

President's Perspective

American Angus Association President Jot Hartley shares his view of the Association, the Angus business and the beef industry.

Story & photos by Shauna Rose Hermel



► With his wife, Renee, American Angus Association president Jot Hartley of Vinita, Okla., operates Spur Ranch, a long-time breeder of performance Angus. Performance evaluation has been evolving throughout Hartley's nine-year tenure on the American Angus Association Board of Directors. The speed at which the technology is evolving has encouraged the Board to conduct meetings and work in task forces between the four regularly scheduled Board meetings.

Q How has serving as president of the American Angus Association this year differed from your time spent as a director during previous years?

A The difference is that the President is responsible for making sure that the business of the Association is being conducted by staff, that our Board meetings are planned, that our committees are properly structured, and that our meeting time is well-spent. I am responsible for the conduct of the meetings, making sure things are handled in a timely manner, but I'm also responsible for seeing to it that every Board member gets the opportunity to participate and contribute.

I try very hard to include everybody in the discussions. Sometimes I go around the room and call on Board members to ask them directly for their input. You have to keep things interesting; you've got to keep things moving; and you've got to seek input and contribution to have a productive Board meeting.

It has been my job to see that our policy directions are being implemented and that staff is doing the job that we have asked them to do. There have been various matters that required my advice on how to handle things that subsequently have had to be addressed by the Board or the Executive Committee, and required me to exercise discretion on when was the right time to have something brought up and addressed. There have been lots of judgment calls through the years, but I have loved it. It's been a great experience.

Q You have had one of the most interesting Boards to guide this year as far as its diversity of personalities. How do you get them all focused and heading in the same direction?

A Hopefully part of it is they trust my instincts and trust that I have acted in good faith all of the time. Another part of it is trying hard to listen to what each Board member has had to say to make sure there isn't something that we are miscommunicating about. I have tried to address any area or topic for which an individual Board member might have needed more information. Conversely, I have sought input from the Board members to provide me with information that might help me understand an issue better.

Building a consensus isn't just from the top down. You build a consensus from the Board members up, too. It's a two-way deal; we learn from each other. And that's how you arrive at good decisions. I always trust group decisions.

Q Why are group decisions better than the alternative?

A Because you draw on everybody's experience and knowledge. It would be easy for a president to try to dictate things, but it wouldn't be prudent. I have tried to be a catalyst and have brought issues to the attention of our Board for their consideration and judgment, but there is a big difference between doing that and trying to force something down everyone's throat.

Q You probably made the Board work harder at the June 2007 Board meeting than they ever have.

A I'm proud of that, and I didn't hear anybody gripe. Not one Board member objected to working as hard as we did at that meeting. . . . I've been real proud of this Board, how they have stepped up to the workload and have really given a genuine effort. Over the years, the function of our Board has evolved. Today, if you're going to run for the Angus Board, you'd better be ready to roll up your sleeves and get to work, because it's a working position, and there is a lot that goes on — even in between the meetings anymore. It's not just show up once every three months and meet.

Q How much time do you log in phone time in a week?

A I probably have 8 to 10 hours a week in phone and e-mails that deal with some aspect of the business of the Association. Some of that phone time is when I'm on the road, too. So it's not all just sitting in a chair.

Q You have spent quite a bit of time on the road representing the Association at Angus events and industry meetings. Are those good vehicles for reaching the membership?

A It has allowed me to speak to the membership. I have tried to let them know what was going on. I have also tried to advocate their involvement in the AngusSource® program and tell them how they could contribute to the continued success of the Angus breed by greater participation in the AngusSource program as a seedstock producer.

That's been one of the focal points of this year's administration — to try to heighten the awareness of AngusSource and what it can do for our Association if it becomes an industry standard. I really believe that AngusSource has the potential to be the third leg of the figurative stool, the other two legs

being *Certified Angus Beef*® (CAB®) and Angus Herd Improvement Records (AHIR®) — EPDs (production), CAB (end product) and AngusSource (marketing).

Q AngusSource has been one of the focal points of your tenure. How did it come to be?

A During the second or third year I was on the Board I tried to have the Association form some type of organization to allow producers using Angus genetics to band together to market their cattle with the intent of an assured supply of *Certified Angus Beef*.

I was advocating that a subsidiary of the Association, or a cooperative, control the cattle contractually so we could work with feeders and packers to produce the product to supply the needs of *Certified Angus Beef*. The concept was to integrate the production of CAB like producers do with cranberries and cotton. U.S. Premium Beef is doing a great job at that type of business plan, but it still doesn't guarantee any carcass that qualifies for CAB will end up with the CAB stamp on it, and that's what I was trying to do. We didn't get it done, but we have had a lot of other successes, one of those being the change in CAB specifications.

Q That was certainly one of the more difficult decisions for the Board during your tenure.

A That's a good example of what I mean about group decisions. We had the opportunity to discuss and debate the issue. I was a catalyst for that change being considered and eventually adopted. I pushed for a change for more than two years before it was adopted. My reasoning was that our producers weren't getting paid a premium, but they were still getting charged a discount for a carcass that, after the packer trimmed the hot fat off, was the equivalent of what we were accepting into CAB. When the CAB staff got to examine and analyze the issue, there were other valid reasons to adopt the carcass specification changes.

We standardized the carcass, we got more consistency into the product — increasing our supply while not harming the end product one bit. . . . I hope time will prove this to be a really great decision on the part of our Boards — both the CAB Board in adopting the changes and the American Angus Association Board in supporting it, too.

CONTINUED ON PAGE 78

President's Perspective CONTINUED FROM PAGE 77

Q You mentioned the Board is dealing with technologies that Board members, as individual breeders, are not equipped to make decisions about. How do you seek expert advice to help make decisions?

A Sometimes there are members on the Board who know certain people that you can turn to. We also have to rely upon staff to help find those people. Attending industry conferences — like the BIF (Beef Improvement Federation) and National Cattlemen's Beef Association (NCBA) meetings, and the National Western — we come into contact with people and discuss things. So, it's a combination of individual Board member experiences, staff contacts and participation at what I would call national educational industry events.

Q What events would you encourage Angus producers to attend?

A BIF comes to the forefront because of the academic nature of that meeting. They are thinking into the future, thinking strategically. The NCBA meeting is more current policy-type topics that are probably just as important for producers to attend. I think our Annual Meeting in Louisville is another one. Our Association has been doing a good job lately of highlighting issues our members need to consider.

Q Where do you see the beef industry headed in the future?

A I think the demand for high-quality beef will continue to improve and expand. There is the potential for a huge demand in the Asian markets; we are just scratching the surface of that, and we are the logical country and breed to supply the genetics for that high-quality beef. In our domestic market, we have demonstrated that people are willing to pay a premium for consistent high-quality, good-tasting beef, and that is our market.

I think the future is bright for our Angus breed and its position in the beef industry. I believe that increases in the price of corn and other feedstuffs are only going to accentuate the need for, and value of, the marbling genetics of our breed and make Angus cattle in even more demand than they are presently.

Q What are some of the biggest obstacles and changes Angus producers will have to contemplate in the next few years?

A Cost of production to me is No. 1. No. 2 is the fact that our genetics have been hijacked and incorporated into competing breeds or subsets of breeds.

I think the third challenge will be to change our emphasis in the product from being black-hided to Angus genetics.

Those last two are interrelated, but there is a difference. It's going to be a real change and difficult to implement, but if we can get to the point where our customers' cattle are marketed in terms of possessing Angus genetics and not just being black-hided it will have a tremendous effect on the demand for Angus bulls and Angus genetics. That's another reason why AngusSource is critical for the future — because it will enable us to identify Angus genetics in the marketplace and separate them from the black-hided imposters.

Q What would you consider the biggest decisions considered by the Board during your nine-year tenure?

A Changing the carcass specifications for CAB is one of the big ones, as well as establishing Certified Angus Beef LLC (CAB) as a subsidiary of the American Angus Association. The formation of Angus Genetics Inc. (AGI) will prove to be a very

important decision. The results haven't been realized from that action, so the impact of AGI pales at this point in comparison to the other two.

I think AngusSource will prove to be a very, very beneficial tool for our membership. We updated our rules and bylaws. I chaired that committee. And we took a good look at the National Junior Angus Show, updated the support that the Association provides to that event and tried to revamp some of the structure to make it even more successful.

Development of the dollar value indexes (\$Values) has been a very important decision that, again, hasn't had as great of an impact upon our membership as it will have in the future.

Another thing on the horizon is the decision to be proactive in incorporating DNA technology into our National Cattle Evaluation (NCE). The speed at which this issue is developing is almost incomprehensible. We meet quarterly as a Board, and the whole DNA landscape can change within three months. It's amazing the speed at which that aspect of our industry is evolving.

Q As a board, you have met a lot more via phone and through task forces than previous boards. Does the pace of technology development play a part in that? How would you explain the role of those meetings?



► Bruce Knight (left), undersecretary for marketing and regulatory programs for the U.S. Department of Agriculture, and Jot Hartley sign a cooperative agreement to educate cattle producers about the National Animal Identification System and to encourage members to register their premises. Keeping members informed of the issues surrounding them has been one of Hartley's mantras as Association president.

A I've asked the Board members to step up and contribute more of their time between meetings to address those issues that, quite frankly, I didn't want to just dump on staff to address. I also felt like some issues couldn't wait, and we couldn't wait to deal with them at a Board meeting. I have asked Board members to participate on various task forces, and they responded with a yeoman's effort. I just can't be more proud of the way our Board members have responded to the increased demands on their time this past year.

Technologies such as speakerphones, conference calling and e-mail have allowed us to connect from remote locations and to interact on a real-time basis, and I think that has promoted an increase in those types of meetings.

Q **Has doing that research and discovery in between Board meetings helped the Board make more-educated decisions during the quarterly Board meetings?**

A Definitely. We don't spend our first day or two at the Board meeting trying to bring everyone up to speed. We have Board members who have looked at the issues and been in the midst of gathering the information. There is a lot of discussion that goes on at dinner meetings outside of the formal Board meeting, and it's helpful to have a part of the Board that's been intricately involved in researching and developing these concepts. It helps them to explain the specifics of that particular issue to other Board members.

Q **Looking at some of the advancements in genetic evaluation with DNA and multi-breed evaluations, what is at stake to the Angus membership?**

A With the DNA technology, what's at stake is literally our breed Association. If I were president of a private company that wanted to sell DNA technology to our membership, I would want to make pedigrees issued by the American Angus Association irrelevant. I would want our EPD system to become irrelevant. I would want genetic merit to be measured solely by DNA markers and not incorporated into our EPD calculations nor our National Cattle Evaluation.

Q **Why would that be bad for members?**

A It would be bad for members because they would not control their genetic



► Hartley has utilized his skills as a lawyer to encourage participation by all Board members, to keep discussion focused and to encourage decision-making based on the facts available. Coming to a consensus requires creating an environment in which it is OK to change your mind. "To create that environment, you treat everybody with respect and you treat their views with respect," Hartley says. "If they change their mind on something, you don't act as though it is some unusual event. You treat their new decision with respect because all it means is that they have had some additional information that allows them to make a better decision."

evaluation. Private industry with a profit motive of its own would be controlling our membership's genetic evaluation. Right now the membership controls the genetic evaluation, and we are not at the mercy of a capitalist wanting to make a profit off of what would be a captive market.

It's no longer a question of whether multi-breed genetic evaluation is going to occur. It is going to occur. The question now is who is going to do it. We have had a nice system going for many years where we had public institutions in charge of conducting genetic merit evaluations, but that isn't going to be available in the future.

So, do we allow other breeds to do it? Do we allow the consortium to do it? Do we allow private industry to do it? Or do we step up and provide the leadership and do it ourselves? If we do it ourselves, we can ensure that it's done properly and on a level playing field, and that Angus genetics are properly represented and incorporated into the evaluation and accurately reported.

We are going to shine as a breed in a multi-breed environment. The No. 1 concern of my bull customers is birth weight, and the Angus breed is going to look really good in a comparison of birth weight with performance and carcass traits against those of other breeds in a multi-breed

environment. Angus seedstock producers should be clamoring for multi-breed analysis to be conducted sooner and not later. That is why, at the June meeting, Board members provided the impetus and the sense of urgency for our Association to get off the ground with AGI.

Q **Some policies (see "Board Action," page 45) were adopted at AGI's first face-to-face Board meeting in September. What was the impetus behind setting those policies?**

A The policies were implemented to reassure membership that this new initiative won't go off on the wrong tangent. We needed to adopt some policies for the AGI Board to guide those who follow as to what the intent is for the operation of the entity. The policies give staff clear direction on what is expected and what's to be permitted.

Q **So AGI will contract with the Association and other approved entities that will submit performance data to AGI for genetic evaluation?**

CONTINUED ON PAGE 80

President's Perspective CONTINUED FROM PAGE 79

A Yes. And right now those other entities are breed associations that wish to have us conduct their genetic evaluations.

Q **Some critics have complained that with so much money in the Angus Foundation we need to be spending more. Your response?**

A We don't yet have enough money in the Foundation to really make a difference, to really fund the research and the scholarships that we need to promote young people into areas of study that we need as an industry. We don't have nearly enough money to make a difference yet. Is there a lot of money in the Angus Foundation? To me it's a lot of money, but when you look at the costs of what it takes to undertake the research projects, scholarships and activities that we need to fund, it's not nearly enough.

I think our membership has made a tremendous effort in the last two years to build the Angus Foundation. The campaign that is going on right now is critical to the long-term success of the Foundation, and the support from the membership has shown that they understand.

Q **How do you explain why donations are invested and only the interest is used to fund scholarships and research?**

A We are going to have more long-term success in being able to fund projects if we build our capital base and then spend earnings from that capital base. Once we have established our base and let our equity grow and perpetuate itself, we will have an assured source of funding in sufficient amounts to meet the needs and purposes of our Foundation.

Q **Do you see a day when the NJAS will be totally funded through the Foundation?**

A We talked about that on the task force. We did not recommend total funding of the NJAS by the Foundation because of one thing — we don't want to destroy the involvement of whatever group or state is putting the NJAS on. We want them to be able to have a vested interest in the event other than just saying they are holding it. If they have a little money in it, they have ownership in it.

We haven't even scratched the surface on how powerful a tool the Angus Foundation

can be for our Association. We talked about the land-grant universities and the demise of funding for research. We are in a world environment where we as an Association are going to have to provide the funding for some of these research projects that previously were conducted by the universities. If we don't do it, private industry will do it, and then they will own the technology and not the public.

Q **Isn't the Foundation funding research like the feed efficiency research?**

A We are funding projects that are within our means right now, but I'm sure that in the future there will be projects that will be more extensive than what we are doing now, and continued development of the Foundation assets will be critical to our ability to afford participation in those projects.

Q **What is a Board member's role?**

A To set policy, to see that policy is implemented and, at the appropriate time, to stay out of the way.

Q **What does it take to be a good Board member?**

A An inquisitive mind, desire for information and knowledge, and the ability to ask the right questions without being intimidated by the Board process.

Q **What's the biggest thing you have learned through serving as a board member?**

A The scope and breadth of our Association and our breed — and the issues that arise because of that. I've learned to appreciate the showring, both at the junior level and the adult level. I have had the opportunity to travel and go to shows, especially the last few years, and look behind the scenes and really look at what goes into it. I appreciate much more the effort that goes into the finished product and the camaraderie and good will developed in those relationships.

Q **How would you describe the value of shows?**

A At the adult level they help us promote the breed; it encourages investment in

the breed. A lot of the "new" breeders that have made money in some other industry are attracted to the Angus breed through the showring, quite often to show cattle. At the junior level, shows are a tool to give the juniors an activity, give them responsibility, develop their own sense of leadership and, to a lesser extent, develop them as breeders.

Q **How much of what we are going to deal with in the future is going to be beyond agriculture? Do you think that we are overly scared or overly pessimistic about that?**

A We have the ability to influence everything that will affect our industry. If we don't, we only have ourselves to blame. Scientific issues aren't really that much larger than they have been. They are just different. Our Board and membership is no more encumbered by these nonfarm issues than they were in the past.

The difference that exists now is the speed at which things are happening. My one observation for the future is that the Board and staff are going to have to recognize the need to operate on quicker cycles. They will have to be able to act faster to respond to events as they occur. We are doing that, but we need to be sensitive to timing in the future. The windows of opportunity open and close a lot quicker than they used to.

The American Angus Association is like an oil tanker that takes a long time to turn and steer in a different direction; we are going to have to continually strive to be more nimble and flexible and innovative. I think that — along with continuing to think and act strategically — is going to be the key to staying on top and maintaining our position as the dominant breed registry.

That's the only reason I hate to be going off the Board. There are going to be some really interesting issues in the next few years that are going to require action instead of studying it forever. I probably have been one to push for action prematurely sometimes, but I figure, on the average, it worked out okay. That's why you have group decisions, because after you filter all of it through the entire group, you usually get the right balance of action versus study.

