

President's Perspective

The *Angus Journal* visits with Bill Davis, 2010 president of the American Angus Association, about his time on the Board, and the challenges and opportunities that lie ahead for Association members.

Story & photos by **Shauna Rose Hermel**

What motivated you to run for the Board of Directors?

Everybody says the same thing: It was time to give back. Truly and honestly, this has been our livelihood, and it has been that way ever since I can remember. My dad was on the Board, and I had a chance to visit with him. I had several good friends that had been on the Board and had some perspective from them. There were some issues I thought needed to be addressed, and I wanted to be a part of it. I think all people need to be involved one way or the other; some can justify spending a little more time than others. And I had prided myself in being

somewhat informed. I found out I didn't know *@#!.

When you get in there and you see the interactions of the parent company, the American Angus Association, and all its subsidiaries and the staffs of each of those subsidiaries, and you're talking about a \$35 million budget, you are talking about a major business. You really don't appreciate that until you get involved in it and see how it works.

The motivation to run for the Board of Directors is to give back, but I will get considerably more out of this than the Association will ever get out of me. The interaction that I've had with not only the

membership, but the Board of Directors, and the lifelong friendships that have been developed through this have just been so rewarding. It's just unbelievable.

And, I guess, I'll do pretty near anything to stay out of work.

What do you consider the greatest achievements of the Board during your tenure?

We have had some pretty interesting decisions to make. When I first went on, we had a brand new CEO. Then when John Crouch retired we went through the selection process of finding another CEO. There are a lot of Board members who don't have that opportunity, and thank goodness they don't.

Another thing, we've had a tremendous focus on the selection tools that we've made available, starting with trying to increase the accuracy of the tools that we've got and also adding new selection tools for the membership, including genomic-enhanced EPDs.

And then, of course, the obvious ones would be the genetic defect situation and the economic downturn of the economy in general.

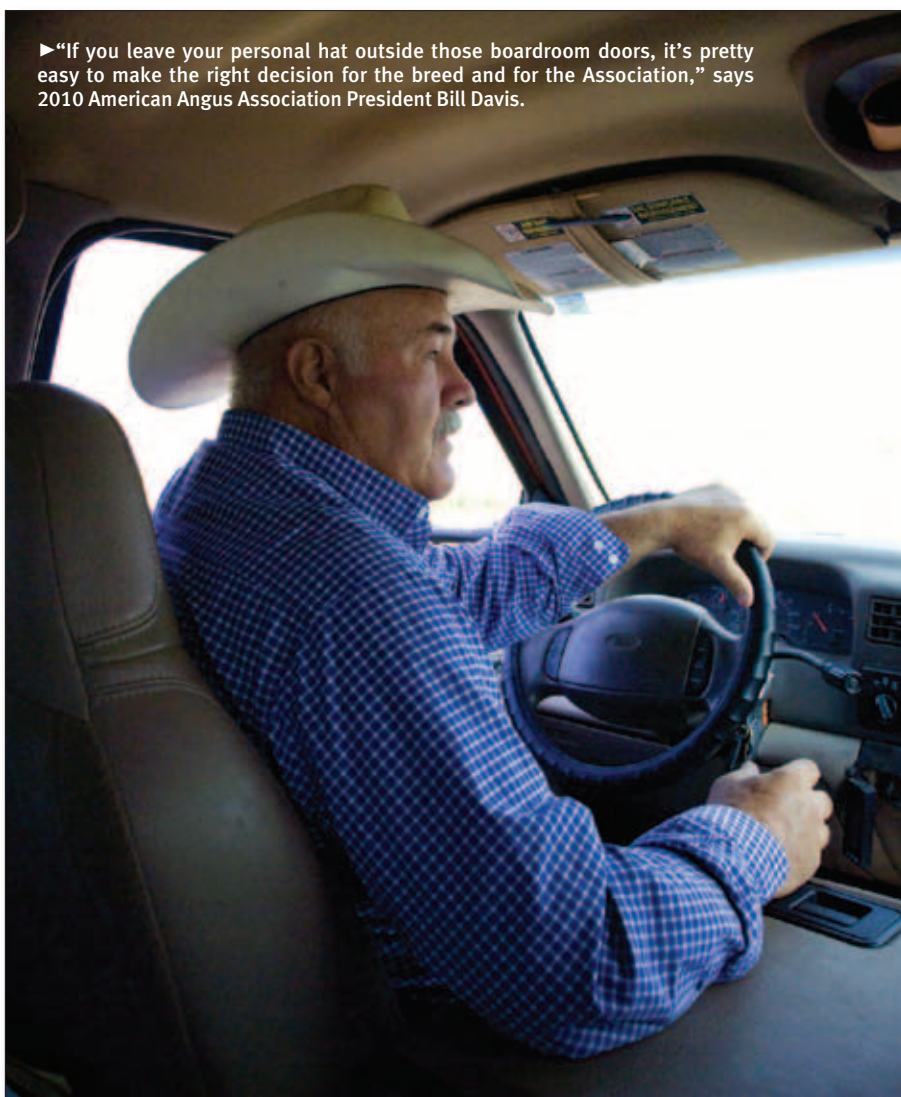
There are some who question whether we are getting too many numbers. What's your response?

No, we're not. We have to make sure that the selection tools we have — the EPDs that we do have — are meaningful and accurate and available for those people who would like to use them. That's the key to the whole thing.

Just because they are there doesn't mean you are required to use them. Not everybody looks at the same things. There's different parts of the country and different programs where different selection tools are going to be considerably more, or less, important. If it fits your program, you can use them. If you don't want to, you don't have to.

You've helped lead the Association through some tough decisions. In Louisville we will hear a far different financial picture than we did last year. Can you explain the turnaround?

I think a couple things. Any time you have a breed that is this strong, you also have a strong membership. It is very resilient. The



► "If you leave your personal hat outside those boardroom doors, it's pretty easy to make the right decision for the breed and for the Association," says 2010 American Angus Association President Bill Davis.

membership of the American Angus Association as a whole is progressive and thought-provoking. They are going to make things work; that's all there is to it.

We made some business decisions within the Association that probably we should have been making as we went down the road, but it is pretty tough when everything is working as good as it was for as long as it was. But, we adjusted expenses, we adjusted revenue and we consolidated — and without taking away from the benefits. It'll be stronger and better as we go down the road.

Is the Association in sound financial position today?

Yes. Today as we look at it, the American Angus Association is in a sound financial position. I think that we have fought complacency for a long time. That's one thing that we have to watch. When you are No. 1, it's pretty easy to sit there and rest on your own laurels. When you're on top, it's pretty easy for everybody to take aim at you, so you have to continue to move. You can't sit there. You need to be proactive and think out of the box; you need to anticipate what's going to be happening next.

In my extremely short lifetime, I don't think I've seen the Angus or the beef business itself any better than it is going to be in the next three to five years.

Why are you so positive about the future of the Angus beef business?

No. 1, American Angus is actually the world's breed of choice. And that's a play on words, but when you look at the breed itself, it's the largest beef breed organization in the world, and it is there for a reason. No matter how hard we have tried or how many things we have done to mess up that old mama cow, we have not got it done.

Beef production is relatively stable, but numbers are down. Demand and the export situation have been creeping up. We know that as we start to increase numbers, that puts the Angus breed even further ahead because when you start heifer retention, you're going to have a demand for Angus bulls.

And Mother Nature has helped us out in most areas of the country. There's been some rain and some grass everywhere you look. And the only thing that we've got to go out there and take the grass off the hillside and turn it into an edible protein for human beings is that beef cow. And the best beef cattle to do that are Angus.

With the Board's handling of recent genetic defects (AM, NH and CA), members have been asked to step up and invest in added testing and culling expense in addition to a membership fee increase.

►Bill and Jennifer Davis could give workshops on cattle handling and how to use a little cow savvy to ease the process for man and beast. Gathering heifers for preg-checking is not a chore; it's one of the joys of the lifestyle.



How will they see the reward for that investment?

If we can identify and claim them as clean so people don't have to worry about defects when they buy Angus, we enhance the marketability of Angus and add value to the breed. If there were some carriers within your herd, you can justify the cost of testing because you can identify the cattle that are clean within those lines of cattle, and you don't have to throw the whole line away.

We've seen recent press coverage of industry advisors espousing heterosis to manage genetic defect issues. What is your response?

You may stop getting any affected cattle right off the bat, but even crossing with breeds that don't have any Angus in them, you are still propagating that gene pool. You may just postpone the problem, because at some point it's going to come out.

The way to handle this thing is to get it gone. We've identified the cattle that are

carriers or potential carriers, and we can get them out of the gene pool.

When you buy a registered Angus bull, you can see whether he's been tested for AM, NH and CA and find out whether he is a carrier or if he's clean. If he hasn't been tested, and there's ancestry potential for him to carry a recessive gene for one of those defects, it's printed on the paper. That's a huge benefit to obtaining the registration paper.

There are some benefits to heterosis, but I think it is overplayed. We can exhibit those same benefits of genetic improvement within the Angus breed because of the huge diversity of the gene pool. There's enough of an outcross within the breed that you can show a genetic enhancement. (See "The Growing Angus Advantage, page 151.)

What is the American Angus Association doing to help ensure members see a reward for the increased membership fee?

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►Cattle that can make it in the harsh environment can make it anywhere, Bill says. Cattle at Rollin' Rock are not pampered and are selected on within-herd performance.



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Benefits have increased. In the eight years I've been on the Board:

► We've taken the advertising and promotion in-house and have expanded upon that, which helps every single individual out there. Whatever we can do to help any individual animal helps every individual member. Anything you can do to help one cow helps all the cows. So we've enhanced our promotion capabilities. We've had a good program all along, but we've also changed things as times changed and different media vehicles have become available. We've done that in-house, where we have more control of it and we can change the direction if it needs to be changed.

► The Angus Foundation was practically nil eight years ago, and now we've grown the Foundation to nearly \$6.4 million to support education, research and youth.

► Certified Angus Beef LLC (CAB) continues to set new records and expand the goals of its mission statement to enhance the value of registered Angus seedstock.

► You've got the tools that we have today from Member Logon to the different selection tools with genomic-enhanced EPDs.

I can go on and on and on. So, the benefits that you have been receiving as a member have been increasing without a corresponding membership fee increase because the economic situation was so good. We've actually been getting a rebate for the last several years. In all reality, nothing comes for free. None of those revenue-increasing situations, such as the increase in membership fees, were put into place until the expenses were cut as far as we thought we could possibly cut them without interfering with the benefits. It is a business, and you have to run it like a business. You have to treat it in that manner so you can make the best decisions you can make for the entire Angus breed and the entire membership.

What are some of the biggest challenges facing the Association and its members today?

The biggest challenges I think we're going to have are going to be some of the things we have no control over — what goes on in the political and economic arenas.

The other thing we have to be looking at from a ranching and agricultural perspective is the misguided pressure from environmental groups. One of the biggest challenges we have today is communicating that we in the ranching business are environmentalists. We're not mining the

environment; we're actually enhancing the environment. A lot of people don't understand that. If we don't take care of the environment, we're out of business. And the same thing with animal rights.

And then we have to be careful that when things are going real good, which they were for several years and they are headed back that direction now, we don't become complacent. It's too easy to get lulled into complacency.

How does the Association assist in overcoming those challenges?

Education, information and communication. Those three things, and I don't know how to list them in order, but they are so important. You don't need to make the decisions, you just have to have the tools out there so they can look at it and make their own decisions.

What challenge would you offer the Board for the coming year?

We've had some really good boards, and there's always been a diversity. With a diverse board, you can look at all perspectives of an issue and then make a decision for what's best for the breed and the American Angus Association. I would encourage future boards to continue to keep that line of communication open and then communicate to the membership. A challenge we have today is how do we get that information communicated so everybody is on the same track and has access to the same information.

What advice do you offer this year's incoming candidates?

First, they need to be commended for making the commitment to be a part of it and to become involved.

The best advice anybody could have coming in is to be open-minded, and then it's pretty simple. If you leave your personal hat outside those boardroom doors, it's pretty easy to make the right decision for the breed and for the Association. You've got to remember, there's no stupid questions. There may be some uninformed answers, but there are no stupid questions.

In 2007, you and Jennifer; your sister, Patti; and your brother, Tom, donated \$25,000 to the Angus Foundation in memory of your parents, Dale and Betty Davis, and their contribution to the

► At home on the Montana range with his wife, Jennifer, American Angus Association President Bill Davis is living out a dream.



Angus/beef business. Why did you feel that was important to do?

The Angus business has been our family's livelihood since Dad and Mom started Rollin' Rock in 1956. It was a way for us to honor our folks because of the commitment they had made. Our thought process was that it was something that the three of us could do in a manner that wasn't going to be devastating to any one of us and would still have an effect on how our folks would be remembered. Their commitment will continue in perpetuity through the Dale and Betty Davis Research Endowment we created.

Why is the Angus Foundation important to Angus producers?

A lot of people don't realize what the Foundation can do. It helps support education, youth and research. The three things are equally important. There's a lot of work done for youth, and rightfully so. And there's a lot of work done on education and on research, which a lot of people aren't aware of.

I don't care where you are at in the Angus breed today, all three areas — youth, education and research — are supportive and important to what you do because they perpetuate the business, and when you can perpetuate the business and stay No. 1, that helps every cow in the breed.

With the Angus Foundation, there is a tool there for pretty near anybody who has been involved in the Angus breed and the Angus Association to help promote the ideals of the American Angus Association and the breed itself.

