



# Board Action

► Highlights of the June 8-10, 2011, meeting of the American Angus Association Board of Directors

## Board conducts June business

Pursuant to notice, the meeting of the American Angus Association Board of Directors was convened June 8-10, 2011, in the Certified Angus Beef LLC (CAB) offices in Wooster, Ohio. 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; and Kevin Yon. Highlights of the meeting are as follows.

### ACTIVITIES COMMITTEE

At future National Western Stock Shows (NWSS), the heifer calves will be split into four divisions by age: January, February, March, and April and younger.

The committee voted to begin the selling of the Angus Foundation Heifer 30 minutes prior to the NWSS Bull Sale.

### BREED IMPROVEMENT COMMITTEE

An update was provided on the breeding data used in the American Angus Association's biannual research heifer pregnancy genetic evaluation. Background on the development of the heifer pregnancy expected progeny difference (EPD) in 2007 and the database growth was presented along with summary statistics for the heifer pregnancy EPDs and accuracies. It was unanimously approved to publish heifer pregnancy EPDs as part of the Angus National Cattle Evaluation (NCE) with implementation as soon as feasible.

New research for longevity in the Angus female was summarized based on an initial database from Angus Herd Improvement Records (AHIR®) cow records and disposal codes. The survival analysis that can be used to create a long-term female productivity value was described with sample trait descriptions.

A report was provided from the Reproduction Efficiency Task Force that had been appointed in February 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 also revisited the registration requirement prior to the release of EPDs. The appointed members of the Task Force

were Jim Sitz (chairman), Vaughn Meyer, Kevin Yon, Gordon Stucky, and external advisement members Sam Shaw and Matt Perrier. Task Force recommendations were as follows:

► **Recommend the Maternal Reporting System**, with a \$3 inventory fee per cow. The fee includes performance reporting for the cow's calf. At data processing time, the calving ease, birth weight and weaning weight EPDs on the calves would be provided.

► **The existing stand alone AHIR fees** remain at the current rate of \$3 per weaning weight.

It was unanimously approved to pursue refinement and implementation of the new voluntary system.

### COMMUNICATIONS & PUBLIC RELATIONS COMMITTEE

► **Print media.** Print advertising by the end of May reached 4.5 million impressions. Print impressions for the fiscal year will total 7.46 million, an increase of about 500,000 compared to the print campaign two years ago.

► **Social media.** The Association's YouTube channel is approaching 600,000 all-time views. The Facebook page has increased to 3,700 fans, and the Twitter account now includes 454 followers as of early June.

► **Television.** Four *I Am Angus* programs aired during fiscal year (FY) 2010-2011 and reached a combined audience of 396,000 viewers. Nearly 500,000 viewers have watched the program in addition to 100,000 views on YouTube.

A *Best of I Am Angus* television program will air the weeks of Aug. 11 and Aug. 25 on RFD-TV.

The first-ever *Champion of Champions* television program will air Aug. 8 and feature highlights from the National Junior Angus Show (NJAS). The hour-long show is being produced in cooperation with the Angus Foundation and the National Junior Angus Association (NJAA).

The PR Department continues to work closely with the Certified Angus Beef LLC (CAB) Supply Development team to produce video news releases. Now produced on a weekly basis, the VNRs are distributed by CAB to approximately 250 media outlets, including print, Internet, radio and television stations.

The Board of Directors reviewed and approved a business plan for the expansion of the Association's television programming, which expands *I Am Angus* from four programs to six programs in FY 2012. The programs will be broadcast by RFD-TV each month from October through March. The plan also calls for the launch of *The Angus Report* on RFD-TV beginning the week of Oct. 3. It is scheduled to be broadcast every other week, Monday mornings, at 7:30 a.m. Central on RFD-TV.

### FINANCE & PLANNING COMMITTEE

Consolidated financial reports and the financial reports of each entity were reviewed. Total assets on the consolidated financial report are \$38,247,000, consisting of current assets of \$10,829,000, investments of \$23,123,000, property and equipment of \$4,053,000 and non-current assets of \$241,000. Current liabilities are \$2,629,000, consisting of accounts payable, accrued liabilities and deferred income. Long-term liabilities of \$1,403,000 consist of a note payable, accrued health insurance benefits and deferred compensation. Net income for the period ending April 30, 2011, is \$6,086,000.

Financial projections of the American Angus Association and its subsidiaries were reviewed for the current fiscal year that will end Sept. 30, 2011. The net income from operations for the Association is projected to be \$2,078,000, supported by investment income and an anticipated reduction in expenses.

Budget considerations for fiscal 2012 were

discussed, including revenue projections, personnel issues and program costs.

The Finance Committee reviewed the investment portfolio of the Association and its subsidiaries. Investment income for the fiscal year is \$2,570,000. The total return for the trailing 12 months is a gain of 12.9%.

Staff reported on various ongoing administrative issues, including the renewal of Association insurance policies and an audit by the state of Missouri.

#### **MEMBER & AFFILIATE SERVICES COMMITTEE**

Non-resident membership fees were set at \$80 per year.

Updates to the testing and reporting of the D2 genetic abnormality will continue to be conveyed to the membership.

The release of the AIMS v2.5 is scheduled for later this summer. The new version will have several added fields for information such as new EPDs and DNA tests.

An overview was given on the websites of the Association and its entities. Several of the current websites have been consolidated to [www.angus.org](http://www.angus.org), and a new design was discussed.

Enrollments in AngusSource® and Gateway continue to increase. Year-to-date, AngusSource has experienced growth of 6%,

and Gateway has charted 93.7% growth in the number of calves enrolled.

#### **ANGUS FOUNDATION**

The financial status of the Angus Foundation was reviewed for the seven-month period ending April 30, 2011.

Financials include total cash of \$80,688, investments of \$5,840,312, total assets of \$6,136,604, current liabilities of \$66,895.40 and net income for the fiscal year-to-date of \$869,428.

Staff updated the Board on Foundation activities, including:

The Angus Foundation will award \$100,000 in undergraduate student scholarships and \$25,000 in graduate student scholarships at the upcoming 2011 NJAS in July at Harrisburg, Pa. Numerous other scholarships funded by donor-named endowment funds will be presented to Angus youth.

Eddie and Connie Sydenstricker of Sydenstricker Genetics, Mexico, Mo., will donate the 2012 Angus Foundation Heifer to be offered at the 2012 NWSS in Denver next January.

A "Treasure Chest" fundraising initiative

was announced in April to provide Angus breeders an avenue to donate proceeds from salvage cows to *Vision of Value: Campaign for Angus* and be recognized.

Outright cash gifts, pledges and planned giving commitments by members, allied industry interests and friends now total

more than \$7.0 million toward the *Vision of Value: Campaign for Angus* fundraising goal of \$11 million by Dec. 31, 2011.

Of the \$10,722 received in unrestricted contributions to the 2011 Annual Fund, "Their Story is Our Story," the Board approved \$5,361 toward 2011 Leaders Engaged in Angus Development (LEAD) Conference and \$5,361 toward the Angus Foundation's commitment of \$100,000 in general undergraduate student scholarships and \$25,000 in graduate student scholarships.

#### **ANGUS GENETICS INC. (AGI)**

NCE traits with genomic results and genetic correlations between genomic results and phenotypic data at the Association were highlighted. The currently available SNP



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parentage and genomic tests were reviewed. The Association has implemented SNP parentage with in-house databasing and interpretation of results.

Genetic evaluation services protocol was reviewed. AGI currently services eight breed organizations with annual and biannual evaluation procedures. Requests for future expanded evaluation services were discussed.

### ANGUS PRODUCTIONS INC. (API)

The financial reports were presented with \$4,651,444.82 total revenue and \$4,311,091.87 total expenses, income tax of minus \$10,880.00 and unrealized gain of

\$20,951.63, resulting in excess revenue over expenses of \$350,424.38.

Publishers Press, Shepardsville, Ky., has been selected as the new printer of the *Angus Journal*.

The "Showring" insert will be eliminated from the *Angus Journal*. Show results are currently posted to the website of the American Angus Association within a few days of the show.

Katie Gazda was hired as API's summer editorial intern.



### CERTIFIED ANGUS BEEF LLC (CAB)

CAB continues to look at positive numbers and growth for 2011.

Recent staff changes include the

promotion of David MacVane as assistant vice president, business development.

An update was provided on CAB Natural and the Consist study data, as well as on how international trademark issues continue to be a challenge.

The proposed GIPSA legislation was discussed, including efforts to ensure the long-term viability of premiums for superior cattle.

A sales update reflected 4% growth. Retail sales have been down, but a stronger ad presence for the summer months is expected along with increased sales due to those features. The Foodservice Smackdown national promotion continues to be successful, creating nearly four million additional pounds in middle meat sales. The international market is experiencing overall growth of 21%.

A report was provided on the purchase of Jake's restaurant (adjoining property to the



CAB offices) as a culinary and education center. CAB has received positive support from the community regarding the proposed plan for

the site. Efforts will now focus on preparing a business plan for the facility's use.

A status update was given on a CAB commercial DNA tool for Angus-sired cattle. The Board approved moving forward with developing a business plan for the tool to be marketed through Association members for their commercial customers and for other commercial applications where the genetics are known to be Angus.

Staff presented an update on the source-

verified production research project outlining the research conducted by Firebox, which helped assess the consumer interest and knowledge of source-verified claims. The qualitative research has shown source-verified product has little to no meaning to consumers and has no perceived value at an additional cost.

#### **BOARD OF DIRECTORS**

The Board discussed and approved the Goals and Strategies for the Long-Range Plan. These goals and strategies were developed with information gathered from membership surveys, listening sessions and breeder interviews conducted this year. Staff will report to the Board in September with a finalized document and a communications plan for the Long-Range Plan.

The Board approved a special committee

to examine the challenges and opportunities presented by the accelerating use of DNA in various aspects of members' business and its potential and present impact on the business, as well as the Association's rules and policies.

Landi McFarland, Iowa, and Gerald Theis, Kansas, were appointed to serve as election observers to oversee the counting of ballots to elect delegates and alternates to the 2011 Annual Convention of Delegates.

The Board discussed the current policy on releasing vote counts for delegate and director elections. No action was taken.

#### **NEXT BOARD MEETING**

► Sept. 14-16, 2011, Saint Joseph, Mo.

