



President's Perspective

President Jim Sitz shares thoughts on his tenure serving on the American Angus Association Board of Directors.

Story & photos by **Shauna Rose Hermel**, editor

What motivated you to run for the board?

The breeders within the state of Montana had aspirations of having a voice at the national level, and many of those breeders approached me encouraging me to run for the board.

Angus has been my family's lifestyle, livelihood and passion. It is our primary source of income. The Angus breed has contributed to our success, and I believe it is important to give back to the industry that has given us so much.

What things did you learn growing up that prepared you to serve on the board?

Honesty, accountability and passion for our way of life.

I have been actively involved with different segments of the industry as a purebred breeder, as a marketing rep for a video company selling feeder calves, and having owned and fed feeder cattle myself. I have gained knowledge with skin in the game of the segments downstream within our industry. The experience I have in those segments has helped me to be a better board member and to have a better understanding of where we need to go and where we need to place our emphasis.

Having a brother, being part of a family operation, has helped me learn humility and the importance of communication.

Did you have any specific goals at the beginning of the year?

One of my goals was to focus more on the future. As a breed, have we made the right decisions in the last 10 years to make sure we're competitive? I don't know if we've made the wrong ones, but our eyes have been taken off the ball. We've had to get through some of these other issues (defects and internal issues), and I'm not sure we've really focused on where we need to be going as a breed.

That's why I think our Long-Range Strategic Plan (LRSP) is so important today.

Another goal was to increase transparency among the Association and its entities. My wish is for the staff to be more transparent and completely open with one another. One thing I've learned in my own business is you have to communicate. You aren't always going to agree, but at the end of the day you have to have a respect for one another, communicating and listening with an open mind.

My brother, Bobby, and I went through the hard times of finding our way when there was no model of the future to work toward. We now have a shared vision, and we know that what we're doing today is for our kids. It takes communication. Bobby and I talk daily, but we try to meet and look at our finances monthly, and we try to go over what the next month is going to look like, what our

priorities need to be. You can always tell when we don't have those meetings. Some tension builds when you don't go over everything.

I think the Association is somewhat that way. The lines of communication have to be open in all areas, from one entity to another. I look at how different Certified Angus Beef LLC (CAB) is today — its relationship with the Association vs. what it used to be. It's a night-and-day difference.

There's a lot more communication. There's a lot more interaction than there used to be. That's a sign of a healthy relationship and a healthy company. That openness needs to be among all aspects of all entities. We're getting better.

What do you consider some of your greatest accomplishments during your time on the board?

It's the board's accomplishments. Everybody works together. It's not one man; it's not the president's. The president just tries to steer the truck in the right direction — tries to keep everybody focused and discussion moving.

How we've gotten through the defects.

We got through the apprehensiveness and the nervousness of not understanding defects. We've grown to understand how they work and have grown to accept that they're going to be there, and we've figured out how to breed around them. As the board

grew in its understanding of defects, we became better at handling them, as well.

CAB Education & Culinary Center. I'm very proud of the Education & Culinary Center at CAB. It has been a great tool, and it will be a great asset for a long time to come because of how CAB is utilizing it. They are bringing in different segments of that industry — from the culinary side to the retail side to the restaurant side — to be educated. Now we've added the cooler and the fabrication area to expand educational opportunities.

Angus Genetics Inc. (AGI). AGI was established the year before I got on board, but look at the headway we've made. One of its more recent accomplishments, we brought on i50K to provide a more affordable test to our members that is nearly as accurate as HD 50K. We've gained the confidence of our members to where they are trusting genomics. In fiscal year 2016, members submitted more than 100,000 genomic profiles to the Association. That's quite an accomplishment. You look at where other breeds are, and they're not one-tenth that. Imagine the data going in and what we can learn.

Communications. I'd like to think our communication has gotten better since I've been on the board. I remember Phil Trowbridge being adamant we couldn't communicate enough with our members, and we're trying. We're using a lot of different avenues to communicate with our members. Look at the tools we have available — from the *Angus Journal* to the *Angus Beef Bulletin* to our mobile apps to our website to our mailings. We are trying.

I know people want more transparency, especially with minutes from our meetings.

The Association and all its entities have set policy to expand the highlights published online and in the *Angus Journal*. People need to remember there are things we discuss we can't share and maintain a competitive advantage.

Angus Media. We've come a long way with what we've done with Angus Media. We're visible in all arenas — the *Angus Journal*, the *Angus Beef Bulletin*, *The Angus Report*, Angus TV, radio and social media, and we are reaching all age aspects.

Staffing. Hiring Allen was a great accomplishment. Allen is the right guy for the job and is making an excellent CEO. His leadership skills have already opened the doors of communication and set precedence within the staff. Allen has been instrumental in developing the Long-Range Strategic Plan and will be a big part of keeping it on track throughout the years to come.

It's been a true accomplishment to get the staff that we have today. We've come a long way — from the staff to the regional managers to the people in the buildings to hiring Allen as CEO. This is going to be a key part in moving this association forward. Now we can figure out where we are going and get everybody back on the train again to move forward. I think now we have the staff and the board to go somewhere.

The past is the past. Now let's focus on the future.

The board has focused this year on a Long-Range Strategic Plan (LRSP). Who instigated that?

It was a joint effort, as Allen was seeking direction to guide his efforts, and I was concerned that as a breed we had become

complacent in our success, enjoying today with little focus on the future and what will make Angus a leading organization that is viable and relevant in the future. Strategic planning has been done by prior boards, but it has never been effectively revisited and built upon.

The CAB program is a prime example of the results of strategic planning. At the time of concept many questioned its relevance, but the board at that time had the vision to see impacts it would have in the future, and it is an enormous part of our success today. I want our board today to have that kind of vision to implement things that will ensure the Angus breed is the dominant breed for years to come.

Describe the process the board took.

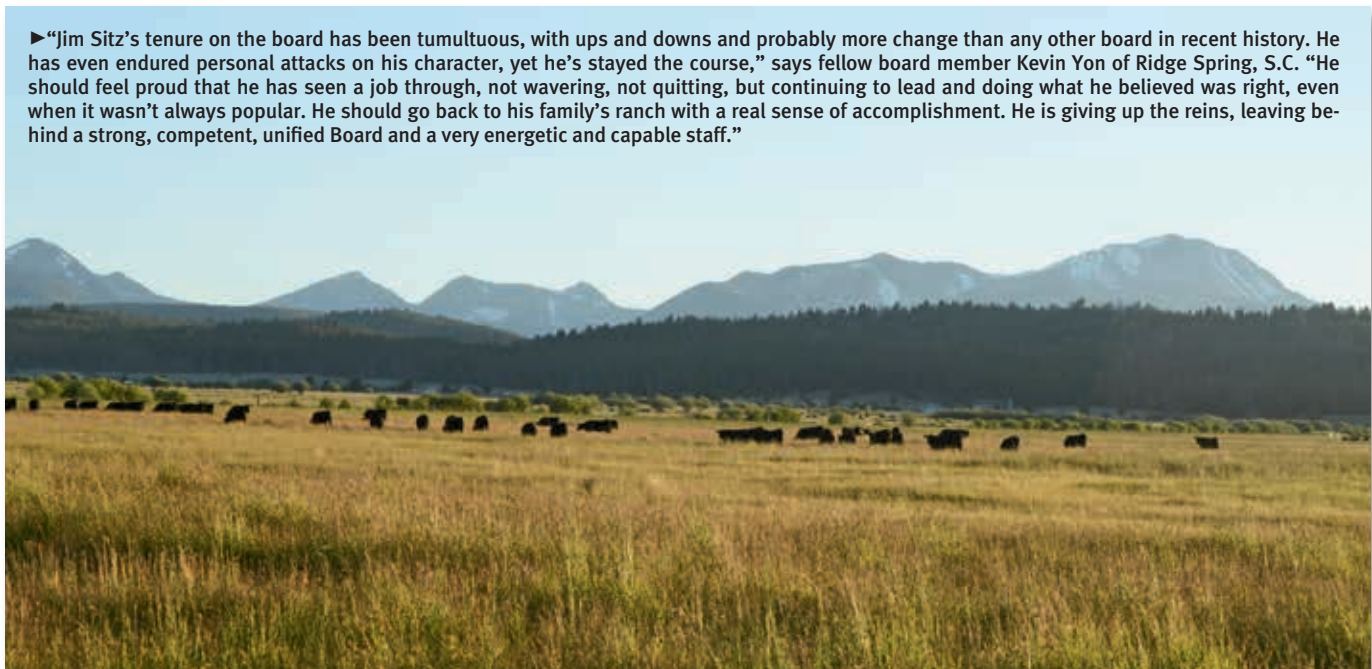
We started by outlining the process and discussing our objectives. We defined key areas of importance, and we discussed the needs of each entity and of the American Angus Association.

As we got into the process, we brought in very knowledgeable people from different aspects of our business — seedstock, commercial, feedlot and allied industry — for focus groups to gather input on where they see this industry going and what they see as important in the future. Different board members sat in on different focus groups and had the opportunity to interact with the participants.

We got back together to discuss what we had heard. Staff condensed that discussion to present to the full board in August, along with results of the membership survey, so we could narrow down what topics we wanted

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►“Jim Sitz's tenure on the board has been tumultuous, with ups and downs and probably more change than any other board in recent history. He has even endured personal attacks on his character, yet he's stayed the course,” says fellow board member Kevin Yon of Ridge Spring, S.C. “He should feel proud that he has seen a job through, not wavering, not quitting, but continuing to lead and doing what he believed was right, even when it wasn't always popular. He should go back to his family's ranch with a real sense of accomplishment. He is giving up the reins, leaving behind a strong, competent, unified Board and a very energetic and capable staff.”



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to push forward. We outlined five key goal areas — industry leadership, genetics, commercial programs, research and product — and discussed strategies within each area, considering what we hoped to gain with each strategy and the risks of not pursuing them.

We had time to digest it before our September board meeting, where we had more discussion and voted on the strategies that we'll present at the Angus Convention this November.

I give credit to both the board and the staff through this process of getting to a finalized plan, but this plan is not done. The one constant is change. Things we deem important today we may not deem as important tomorrow, so this plan needs to be revisited and tweaked — and more than just once a year. I believe this board and this staff are committed to do that.

What are some of the most important things to come out of the LRSP?

Each of us will differ in what we think is important coming out of the long-range plan. The things that were important to me — fertility, incentivizing whole-herd reporting, trying to get more of this data, trying to stay relevant in the commercial industry, the commercial bull threat.

I think we become short-sighted when we think these other breeds are the threat. In reality, the biggest threat is the commercial bull threat. We've got to do a better job of selling the pedigree and why it's important. There's technology coming forward, and most of these genomic companies will have no problem taking money from sellers of commercial bulls and helping them come up with an EPD (expected progeny difference). I see them becoming a bigger issue going forward than what they've been in the past. That goes in line with us selling the importance of a registration paper.

Other issues: How do we position more of



► "We have to do a better job of explaining why customers should be using a purebred bull. We're trying to help them create value — justifiable value — for what they have. I think we're going to have to work harder in the future," Jim says.

our members — and I'm not just talking board members — in positions of industry leadership?

We have to make sure our members and our customers in the commercial segment are confident with the information that we're putting out. We have to make sure they know our data is the best data out there, and we have to ensure it is.

We need to make sure we are getting the research done that we need, and we can't wait for researchers to bring projects to us.

Part of any long-range planning process is identifying challenges and opportunities.

What do you see as the challenges facing the American Angus Association and its members?

Meeting consumer demand. We're going to have to do a better job of identifying what consumer needs and wants are, and we have

to adapt. We can't just raise the product that we want without them in mind.

We in agriculture do it because we enjoy doing it, but we also need to step back and realize there's a purpose in the product we're raising. We get caught up in wanting to do our own thing and don't want to be bothered. We have to find out what our customers want.

Complacency. We're on the top of our game right now, and I worry that we're riding on the shirtrails of our successes. These other breeds are hungry; I'm not sure we're hungry. We've had it so good the last few years, I think we became very complacent. We as breeders have got to do a better job and take a look at where we're at and where we need to go. That's why I think this long-range strategic plan is so imperative.

We have members who are very progressive, and we've got a lot of members who are resistant to change. I'm not speaking directly to the type of cattle they raise, as it takes all types, but speaking more to their mind-set and their ability to adapt to change. We need to be progressive, and there [are] many different ways to be progressive.

Being on the board has helped me accept technology and new ideas. If I wasn't on the board, I'd probably be a little resistant to change, too. There are so many things you learn while you are on the board.

Relevance. I worry about how relevant we're going to be in 10 years if we keep going down the road we are. Look at CAB. Look at how long it took for CAB to be successful to the degree it is today. Look at our database with AHIR. These weren't programs that just took off.

We have to make sure we're meeting our commercial producers' needs — and the consumers' needs. It's a twofold deal. The decisions we make may not always be in all of our members' best interests today, but hopefully they will be for tomorrow. If we can stay relevant with our commercial customers we'll stay relevant for a long time to come.

Traits of importance. Soundness and fertility are traits that are often overlooked but directly affect one's bottom line. We need to place more emphasis on these economically important traits.

We have to make sure that the premiums that Angus cattle command due to their multi-trait functions are realized downstream in the marketplace.

Health is one of the biggest things affecting feedlot profitability in all breeds. My aspirations would be to continue to research and explore ways of improving herd health, such as finding markers for high-altitude disease and creating expected progeny differences that breeders can implement to

What part of the cattle industry do you enjoy the most?

My favorite part would be dealing with the commercial industry. The commercial industry is the mainstay of my business, as the majority of bulls I sell go to commercial producers. I enjoy assisting them with their genetic selection, seeing the results of it and the improvement they are making in their product offering. I enjoy helping them market their product and achieving premiums for their better genetics.

This full-service approach has created many cherished relationships with my customers and has made me feel part of their day-to-day lives. It has also afforded us the opportunity to follow our genetics through the supply chain, collecting data and validating their genetic merit.

I thoroughly enjoy dealing with our purebred customers as well, but it is our commercial customers that keep me in business. We've been consistently upward of 80% repeat buyers.

improve their breeding decisions. Is there a genetic correlation to diseases such as BRSV (bovine respiratory syncytial virus)? Imagine the possibilities of being able to select for BRSV-resistant cattle or other health-related issues.

Unregistered bulls. A registered Angus bull with individual performance data and genomics tied to his pedigree provides predictability of the economic impact of his progeny. There are many commercial producers sourcing commercial bulls with no data or predictability to determine the outcome of utilizing said bulls. We as breeders, staff members, fieldmen, etc., need to pursue these producers and educate them on the value and predictability that a registered Angus bull can offer them.

Dollars available to industry. Coming off of historic highs in the marketplace, we are bound to see significant reduction in the value of cattle in the marketplace. The seedstock industry is the last to realize the fall in the markets, and we have enjoyed historic highs the last few years. As the value of registered animals declines as it is bound to do, I would hope that our future boards are mindful of the value reduction within the industry and continue to put emphasis on the need to register animals, thus providing a predictable product that commands more value.

What are our greatest opportunities?

As many Angus bulls as there are being sold out there today, there's probably still opportunity for selling registered-Angus bulls. The Angus breed is the multi-trait breed of choice. It competes in all facets of the industry better than any other breed, which is why black cattle today command a premium. Angus heifers still bring more value than colored heifers due to their profitability at the ranch level. Angus steers still command a premium due their ability to gain, convert and grade. The consumer has identified with the value and consistency of Angus cattle, making CAB the benchmark by which all other branded programs are measured. Angus is the most profitable breed in all segments of the industry.

The opportunity is for us to better tell that story, and to find creative ways to tell our story, such as working more with academia, educating them as to the value of Angus so they work with us instead of against us in educating future generations.

As the leading breed organization in a global marketplace, I feel there is opportunity to process the data for other national organizations. Is there opportunity in pooling our databases into one Angus database globally? Could it enhance our genetic selection and increase the accuracy of

our database? I believe it could. What does that model look like? I don't know, but I can't help but think there might be opportunity.

What do you see as the Association's greatest strength?

Our greatest strength is our people, the staff and the membership. We are surrounded by some outstanding individuals who are instrumental in the success of the Angus Association. Our data is the most respected data of any breed organization out there due to the sheer number of computing volume and the accuracy associated with it.

What does it take to be a good board member today?

The first thing is open-mindedness. You have to have the respect of listening to all board members, and you have to take the time to have an understanding of the issues. You can't be afraid of asking the questions.

You have to absolutely check your personal agenda at the door. If you have a personal agenda, I don't think you can be objective. When you look at issues, you have to look at what's good for the membership, what's good for the Association and what's good for the breed — and they're not always going to coincide. When that happens, you have to look at the long-term benefits and make that decision based on how it affects each sector.

With what issues will the incoming board be dealing?

Who is our customer? Is it the commercial producer that we sell bulls to? Is it the feeder? Is it the packer, or is it the consumer? I believe it is all of the above. It is imperative we continue to be involved with the users of our product. We must continue to gain understanding of the other segments, be mindful of those segments in our breeding decisions and validate our product within those segments.

Somehow we have to make sure there is value for the pedigree, for the registration. We'll be in trouble if we can't achieve that goal because it changes the scope of the Association.

Technology advancements like gene splicing create questions for the Association. We need to make sure that we're involved with all new technology. Whether we utilize it or not, we need to have an understanding of how it might affect us.

The incoming board will need to continue to place emphasis on training the data behind genomics. It is easy to i50k and call it good, but the accuracies within our EPDs will be enhanced with the collection of phenotypes as well as genomics.

What did you enjoy most about being on the board?

Networking and the relationships you build, along with the knowledge I've gained of the Angus Association.

How do you want people to remember you as president?

As someone who was very honest and transparent, looking to the future at what our challenges may be in years to come and implementing strategies today to combat those challenges as they arise in the future.



Peer review

"Jim is 100% dedicated to making the Angus breed and its membership successful — not only today, but long into the future. He is very careful in making decisions that impact the Angus breed and its members. Jim is certain to vet new ideas thoroughly prior to moving forward, especially when it involves the member's hard-earned money."

— Don Schiefelbein

"Jim has led the board in typical Jim Sitz fashion, which I would characterize as calm, even-tempered, humorous and thoughtful. Jim always encourages and listens to input from everyone around the table. His leadership style makes others comfortable and willing to give input."

— Kevin Yon

"Jim has always been a rock and a voice of common sense. As the board president, he's been a great facilitator of lively discussions, which have resulted in a wealth of beneficial ideas. He's even-tempered, and is capable of managing difficult situations with his calm demeanor. He always does his homework and comes to meetings prepared for in-depth discussions."

— Jerry Connealy

"Jim has led the board this year with a strong focus on the future, believing in leaving the past distractions in the past. The board has been the most unified this year of the seven years that I have served. That is a true leader."

— Charlie Boyd

"Jim has had a very positive influence on the Association with his leadership style the past year. He's actively involved both board members and staff. In turn, we've had a team that has been engaged and ultimately empowered, which was critical to the ultimate success of the Long-Range Strategic Plan."

— Allen Moczygomba