



Board Action

► Highlights of the Sept. 3-5, 2008, meeting of the American Angus Association® Board of Directors

More September meeting highlights

The following is a continuation of the Board Highlights presented beginning on page 295 of the September 2008 Angus Journal.

CERTIFIED ANGUS BEEF LLC (CAB)

Review of the projected year-end budget showed an expected bottom line of \$209,000 prior to unrealized gains/losses in the investment portfolio. Royalty income should exceed budgeted income by \$433,000 due to the increase in cattle meeting the specifications and strong demand.

President John Stika shared with the Board that we are living in exciting times as we look at increasing our relevance to licensees and at the same time begin to



dream of targeting 1 billion pounds (lb.) of Certified Angus Beef® (CAB®) sales by the year 2020. He reviewed current

identification and certification numbers and shared that we have seen in excess of 60% of the cattle being harvested qualify for the live-animal specifications in both June and July (a first for the program).

Plans for the Annual Conference are coming together nicely with an expected all-time record attendance of licensees. Several updates on industry issues were presented, including country-of-origin labeling (COOL) and the danger of chasing economic signals at the cost of long-term consumer demand. The upcoming first meeting of the Consumer First Beef Partners group will involve a think tank focused on high-quality beef.

Staff presented a CAB brand sales update. Highlights included year-to-date sales up by more than 10% with international and retail leading the way. Foodservice has been hit hard by the tougher economy but remains steady as a result of new licensees being added the past several months.

International is experiencing strong growth in Canada, Mexico, Taiwan, Korea and the Caribbean. Several successes have been experienced with new retail chains, and the continued growth in value-added products will set an all-time record for sales this year.

Staff provided an update on various brand marketing initiatives, with examples of advertising and public relations efforts, including the upcoming 30th anniversary media tour in New York City. Other highlights included special promotions being conducted with numerous restaurant chains and several major retail chains. Also highlighted were the Calgary Roundup, Fall Food Feature and the Annual Conference.

Regarding supply development, staff reviewed the positive trend in grading and

the impact it was having on increasing overall supplies of CAB-qualifying cattle. Highlighted was the goal of increasing the number of certified cattle by 1.3 million head by the year 2020 through targeted cattle feeding models focused on producing high-quality cattle. Several recent meetings focused on this initiative, as well as some industry-wide research projects looking at marbling.

The Fiscal Year (FY) 2009 budget was approved. The budgeted income is based on sales of 655 million lb. of product at a conservative growth rate of 4.1%. Most of the increases in expenses are in the area of marketing support, which only strengthens the brand's position.

ACTIVITIES & EVENTS COMMITTEE

- The 2010 National Angus Show (NJAS) will be July 11-17 at the National Western Livestock Exposition in Denver, Colo. Colorado, Kansas and Nebraska are the host states.
- The 2011 NJAS will be in Harrisburg, Pa.



FOLLOWUP ACTION OF FULL BOARD

On Oct. 2, 2008, the Board of Directors voted unanimously to adopt proposed guidelines relating to the registration status of potential and known carriers of curly calf syndrome. See www.angus.org for a copy of those guidelines.



► Curly Calf Syndrome: Note contracted or extended limbs, curved spine and "thin" appearance of curly calves.