

**AMERICAN ANGUS ASSOCIATION®**  
**HIGHLIGHTS OF THE MEETING OF THE BOARD OF DIRECTORS**  
**JUNE 4-6, 2014**

The following is a review of topics discussed and actions taken during the meeting of the Board of Directors held June 4-6, 2014, in Kansas City, Missouri.

***ACTIVITIES COMMITTEE***

- An exhibitor's block will be available at the Crowne Plaza for the North American International Livestock Exposition. There will be a reception held Monday prior to the Roll of Victory Angus Show. An associate judge was approved for the ROV Show.
- It was determined that the second Bred and Owned judge on the approved list for the 2014 National Junior Angus Show is to be at the show in the event he is needed to judge.
- Two more judges' names were added to the Western Idaho Judge's list.
- There will be no tie breakers for points for the Roll of Victory Show Heifer of the Year.

***BREED IMPROVEMENT COMMITTEE***

- A review of the MaternalPlus™ program included current enrollments, reenrollments and program enhancements.
- A review of Milk EPD genetic trend and trait definition was provided.
- Ages of Dam adjustment factors approved in the February meeting were implemented in March.
- Performance data collections over the past five years were summarized.
- Updates were given on the status of ongoing projects.

***FINANCE & PLANNING COMMITTEE***

- Total assets on the consolidated financial report were \$49,303,000, and consisted of current assets of \$11,987,000, investments of \$32,179,000, property and equipment of \$4,908,000 and non-current assets of \$229,000. Current liabilities were \$4,692,000 consisting of accounts payable, notes payable, accrued liabilities and deferred income. Long-term liabilities of \$1,632,000 consisted of notes payable, accrued awards, accrued health insurance benefits and deferred compensation. Net income for the period ending April 30, 2014 was \$5,792,000.
- Financial projections of the American Angus Association and its subsidiaries were reviewed for the current fiscal year that will end September 30, 2013. The net income for the Association is projected to be \$344,000.
- Budget considerations for fiscal 2015 were discussed.

***ANGUS FOUNDATION***

- A new Allied-Angus Breeders Undergraduate Scholarship Program was approved. Beginning in 2015, three \$1,000 scholarships will be awarded to youth from commercial producer families using Angus genetics in their breeding programs. Information about this program will be released soon.

- Announcement of the 2014 Undergraduate and Graduate Student scholarship awards totaling \$203,500 will be made at the 2014 National Junior Angus Show in Indianapolis, Indiana, in July.
- Unrestricted gift revenue of \$17,900 to the 2014 Angus Foundation Annual Fund mail solicitation "*Rooted in the Future*" was designated toward Angus Foundation's \$125,000 commitment of general undergraduate and graduate student scholarships.
- Directors and staff recapped the *Angus Foundation 2020* long range strategic planning session held in St. Joseph in May. From this platform, resource development strategies will be further discussed and developed.
- It was announced that Spruce Mountain Ranch owners Tom and Lois Ames, Larkspur, Colorado, will underwrite and host a major fundraising event during the 2015 National Western Stock Show in Denver, Colorado, next January.

### **ANGUS GENETICS INC. (AGI)**

- Orders were summarized for high density genomic trait tests with GeneSeek and Zoetis along with parentage and GeneMax™ activities.
- Genomic calibration activities were outlined for the high density genomic tests with a planned update to the national cattle evaluation genomic-enhanced EPDs in late summer 2014.

### **ANGUS PRODUCTIONS INC. (API)**

- Progress of the unification of API and the Association's Communications and Public Relations Department was reported, including the introduction of Becky Terry as director of Creative Media.
- Staff provided an update on the celebration of the 35th anniversary of American Angus Association ownership of the *Angus Journal*. Included were price rollbacks for advertising rates in the August 2014 issue.

### **CERTIFIED ANGUS BEEF LLC (CAB)**

- The President's report highlighted the upcoming *Certified Angus Beef*® (CAB®) Annual Conference in Marco Island, Florida, to be held September 17-19. An update on the most recent Wholesale Beef Demand Index study for CAB® product showed a 108% increase, while demand for Choice beef had actually declined by 1% over the same time period. Tony Biggs was recently hired as the Director of Culinary Arts.
- Progress on the expansion plan for additional warehouse and office space was reviewed.
- Over the past five years, there had been a reduction of 4.4 million head in the federally-inspected steer and heifer slaughter, but due to the quality of the cattle, the number of CAB-certified carcasses increased by 1.5 million head. Fiscal year-to-date, the number of certified cattle are up 4.5%, with additional increases in the acceptance rate.
- The dairy industry's increased usage of beef semen in dairy herds could potentially add value to the resulting calves. An opportunity exists for Angus to gain market share in beef semen sales to this segment. Independent of that opportunity, more research and data is needed to better understand how this beef supply base is currently being positioned in the industry and how that may change moving forward.

- Through April, CAB<sup>®</sup> sales exceeded the prior year by 18 million pounds. The year could finish somewhere between 885-890 million pounds.
- Marketing initiatives were highlighted, including numerous upcoming events, major retail account marketing initiatives and recently expanded social media/marketing efforts.
- Staff reviewed the current progress on potential production of CAB<sup>®</sup> product in Russia.

### ***BOARD OF DIRECTORS***

- Association members Richard Hollman, Nebraska, and Ron Hinrichsen, Kansas, were appointed to serve as Election Observers to oversee the counting of ballots to elect delegates and alternates to the 2014 Annual Convention of Delegates.
- The Board approved a proposal to continue AngusSource<sup>®</sup> as a USDA Process Verified Program.
- The Board approved the 2015 Advertising and Marketing Plan.

### ***NEXT BOARD MEETING***

- September 10-12, 2014, St. Joseph, Missouri