



# Movin' Forward

► by **Bryce Schumann**, CEO, American Angus Association

## The path to prosperity

*Growing up among the rolling pastures and contoured fields of eastern Kansas, I had the opportunity to learn a lot of lessons from my dad. He was a farmer and a cowman, and together we enjoyed hauling cattle to the markets in Saint Joseph, Mo.*

### Planning for the future

I know there were days when dad was burdened with financial pressure. And I know there were times when he wished our cattle would have brought more.

But the lasting value of our long hours driving down that old road was the time we spent together, the conversations we had, and the excitement of climbing into a truck with him seated next to me, to see the world from outside of our fences.

Dad had an innate ability to plan for the future. He had a sense that what he was doing today really wouldn't reap rewards until next year or beyond.

He was a farmer at heart, always thinking about how next spring's wheat crop would be better than this one, always pushing his thoughts into the future and beyond the horizon.

There's no doubt, we've come through a tough time the last couple of years in the cattle business. Feed prices spiked in 2006 and 2007. Feedyards continue to lose money at unprecedented levels. Consumer demand for all products — whether it's cars, televisions or beef — has slumped significantly. And, the registered seedstock business has seen its troubles, too.

So I asked myself the other day: 'What would Dad do if he were sitting in my office?'

### Looking forward

I'm certain he wouldn't dwell too much on what's happened. There's not much we can do about that now.

Instead, in his own plainspoken way, I think he'd talk about next year, the calf crop to come, the inevitable return to prosperity for our industry and what we need to do now to make it possible.

There's a lot of historical evidence that shows companies and organizations that step up their investment in research and development, advertising, and marketing during tough times are the ones that emerge in a stronger position once times get better.

Prior to the Great Depression, Post dominated the packaged cereal market. "So when the market collapsed," writes James Surowiecki of Forbes.com, "Post did the predictable thing: It reined in expenses and cut back on advertising. But Kellogg doubled its ad budget, moved aggressively into radio advertising and heavily pushed its new cereal, Rice Krispies®"

Within four years, despite the lingering bad economy, Kellogg's profits had risen by

30%, and it had become the industry's dominant player.

What relevance does this experience have on the Angus business?

Plenty.

While the American Angus Association has done a lot to reduce its costs of operations during the last year, we've also remained committed to the programs and services that built so much value into Angus in the first place.

Now is not the time to back away from the core activities of our organization. In fact, it's time to do the opposite. It's time to step up.

Indeed, we need to recognize the recent economic downturn for what it is: It's an enormous opportunity for the Angus breed to expand market share, because no one else can invest in promotion, advertising and research at the same level we can.

Our message is simple: No other breed offers a better balance of economically important traits to both registered and commercial producers than Angus does. No other breed offers such an array of research and marketing and advertising support that adds value to commercial calves and fed cattle. And no other beef product in the world possesses a higher quality or stronger standing among consumers than the *Certified Angus Beef®* (CAB®) brand.

In the end, it's understandable that our desire is to focus on today, the here and now, and the challenges we faced yesterday. But it's time we transition to tomorrow, begin thinking about what greatness the future might hold and plan how best to get there.

Like that old truck that took my dad and me to "Saint Joe," the path to prosperity is there for those who climb in and buckle up. Our job now is to drive it.

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