



Board Action

► Highlights of the Feb. 22-24, 2011, meeting of the American Angus Association Board of Directors

Board conducts February business

Pursuant to notice, the meeting of the American Angus Association Board of Directors was convened Feb. 22-24, 2011, in Saint Joseph, Mo. The following officers and directors were present: Joe Hampton, president and chairman of the Board; Jarold Callahan, vice president and vice chairman of the Board; Phil Trowbridge, treasurer; Charlie Boyd II; Scott Foster; John Elbert Harrell; Leo McDonnell; Vaughn Meyer; Steve Olson; John Pfeiffer Jr.; Jim Rentz; Arlen Sawyer; Doug Schroeder; Darrell Silveira; Jim Sitz; Gordon Stucky; Cathy Watkins (by phone); and Kevin Yon. Highlights of the meeting are as follows.

ACTIVITIES COMMITTEE

► **ROV Shows.** The World Beef Expo will be recognized as a Super-Point Roll of Victory (ROV) Show for the 2011-2012 show season in an effort to add one super-point ROV show a year on a rotating basis.

The heifer calf division will be split into three divisions instead of two at the National Western Stock Show (NWSS) in future years.

► **NWSS Bull Sale.** The 2011 NWSS Bull Sale was reviewed, with 27 bulls selling for an average of \$6,917. The American Angus Association will continue to manage the NWSS Bull Sale in 2012. Eddie Burks will be asked to serve as auctioneer.

The committee highly recommended all bulls consigned to the sale have expected progeny differences (EPDs).

► **Judge Selection.** The Association will continue to use the three-person judging system, on a rotational basis between the NWSS and the North American International Livestock Exposition (NAILE), in odd-number calendar years.

It was decided the owned heifer judge at the National Junior Angus Show (NJAS) will have an assistant of his or her own choosing, with the committee's approval, to place the bottom of each class.

A slate of judges for the 2011 NJAS and Eastern Regional, as well as the 2011-2012 ROV show season, was approved.

► **Events.** The Kansas Angus Association will host the 2012 National Angus Tour.

► **Junior Activities.** Missouri Angus associations will host the 2013 NJAS in Kansas City, Mo.

BREED IMPROVEMENT COMMITTEE

► **Capturing Reproductive Trait Data.** A task force was appointed to explore the development of a voluntary, inventory-

based reporting system to capture reproductive data, with considerations of fee structure and incentives for participating breeders. The task force will also re-address the registration requirement prior to the release of EPDs. The Reproduction Efficiency Task Force consists of Jim Sitz, chairman; Vaughn Meyer; Gordon Stucky; and Kevin Yon.

► **Characterizing Soundness in Angus Cattle.** Regarding soundness characteristics in Angus cattle, it was determined that additional breeder awareness and educational materials are needed.

► **Breeder Request.** A breeder request was considered for expansion of access to performance data, EPDs, and index projections with no animal accuracy. No action was taken.

COMMUNICATIONS & PUBLIC RELATIONS COMMITTEE

► **Print Media.** Staff reported that by the end of February the print advertising program would reach 3.6 million impressions. Total print impressions for the year would total 7.46 million, an increase of about 700,000 over the campaign two years ago.

The Committee approved a brochure and national print advertisement underscoring the economic advantages of using registered Angus bulls as a way of increasing profitability and ensuring quality control.

► **Social Media.** The Association's social media presence has seen substantial increases.

The YouTube channel should reach a half million all-time views by late April 2011.

Combined, the American Angus Association, National Junior Angus Association (NJAA) and Auxiliary Facebook

pages have increased their number of fans from 4,143 to 5,518, or 33%.

The Twitter page has jumped from 454 followers in September to 952 followers this month, a 109% increase.

► **Television.** The Association's television presence has increased sharply this year. Four *I Am Angus* programs have aired since January 2010, with a combined audience of 400,000.

The Association continues to build its partnership with AgDay and *U.S. Farm Report*. Since the start of the fiscal year, approximately 16 Angus segments have been broadcast by the programs with combined viewership of these segments estimated at 5.125 million viewers.

Two *Vita Ferm Angus Hour* programs will air this spring and summer. The first will air on April 25, and will focus on juniors and how to select, fit and show heifers. The second program will focus on preweaning and weaning strategies and will air later this summer.

The Committee directed staff to pursue a business plan to expand the American Angus Association's television presence for consideration at the June Board meeting.

FINANCE & PLANNING COMMITTEE

► **Balance Sheet and Income Statement.** Balance sheets and income statements were reviewed. Total assets on the consolidated financial report were \$37,114,000, consisting of current assets of \$10,726,000, investments of \$21,959,000, property and equipment of \$4,189,000 and non-current assets of \$241,000. Liabilities were \$3,564,000 consisting of accounts payable, accrued liabilities and deferred income. Long-term liabilities of \$1,436,000 consisted of a note payable, deferred income, accrued health insurance benefits and deferred compensation. There was a net gain of \$3,985,000 for the period ending Jan. 31, 2011.

► **Investment Portfolio.** The Finance Committee reviewed the investment portfolio of the Association and its subsidiaries. The history, purpose and designated uses of the reserve accounts were reviewed and discussed. The Committee then reviewed the portfolio assets, including the diversification of the portfolio, activity in the

accounts and performance of the fund. The total return for the trailing 12 months is a gain of 15.4%.

► **Other.** Staff reported the Association is currently undergoing a Missouri sales and use tax audit.

Gary Frazer, a partner in the CPA firm, Clifton Gunderson LLP, met with the Committee. He discussed the audit for the fiscal year (FY) ending Sept. 30, 2010.

MEMBER & AFFILIATE SERVICES COMMITTEE

► **Rule and Suggested Terms and Conditions Changes.** The following rule changes were approved:

— Deletion of Rule 107(a)(3)

107(a)(3) No name of any animal descended from a genetic defect carrier may be changed unless the animal with the name change has been tested free of that particular defect.

— Updated Rule 503(a) and 503(b). The rules were modified to now read:

An AI Service Certificate for each calf to be recorded must accompany the application for registration of the resulting offspring. When AI Service Certificates are electronically stored in the first owner's membership file, the AI Service Certificate need not accompany the application for registration. In the case of multiple births, only one AI certificate is required.

AI Service Certificates may be obtained from the Association by Life, Regular, Junior or Nonresident Members of the Association who are the owner or co-owner of record of the sire at a fee established by the Board of Directors. Application for AI Service Certificates must be requested by one of the owners of record of the bull. Only one owner of record of a jointly owned bull is required to request AI service certificates.

► **Updated "Suggested Sale Terms and Conditions."** In the "Suggested Sale Terms and Conditions," move Item 6: "Options and privileges of return or adjustment, Cows with calves at their side are presumed to be breeders with no further fertility guarantee." to become Item 3, under the "Breeding guarantees" section.

► **AIMS Update.** An updated version of AIMS (v2.5) is in the testing phase with plans to release this spring.

ANGUS FOUNDATION

► **Financial report.** The financial status of the Angus Foundation was reviewed for the four-month period ending Jan. 31, 2011. Financials included total cash of \$49,401, investments of \$5,512,038, total assets of \$5,899,126, current liabilities of \$93,178 and net income for the fiscal year-to-date of \$605,667.

► **Events and activities.** Staff updated the Board on Foundation events and activities, including the BlackOnTrack! Angus Magic at Churchill Downs 2010 Gala and Auction, the 2011 Angus Foundation Heifer Package and the 2011 Annual Fund "Their Story is Our Story." Appreciation was extended to the multitude of volunteers, sponsors and generous donors who made these fundraising activities successful.

► **Research projects.** An overview of recently completed and current research projects being funded by the Angus Foundation was provided.

► **Fundraising.** Related to the

Association's current Long-Range Planning initiative, the Angus Foundation will strengthen future fundraising strategies to help meet the ever-increasing education, youth and research needs of our members.

The Angus Foundation Heifer Package fundraising activity for the 2012 National Western Stock Show was approved.

Vision of Value: Campaign for Angus Leadership Cabinet was commended for their tireless and continued dedication to helping the Angus Foundation raise \$11 million by Dec. 31, 2011.

A new fundraising initiative was approved

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to encourage Angus breeders to contribute proceeds from the sale of salvage cows in support of Vision of Value: Campaign for Angus.

As of Feb. 1, cash gifts, pledges and planned giving commitments by members, allied industry interests and friends totaled more than \$6.9 million.

▶ **Other.** The application process for undergraduate student scholarships has been streamlined. The application deadline is May 1.

The Deferred Compensation Plan of the Angus Foundation was amended in accordance with the plan provision.

Kelli Armbruster was commended by the

directors and staff for her exemplary service from 2007-2011 as the Angus Foundation's marketing and public relations assistant. She will be moving to Fargo, N.D., in mid-March.

ANGUS GENETICS INC. (AGI)

▶ **Financial Report.** The financial report for the period ending Jan. 31, 2011, was reviewed. AGI had year-to-date total revenue of \$726,671 and expenses of \$564,442. The net gain year-to-date was \$162,229.

▶ **Parentage Verification.** Updated parent verification services were summarized. The Association has implemented SNP parentage with in-house data basing and interpretation of results from Igenity®. An agreement has been completed to accept SNP parentage results provided by Pfizer.

▶ **Genomic Results.** Reporting formats were discussed for genomic results. AAA Login displays were shown for Igenity profile scores and Pfizer percentile ranks. Company results were compared by trait for favorable direction, since this varies by company.

National Cattle Evaluation (NCE) procedures with genomic results were reviewed for carcass and growth traits. Genetic correlations between genomic results and phenotypic data released to date were reported.

ANGUS PRODUCTIONS INC. (API)

▶ **Financial Report.** The financial and budget reports were presented with \$2,402,484.27 total revenue and total expenses of \$2,247,624.67, unrealized gain of \$9,900.88 and income tax of minus \$5,440,

resulting in excess revenue over expenses of \$159,320.48

► **Printer Contract.** Staff was asked to seek at least three printing quotes for review at the June 2011 API Board meeting. The contract should include the potential for the *Angus Journal* to have a digital edition.

► **Internet Auction System.** A committee was appointed to continue to formulate the possibility of an API Internet Auction system. The committee consists of Charlie Boyd, chairman; Jim Rentz; Jim Sitz; Gordon Stucky; and staff member Terry Cotton.

CERTIFIED ANGUS BEEF LLC (CAB)

► **Financial Reports.** Financial reports through January 2011 showed excellent growth.

► **Activity Update.** Staff reported on

NCBA activities and discussions with packers regarding potential interest in a source- and age-verified product line.

Recently released *Supplying the Brand* and *Brand Update* publications were reviewed, and an update was provided on the Leadership Development Series being launched this spring for staff. There was continued growth in product sales through January, as well as an increase in overall certified numbers and the continued improvement of the CAB acceptance rate.

A recap of divisional sales numbers reflected strong foodservice and international growth and various “big-rock” initiatives being pursued by the sales team.

The plan to officially oppose the currently proposed GIPSA regulations was reviewed.

Various Supply Development initiatives were reviewed, including the progress on

developing guidelines and plans for greater use of the “Targeting the Brand™” logo by producers on registered Angus bulls that meet the standards outlined in the *Best Practices Manual*. An update was provided on a CAB-specific DNA tool for commercial cattle and the need to pursue some pilot projects to test the validity of such a tool in its effectiveness to predict quality.

The progress of the source-verified production research project was discussed. The research proposal being developed by Firebox should help assess the market opportunity for such a product line.

NEXT BOARD MEETING

► June 8-10, Wooster, Ohio

