

# ANGUS

## THE BUSINESS BREED

### AMERICAN ANGUS ASSOCIATION® HIGHLIGHTS OF THE MEETING OF THE BOARD OF DIRECTORS SEPTEMBER 9-12, 2024

The following is a review of topics discussed and action taken during the meeting of the Board of Directors held September 9-12, 2024, in St. Joseph, MO.

#### **AMERICAN ANGUS ASSOCIATION**

- Total assets at August 31, 2024 were \$28,840,800, and consisted of current assets of \$2,695,400, investments of \$21,163,400, and fixed assets of \$4,982,000. Current liabilities were \$1,603,300 consisting of accounts payable, accounts payable intercompany, accrued liabilities, and deferred income. Long-term liabilities of \$1,012,200 consisted of accrued health insurance benefits, and a forgivable economic development grant liability. Net income for the period ending August 31, 2024 was \$3,917,100 of which \$3,532,800 represents investment returns generated through the investment portfolio. The Association approved a balanced budget for fiscal year 2025.
  - Smitty Lamb moved, seconded by Charles Mogck to accept the finance report. The motion passed unanimously.
  - Jim Brinkley moved, seconded by Paul Bennett to approve a balanced budget for FY2025. The motion passed unanimously.
- The Board approved Committee reports as follows:
  - Breed Improvement Committee report and recommendations: motion by Paul Bennett, second by Darrell Stevenson, unanimous approval.
  - Commercial Programs Committee report and recommendations: motion by John Dickinson, second by Art Butler, unanimous approval.
  - Communications and PR Committee report and recommendations: motion by Charles Mogck, second by Jonathan Perry, unanimous approval.
  - Events and Junior Activities Committee: motion by Greg McCurry, second by Henry Smith, unanimous approval.
  - Finance and Planning Committee report and recommendations: motion by Jim Brinkley, second by Rob Adams, unanimous approval.
  - Member Services Committee report and recommendations: motion by Jerry Theis, second by Loran Wilson, unanimous approval.
- The Board approved recommendations from the nomination committees to fill at-large Board member and industry representative positions for current and upcoming vacancies. Tom McGinnis was elected to a second term as at-large member for the Angus Foundation, Dr. Mark Allan was elected to serve as industry representative for Angus Genetics, Inc. and Rob Shuey was elected to serve as industry representative for Certified Angus Beef, LLC.

- Member letters prompted discussions on the DNA use policy and age of dam adjustment.
- Darrell Stevenson was elected to serve as the Association's treasurer for 2025.
- Annual reports on employee and board codes of conduct were presented with no issues identified.
- Jim Brinkley moved, seconded by Paul Bennett, to approve the following four procedural documents for the Annual Convention of Delegates:
  1. Memo from the Board to delegates and alternate delegates
  2. Order of Business
  3. Convention Procedures
  4. Election Procedures

The motion was unanimously approved. The documents will be sent to delegates and alternate delegates prior to the Annual Convention of Delegates.

- Participation results of the recent delegate election were discussed as well as data on the number of delegates selected for the annual convention
- Jim Brinkley moved, seconded by Smitty Lamb, to nominate Jonathan Perry to serve as the Association's president and chairman of the Board of Directors for 2025. The motion was unanimously approved.
- Jonathan Perry, seconded by Paul Bennett, to nominate Jim Brinkley to serve as the Association's vice president and vice chairman of the Board of Directors for 2025. The motion was unanimously approved.
- President Pollard appointed Jonathan Perry, Jim Brinkley and Darrell Stevenson to serve as the Nominating Committee to propose slates of candidates for the Boards of Directors of the Angus Foundation, AGI, Angus Productions Inc., and CAB LLC.
- The NCBA summer business meeting report was given by those representing AAA.
- The Board reviewed plans for the 2024 Annual Convention of Delegates as well as the 2025 and 2026 Conventions.

### ***BREED IMPROVEMENT COMMITTEE***

- Staff reviewed the 13 regional town hall meetings conducted via Zoom for the current three research EPDs and future updates to \$Maternal Weaned Calf Value Index. Overall, the feedback was positive, and members liked the access to staff to ask questions, open dialogue, the meetings were remote, and the format was informal. There were also thoughts shared for improvements for future meetings.
- TEAT and UDDR research EPDs were released on August 22 to members who have females with phenotypes in the evaluation. A list of AI sires was also published on [angus.org](http://angus.org). The overall feedback from membership has been positive.
- Staff shared an ongoing email discussion with a member regarding AHIR age of dam adjustments and EPD trends vs. AHIR weight trends. Staff reviewed the AHIR current age of dam adjustments, the process by which these have been estimated, the ongoing efforts to monitor these adjustments based on current data in the database, and the use of a third-party to validate the adjustments. After discussion, the committee suggested having more discussion and explanation in full board at the September board meeting.

- Staff reviewed the history of Weaned Calf \$Value (\$W) since the release of Maternal Weaned Calf \$Value. Staff went through the breeding objectives for each of these indexes, how they are similar and how they are different. After discussion, the potential for sunsetting of \$W will be shared with membership to gather additional feedback. Staff were also directed to continue to work on education efforts for indexes and to create a potential timeline and communication plan for sunsetting of \$W.

#### **COMMERCIAL PROGRAMS COMMITTEE**

- Enrollments continue to show strong growth with enrollments up 86% year over year, and the months of June and July set all time records for number of head enrolled.
- A fourth component to the GMS was added. The addition of the Maternal score will be used to help differentiate replacement females and bred females.
- The first AngusLink enrolled cattle sold on the National/USPB grid. For the first time in history, grid premiums are being paid on a genetic merit measure.
- Premiums for AngusLink cattle continue to be strong, with historically high premiums throughout the summer video season. Despite record numbers of AngusLink cattle selling, and historically high overall prices, premiums have continued to grow along with market acceptance.

#### **COMMUNICATIONS AND PR COMMITTEE**

- The new Angus.org was launched on July 31 and staff gave an analytics report from the first few weeks after launch. The committee discussed feedback from the members and updates that are planned in the coming weeks. The new platform allows greater flexibility and ability to publish frequently, making it a better communications tool for the membership and commercial cattlemen.
- The first modules of BEEF Academy were launched at the National Junior Angus Show in July. Other subjects and lessons will be added throughout the fall. The committee heard about plans to continue to promote the platform with National Junior Angus Association members. Staff are exploring ways to implement BEEF Academy into classrooms in the future.
- Staff reported on behind the scenes data from our communications efforts in a variety of departments and entities.

#### **EVENTS AND JUNIOR ACTIVITIES COMMITTEE**

- Jonathan Perry moved to increase the bedding fee at the National Junior Angus Show, Eastern Regional and Western Regional by \$20 in an effort to pass the increasing cost of bedding through to exhibitors. Mark Ahearn second. Motion passed unanimously.
- Henry Smith moved to eliminate premiums at the Eastern Regional and Western Regional Junior Angus Shows. Jonathan Perry second. Motion passed unanimously.
- Updates were given on numerous topics including: World Angus Forum Youth Competition, North American International Livestock Show Super ROV Judge, and updates on the new complex projects for American Royal and National Western.
- Loran Wilson motioned to recognize the Central Illinois Angus Show as an ROV for the 2025-2026 show year. Jonathan Perry second. Motion passed unanimously.

- Mark Ahearn motioned to add submitted applications onto the 2025-2026 ROV Judges List. Henry Smith seconded and the motion passed unanimously.
- Jonathan Perry moved to approve the compiled judges list for the 2025 National Junior Angus Show. Mark Ahearn seconded. Motion passed unanimously.
- Jonathan Perry moved to approve the Western Regional Junior Angus Show and Phenotype and Genotype Show judges' list. Loran Wilson seconded. Motion passed unanimously.
- Additional discussion was held around the National Junior Angus Show, including the consideration of adding a showmanship contest for junior and intermediate age divisions based on the recommendation of the National Junior Angus Board of Directors along with other member feedback received. Jonathan Perry made a motion to accept the recommendation from the National Junior Angus Board of Directors for an inclusion of a junior and intermediate showmanship contest without affecting the time-honored tradition of the National Junior Angus Showmanship Contest. Henry Smith second. Motion passed 4-0 with one abstaining.

### **MEMBER SERVICES COMMITTEE**

- **Rule 104 Animals Eligible for Registration. f Gene Edit Policy**  
 f. Gene edit policy. (As adopted September 10, 2021, November 5, 2021, June 9, 2022, August 31, 2023, and February 8, 2024) Members may submit specific Intentional Genomic Alterations (IGA) to the American Angus Association (Association). The member applying for IGA approval must provide documentation describing the IGA and the proposed functional difference the IGA produces in the gene edited animal. Approval of each specific IGA will be based on the IGA's ability to potentially provide sufficient benefit to or advancement of the Angus breed. Approval of the IGA and subsequent registration eligibility will be at the sole discretion of the Association Board of Directors, who will consider factors including the impact of introducing the IGA into the purebred Angus population. This approval process may also include direction from the scientific community and related industry perspective at the time the application is reviewed. In addition, the IGA and/or animals possessing the IGA must ~~be submitted to and approved~~ **have received a determination that allows for the commercialization of products from animals possessing that IGA (e.g., eggs, semen, embryos, live animals, etc.) and their offspring** by the regulatory agency or agencies responsible for overseeing livestock genome editing and IGA commercialization.  
**Recommendation adds this language to rule 104 f.:**  
**have received a determination that allows for the commercialization of products from animals possessing that IGA (e.g., eggs, semen, embryos, live animals, etc.) and their offspring.**
  - A Motion was made by Paul Bennett to adopt the proposed rule update as presented, seconded by Henry Smith. Motion passed unanimously.
- Member Account Security Overview.  
 Staff reported on additional protection measures for member's Log-In accounts. Updates will be made to enhance membership protection of their Log-In information.
- Discussion of additional benefits for members of the American Angus Association.

Staff presented data on membership trends and shared potential ideas to add benefits to new and current members. Several examples of companies and member organizations that provide benefits through their industry partners were used as reference of what could potentially become available for the members of the American Angus Association.

The committee recommended staff to explore further with our current partners and potentially additional partners and see what could be available for our members.

## **FINANCE AND PLANNING**

- Staff presented a financial report. Total assets on the consolidated financial report are \$89,961,200, consisting of current assets of \$16,898,300, investments of \$58,443,900, property and equipment of \$14,269,400 and non-current assets of \$349,600. Current liabilities are \$5,643,000 consisting of accounts payable, accrued liabilities, and deferred income. Long-term liabilities of \$2,222,000 consist of deferred compensation, accrued health insurance benefits, and a forgivable economic development grant liability. Consolidated Net income for the period ending July 31, 2024 is \$14,378,800. Investment portfolio returns account for \$8,459,100 of the \$14,378,800 bottom line.
- Projections of the financial results for the fiscal year that will end September 30, 2024, were presented for the American Angus Association (Association), its subsidiaries and affiliate.
- Staff presented the proposed budget for the Association for fiscal year (FY) 2025 which has projected operating revenue of \$17,023,200, expenses of \$16,960,400, and non-operating adjustments of (\$40,000). The budgeted net gain for the year is \$22,800 after non-operating adjustments. The number of registrations budgeted is 302,500. Other core revenue sources are budgeted flat to current year forecast. Investment income of \$600,000 is budgeted. This represents a 3% return on investments. Fees received by the Association from its subsidiaries are budgeted at \$4,004,950. The proposed budget includes provisions for capital expenditures of \$307,100. Smitty Lamb moved, and Darrell Stevenson seconded a motion to recommend adoption of the 2025 budget to the full board of the American Angus Association. The motion passed unanimously.
- The Committee reviewed the codes of conduct for directors and employees
- The Committee discussed payment options for the Association and its subsidiaries and strategies to reduce credit card fees. Staff reported ACH payments have been available for just over a month now as an alternative payment option for members.

## **ANGUS FOUNDATION**

- Total assets at August 31, 2024 were \$27,391,900, and consisted of current assets of \$191,600, investments of \$27,100,300, and long-term pledges of \$100,000. Current liabilities were \$88,900 consisting of accounts payable, accounts payable intercompany, and accrued liabilities. Long-term liabilities of \$29,200 consisted of accrued health insurance benefits. Net income for the period ending August 31, 2024 was \$3,610,200 of which \$3,884,200 represents investment returns generated through the investment portfolio.
  - Henry Smith moved, seconded by Loran Wilson, that the financial report be approved. Motion passed unanimously.
  - Tom McGinnis moved, seconded by Greg McCurry to approve a balanced

unrestricted budget for FY2025. The motion passed unanimously.

- The board reviewed fundraising activities from current fiscal year and discussed future plans for the heifer package, sale of pregnancies and the Cattlemen's Congress event.

### **ANGUS GENETICS INC.**

- Total assets at August 31, 2024 were \$2,536,400, and consisted of current assets of \$1,221,200, investments of \$1,210,800, fixed assets of \$59,600, and non-current assets of \$44,800. Current liabilities were \$1,248,300 consisting of accounts payable, accounts payable intercompany, and accrued liabilities. Long-term liabilities of \$23,200 consisted of accrued health insurance benefits. Net income for the period ending August 31, 2024 was \$640,100 of which \$240,600 represents investment returns generated through the investment portfolio.
  - Art Butler moved, seconded by Darrell Stevenson to accept the finance report. The motion passed unanimously.
  - Darrell Stevenson moved, seconded by John Dickinson to approve a balanced budget for FY2025. The motion passed unanimously.
- Non-traditional data partnership strategies were presented.
- The Board heard final plans for the upcoming ImAGIne genetics forum.
- GeneMax Advantage upgrades were presented. This included plans for connecting GeneMax and AngusLink GMS and a marketing overview of the GeneMax Advantage relaunch.
- The haplotype data collection initiative was introduced.

### **ANGUS PRODUCTIONS INC.**

- Total assets at August 31, 2024 were \$3,090,500, and consisted of current assets of \$1,568,300, investments of \$1,019,200, fixed assets of \$298,200, and non-current assets of \$204,800. Current liabilities were \$1,777,100 consisting of accounts payable, accounts payable intercompany, accrued liabilities and deferred income. Long-term liabilities of \$301,700 consisted of accrued health insurance benefits. There was a net loss for the fiscal year to date, through August 31, 2024, of \$140,500.
  - Roger Wann moved, seconded by Darrell Stevenson to accept the FY 2024 financial report. Motion passed unanimously.
  - Rob Adams moved, seconded by John Dickinson, to approve the FY 2025 balanced budget. Motion passed unanimously.
- Benjie Lemon presented the API President's report, focusing on observations following his first 60 days on the job. He highlighted the great resource in the team at Angus Media, accolades received at Ag Media Summit, and some pain points that if addressed could strengthen the customer experience and API's bottom line.
- Miranda Reiman, director of digital content & strategy, presented updates on the marketing and digital services, offering examples of several promised services that have come to completion and are available.
- Editors Julie Mais and Shauna Hermel presented editorial updates highlighting integration with angus.org, editorial focal points for the coming year, and new opportunities for revenue streams.

- The Board reviewed accounts receivable. Discussion moved into executive session.

### ***CERTIFIED ANGUS BEEF LLC***

- Total assets at August 31, 2024 were \$30,950,000, and consisted of current assets of \$12,758,800, investments of \$8,967,000, and fixed assets of \$9,224,200. Current liabilities were \$3,086,700 consisting of accounts payable, accounts payable intercompany, and accrued liabilities. Long-term liabilities of \$855,700 consisted of accrued health insurance benefits. Net income for the period ending August 31, 2024, was \$7,038,900 of which \$1,673,200 represents investment returns generated through the investment portfolio.
  - Jonathan Perry moved to approve the financial report. The motion was seconded by Kip Palmer and passed unanimously.
- Certified Angus Beef approved a balanced budget for fiscal year 2025. Jim Brinkley moved to approve the financial budget. The motion was seconded by Smitty Lamb and passed unanimously.
- John Stika shared an update regarding the potential for international Certified Angus Beef® production in Uruguay. Jim Brinkley motioned to authorize staff to license beef packing and fabrication facilities in Uruguay, contingent upon them demonstrating compliance with all program requirements and quality standards. The motion was seconded by Jonathan Perry and passed unanimously.
- It was reported that Certified Angus Beef awarded \$100,000 in scholarships to 26 students this year which was a record for both the dollar amount and number of recipients.
- Staff shared that the brand is projecting to have the second-best sales year in its history, forecasted at 1.235 billion pounds. International business has continued to be very strong, with foodservice flat and retail working to gain its footing in the face of a margin pressured reduction in feature activity. Cattle continue to grade very well with an all-time high acceptance rate of 37.2%.
- Stika shared progress on strategic planning efforts identifying three core strategies for 2025-2027: 1) Drive Sales, 2) Grow Diversified Revenue, and 3) Increase Value to Licensees.

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

November 1 & 4, 2024, Fort Worth, Texas