

AMERICAN ANGUS ASSOCIATION®
HIGHLIGHTS OF THE MEETING OF THE BOARD OF DIRECTORS
SEPTEMBER 10-12, 2014

The following is a review of topics discussed and actions taken during the meeting of the Board of Directors held September 10-12, 2014, in St. Joseph, Missouri.

ACTIVITIES COMMITTEE

- The following individuals will be inducted into the 2014 Angus Heritage Foundation: Don Greiman, Iowa; Paul Donnelly, Missouri; Lawrason Sayre, Maryland; and Bob Laflin will be posthumously inducted.
- The Western Regional, Reno, Nevada, was approved as the 2016 Regional Show.
- The following were approved as the 2016 regional preview shows:
 - A. MAJAC Regional Preview, Harrisonburg, Virginia.
 - B. Atlantic National Regional Preview, Timonium, Maryland.
 - C. All American Angus Breeders' Futurity Regional Preview, Louisville, Kentucky.
- The Committee created the 2015-16 Roll of Victory (ROV) and National Junior Angus Show (NJAS) judges list.

FINANCE & PLANNING COMMITTEE

- The Committee reviewed the balance sheets and income statements for the period ending July 31, 2014. The financial review included the consolidated financial report and financial reports of each entity. Projections of the financial results for the fiscal year that will end September 30, 2014 were also reviewed.
- The Committee reviewed the investment portfolio of the Association and its subsidiaries. The total return for the trailing twelve months, ending June 30, 2014, was a gain of 16.3%. The investment portfolio consisted of 62% equities and 38% fixed income securities.
- The Committee recommended adoption of a budget for fiscal 2015 with projected revenue of \$11,572,000 and expenses of \$11,356,000. The budgeted net income for the year would be \$143,000 after non-operating adjustments.
- The Committee reviewed the codes of conduct for directors and employees.

BREED IMPROVEMENT COMMITTEE

- Work on incorporating the Feed Intake EPD (which is calculated as part of RADG EPD) into \$F was discussed, and the research was summarized. A December 2014 release is anticipated.
- Information was presented regarding the number and size of three-generation pedigree requests.
- Staff plans to research a foot scoring system. A recommendation will be presented for consideration at the February 2015 Board meeting.

ANGUS GENETICS INC. (AGI)

- Genomic recalibration was summarized, with a planned release date of September 19, 2014.
- Also on September 19, Heifer Pregnancy EPDs will be updated with a new model and base year and will be updated weekly thereafter.
- University of Georgia scientists presented the status of their research on future strategies for incorporating genomics into EPDs.
- A presentation was made on missing haplotype research being conducted at University of Missouri.

ANGUS FOUNDATION

- Planning has begun for Tom and Lois Ames of Spruce Mountain Ranch, Larkspur, Colorado, to host the Angus Foundation fundraiser, “Angus Night on the Mountain”, on the evening of January 14, 2015, in conjunction with the 2015 National Western Stock Show.
- Contributors to the Angus Foundation for Fiscal Year 2014 will be recognized in the Angus Foundation’s 2014 annual report, fall/winter newsletter and website. Contributors of \$250 or more will receive invitations to the Angus Foundation’s 2014 Supporter Recognition Event to be held in Kansas City, Missouri, on Monday, November 3, 2014.
- Contributors of \$25,000 or above in accumulative giving to the Angus Foundation since its inception in 1980, will be recognized with plaques in a special presentation at Kansas City for their lifetime giving support to the organization.
- Staff will proceed with implementation steps for the *Angus Foundation 2020* long-range strategic plan. Input is welcome regarding any new programs and beef cattle research areas of interest. Other steps will include increasing communications about research and utilizing all available communications for educational purposes to communicate the positive story of the Angus Foundation’s impact on members and youth lives, the Angus breed and beef cattle industry.

ANGUS PRODUCTIONS INC. (API)

- Progress was reported on the unification of API and the Association’s Communications and Public Relations Department, including a review of the API management team.
- A business analysis of API was presented, including specific tactics for strengthening API’s position in the next five years.

CERTIFIED ANGUS BEEF LLC (CAB)

- After lengthy negotiations, a favorable settlement to the Puerto Rico lawsuit has been reached.
- An all-time record attendance of 686 has been reached for this year’s Annual Conference.
- An update on the investigation of potential production of CAB® product in Russia was provided.

- The current approach to Supply Development continues to focus on communicating with the production segment and assisting them with strategies that focus on growing the number of certified carcasses for the Brand.
- It was reported that while the formal Feedlot Licensing program is being phased out, it will be replaced with activities that continue to expand our impact with feedlots targeting high-quality beef production.
- The USDA was seeking comments on the current beef grading system, especially as it related to yield grade, maturity, and instrument grading.
- This year the annual Building Blocks seminar held in partnership with the Angus Foundation will target an additional 3-4 young Angus leaders in addition to the Junior Board.
- A successful compromise was reached with the Aberdeen Angus Cattle Society regarding a confusingly-similar mark in the United Kingdom.
- CAB demand continues to increase with sales expected to exceed 880 million pounds for the year, an increase of 15 million pounds over the prior year. August posted the second month ever to exceed 80 million pounds in a month. An increase in certified cattle was reported, despite a reduction in the total cattle inventory due to great acceptance rates.
- In a supply update it was reported that CAB®-certified carcasses have reached 14.6% of the fed-cattle mix, an all-time high given the percent of cattle that are Angus-influenced and the record acceptance rate attributed to the quality in the cattle.
- In fiscal 2015, it is expected that the kill will be down 3% for the industry, but if the trends in acceptance rate and number of Angus-eligible cattle continue, certified numbers should be flat to slightly up in 2015.
- The Fiscal Year 2015 budget was approved as presented.

BOARD OF DIRECTORS

- The proposed budget for fiscal 2015 was reviewed and adopted.
- Association member Curtis W. Long, Butler, Missouri, was elected as an Outside Representative on the Angus Foundation Board of Directors for a one-year term effective November 6, 2014.
- The Board of Directors appointed a special committee to review the Association's mailing list policies.
- Staff was directed to secure dates covering the first full weekend of November annually for the National Angus Convention and Trade Show beginning with the 2016 convention.
- Staff was directed to develop and present to the Board for its review a potential approach to deal with member requests for genotypes.

NEXT BOARD MEETING

- November 3, 2014, in St. Joseph, Missouri, and November 6, 2014, in Kansas City, Missouri.