

ANGUS

THE BUSINESS BREED

March 18, 2019

Dear Angus Breeders:

In February, the Board of Directors voted to make changes to the Association's \$Value Indexes.

Beginning this June, there will be a new model for Beef Value (\$B). The new \$B model shares a lot of similarities to our existing \$B with a correlation above 0.90. As a result, the new \$B model will rank animals in a similar manner to today. \$B will continue to predict expected profitability differences due to feedlot and carcass merit using multi-trait genetic selection for post-weaning gain, feed efficiency and carcass value. However, there will be changes in trait emphasis with a greater emphasis on marbling and yield.

There also will be a new Maternal Weaned Calf Value (\$M) released this June that will include additional maternal traits compared to our current Weaned Calf Value (\$W) model. While the exact distribution of traits is yet to be finalized by the Board, those traits will include calving ease (direct and maternal), weaning weight, cow weight, milk, docility, heifer pregnancy, and foot scores. The new \$M will account for maternal traits not currently included in \$W.

Accordingly, the geneticists at Angus Genetics, Inc. (AGI) have been working continuously since the February Board meeting to bring \$M values to the Board for approval and ultimately immediate release. However, it's important to understand that this is no small task.

These updates, which include an updated mature weight model, need to be tested and vetted with multiple weeks of running new and current models in parallel in order to assess performance and accuracy. As soon as the results are finalized, the Board will meet in order to approve the final \$M model.

Once approved, efforts to take the final \$M model from a research project to a full-fledged genetic evaluation will begin. In fact, this is the current stage in the process the new \$B model is undergoing right now. While the traits included in the \$B model remain unchanged, the engine that calculates these models now needs to be built into our systems for reporting on a weekly basis. Staff is working as diligently as possible to complete these tasks, but I ask for everyone's understanding that we don't place speed above accuracy.

After all models are finalized, the yet-to-be-named balanced index will also be finalized. This index will be composed of all traits included in the \$M and \$B indexes. Originally

scheduled to be released in June 2020, based upon feedback from membership, the Board will consider the possibility of releasing this balanced index as soon as possible.

Finally, there's been concern expressed by some that the Board was able to view the new \$Value Indexes on their animals in advance, which could potentially give them an advantage in the marketplace when making breeding decisions.

I want to assure each member of the Association that the Board did not see information that would allow them to have "insider" information.

It is true that each member was able to see how current dams within their own herds, females who have registered a calf within the last two years, ranked on each individual index. However, no actual \$Values were printed for Board members to see prior to release. In addition, no information on young, non-parent animals or AI sires whether owned or non-owned were supplied to the Board for appraisal.

The individual herd rankings were run in a research environment, in order to provide ample information on the changes being recommended. The complexity of the \$Value updates and the model upgrades that were then passed by the Board contain intricacies not easily digestible without the use of data examples to accompany them. Using current dam rankings allowed for the assessment of the degree changes that would be experienced across the breed.

Each member of the Board fully understood the magnitude of the decisions made to the \$Values and as you might expect, they wanted to be sure they asked the appropriate questions and understood the information to the highest degree before any decision was made.

As president of the Board, I'm comfortable with how the process was undertaken and the information provided by staff to make those decisions. More importantly, I'm proud of the manner in which the Board went about the business of the Association and the decisions that were ultimately made.

The Board approved changes to the \$Value Indexes that will drive the breed forward into the future. I'm confident that membership will ultimately feel the same way.

Respectfully,



John Pfeiffer Jr.
President
American Angus Association