



Board Action

► Highlights of the Feb. 19-21, 2013, 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. 19-21, 2013, in Saint Joseph, Mo. The following officers and directors were present: Phil Trowbridge, president and chairman of the Board; Gordon Stucky, vice president and vice chairman of the Board; Cathy Watkins, treasurer; Charlie Boyd II; Scott Foster; John Elbert Harrell; Phil Howell; Leo McDonnell; Vaughn Meyer; John Pfeiffer Jr.; Jim Rentz; Chris Sankey; Arlen Sawyer; Don Schiefelbein; Doug Schroeder; Darrell Silveira; Jim Sitz; and Kevin Yon. Highlights of the meeting are as follows.

ACTIVITIES COMMITTEE

The 2014 Southwestern Exposition and Livestock Show in Fort Worth, Texas, will be designated a super-point ROV Show for the 2013-2014 show season.

The Washington State Fair, formerly the Western Washington Fair, in Puyallup will be given ROV status starting in 2013.

A slate of judges for the 2013 National Junior Angus Show (NJAS) and National Junior Angus Association (NJAA) regional shows, as well as the 2013-2014 ROV show season was approved.

The judge selection process will be updated. Show management will be asked to send an unranked list of suggested judges' names. The exhibitors, providing input through the ROV surveys, will be asked to recommend names to be considered as judges. The lists of suggested and pre-approved judges will be posted online.

FINANCE & PLANNING COMMITTEE

The Finance & Planning Committee reviewed the balance sheets and income statements for the period ending Jan. 31, 2013. The financial review included the consolidated financial reports and the financial reports of each entity.

The committee reviewed the mutual funds and account managers that currently comprise the Association's investment portfolio. Additional funds were approved for inclusion in the investment portfolio.

The discount brokerage firm of Charles Schwab was approved for use as a financial institution for the American Angus Association and its subsidiaries.

ANGUS FOUNDATION

The financial status of the Angus Foundation for the four-month period ending Jan. 31, 2013, was reviewed. Financials

included total cash of \$125,891.57, investments of \$5,968,572.77 and total assets of \$6,385,432.80, current liabilities of \$199,265.02 and net income for the fiscal year-to-date of \$355,031.90.

Through the *Building An Angus Legacy!* project, renovation of the American Angus Association building's west entry walkway will provide an opportunity for members, allied industry interests and friends of the Angus breed to have their names permanently engraved in granite pavers. A limited number of pavers will be available from March 1-July 1. Order forms will be mailed to members in early March. Information is available at www.angusfoundation.org or in the March *Angus Journal*.

The Angus Foundation's heifer package was approved as a fundraising activity at the 2014 National Western Stock Show (NWSS) Angus Bull Sale.

Revisions to guidelines, procedures and applications for external funding requests were approved. Updates can be viewed at www.angusfoundation.org.

ANGUS GENETICS INC. (AGI)

Larry Kuehn, research geneticist with the U.S. Meat Animal Research Center (USMARC), Clay Center, Neb., joined the AGI board as the external advisory member and was introduced to those in attendance.

Staff summarized company activities, including a recap of Zoetis (formerly Pfizer) recalibration for the HD50K, a GeneMax™ update, and a progress report on the University of Missouri genome-sequencing project. In addition, the testing volumes for single-nucleotide polymorphism (SNP) parentage and genomic-trait tests were reported.

It was announced that Heather Bradford, a Kansas State University graduate student, will

be joining AGI as 2013 summer intern. She will be involved in research projects, DNA activities, and customer service and outreach activities.

It was approved to provide customized intake analysis to Angus breeders submitting feed-intake phenotypic data to the American Angus Association.

A breeder request was made for genomic progeny counts to be reported for parent animals. After discussion, no action was taken.

ANGUS PRODUCTIONS INC. (API)

The financial report for the period ending Jan. 31, 2013, showed year-to-date total revenue of \$2,302,500.38, expenses of \$2,156,078.92 and an unrealized gain of \$17,904.37, resulting in excess revenue over expenses of \$125,225.89.

Advertising was up for the month and year-to-date in both the *Angus Journal* and the *Angus Beef Bulletin*.

The Board reviewed preliminary results of the *Angus Journal* readership survey, the lapsed subscriber survey and a comparison of trends in Association membership and members conducting business with the Association.

Based on the preliminary survey results and the circulation analysis, several opportunities have been identified to advance the company under the *Angus Journal* brand:

1. Energize efforts under a revised mission statement: "To be an indispensable partner to the beef industry, providing leading-edge information and marketing strategies through a unique range of print and digital platforms";

2. "Bang the drum" to let people know what the *Journal* has to offer;

3. Strengthen the *Angus Journal's* position as the leader in delivering the information our readers tell us they want — genetics, herd management, performance, latest research and technical features;

4. Create a consistent, clear branding for the *Angus Journal* across media platforms; and

5. Make a concerted effort to increase circulation.

It was noted that 28.8% of the lapsed subscribers indicated they might resubscribe. The Board voted to offer a one-time incentive of 15 issues for the price of 12 to those lapsed subscribers identified for the survey to entice them to resubscribe.

CERTIFIED ANGUS BEEF LLC (CAB)

Highlights of current acceptance rates and sales trends included a 7% increase in cattle meeting the *Certified Angus Beef*® (CAB®) specifications and a sales increase approaching 6% year-to-date. International

has shown tremendous growth, along with some recovery in the foodservice sector. CAB vs. Choice cutout spread had increased nearly 50%, reflecting strong premium-brand sales demand. It was reported that the European Union lifted the ban on lactic acid as a carcass wash, Japan began accepting beef from cattle younger than 30 months of age, and Russia recently adopted policy to not accept beef product that has been fed a beta-agonist.

Major events have recently been conducted at the Education & Culinary Center, the South Beach Food & Wine Festival and the Houston Livestock Show. Despite challenges expected in 2013, the year could still end at or above budgeted growth.

A recap was provided of the recent round-table discussion held on the topic of how marbling selection correlated with maternal traits. The positive outcome of the discussion was there does not appear to be a threshold level for marbling levels in heifer selection, and no data exists implying any negative maternal impact created by a strong focus on marbling genetics. The new information will be incorporated into a whitepaper developed by Scott Greiner and his graduate student Jason Smith.

Staff recapped discussions held on the topic of beta-agonists use within beef production by the media and by consumers, expressing concern for their use as they impact beef tenderness and quality.

BOARD OF DIRECTORS

The Board approved a revision to the categories of importance that will be considered by the Research Priorities Committee.

The Board approved discontinuance of the Process Verified Program (PVP) portion of the AngusSource® program.

To recognize those changes in National Cattlemen's Beef Association (NCBA) committee structure, three directors will be appointed each year to serve on the following NCBA committees: Ag and Food Policy; Cattle Health and Well-being; and Cattle Marketing and International Trade.

The Board considered a request from a member regarding adjusted yearling weights. No action was taken.

The Board approved to update the historically tested Zoetis percent ranks generated prior to the HD50K recalibration done on Jan. 11, 2013, based on 13,184 results.

NEXT BOARD MEETING

June 5-7, 2013, Lake George, N.Y.

