



Board Action

► Highlights of the Sept. 14-16, 2011, meeting of the American Angus Association Board of Directors

Report from September Board meeting

Pursuant to notice, the meeting of the American Angus Association Board of Directors was convened Sept. 14-16, 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 J. Sawyer; Doug Schroeder; Darrell L. Silveira; Jim Sitz; Gordon Stucky; Cathy Watkins; and Kevin Yon. Highlights of the meeting are as follows.

ACTIVITIES COMMITTEE

Individuals selected for induction into the Angus Heritage Foundation during the 2011 Angus Banquet are Gary Dameron, Lexington, Ill.; Jerry Helgren, Lake Villa, Ill.; Cecil & Sandra McCurry, Mount Hope, Kan.; and Anne Patton Schubert, Taylorsville, Ky. Lucile Rheude Patton will be inducted posthumously.

The minimum head required for Roll of Victory (ROV) Show status will be re-evaluated.

The Western Regional, Reno, Nev., was approved as a regional junior Angus show in 2013. The following were approved as 2013 regional junior Angus preview shows:

- Mid-Atlantic Junior Angus Classic (MAJAC) Regional Preview, Harrisonburg, Va.
- Atlantic National Regional Preview, Timonium, Md.
- Northwest Regional Preview, Prineville, Ore.
- All-American Angus Breeders' Futurity, Louisville, Ky.

The 2014 National Junior Angus Show (NJAS) will be hosted by Indiana Junior and Indiana Angus associations.

The limit for the number of carcass steers an exhibitor can enter at the NJAS was raised from two to four.

A grand and reserve grand champion bred-and-owned steer and bred-and-owned carcass steer should be recognized at the NJAS, beginning in 2012.

BREED IMPROVEMENT COMMITTEE

Capturing reproductive trait data. An overview of the initial developments for a voluntary inventory-based reporting system was presented, and Task Force recommendations that were approved at the June 2011 meeting of the Board of Directors were highlighted. Pathfinder Plus was the

potential program name suggested for the maternal reporting system presented in June. Potential AAA Login reporting scenarios were discussed, and possible solutions were offered.

Maternal longevity research. Colorado State University researcher Brian Brigham reported on the ongoing development of a new Angus female longevity genetic value. The analysis of an initial database from Angus Herd Improvement Records (AHIR®) cow records and disposal codes was presented using the survival analysis methodology. Preliminary genetic parameter estimates for use in a productive life selection tool were presented. The next step is to expand the database utilized in the development of a new EPD available through the Association.

Breeder request. The committee reviewed a breeder request to combine embryo transfer calves raised by registered Angus recipients with natural calves in the same contemporary group. After discussion of the genetic evaluation procedures for incorporating ET calf performance records into maternal trait EPD calculations, no action was taken.

COMMUNICATIONS & PUBLIC RELATIONS COMMITTEE

Departmental activities. Goals for the coming year include increased written communications, accelerated updates to brochures and flyers, including more "branding" of Association materials, more across-media opportunities, and substantially more television: 59 programs in fiscal year (FY) 2012 vs. eight in FY 2011.

Print and internet advertising. FY 2012 will mark a year of transition for print advertising as the department transitions from using half-page, black-and-white ads to four-color, four-page inserts. Staff presented to the committee a proposed placement

schedule for the FY 2012 print and Internet advertising campaign. The print advertising campaign is projected to reach 9.2 million impressions in FY 2012, up sharply from 7.4 million in FY 2011. This increase was due to more regional manager ads in regional and local publications.

Communications and literature. The department has distributed 159,000 pieces of literature; posted 280 press releases and articles to www.angus.org; and distributed 13,507 computer-generated press releases so far this fiscal year.

Social media. The Association's social media presence has increased substantially during the last 12 months, with the Association's YouTube channel totaling 400,000 views during that time.

Television. Video news releases produced in collaboration with CAB Supply Development have been distributed once per week since mid-January.

The Angus Report was successfully launched in early September, airing twice a week. It has included segments and advertising produced in cooperation with Certified Angus Beef, the Angus Foundation, API and AGI.

Total viewership for the five *I Am Angus* programs during FY 2011 was 534,000 viewers.

The Aug. 8 *Champion of Champions* program, which featured the NJAS, reached nearly 60,000 viewers.

Angus TV programming reached nearly 200,000 viewers nationwide in August alone.

Agriculture advocacy. Participation in the U.S. Farmers and Ranchers Alliance (USFRA) was discussed. The Committee recommended that the Association continue with its own advocacy efforts, encouraging a coordinated effort by Association staff and its subsidiaries to increase ag advocacy efforts.

FINANCE & PLANNING COMMITTEE

Balance sheets and income statements through July 31, 2011, were reviewed, including the consolidated financial reports and the financial reports of each entity. Total assets on the consolidated financial report were \$36,706,000, consisting of current assets of \$9,278,000, investments of \$22,373,000, property and equipment of \$4,815,000 and non-current assets of \$241,000. Current liabilities were \$3,019,000, consisting of

accounts payable, accrued liabilities and deferred income. Long-term liabilities of \$1,403,000 consisted of a note payable, accrued health insurance benefits and deferred compensation. Net income for the period was \$4,156,000.

Financial projections of the American Angus Association and its subsidiaries were reviewed for the current fiscal year ending Sept. 30, 2011. The net income from operations was projected to be \$1,481,000.

The Finance Committee reviewed the investment portfolio of the Association and its subsidiaries. Funds were reallocated to increase the exposure in international markets as previously directed by the Board. The total return for the trailing 12 months was a gain of 11.8%. The equities portion and fixed income portion of the portfolio earned 16.2% and 4.1%, respectively. The performance for individual fund managers was also reviewed.

The Committee reviewed the codes of conduct (including the conflict of interest policies) for directors and employees.

MEMBER & AFFILIATE SERVICES COMMITTEE

AngusSource® program updates were given. New guidelines for “genetic verification” have been completed and mailed to all program participants.

The newest version of AIMS (2.5) is available for downloading, and licensed users can use the link in AAA Login to do the updating.

M1 and D2 potential carrier reports are available in AAA login and join potential carrier reports for AM, NH and CA for ease of viewing all potential carriers in one location.

The following rule change was approved relating to ET calf registrations:

New Rule 104(d)(12)

If the first owner of the calf is different than the owner of record of the donor female, and the embryo removal date is on or after Jan. 1, 2012, the owner of the donor female must obtain and transfer an ET Authorization to the account of the first owner before the calf is eligible for registration.

More information on the new ET Authorizations will be posted online and covered in the *Angus Journal* as it becomes available.

The Board amended the Policy established under Rule 307 as it pertains to the registration of progeny of D2 carrier parents. It now provides that:

Heifer calves that are registered on or after Sept. 19, 2011, will be required to test for the defect but will be registered regardless of the test outcome. Bull calf registrations remain the same in that if produced by a carrier parent,

they must be tested for the defect and only those that test free of the defect will be registered.

The Committee addressed a request by a breeder to review the rule regarding ineligible white.

ANGUS FOUNDATION

The financial status of the Angus Foundation was reviewed for the 10-month period ending July 31, 2011. Financials included total cash of \$54,179.57, investments of \$5,601,172.63, total assets of \$5,835,960.63, current liabilities of \$62,443.43 and net income for the fiscal year-to-date of \$573,236.41.

Planning has begun for Tom and Lois Ames of Spruce Mountain Angus Ranch, Larkspur, Colo., to host the Angus Foundation and its guests on the evening of Jan. 11, 2012, for dinner and fundraising activities at their ranch in conjunction with the 2012 National Western Stock Show (NWSS).

The budget for FY 2012 was approved.

A funding request from Mississippi State University to renew their genomic and proteomic markers for bull fertility research project was approved.

Selection guidelines for the Angus Foundation Graduate Student Scholarship Program for 2012 were approved.

Cash gifts, pledges and planned giving commitments now total more than \$7.0 million toward the *Vision of Value: Campaign for Angus* fundraising goal of \$11 million by Dec. 31, 2011.

Contributors of \$250 or more to the Angus Foundation from Oct. 1, 2010-Sept. 30, 2011, will be recognized in the Angus Foundation's 2011 annual report, fall/winter newsletter and website, and will receive invitations to the Angus Foundation's 2011 Supporter Recognition Event to be in Louisville, Ky., Nov. 12, 2011.

Short-term and long-term plans for the Angus Foundation's “post-campaign” operations relative to fundraising will include specialized programs and activities. Efforts also will begin toward expanding the existing pool of contributors and friends.

ANGUS GENETICS INC. (AGI)

The financial report for FY 2011 was reviewed. The proposed budget for FY 2012 was discussed and approved.

Jerry Taylor, University of Missouri (MU) professor and Wurdack Chair for Animal Genomics, provided an overview of whole-genome sequencing and the research under way at MU.

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ANGUS PRODUCTIONS INC. (API)

The financial and budget reports were presented with total revenue of \$5,251,259.24 and expenses of \$5,139,019.00, unrealized gain of \$13,722.30 and income tax of minus \$16,320.00, resulting in excess revenue over expenses of \$109,624.54.

The proposed fiscal year 2012 budget was discussed and approved.

The Internet Auction Committee recommended to the API Board not to proceed with a live internet auction platform. The API Board approved development of an online timed auction service.

CERTIFIED ANGUS BEEF LLC (CAB)

The fiscal-year end projected budget was reviewed, and the proposed 2012 budget was approved.

Nearly 580 individuals have registered for the Annual Conference to be in Sun River, Ore., Sept. 20-22.

Marketing highlights included strategic retail customer initiatives, plans with culinary education centers and high-profile chefs, and various marketing sponsorships. The initiatives have been very successful from a brand-building standpoint, also facilitating increases in sales and relationships with the accounts.

An update was provided on the DNA prediction tool and a potential commercialization plan. The CAB panel would include marbling and postweaning growth prediction for Angus-sired

commercial cattle. The Board approved the proposal.

BOARD OF DIRECTORS

The budget for fiscal 2012 was adopted with projected revenue of \$11,183,200, expenses of \$11,089,200, and a budgeted net gain for the year of \$38,600.

A resolution was adopted to elect Association member Laurie Widdowson, Lodgepole, Neb., as the outside representative on the Angus Foundation Board of Directors for a one-year term, effective Nov. 14, 2011.

NEXT BOARD MEETING

Nov. 12 & 14, 2011, Louisville, Ky.

