

ANGUS

THE BUSINESS BREED

AMERICAN ANGUS ASSOCIATION® HIGHLIGHTS OF THE MEETING OF THE BOARD OF DIRECTORS JUNE 2-5, 2025

The following is a review of topics discussed and action taken during the meeting of the Board of Directors held June 2-5, 2025, in Nashville, TN.

AMERICAN ANGUS ASSOCIATION

- Total assets at April 30, 2025 were \$28,883,600 and consisted of current assets of \$2,416,800, investments of \$21,244,800 of which \$11,416,200 is restricted, and fixed assets of \$5,222,100. Current liabilities were \$880,100 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 April 30, 2025 was \$1,053,900. Financials forecasts for the fiscal year were presented as well with a forecasted net positive bottom line.
- Darrell Stevenson moved, seconded by Paul Bennett 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 Roger Wann, unanimous approval.
 - Communications and PR Committee report and recommendations: motion by Mark Ahearn, second by Jerry Theis, unanimous approval.
 - Events and Junior Activities Committee: motion by Jerry Theis, second by Ron Hinrichsen, 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 Paul Bennett, second by Smitty Lamb, unanimous approval.
- The Board reviewed terms for industry representatives and at-large Board members and discussed upcoming vacancies.
 - Mark Ahearn moved that the Board of the American Angus Association, as the sole shareholder of the Angus Foundation, amend the Foundation Bylaws to allow not more than two (2), rather than at least two (2) at-large Directors. Smitty Lamb seconded the motion. The motion passed.

- Jerry Theis moved, seconded by Paul Bennett, to appoint Bill Bowman of Missouri and Lori Fink of Kansas to serve as Election Observers overseeing the counting of the delegate election ballots in the office in August. Motion passed unanimously.
- Board member Smitty Lamb declared his candidacy for the 2026 Board treasurer.
- The Board was reminded of the upcoming review process for the CEO and entity presidents to be conducted at the next regular Board meeting to be held in September.
- Jim Brinkley moved that the Board expresses its full support of the cattle efficiency research project announced on April 15 and directs Association staff to provide AGI with all ordinary and appropriate shared services in connection with that project. Charles Mogck seconded the motion. The motion passed unanimously.

BREED IMPROVEMENT COMMITTEE

- Updates to the genetic evaluation were reviewed. These updates included economic assumptions, main and supplemental sire lists, breed averages, percentile ranks, and possible change tables, feed efficiency model, heifer pregnancy variance component, release of teat size, udder suspension, and functional longevity EPDs, and the addition of these traits into Maternal Weaned Calf Value (\$M).
- The Red Angus Association of America requested to potentially be included in the World Angus Evaluation for foot angle and claw set. Research is needed to determine connectedness between populations. After discussion from the committee, AGI will move forward with exploring this request.
- Enhancements will be made to Inventory Reporting to allow easier data management for herds that calve in multiple seasons.
- A breeder recognition program for data submission will be implemented later this year. The first recognition will be presented after the close of the 2025 Fiscal Year. Paul Bennett moved to proceed with the program, seconded by Darrell Stevenson. Motion was unanimously approved.

COMMERCIAL PROGRAMS COMMITTEE

- AngusLink enrollments are essentially even with a year ago.
- April and May set all-time highs for enrollments for those months, as interest in the summer video sale season gains momentum.
- Prices remain at an all-time high for nearly all classes of cattle.
- Seedstock breeders interested in building alliances with feedyard operators who are looking to purchase AngusLink cattle with a Genetic Merit Scorecard are encouraged to contact the AngusLink program.
- Additionally, this fall will see the debuting of a GeneMAX Advantage enhanced scorecard for those producers who are utilizing GeneMAX to improve their replacement heifer selection decisions.

COMMUNICATIONS AND PR COMMITTEE

- The committee discussed the initial findings from the BEEF Academy teacher pilot from the spring 2025 semester. Pilot feedback will be used to improve BEEF Academy and continue development of the program.
- Updates to the Angus Mobile App are in development. They align closely with the

changes made to Angus.org last summer, but keep and enhance the functionality of the current design.

EVENTS AND JUNIOR ACTIVITIES COMMITTEE

- In line with ongoing efforts to manage the rising expenses related to shows, discussion was held on the premium reductions in the last few years and where some of the savings have been used to elevate the awards. No additional action was taken.
- Discussion was held on the future goals of the Phenotype and Genotype Show (PGS). The committee agreed growth was the desired state of PGS.
- Staff presented a few rules to the Activities Committee in an effort to understand both the origin of the rule and evaluate how the current rule reads in relevance to today's show environment. Rules discussed included the maximum number of owned heifers and steers an exhibitor can show at NJAS, the "transfer retransfer" rule and the "Black Paint" rule. Staff received feedback from the committee and will draft a proposal of recommended changes for show rules to be reviewed during the next Activities Committee Meeting.
- Registration for Angus Convention will open August 1st, a month later than normal.
- The Committee reviewed two member letters. The first expressing concern on the BQA certification requirement for NJAS exhibitors. It was discussed that although BQA is the broad umbrella, other accepted forms of certification like YQCA or state specific programs will be accepted. No action was taken.
- The other letter requested differentiated classification for steers depending on the time of year the show falls. Staff was directed to have draft steer classification proposals for the next Activities Committee Meeting.
- The judge selection process was reviewed. Anyone interested in judging an Angus show must submit an application for approval prior to the next committee meeting.

MEMBER SERVICES COMMITTEE

- Additions to the Suggested Sale Terms and Conditions providing clarification of breeding guarantees on donor females.
 - 8. Donor females:
 - a. Any open heifer that has been used in an embryo transfer program (conventional, super ovulation, IVF) must be disclosed prior to or at Date of Sale.
 - b. Unless otherwise agreed by the buyer and the seller, a female that has been used in an embryo transfer program (conventional, super ovulation, IVF) is not guaranteed to be a breeder after the date of the sale.
 - c. Unless otherwise agreed by the buyer and the seller, a female is not guaranteed to be a breeder after the date of the sale, when that female is to be used, or attempted to be used, in an embryo transfer program (conventional, super ovulation, IVF).
- The following wording will be added to the weaning and yearling adjusted weight calculator that is available in Angus Information Management Software.

These rank calculations are considered approximations. Only rank numbers from the American Angus Association are considered official.

- Continued progress of adding additional value to the membership of the American Angus Association in the form of membership benefits was discussed.
- A new enhancement has been added to the pedigree lookup on Angus.org. The NAAB codes at the bottom of a pedigree have been added and will direct users to the NAAB website to cross reference the cane code.
- The timeline for the Election of Delegates and the nomination process for delegates was presented in preparation for this year's Annual Convention of Delegates.

FINANCE AND PLANNING

- Balance Sheets and Income Statements for the period ending April 30, 2025 were reviewed. The financial review included the consolidated financial reports and the financial reports of each entity.
- Total assets on the consolidated financial report were \$97,934,500, consisting of current assets of \$21,566,600, investments of \$61,280,700, property and equipment of \$14,824,300 and non-current assets of \$262,900. Current liabilities were \$5,141,400, 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. Consolidated net income for the period ending April 30, 2025 was \$10,397,300. The financials through April 30, 2025, for each entity were reviewed and presented on as well.
- Staff reported on the return of the investment portfolio. Fiscal year to date, through April 30, 2025, the balanced portfolio had a loss of 1.30%. By 5/15/25 that portfolio had moved into positive territory for the fiscal year to date, showing a positive return of 1.60% through 5/15/25. The consolidated investment income through April 30, 2025 was a negative \$559,900. Year to date, through April 30, 2025, there were zero withdrawals from the portfolio and additional funds, totaling \$2,001,100, were added to the Certified Angus Beef portfolio.
- Projections of the financial results for the fiscal year that will end September 30, 2025, were also presented for the Association, and its subsidiaries. Each entity is forecasting a positive bottom line.

ANGUS FOUNDATION

- Total assets at April 30, 2025 were \$32,312,500, and consisted of current assets of \$5,418,600, and investments of \$26,843,900, of which \$25,840,700 is restricted, and long term pledges receivable of \$50,000. Current liabilities were \$70,100 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 April 30, 2025 was \$4,727,400. Financials forecasts for the fiscal year were presented as well with a forecasted net positive bottom line.
- Mark Ahearn moved, seconded by Tom McGinnis, that the financial report be approved. Motion passed unanimously.
- Tom McGinnis moved to accept the Foundation's proposed mission and vision statement, seconded by Mark Ahearn. Motion passed unanimously.
- Tom McGinnis moved to re-establish the Resource Development Committee to help assist Angus Foundation staff with fundraising activities, Darla Eggers seconded. Motion passed unanimously.
- Angus Foundation's Strategic Focus was discussed and reviewed.

- Current campaigns were reviewed and discussed for promotion and uptake by membership

ANGUS GENETICS INC.

- Total assets at April 30, 2025 were \$2,609,200, and consisted of current assets of \$1,353,900, investments of \$1,212,400, and fixed assets of \$44,000. Current liabilities were \$1,439,700 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 April 30, 2025 was \$241,200. Financials forecasts for the fiscal year were presented as well with a forecasted net positive bottom line.
- Darrell Stevenson moved, seconded by Smitty Lamb, that the financial report be approved. Motion passed unanimously.
- AGI reported on the shifting landscape of genomic testing in the beef industry.
- Highlighted research and project updates included the continued progress on the parent discovery pipeline, integration of GeneMAX Advantage with the AngusLINK Genetic Merit Scorecard, updates on the heart health initiative, and methane and efficiency research.
- Board and staff also discussed plans to expand the World Angus Evaluation to include additional Angus associations and new traits.
- Looking ahead, the Board and staff reviewed key targets for the 2026 fiscal year, which may include growing commercial heifer testing, delivering a strategic plan, and increasing the capture of commercial data across the supply chain.
- Darrell Stevenson moved that the Board expresses its full support of the cattle efficiency research project announced on April 15 and directs staff to proceed with the execution of that project. Smitty Lamb seconded the motion. The motion passed unanimously.

ANGUS PRODUCTIONS INC.

- Total assets at April 30, 2025 were \$3,862,600, and consisted of current assets of \$2,350,200, restricted investments of \$1,018,100, fixed assets of \$280,300, and non-current assets of \$214,100. Current liabilities were \$1,600,900 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 April 30, 2025 was \$837,400. Financials forecasts for the fiscal year were presented as well with a forecasted net positive bottom line.
- Roger Wann moved, seconded by Art Butler to accept the finance report. The motion passed unanimously.
- Mark Ahearn moved to accept the changes to the sire company catalog pricing as presented by staff. Art Butler seconded. The motion passed.

CERTIFIED ANGUS BEEF LLC

- Total assets at April 30, 2025 were \$30,755,500, and consisted of current assets of \$10,516,000, investments of \$10,961,500 of which \$2,326,700 is restricted, and fixed assets of \$9,278,000. Current liabilities were \$1,639,400 consisting of accounts payable, accounts payable intercompany, accrued liabilities, and deferred income. Long-term liabilities of \$810,100 consisted of accrued health insurance benefits. Net income for the

period ending April 30, 2025 was \$3,537,400. Financials forecasts for the fiscal year were presented as well with a forecasted net positive bottom line.

- Approval of the Financial Report was moved and seconded by Charles Mogck and Jim Brinkley, respectively, and passed unanimously.
- **Production:** In line with prior Board direction, efforts continue to explore licensing beef packing and fabrication facilities in Uruguay and New Zealand, contingent upon them demonstrating compliance with all quality standards and program requirements including the explicit sale of branded product into international markets currently inaccessible or dramatically underpenetrated by the brand's North American suppliers.
- **Supply:** Certified head counts are running 2.7% behind prior year, through May. With acceptance rates remaining unchanged at 37.2%, the decrease in certified carcasses has been driven primarily by a similar decrease in fed-cattle harvest and the resulting number of Angus-influenced cattle processed through licensed packing plants. In contrast to overall program supply, Certified Angus Beef Prime carcass volume is running 4.3% above last year and it is anticipated to continue through the end of the fiscal year. Also, the brand's March 2025 implementation of the 17.0 square inch REA upper limit, has supported certified head counts by roughly 5% compared to anticipated supply levels if the spec adjustment would not have made.
- **Sales:** Spring brand sales have been strong with March setting the all-time monthly sales record a nearly 117M lbs. and both April and May representing the single best sales volumes for those respective months. Fiscal year to date, sales are running only 0.5% back of prior year. Foodservice and retails sales are flat with last year while international sales are running approximately 7.5% back in part due to increased global market volatility and higher price points. Supported by strong supply levels, Certified Angus Beef ® Prime sales are running 7.5% higher than last year while Value-added product sales are 1.4% over prior year.
- **Targeting the Brand:** Progress continues toward better understanding the EPD and \$index criteria for a Certified Angus Beef ® Prime Targeting the Brand designation.

NEXT REGULAR BOARD MEETING

September 8-11, 2025, St. Joseph, Missouri