

# ANGUS

## THE BUSINESS BREED

### AMERICAN ANGUS ASSOCIATION® HIGHLIGHTS OF THE MEETING OF THE BOARD OF DIRECTORS FEBRUARY 10-13, 2025

The following is a review of topics discussed and action taken during the meeting of the Board of Directors held February 10-13, 2025, in St. Joseph, Missouri.

#### **AMERICAN ANGUS ASSOCIATION**

- Total assets at December 31, 2024 were \$28,197,900 and consisted of current assets of \$1,818,900, investments of \$21,354,400 of which \$11,475,100 is restricted, and fixed assets of \$5,024,600. Current liabilities were \$921,700 consisting of accounts payable, accounts payable intercompany, accrued liabilities and deferred income. Long-term liabilities of \$967,200 consisted of accrued health insurance benefits and a forgivable economic development grant from Buchanan County. Net income for the period ending December 31, 2024 was \$326,600.
- Darrell Stevenson moved, seconded by Art Butler to accept the finance report. The motion passed unanimously.
- The Board approved Committee reports as follows:
  - Breed Improvement Committee report and recommendations: motion by Smitty Lamb, second by Darrell Stevenson, unanimous approval.
  - Commercial Programs Committee report and recommendations: motion by John Dickinson, second by Jim Brinkley, unanimous approval.
  - Communications and PR Committee report and recommendations: motion by Mark Ahearn, second by Ron Hinrichsen, unanimous approval.
  - Events and Junior Activities Committee: motion by Jerry Theis, second by Henry Smith, unanimous approval.
  - Finance and Planning Committee report and recommendations: motion by Darrell Stevenson, second by Rob Adams, unanimous approval.
  - Member Services Committee report and recommendations: motion by Paul Bennett, second by Henry Smith, unanimous approval.
- The Board heard a presentation from National Junior Angus Board Chairman Mary Wood.
- An inquiry regarding genomic data sharing was discussed.
- The assumptions supporting the long range objectives were reviewed for needed updates.
- The recent NCBA convention and committee topics were discussed.

#### **BREED IMPROVEMENT COMMITTEE**

- Staff presented an overview for a proposed program designed to recognize members

that are participating in phenotype submission with AHIR. The proposed program would recognize herds participating in Inventory Reporting. John Dickinson moved, seconded by Rob Adams, for staff to continue to move forward with the recognition program. The committee had a unanimous vote in favor of the motion.

- Staff shared history and present state on the current research EPDs (functional longevity, teat size, and udder suspension). Darrell Stevenson moved, seconded by John Dickinson, to release the three research EPDs to production EPDs in May 2025. The motion passed unanimously.
- Staff presented an updated performance registration certificate, which included the three new EPDs included. Paul Bennett moved, seconded by Darrell Stevenson, to accept the layout changes to the performance registration certificate. The motion passed unanimously.
- Staff reviewed model updates for heifer pregnancy and feed efficiency. Updates to Maternal Weaned Calf Value (\$M) were presented, including the addition of teat size, udder suspension, and functional longevity.
- Staff will continue to explore options for two-season enrollment for Inventory Reporting.

#### **COMMERCIAL PROGRAMS COMMITTEE**

- The committee heard from Walt Steimel of National Beef on their experience with AngusLink enrolled cattle harvested through the National Beef/USPB grid since August. Over 2700 head averaged a 963 pound hot carcass weight and 43.7% USDA Prime.
- Staff reviewed the current cattle market situation with updates on program cattle premiums and cow herd rebuilding indicators.
- Staff presented updates on the AngusLink program including enrollments and marketing efforts to promote and grow the program.

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

- Staff shared an update on the ongoing BEEF Academy online learning platform. The first content development phase is near completion and plans are underway to launch a pilot program promotion for high school agriculture instructors. Interest in the pilot project has been very strong.
- Staff reported on the need for unified messaging surrounding Angus tools for commercial producers. This effort will be a holistic approach across several departments and entities.
- Staff reported on the National Ad Campaign, including plans for a refresh and the breeder incentive program.

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

- Discussion was also held on January 2025 events. Topics included schedules for Cattlemen's Congress and National Western and ultrasound data for pen and carload bulls.
- Roll of Victory (ROV) show numbers were reviewed from the 24-25 Show Season. Mark Ahearn made a motion to approve the Super and Regular ROV Shows for the 2025-2026 Show Season and seconded by Ron Hinrichsen. Motion passed unanimously.
  - Super ROV Shows for 2025-2026 Show Season will include: Atlantic Nationals, American Royal, Cattlemen's Congress, National Western, North American, and

Western National Angus Futurity.

- Regular ROV Shows for the 2025-2026 Show Season will include: All American Futurity, Dixie National, Fort Worth Stock Show, Central Illinois Preview, Keystone, New York State Fair, Northern International Livestock Expo, Tennessee State Fair, and World Beef Expo.
- Mark Ahearn motioned and Henry Smith second the motion to approve the nominations of: Tom and Carolyn Perrier, Mike McGuire, Dr. Dave Hawkins, and Dr. Bob Totusek (posthumously) as inductees to the Angus Heritage Foundation. Motion passed unanimously.
- Judges were selected for the 2025 National Junior Angus Show, 2025 Eastern Regional Junior Angus Show and the 2025-2026 ROV Show Season.

#### **MEMBER SERVICES COMMITTEE**

- Staff presented updates regarding the election of delegates for the 2025 Convention of Delegates, the current policy on determining the number of delegates for each district, voter eligibility and member communications.
- Staff presented updates and plans to support the Angus Information Management Software (AIMS).
- Staff presented an update on the various efforts regarding the progress surrounding electronic data storage and submission.

#### **FINANCE AND PLANNING**

- Balance Sheets and Income Statements for the period ending December 31, 2024 were reviewed. Total assets on the consolidated financial report were \$89,793,900, consisting of current assets of \$13,575,700, investments of \$61,224,900, property and equipment of \$14,730,300 and non-current assets of \$262,900. Current liabilities were \$5,691,300, consisting of accounts payable, accrued liabilities and deferred income. Long-term liabilities of \$2,120,900 consisted of accrued health insurance benefits and a forgivable economic development grant. Net income for the period ending December 31, 2024 was \$1,706,900. The financials through December 31, 2024 for each entity were reviewed and presented as well. Those financials will be presented in each entity's minutes.
- Staff presented an overview of the portfolio. Staff reviewed the investment policy and reported on diversification of the portfolio. The investment portfolio consisted of 61.7% equities and 38.3% fixed income securities. Consolidated investment income year to date through December 31, 2024 was a negative \$718,000. Staff reported on the performance of the portfolio pointing out the volatility that may occur month to month. The return on the consolidated investments fiscal year to date was a negative 0.79%. Year to date, through December 31, 2024, there were zero withdrawals from the portfolio and new money, totaling \$2,001,100, was added to the Certified Angus Beef Portfolio.
- Paul Bennett made the motion to retain CliftonLarsonAllen as the auditors for the Association for the current fiscal year, Charles Mogck seconded the motion. Motion passed unanimously.
- Staff discussed various potential partnerships that could assist in providing health coverage opportunities for members and their operations. Staff will continue provide discovery around this topic and its feasibility

### **ANGUS FOUNDATION**

- Total assets at December 31, 2024 were \$27,168,200, and consisted of current assets of \$531,800, and investments of \$26,586,400, of which \$25,575,700 is restricted, and long term pledges receivable of \$50,000. Current liabilities were \$82,200 consisting of accounts payable, accounts payable intercompany, and accrued liabilities. Long-term liabilities of \$29,200 consisted of accrued health insurance benefits. Due primarily to the performance of the investment portfolio, there was a net loss for the period ending December 31, 2024 of \$428,000.
- Tom McGinnis moved, seconded by Mark Ahearn, that the financial report be approved. Motion passed unanimously.
- Angus Foundation's Strategic Focus was discussed and reviewed.
- The board reviewed fundraising activities from the current year and discussed future for the heifer package, sale of pregnancies and fundraising events.
- Current campaigns were reviewed and discussed for promotion and uptake by membership.

### **ANGUS GENETICS INC.**

- Total assets at December 31, 2024 were \$2,696,600, and consisted of current assets of \$1,414,100, investments of \$1,231,800, and fixed assets of \$51,800. Current liabilities were \$1,510,900 consisting of accounts payable, accounts payable intercompany, and accrued liabilities. Long-term liabilities of \$23,300 consisted of accrued health insurance benefits. Net income for the period ending December 31, 2024 was \$257,500.
- Paul Bennett moved to accept the financial report. Darrell Stevenson seconded. The motion was unanimously approved.
- The board of directors discussed and reviewed Imagine Forum outcomes, the white paper, and plans for future events.
- FY2024 operational priorities and milestones were discussed, with significant focus on the ongoing GeneMAX Advantage rebuild and rebrand, which has created a common genetic currency with the \$Values and actionable insights with the upcoming GeneMAX Herd Intelligence report.
- Plans for the upcoming World Angus Forum were reviewed, including the positioning of the World Angus Evaluation within the event and among other partners Angus societies.

### **ANGUS PRODUCTIONS INC.**

- Total assets at December 31, 2024 were \$3,088,200, and consisted of current assets of \$1,561,200, restricted investments of \$1,031,800, fixed assets of \$281,100, and non-current assets of \$214,100. Current liabilities were \$1,625,800 consisting of accounts payable, accounts payable intercompany, accrued liabilities and deferred income. Long-term liabilities of \$291,100 consisted of accrued health insurance benefits. Net income for the period ending December 31, 2024 was \$38,100.
- Mark Ahearn moved, seconded by Art Butler to accept the finance report. The motion passed unanimously.
- The following updates/enhancements were presented:
  - Searchable EPDs across all active sale books
  - Increased security on sale book requests

- AJ Daily and AJ Weekly refresh
- Subscription evaluation
- Customer relationship manager tool status update
- Accounts receivable progress
- Board members participated in a simulation to determine allowable advertising when other breeds are involved.

### **CERTIFIED ANGUS BEEF LLC**

- Financials: Total assets at December 31, 2024 were \$29,262,100, and consisted of current assets of \$8,868,800, investments of \$11,020,500 of which \$2,339,300 is restricted, and fixed assets of \$9,372,700. Current liabilities were \$2,169,900 consisting of accounts payable, accounts payable intercompany, and accrued liabilities. Long-term liabilities of \$810,100 consisted of accrued health insurance benefits. Net income for the period ending December 31, 2024 was \$1,513,600. Darrell Stevenson moved to approve the financial report. The motion was seconded by Roger Wann and passed unanimously.
- Supply: Through January, certified carcass volume increased 2.5% over the prior year due to a 1.3% increase in Angus-influenced cattle and improved acceptance rate of 34.5%.
- Sales: Given the steady supply thus far, sales for the first four months of the fiscal year are within 1M lbs. of last year in spite of record high prices. Sales at foodservice, retail and international are running +2.9%, -1.6% and -8.3%, respectively, compared to last year.
- Best Practices: The National Advertising Division of the Better Business Bureau recently decided in favor of CAB on claims brought forth by Animal Partisan, an animal rights activist group, challenging the brand's reference to the Beef Quality Assurance program representing industry "best practices" for animal care.
- Consist Study: Analysis of the 2024 CAB Consist Study database comprised of more than 2M carcasses revealed that among Angus-influenced carcasses the average hot carcass weight (HCW), ribeye area (REA), backfat (BF), and marbling score (MS) were 909 lbs., 14.4 in<sup>2</sup>, 0.62 in. and Modest<sup>36</sup>, respectively. Specifically for CAB carcasses, those averages were 898 lbs., 14.1 in<sup>2</sup>, 0.64 in and Moderate<sup>19</sup>, respectively. Of particular note, among those Angus-influenced carcasses that failed to certify, 82.0% had an insufficient MS, 20.0% had too large a REA, 8.6% were over 1,100 lbs. and 8.6% had excessive BF over 1.0 in.
- Ribeye Area (REA): For 18 years, the brand's REA specification has remained unchanged at 10.0 – 16.0 in<sup>2</sup>. During that time, cattle and carcass weight and size have increased dramatically meriting an evolution in the REA specification. As follow up to discussions held during prior CAB Board meetings, John Stika moved to adjust the brand's REA specification to 10.0 – 17.0 in<sup>2</sup>. The motion was seconded by Darrell Stevenson and passed unanimously. Implementation is expected to occur the first week in March 2025.

### **NEXT REGULAR BOARD MEETING**

June 2 - 5, 2025 in Nashville, Tennessee