

We Can't Stop Now

American Angus Association conducts educational forum, continues its drive for excellence.

by Crystal Albers

The American Angus Association has spent the last 123 years building its reputation as an industry leader.

Through its history of progressive breeders, the Association has grown from a humble one-room basement office to a multi-faceted, \$30 million entity with broad industry influence. With such success comes a responsibility to continue to do more, to resist the urge to rest on past laurels, said 2006 Association President Ben Eggers during an educational forum in Louisville, Ky. "We can't stop now."

Eggers and others repeated the mantra at the educational program Nov. 12, 2006, during annual Angus events hosted in

conjunction with the North American International Livestock Exposition (NAILE).

Bob Norton, president of the Certified Angus Beef LLC (CAB) Board of Directors, welcomed the more than 600 people in attendance.

"Angus breeders across the country now enjoy truly some of the best of times," Norton said in his opening remarks. "Today, an evolving value-based marketing system confirms the economic importance of Angus cattle to the beef industry."

In fact, more than 45 brands carry the Angus name, Norton noted, and research indicates consumers recognize and respect the Angus name — with the average Angus bull selling for more than \$450 over the average of other breeds. Such high demand can be attributed to the efforts of the Association, its members and its entities, he added.

"Today, as a member of the American Angus Association, you are a shareholder in a \$30 million company that owns two major trade publications," Norton said. "You are a shareholder in a company that owns a beef brand with enormous global recognition and 85% of the consumer branded beef market. You are a shareholder in a company currently conducting research with the potential to impact beef production around the

world. You are a shareholder in a company with a foundation successfully funding more agricultural scholarships than any other agriculture entity in the nation."

Norton also acknowledged the Association's many coordinated scientific contributions to the overall beef industry. "This Association, this company, is no longer vital only to its Angus members. This Association is vital to the beef industry."

Norton and fellow Board members presented a history of the Association, reviewing the growth of the organization and its financial standing, and the need to continue progressive measures, lest it fall into complacency.

"This Association, like every successful company in America, has grown in spite of difficult economic times, controversy and conflict," Norton said. "Throughout the years, commitment and ideological convergence have survived to lead the Association to the next generation."

Lessons learned

"The Association has experienced many periods of economic rise and fall," Eggers said. "Lessons learned from lean years in the past have admirably positioned the Association today for tomorrow."

Those lean years came in 1968, when Association registrations began a dramatic 18-year decline — plunging from an all-time high of more than 400,000 that year to less than 135,000 in 1986.

"The difficult experiences of this Association were not in vain," Eggers said, as he presented fiscal year (FY) 2006 financial figures showing assets worth more than \$28.5 million and more than \$19 million in investments. "Learning as a result of failure and making changes to prevent the reoccurrence is one key to every business' success."

A conservative budgeting strategy coupled with close collaboration with company managers has led to a sound, conservative investment philosophy contributing to the profitability of the Association. As a result, Eggers said, members' interests are protected.



► **Above:** Bob Norton, CAB Board president, welcomes the more than 600 attendees at the educational forum Nov. 12, 2006, during Angus activities in Louisville, Ky.

► **Right:** Ben Eggers, 2006 Association president, reviews Association history and presents 2006 financial figures. "Lessons learned from lean years in the past have admirably positioned the Association today for tomorrow," he said.



PHOTOS BY SHAUNA ROSE HERMEL

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Commercial cattlemen and the beef industry as a whole have benefited from Association foresight as well, through innovative genetic selection tools and technological advances. “The entire beef industry has benefited from our diligent work,” Eggers said. “Performance programs, ultrasound technology, expected progeny differences (EPDs) and dollar value indexes (\$Values) — all are technologically developed by or through collaboration with the American Angus Association.”

Eggers presented FY 2006 data showing increases in registrations; birth, weaning and yearling weights; and ultrasound records. Data also showed an increase of \$135 per head for Angus bulls, on average, and a \$243 increase for Angus females from sales reported by Association staff.

While the figures represent a successful Angus business, Eggers cautioned, “We can all agree the numbers are staggering, and human nature makes it difficult to resist resting on our laurels. But remember this: Your Association has spent over 123 years preparing to lead. . . .

“When progressive beef producers across America issue a challenge for the Association to become the voice of the beef industry, your company — our company — is positioned and prepared to wholly embrace the responsibility. We can’t stop now.”

API advancements

Jot Hartley, 2006 Association vice president, presented audience members with a brief history of Angus Productions Inc. (API) and an overview of API services.

Today, Hartley said, many breed publications have tended to provide fewer services, some eliminating field service and sales staff altogether, while others have imposed substantial minimum advertising expenditures unrealistic to small-scale producers. “The *Angus Journal*, however, continues to increase services, increase circulation and provide a level of promotional support unprecedented among breed publications,” he said.

That level of service has helped API generate more than \$7.4 million in revenue during FY 2006, up 21.3% from FY 2005, despite rising postal rates, and printing and paper costs.

API’s staff is integral to that success. Staff

members work daily to determine the most efficient means to provide the best service at an affordable cost — no small feat for the for-profit subsidiary that produces content, layout and design for almost 500 *Angus Journal* pages per month, on average, from start to finish, Hartley noted. The same staff also produces the *Angus Beef Bulletin*, which is distributed to almost 100,000 commercial cattlemen five times per year. The *Bulletin* achieved a record number of 689 pages in 2006.

“API’s predecessors have made, and the current staff is making, a difference in the beef industry. Honest, educational, informative editorial content, attention to detail, and service to the customer is a ‘no-fail’ recipe for continued leadership,” Hartley said. “When challenged to become a leader for the beef industry, the *Angus Journal* and the *Angus Beef Bulletin* are in position to accept and embrace the challenge.”

Certified success

“We must remember the past to understand the success of Certified Angus Beef today,” Norton said as he introduced the crowd to CAB’s business structure. “In short, this truly entrepreneurial program was designed for one reason — to boost the price of Angus-type feeder calves and increase demand for registered Angus bulls.”

And that it has. According to a study conducted by Cattle-Fax, *Certified Angus Beef*® (CAB®) sales were projected to contribute more than \$600 per head to the difference, per year. Packers have paid producers more than \$200 million in value-based grid premiums for cattle accepted for the CAB brand since 1995, Norton said, adding that CAB’s success signaled a change in data collection, evaluation and genetic improvements.

CAB’s efforts to create a direct link from the consumer to Angus also have paid off. By 2000, CAB product sales totaled more than 500 million pounds (lb.), with product sold in 8,000 restaurants and grocery stores worldwide. Plus, consumer awareness of CAB today results in an 86% share of the branded beef market, Norton said.

“From producers to purveyors to packers, no one will argue the impact and value

Certified Angus Beef has had on every corner of the beef industry,” he said.

In an effort to remain top-of-mind, Norton said the CAB Board and staff have initiated new value-added product development and continued research to add more value to the Angus carcass.

Paving the way

Angus youth are also paramount to the breed’s continued success, added Paul Hill, 2006 Angus Foundation president. “Perpetuating the Angus business is directly connected to successfully keeping our Angus youth involved and willing to embrace agriculture in the future.”

Hill discussed the benefits of Association youth programs and detailed the formation of the Angus Foundation — the Association’s not-for-profit 501(c)(3) organization formed in 1980 to

support education, youth and research within the breed. Foundation funds, for example, can be used for youth scholarships, educational seminars for Angus breeders and commercial beef producers, and research opportunities, to name a few.

As the Angus Foundation grows, the National Junior Angus Association (NJAA) also grows and becomes much more diverse and vibrant, Hill added.

“Our Angus family is one. Our Angus youth today are planning to assume their leadership roles tomorrow. The Angus Foundation is paving the way by providing the means for development of programs and future leaders,” he said. “New programs and future leaders will enable us to secure the position of Angus cattle and Angus breeders in the beef industry for the next 123 years.”

Until that time, Norton challenged Association members to continue to be the driving force to make genetic improvements and secure the future.

“Like every breed in America before genetic evaluation tools, our breed veered off course at times,” he said. “Unlike other breeds, however, through vision and strong leadership, we’ve been able to ‘right the ship.’

“Our future will be secured through our continued work to improve and influence the entire beef industry,” Norton said. “Our success will result in a satisfied consumer that will trust our products for generations to come. The responsibility is huge. The payoff, however, is even greater. . . . We can’t stop now.”

