm Bill totaled \$626,000 in 2004 and is projected at \$840,000 in 2005. The NBCEC Multi-breed Genetic Evaluation will be completed by Jan. 1, 2005, with results to be included in a "National" EPD database. The NBCEC research and education vision for the future and its research endeavors were also presented at the meeting.

### COMMERCIAL & INDUSTRY RELATIONS COMMITTEE

The committee approved a cooperative marketing plan to reward auction markets and video auctions for hosting AngusSource sales.

Staff reported on the promotional efforts that have been implemented to advance the presence of the AngusSource program.

The committee voted to remove the maternal grandsire component to the AngusSource program.

A cash award will be offered to the highest-placing cattle in the 2005 National Angus Carcass Challenge (NACC) that carry AngusSource tags.

The staff was asked to investigate ways to work in conjunction with Certified Angus

Beef LLC (CAB) on price reporting of AngusSource cattle.

The committee adopted a policy concerning the structure of the database system for national identification (ID).

The committee voted for staff to investigate the implementation of a radio frequency identification (RFID) tag option for registered producers.

Staff reported on the promotional efforts regarding the Bull Listing Service (BLS).

Staff reported on an audit of the Beef Record Service (BRS) program in regards to the usefulness of the program to commercial producers.

## FINANCE COMMITTEE

The committee reviewed the financial reports for the 10-month period ending July 31, 2004. The cash balance on the consolidated financial report is \$2,760,000. The investment portfolio of \$14,008,000 consists of government and agency notes, money market accounts, bank certificates of deposit, bond and equity mutual funds and stocks managed by Chase Investment Counsel Corp. The total of all assets is \$23,401,000. Long-term debt consists of \$125,000 for an Olympic sponsorship commitment, \$627,000 for accrued health benefits and \$244,000 for the deferred compensation liability. The net income for the period is \$2,240,000.

The committee discussed the projected income statement for the current fiscal year, ending Sept. 30, 2004. Revenue and expenses are projected to be \$9,391,000 and \$7,832,000, respectively, with a net income of \$1,558,000. Most of the increase in revenue and net income is from realized and unrealized gains in investment income in the amount of \$903,000. Operating income [registrations, transfers and artificial insemination (AI) certificates] also exceeded budget by \$533,000. Expenses are expected to be less than the amount budgeted by 1.5%.

The committee adopted a budget for fiscal year (FY) 2005 with estimated revenue of \$8,622,500, expenses of \$8,572,000 and a net income of \$50,500.

The committee reviewed the activity in the investment portfolio for the year. An additional \$500,000 has been added to the portfolio since the June Board meeting in the Information System (IS) fund. The value of the investment portfolio has also increased from investment income of about \$718,000, which includes realized gains and appreciation of \$657,000.

The Finance Committee discussed the long-range commitment by the American Angus Association that was adopted at the September 2003 Board Meeting to fund up to \$1,000,000 to endow an administrative and donor relations fund for the Angus

Foundation. The Committee authorized \$200,000 be paid in the current fiscal year.

## MEMBER SERVICES COMMITTEE

Scott Johnson reported on updates to Angus Information Management Software (AIMS) materials that help account for increased revenue and activity related to AIMS. Development continues on direct-connection to electronic scales and electronic tag readers, with more work needed on handling various brands and types of equipment.

Lou Ann Adams reported on the following IS projects:

All EPD traits except birth and mature size were calculated in-house for the fall 2004 NCE, as well as updates on the interim calculations for scrotal and yearling height. Work continues on calculating, testing and analyzing birth and mature size EPDs, with major assistance from the Performance Programs Department.

Programming was completed for the AngusSource tag promotion and the BLS promotion, as well as a new weekly e-mail of upcoming AngusSource sales.

The Member Services Committee reviewed and discussed proposed revisions of Association Charter, Bylaws and Rules. After final review by the committee, Al DeClerk moved, seconded by Richard Tokach, to recommend to the full Board the adoption of the Charter and the Bylaws by the delegates at the Annual Meeting in Louisville in November. The committee continued its work on the revision of Association Rules, which the committee expects to present for adoption at the November meeting of the Board of Directors.

## PUBLIC RELATIONS COMMITTEE

The Public Relations Committee unanimously approved and directed staff to create the first of several educational tutorials with the assistance of outside consultants.

Radio spots and advertisements that tie to the "Power of One" national ad campaign are now available on the Angus Web site for members to use for their own local advertising needs.

## CERTIFIED ANGUS BEEF LLC

Certified Angus Beef LLC (CAB) has a year-to-date total revenue of \$9,521,476 and expenses of \$9,372,957 for a balance of \$148,519. Brent Eichar shared the projected 2004 FY-end report reflecting an estimated deficit of \$113,000.

Jim Riemann shared the sales numbers and cattle-acceptance trends through July, reflecting a year-to-date decrease of 16% in certified cattle available for fabrication. Riemann presented an update on the NACC, including the more than 5,700 enrollments in the contest.

Other highlights included an update on the bovine spongiform encephalopathy (BSE) crisis and its continuing effects on international sales, along with an update on the marketing and sales of *Certified Angus Beef*<sup>®</sup> (CAB<sup>®</sup>) brand Natural. Riemann provided an update on new restaurant and retail chains joining the program, 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 proposed FY 2005 budget reflecting an increase in revenue of 12.1%. Increased spending was reflected in the area of staff salaries and benefits to reflect the current staffing level and a contingency contribution increase of \$503,386. Additional questions regarding the budget were deferred to the executive session. The proposed budget was approved.

## ANGUS PRODUCTIONS INC.

The Angus Productions Inc. (API) year-to-date financial and budget reports and the proposed FY 2005 API budget were reviewed.

The proposed balanced budget for FY 2005 was approved, with total revenues of \$5,848,800 and total expenses of \$5,848,800.

Web Marketing presented a new online sale book option called "as printed." This option is in addition to existing searchable sale books or PDF formats.

Accounts receivable pertaining to API advertising were reviewed.

API staff and API Board reviewed current columns and discussed potential new columns for the *Angus Journal* and *Angus Beef Bulletin*.

## ANGUS FOUNDATION

A new Angus Foundation logo was presented. It will be officially unveiled at the Angus Foundation Reception in Louisville in November.

The American Angus Association's 15,000,000th registration will be auctioned as a fund-raiser at the Angus Foundation Reception.

The following were approved:

- ▶ Budget for FY 2005
- ▶ Gift acceptance policies and guidelines
- ▶ Breeder-hosted fund-raising event guidelines
- ▶ Strategic fund-raising planning that will further strengthen the Foundation's abilities to expand and advance programs for education, youth and research

Staff presented initial plans for a new fund-raising program called the "Angus Foundation Annual Fund."

## NEXT BOARD MEETING

Nov. 13 and 16, 2004, Louisville, Ky.

