

AMERICAN ANGUS ASSOCIATION®
HIGHLIGHTS OF THE MEETING OF THE BOARD OF DIRECTORS
FEBRUARY 24-26, 2016

The following is a review of topics discussed and action taken during the meeting of the Board of Directors held February 24-26, 2016, in St. Joseph, Missouri.

ACTIVITIES COMMITTEE

- The All American Breeders' Futurity was designated as the 2016-2017 Super Point Roll of Victory (ROV) Show. The 2016 West Virginia State Fair was designated as an ROV Show. The 2016 Arizona National was discussed for ROV status, but no action was taken.
- A slate of judges was approved for the 2016–2017 ROV Shows, the 2016 National Junior Angus Show (NJAS) and the Eastern Regional Junior Angus Show.
- A report was presented on the National Western Stock Show (NWSS) Bull Sale and Show.
 - Joe Goggins was selected to serve as the 2017 bull sale auctioneer.
 - It was decided that bulls entered in the sale will be required to be tested for genomically-enhanced EPDs by the catalog print date.
- A letter from an Association member was presented to the Activities Committee regarding maximum hair length at summer shows. The discussion was tabled until the June regular Board meeting.

BREED IMPROVEMENT COMMITTEE

- A review of the Structured Sire Evaluation program, designed to generate carcass progeny of heavily-used Angus sires, was provided by staff. Additional herds are being contacted to participate in the program.
- DNA parentage testing requirements were discussed, and the Board was updated on progress toward using birth weights in the Angus genetic evaluation prior to submission of weaning weights.

ANGUS FOUNDATION

- The Angus Foundation Heifer Package fundraiser at the 2017 National Western Stock Show was unanimously approved.
- Angus Foundation Directors were selected to serve on the Angus Foundation Undergraduate and Graduate Student Scholarship Selection Committee and Allied Angus Breeder Undergraduate Student Scholarship Selection Committee respectively.
- Four beef cattle research projects were approved for funding by the Angus Foundation:
 - 1) "Genetic Evaluation of Heat Tolerance for Growth Traits in Angus Cattle" from the University of Georgia;
 - 2) "Evaluation of the Contribution of Tenderness, Juiciness, and Flavor to the Overall Consumer Beef Eating Experience" from Kansas State University;
 - 3) "Novel Uterine and Vaginal Microbiome Associations with Fertility in Angus Cattle" from the University of Tennessee; and
 - 4) "The Impact of Selection Using Residual Average Daily Gain EPD on Reproductive Performance, Growth Performance and Carcass Traits in Angus Cattle" from the University of Georgia.

ANGUS GENETICS INC. (AGI)

- A Director of Genetic Services has been hired and will begin work on March 21.
- The fifth genomic calibration is nearly complete. Results should be available for incorporation into Angus genomically-enhanced expected progeny differences (EPDs) by April. Progress is also being made on research into Single-Step Genomic Evaluation, in collaboration with the University of Georgia.
- Growth in genomic testing for both registered Angus cattle and commercial Angus-influenced heifers was reviewed.

ANGUS PRODUCTIONS INC. (API)

- The Angus Media team continues to refine the integration of all communications platforms to unify, update and position the Angus brand. All relevant communications continue to be integrated into the angus.media website. Digital sale book traffic is up significantly, and breeder websites are gaining additional viewership. Angus Media continues to develop its database of customer website and salebook analytics to assist in individual marketing decisions.
- It was reported that advertising is up year-to-date in the *Angus Beef Bulletin* and *Angus Journal*.
- Discussion was held regarding a possible API Board retreat in early May to initiate business targets for incorporation into the long-range strategic planning process.

CERTIFIED ANGUS BEEF LLC (CAB)

- The recent Specialist Seminar was a huge success with more than 240 foodservice professionals attending.
- The Board received an update on the industry's progress in the modernization of carcass maturity determination.
- A review of the Fiscal 2016 supply outlook showed that *Certified Angus Beef*® supply was running up 6% over prior year. Retail was up 22.4% as a result of lower ad prices and greater supply. Foodservice has continued to show growth up 6% for the year, and international sales were up modestly. Over the past three years the foodservice division has accounted for 70% of the brand's growth.
- Staff recapped the plan on an upcoming brand research study to look at the key metrics of awareness for the brand.
- The status of production of *Certified Angus Beef*® product in Russia was reported. In January the CAB team traveled to Russia and reviewed final steps and requirements and made a small production of *Certified Angus Beef*® samples. During a second visit in February, the first commercial run of cattle was certified. Feedback from the trade in Russia has been very positive.
- Work has begun to create a "think tank" on yield grade determination. After the think tank meeting in January, a white paper is being developed by Dr. Ty Lawrence and should be completed this spring. This should prompt further dialogue.
- The Board discussed the topic of a potential Angus feeder cattle marketing program to add value where the calves are known to come from quality focused genetics.

BOARD OF DIRECTORS

- A consolidated financial report was presented and approved. Total assets were \$57,487,000 and consisted of current assets of \$13,831,000, investments of \$38,260,000, property and equipment of \$5,162,000 and other assets of \$235,000. Current liabilities were \$6,105,000, consisting of accounts payable, notes payable, accrued liabilities and deferred income. Long-term liabilities of \$1,718,000 consisted of notes payable, deferred compensation and accrued health insurance benefits. Net income for the period ending January 31, 2016, was \$2,247,000.
- The Board approved addition of the Metropolitan Family of Funds to the investment portfolio options.
- A Special Long Range Strategic Planning Committee was appointed. Committee members are: Don Schiefelbein (chair), Tom Burke, David A. Dal Porto, James W. Henderson and Mick Varilek.
- Kansas City, Missouri, was approved as the site for the 2020 National Angus Convention.
- The Special Minutes Policy Review Committee reported that several key topics have been identified for further review.
- A member request was reviewed concerning Rule 103 (c). No action was taken.

NEXT REGULAR BOARD MEETING

- June 6-8, 2016, Nashville, Tennessee