

# Year of Efficiency

*2007 American Hereford Association Annual Report*



Hereford Heterosis  
Advantage Documented



# The Hereford Opportunity

**A**s we approach 2010, there has been no time in the last three decades when the opportunities for the Hereford breed were as strong as they are now. This fiscal year represented a landmark year for the Hereford breed as all seven of the American Hereford Association's (AHA) core business strategies were advanced, placing the organization and the breed in a firm and vibrant leadership position within the industry.

Now is unlike any time in the history of the beef business because the reduction of costs on the ranch and in the feedlot is so important. Escalating fuel and feed costs have tightened the screws in our business, and the Hereford breed has the most to gain when it comes to lowering feed requirements to produce pounds of high-quality beef.

The AHA is trying to guide cattlemen with its advertising campaign by proclaiming itself the efficient breed that will, better than any other breed, enhance the value of the nation's predominantly black cow herd. The black baldie steer or heifer, more than any other product within the industry, epitomizes opportunity. "The Power of Black. Only Better." campaign rang a resounding bell in the ears of the cow-calf sector, generating renewed interest and opportunity: *opportunity to increase production of high-quality beef while reducing cost on the ranch and opportunity to merchandise Hereford bulls into the vast number of commercial Angus cow herds.* As Herefords' efficiency is being proven, the future looks bright, making now the best time to be in the Hereford business.



# Efficiency Today, Brighter Future Tomorrow

by Craig Huffhines,  
AHA executive vice president

Looking back on fiscal year 2007, a big concentration by the American Hereford Association (AHA) Board and staff has been to convince cattlemen to realize and utilize Herefords' efficiency advantage. This fiscal year we made great strides toward achieving our goals by focusing on seven core strategies designed to move the organization forward.

Consider Core Strategy II with its key purpose to positively change the minds and attitudes of those in the industry that may have gotten away from the breed. The Hereford breed on its own merits through documented research has established the platform for Core Strategy II: *Develop a more aggressive and targeted industry-marketing plan to influence the perceptions and value of Hereford cattle.*

The Hereford breed declared itself the "Efficiency Experts" in 2006-07, not just anecdotally but through third-party research that this year is providing clear-cut evidence of the genetic advantage for reducing production costs and increasing the efficiency of the cow-calf and feedlot sectors.

The AHA's action plan has been to document Herefords' efficiency strengths under real-world, credible conditions. The Association's research alliances established in the last two years covered diverse environments as Hereford bulls were tested in commercial black cow herds from California, Missouri and Iowa. Three exciting projects have been established including Harris Ranch, Amana Farms and Circle A Ranch.

Data from phase one of the Harris Ranch heterosis project involving California State University in Chico; Lacey Land and Livestock, Paso Robles, Calif.; Harris Ranch Feeding Co., Coalinga, Calif.; and Harris Ranch Beef Co., Selma, Calif., proved the economic impact on a calf crop by comparing progeny from average Hereford range bulls to progeny from Angus range bulls in a real-world predominantly commercial Angus cow herd.

A net ranch-to-rail value advantage of nearly \$78 per head was reported for the Hereford-sired calves.

Although this is only phase one and we will collect data on two more calf crops, there is no question that heterosis continues to work in efficiently producing high-quality beef.

In the coming year, Circle A Ranch's and Amana Farms' calves will be weaned, and feed efficiency data that might advance the cause for locating genetic markers that attribute to feed efficiency will be collected on those groups.

Furthermore, the AHA breed improvement committee has raised the bar for testing young Hereford sires through the National Reference Sire Program (NRSP). This year approximately 2,000 commercial cows were enrolled in the program while 36 sires have been tested. Continued growth of the program will be required as Hereford demand increases.

**The Hereford breed declared itself the "Efficiency Experts" in 2006-07, not just anecdotally but through third-party research that this year is providing clear-cut evidence of the genetic advantage for reducing production costs and increasing the efficiency of the cow-calf and feedlot sectors.**

## Core Strategy I: Grow the CHB program

2007 proved to be an exciting transition year for the Association's flagship commercial marketing company — Certified Hereford Beef (CHB) LLC. The company went through major staff restructuring, established new and improved business relationships with CHB-licensed packers and rejuvenated sales efforts, all of which attributed to an enormous fourth-quarter boost in sales opportunities late in summer 2007.

A few highlights are the signing of two major food service distributors — Reinhart Food Service, Omaha, Neb., and Wolverine Packing Co., Detroit — while several key supermarket accounts were launched

including United Supermarkets of Oklahoma. Combined, the new business should generate seven to 10 million lb. (20% growth) of new beef sales in the coming year.

With fast growth come more challenges. Cattle-Fax reported a 5% decline from the previous year in fed beef placements in 2007, and both CHB-licensed packers struggled to meet the growing demand through the summer months. This kind of pull demand has always been the goal of the CHB program, but it does not come without pain. The new growth opportunities brought about in 2007 will challenge the program in 2008 and quite possibly force the program to seek additional capacity in other regions of the country.

### Core Strategy III: Increase the quality, consistency and reliability of Hereford genetics

If one were to identify the main purpose of the AHA and outline its reason for existence since 1881, pedigree integrity would top the list. The value of the pedigree has been enhanced in modern time via the development of accurate breeding values or expected progeny differences (EPDs) generated from data collection through the 108,000 cows enrolled in the Whole Herd Total Performance Records (TPR™) program. Unlike any other breed association in the world, the AHA possesses the largest number of cows enrolled in a whole herd performance program. The commitment outlined in Core Strategy III and the improvement within the breed has been the foundation for breed resurgence in recent years. A good indicator of this resurgence is the 12 to 15 Hereford bulls purchased or leased to the four major artificial insemination (AI) studs, representing a total change in demand in the past three years.

### Core Strategy IV: Continue to grow AHA net revenue through current/new products, programs, services or partnerships

In order to generate the capital to conduct research, fund a professional staff with competitive benefits, launch

a dynamic national advertising campaign and provide professional breeder benefits, the AHA is continuously looking for new business opportunities. This year three key areas generated non-related business income.

Corporate sponsorships and Web advertising generated a five-fold increase this fiscal year. Hereford Publications Inc. generated a 36% increase this year by providing creative design, advertising and publishing services to breeders as well as other breed associations.

Finally, AHA's not-for-profit subsidiary, American Breed Registry Association (ABRA), signed contracts with five other breed associations to conduct their office work, including all registry, performance and general breeder records department work, that next year will generate significant new revenue.

### Core Strategy V: Increase the educational opportunities for our members, prospective members and customers

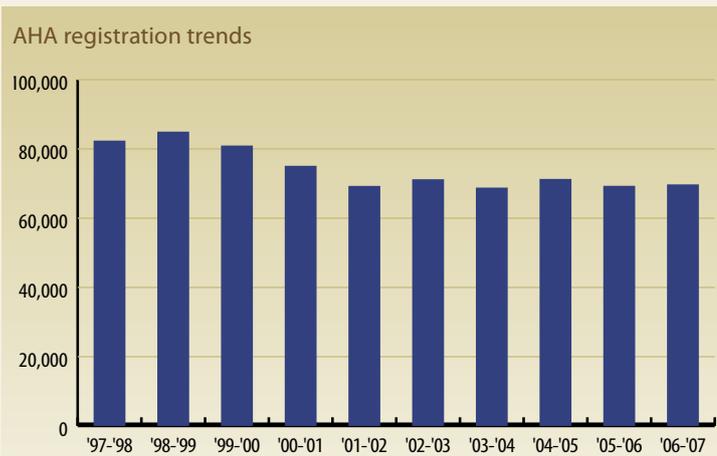
Staff burned up the airways and the Internet in 2007 participating in nine regional education forums, nine educational Online Hereford 101s and one educational video teleconference. An estimated 1,200 breeders and commercial clients were informed in one or more of these forums. In addition, the third Young Guns Conference was in Kansas City in August.

### Core Strategy VI: Continue to grow and emphasize our youth development programs and create a young breeder development program

The National Junior Hereford Association (NJHA) continues to be one of the strongest agriculture youth organizations in the country. More than 630 young breeders attended the Junior National Hereford Expo (JNHE) in Denver in July and close to 1,000 head of cattle were shown. Accounting for the value of the cattle, the cost of travel, and the direct and indirect cost of the event (not including truck and trailer equipment), at least \$3 million was invested in the event or nearly \$5,000 per youth. Aside from the development of young leaders that the event provides, it generates passion for the breed. No other thing the AHA does contributes more to the generation of passion for Hereford cattle than what the NJHA and the JNHE provide.

### Core Strategy VII: Invest in the developing global markets for our Hereford cattle

AHA led the way toward global genetic evaluation in 2007. Global EPDs will enable member countries of the World Hereford Council to compare EPDs head-to-head from country to country. Nothing could entice trade of genetics more than being able to compare genetics directly under the same international cattle evaluation system. The first phase of global evaluation will be the Pan American, involving the U.S., Canada, Argentina and Uruguay. Staff met in Ft. Collins, Colo., and Buenos Aires, Argentina, to work out logistics for the Pan American with a targeted date of implementation in the June 2008 analysis.



The last several years AHA registrations have stabilized and the Association is poised to see an increase in registrations in the years to come. This fiscal year (FY) registrations totaled 69,754 an increase of 400 registrations compared to FY 2006.

# Youth Development Ensures Future Success

Youth are vital to the Hereford industry's success, and educating and developing those youth into skilled, knowledgeable adults is what the American Hereford Association (AHA) staff does. The AHA Board and staff understand it's necessary to the organization's future to develop leaders who will efficiently and effectively promote and improve the breed for future youth.

The National Junior Hereford Association (NJHA) is one of the most progressive junior beef breed programs in the country. This year NJHA active membership grew to 2,314, representing 47 states.

## Youth development

The Junior National Hereford Expo (JNHE) and the Program for Reaching Individuals Determined to Excel (PRIDE) Convention again proved that the Hereford youth program is a driving force in developing young people to be leaders in the beef industry.

The JNHE continues to be the marquee event for Hereford. A total of 673 owned females, 217 bred-and-owned females, 52 cow-calf pairs, 62 bred-and-owned bulls and 78 steers were shown at this year's event "A Hereford Celebration." More than 600 youth exhibitors from 36 states and Canada traveled to Denver and vied for showing titles and participated in more than 20 skill-based contests.

Vita Ferm®, a product line of BioZyme® Inc., was the first JNHE title sponsor.

Also new to this year's JNHE was the Great American Hereford Grill-off and the NJHA Mentor Program.



Gallagher Animal Management Solutions and Allflex USA joined with the NJHA to use electronic identification (EID) to tag animals exhibiting at the JNHE. NJHA was the first junior cattle breed organization to adopt this technology.

PRIDE Convention saw record attendance. More than 100 junior members and adult advisors traveled to Mississippi for this year's event that was hosted by Mississippi State University. EE Hereford Ranch, Winona; CMR, Senatobia; and Grandview Plantation, Como, served as tour stops as well as sponsors for the event. The Mississippi Hereford Association also served as a sponsor.

## Foundation

The Hereford Youth Foundation of America (HYFA) is devoted to scholarship, education and leadership development. The foundation, which began in 1989 as a not-for-profit 501(c)(3) corporation, has advanced into a highly visible component of the framework that supports the NJHA.

The Foundation board of directors, donors and friends of the Hereford breed deserve commendation for taking a proactive measure toward enriching the lives of Hereford junior members through scholarship and education.

## HYFA highlights

- Grew the Hereford Youth Foundation of America (HYFA) Capital Endowment Campaign to more than \$1.2 million.
- Awarded more than \$50,000 in scholarships to more than 30 National Junior Hereford Association (NJHA) members.
- Supported NJHA programs with more than \$10,000 for educational activities.
- Hosted the "Harvest Gala" fund-raising event during the American Hereford Association Annual Meeting festivities in Kansas City.
- Ruth Sims, Elgin, Okla., and Bob Kube, Warrenton, Va., joined the HYFA board.
- Received gifts for the Foundation from:  
Bob Kube — \$50,000.  
Ken and Carolyn Larson — \$5,000 as part of their total pledge.  
Bob and Dolores Call — completed their \$100,000 pledge.  
Rocking Chair Ranches and Whitehead Ranches — \$50,000.  
The Vanier Family Foundation — \$20,000 as part of its \$100,000 pledge.

## Participation grows at national shows

There has been rapid growth on the Hereford national show scene as the breed dominated others with its numbers at many large events.

At the National Western Stock Show in Denver, the Hereford show was the largest breed show. There were more than 630 head competing. The National Hereford Show was also the largest breed show at the 50th Keystone International Livestock Exposition in Harrisburg, Pa., with 169 head exhibited, which is 33 more than 2005, and 21 states represented.

The Fort Worth Stock Show Hereford numbers were also up this year with 252 head exhibited. Plus, there was stiff Hereford competition at the American Royal, the Western Nugget and the North American.



# Quantifying the Efficiency Experts

Efficiency has been a key strategy for Hereford breed improvement. This year has been an exciting year in terms of getting a glimpse at the data that will be presented from the three research projects studying Herefords and how they perform on Angus-based herds and, furthermore, how those Hereford-influenced cattle stack up against other crossbred calves.

## Harris Ranch project

The study that has been the topic of many conversations this fiscal year is the Harris Ranch project. In August the first-year results of the heterosis study were announced. The project is being conducted in cooperation with the American Hereford Association (AHA), Lacey Livestock, Harris Feeding Co. and Harris Ranch Beef

### Harris Ranch research project economic summary<sup>a</sup>

Traits	Angus sired	Hereford sired
Ranch		\$10.80
Backgrounding		\$14.10
<b>Pre-Feedlot</b>		<b>\$24.90</b>
Feedlot		\$86.10
Carcass	\$33.27	
<b>Feedlot and Carcass</b>		<b>\$52.83</b>
<b>Net Value Difference</b>		<b>\$77.73</b>

<sup>a</sup>Year one results of a three-year project

Co. The objective of the study is to conduct a controlled crossbreeding system comparing Hereford and Angus bulls under commercial conditions, emphasizing economic differences at the ranch, feedlot and packing plant. Differences in weaning performance, feedlot performance, carcass value and overall profitability were measured.

The preliminary economic data suggest crossbreeding has the potential to significantly boost return in a vertically coordinated marketing system. Preliminary data suggest a significant economic advantage in the feedlot phase for the Hereford-sired calves. The Angus-sired group had an advantage in quality grade, partially offsetting the value in the feedlot. However, the net advantage favored the Hereford-sired cattle by nearly \$78 per head for the entire production cycle (see table below).

To have more numbers for the project in year two and three, Lacey Livestock increased the number of cows to 600 for the remainder of the study. The feedlot study will be repeated in 2008 and 2009, and the effect of maternal heterosis will be determined by tracking productivity of the replacement heifers that were retained and identified to a specific sire.

Another way the AHA is working to quantify Hereford genetics is through the National Reference Sire Program (NSRP). The program has been in existence since 1999 with five commercial herds currently participating. This fiscal year there were 2,000 cows in the program and 36 artificial insemination (AI) bulls tested.

## Circle A Ranch project

Circle A Angus Ranch, Iberia, Mo., is a new participant in the NSRP. In the fall of 2006 Circle A tested 10 Hereford sires. Commercial Angus cows at each Circle A ranch location were bred AI to Hereford bulls. The goal is to compare the best of the Angus herd to the best of the Angus-Hereford cross.

Both terminal and maternal performance will be measured. Steer progeny will go through a feed efficiency test and carcass evaluation. The females will be retained to measure conception rates, stayability and maternal effect on birth and weaning weights.

## Amana Farms project

Another project through NSRP, which is putting Hereford genetics to the test, is the Amana Farms project. Amana Farms, Amana, Iowa, is testing young Hereford sires on its 2,500 head commercial cow herd. The farm manager, John McGrath, said Amana wanted to test the economic effect of using Hereford bulls in its commercial operation.

Amana Farms used 11 young Hereford bulls plus two proven AI sires for comparison to breed its heifers. Birth weight and calving ease scores have been collected, and weaning weight scores will be collected soon. Also yearling and carcass data will also be collected in the future. The Amana test steers will be fed at the University of Missouri-Columbia, where researchers will collect feed efficiency

data, and the females will be retained at Amana Farms to improve the herd's disposition, longevity and efficiency.

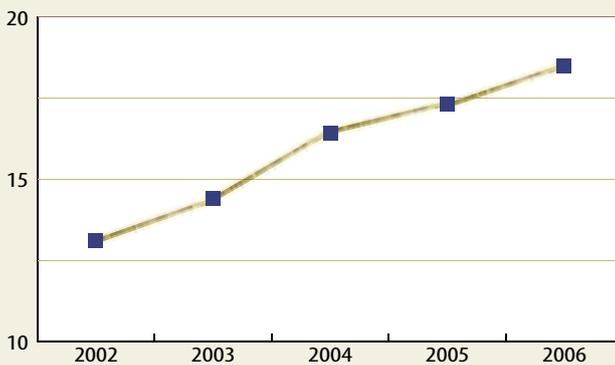
### AI use up by 17%

Besides these exciting advances in quantifying the value of Hereford genetics in the commercial cattle industry, AHA staff is also glad to report a one-year 17% increase in the use of AI across the breed. The staff is very pleased to see such a significant increase in AI use by Hereford breeders and encourages all cattlemen to consider AI for the advancement of the beef industry.

The *Hereford AI Book* is one tool the AHA has implemented in recent years to make the AI sire selection process easier. This year's book included expected progeny differences (EPDs) and pedigrees on 137 Hereford sires available for AI use, semen and certificate prices, owner contact information, and some sire pictures, as well as a general listing of 262 additional AI sires. All *Hereford World* subscribers received a copy of the book free with their March 2007 issues.

Also new this year was a designation in the book for Non-Certificate AI sires. Calves sired by these bulls can be registered without the purchase of an AI certificate. The goal was to help increase AI use within the Hereford breed even more by eliminating certificate costs. Ultimately this will help stimulate further genetic progress as AI use continues to increase.

### Percentage of AI calves born<sup>a</sup>



<sup>a</sup>Registered and unregistered

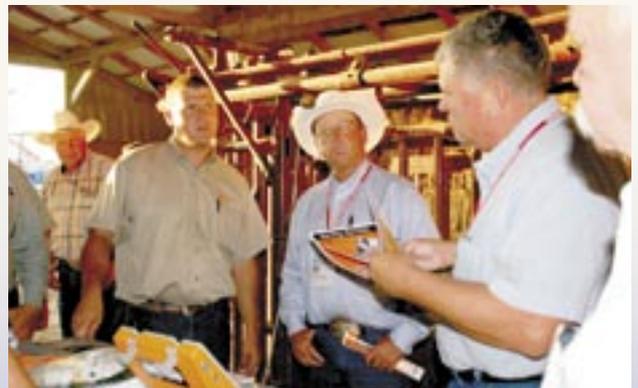
### Briefly: Breed improvement advancements

Here is an overview of advancements made as the breed improvement committee and breed improvement director, Jack Ward, work to continue to promote and improve the Hereford breed:

- Continued work with Kansas State University and the National Beef Cattle Consortium to discover ways to better measure fertility, longevity and survivability in Hereford cattle.
- Documented the value of Hereford genetics in real-world commercial herds throughout the U.S.
- Continued working toward a Pan-American genetic evaluation.
- Developed relationships with test herds that will document net feed intake (NFI) in Hereford-influenced cattle.
- Worked with DNA companies and U.S. Meat Animal Research Center (MARC) scientists to develop genome panels on Hereford genetics that will be used to validate and discover new DNA markers that will ultimately be used in the genetic evaluation to add accuracy to sires.
- Developed a program that will designate sires whose progeny excel maternally and terminally. These sire recognitions will be Sire of Distinction (SOD) and Certified Hereford Beef Sire (CHBS).
- Continued educational sessions through nine Online Hereford 101s plus one video teleconference.
- Noted a 17% increase in artificial insemination (AI) use within the Hereford breed.
- Continued adding cow weights and body condition scores to the genetic analysis.
- Worked with commercial herds throughout the U.S. to test 36 sires.
- Observed approximately 85% of all registrations come from Whole Herd Total Performance Records (TPR™) breeders.
- Received ultrasound data on 15,919 head or 49% of all calves with yearling data submitted.

### Young Guns provides educational and networking opportunity

Approximately 100 young Hereford producers attended the third Young Guns Conference Aug. 22-24 in Kansas City. The conference, which was at Harrah's Hotel and Casino, included individual presentations and panel discussions on a variety of topics ranging from efficiency to ethanol and how the Hereford breed is measuring up in research projects across the nation. Young Guns was a great opportunity for young breeders to get acquainted with fellow Hereford enthusiasts while participating in stimulating discussions and learning about various issues affecting the industry.





## Publicity is Key to Promoting the Hereford Breed

One area where the American Hereford Association (AHA) has really seen advancement in fiscal year 2007 is with its communications efforts. A talented group of people took great pride in spreading the word about Hereford cattle. They did so by efficiently expanding on tried-and-true methods and coming up with some innovative ideas.

### The Power of Black. Only Better.

Although the new ad campaign was introduced last fiscal year, it has since seen success throughout the industry. The ad featuring “The Power of Black. Only Better.” slogan was handed out poster size, 19×27 in., at the Cattle Industry Annual Convention and Trade Show and the National Western Stock Show.

The communication team has also made plans to build on the main idea of that ad by each year picking a specific type of efficiency. Then the future campaigns will specifically target those areas to help educate commercial cattlemen about the benefits of crossing their cattle with Herefords.

Besides handing out posters at the Cattle Industry Annual Trade Show in Nashville, Tenn., staff members found other good opportunities for efficiently promoting the breed. The AHA and Certified Hereford Beef (CHB) booth was remodeled to include the new ad campaign’s slogan, complete with a large version of the ad.

The communication staff visited with media professionals at the booth and was able to make connections to later get some Hereford-friendly articles in different media outlets.

### Radio publicity

Hereford has had a lot of representation on the radio this year. At the National Association of Farm Broadcasters (NAFB) convention in November, Craig Huffhines, AHA executive vice president, and Rob Ames, former CHB LLC executive vice president, were interviewed by several farm broadcasters. The stations that aired the interviews cover 33% of the cow-calf market. Some of the interviews Huffhines and Ames participated in were live and lasted 15-20 minutes, allowing ample time for listeners to tune in and hear about the benefits of Hereford genetics.

The communication team also wrote a radio script about Hereford cattle, which ran on three networks: WNAX, KRVN and the Northern Ag Network. The script was available online at *HerefordResource.com*, so state associations could download it and use it as well. By making the script available, the communication team spread the Hereford efficiency message, and by cooperating with state associations, it presented a consistently stronger message across the country.

### Print publicity

Another way the Hereford communication team has improved efficiency is with its news releases. AHA staff members write press releases for news that happens in or around the Hereford industry. Those releases are sent to newspapers or magazines that may be interested in printing the article. This year AHA staff sent out more than 60 releases and provided Hereford feature articles to more than five publications. There has also been an increase in requests for reprinting *Hereford World* articles, especially production management pieces.

In addition, the staff has worked diligently to get the releases out as soon as possible so they are timely. Staff members stuck by their goal of getting national show releases out within one week of the event so other publications will be more likely to print Hereford news.

This fiscal year the staff had the opportunity to promote the breed through an advertorial in *Progressive Farmer*. AHA staff generated an article promoting Hereford efficiency that was used in that publication as well as the *Missouri Beef Cattleman* magazine.

AHA communication staff unveiled another project to help promote Hereford cattle to commercial producers: *The Whiteface*. This newsletter is a valuable tool to

reach potential users of Hereford genetics. The piece is distributed to the *Hereford World* tabloid subscribers, state beef Extension specialists, individuals at trade shows such as the Annual Cattle Industry Convention and Trade Show and the National Western, and it is included in the bull sale publicity packets. *The Whiteface* is available online and producers can download a copy of the newsletter to distribute to current or potential customers.

AHA communication staff also lent a helping hand to Certified Hereford Beef (CHB) LLC as needed. The communication team organized the press coverage for CHB's United Supermarkets roll-out project, which included writing three pre-event press releases, a follow-up release and a feature for the event. Staff also wrote a news release on tenderness qualities that promoted Certified Hereford Beef. The news release was distributed nationwide.

### Web publicity

In the online news sector, Hereford has seen growth as well. *Hereford eNews*, in particular, has continued to grow and evolve. There has been an increase in the information being sent to AHA to be included in *eNews* and also an increase in subscribers.

New this year is *Hereford Resource*. This is a DVD and password-protected Web site developed for state and regional associations. The DVD and Web site include information that allows associations to do their own Hereford public relations work. Representatives from those associations can log on and download or copy the DVDs three pre-sized ads for their use. The Web site also includes a radio script associations can use to help guide them in their own communication efforts and a form to order posters to use to continue to promote the breed. The DVDs were handed out to state association representatives during the Annual Meeting and were also made available throughout the year.

### Communications director hired

In April Teresa Oe, AHA communication coordinator and *Hereford World* assistant editor, resigned. Instead of rehiring for the same split position it was decided to seek a full-time communications director. To continue and expand the success with AHA communications efforts, staff set out to find a seasoned communications veteran to lead the Association's communications and public relations efforts.

Late in the fiscal year, David Mehlhaff was hired. He is in charge of managing and directing the organization's strategic positioning of the Hereford brand and the attributes that convey value advantages of the breed and the organization. He also develops communication strategies that put an innovative and positive face on the Hereford breed within the seedstock, commercial cow-calf, feeding and food sectors of the beef industry. Mehlhaff works with both the AHA and CHB LLC communication efforts and serves as the communication link between the AHA, CHB LLC and the news media.

# HPI Staff Efficiently Spreads the Word

It doesn't matter how strong or efficient a breed or breed organization is if no one knows it. Hereford Publications Inc. (HPI) along with the American Hereford Association's (AHA) communication staff works hard to make sure everyone in the beef industry is apprised of Hereford happenings.

### *Hereford World*

This year *Hereford World* has had a 2.3% increase in advertising with a total of 866.61 pages.

Each month *Hereford World* editorial has a focus, for example: youth or weaning strategies. Staff is working to incorporate more stories that appeal to commercial cattlemen. By increasing commercial-producer readership, the magazine gives Hereford breeders more outlets to sell their cattle.

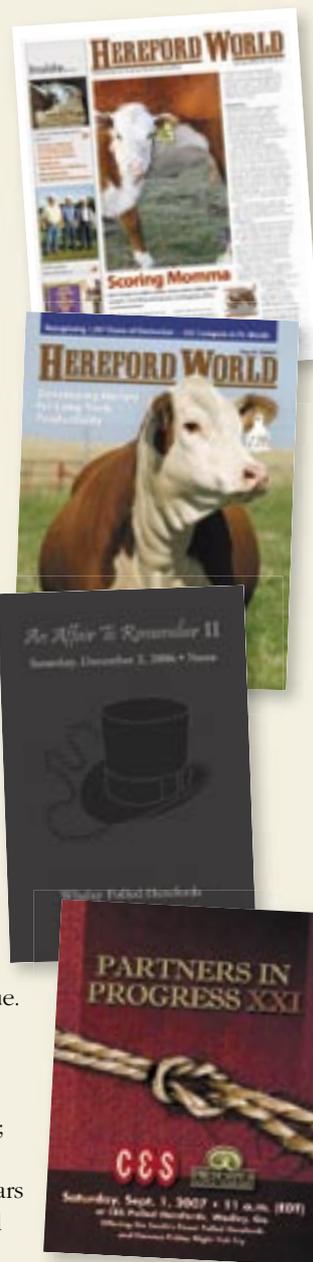
New this year in the *Hereford World* is the "What's New?" column. The column highlights association news and upcoming events.

*Hereford World* and HPI staff were recognized during the annual Livestock Publications Council critique contest. Livestock publications from around the country submitted 536 entries in the critique.

HPI staff won the following: 1st place newspaper — *Hereford World* Tabloid; 1st place sale book — "An Affair to Remember II," Whaley Polled Herefords 2006 sale book; 2nd place annual report — "2006 American Hereford Association Annual Report: 125 Years Devoted"; Honorable mention four color, full page ad for a livestock supplier, service or association — "Make a Difference," Hereford Youth Foundation of America ad.

### Creative Services

Creative Services is designed to help breeders with their marketing needs. During fiscal year 2007, Creative Services completed a massive influx of projects. Creative Services staff produced 139 projects, 176% more than last year. The staff produced three specialty magazines, two state association newsletters, seven state association directories, 47 sale books and 10 brochures, plus various other ads, logo designs, business cards and sketches.





## CHB LLC Retools, Creating New Courses to Success

**M**ajor changes shaped fiscal year (FY) 2007 for the Certified Hereford Beef® (CHB) brand as new staff and management met extensive challenges. Intense competition for beef sales in the grocery industry, fueled by high beef prices generally, forced CHB LLC and American Hereford Association staff to be as efficient and determined as possible to continue to achieve success in the beef market.

In January CHB LLC executive vice president and 10-year veteran, Rob Ames, left the company to pursue new career opportunities. Arden Gremmert, who has worked for the program since 1995 when it began, stepped in as interim general manager. He began working on several assignments in February and was then named to his new position in June.

Gremmert's initial efforts have been to lead staff in securing existing sales relationships, to sustain customer service and marketing plans for the vast array of CHB clients, and to prospect new business opportunities. The new direction for CHB LLC has set the stage for new sales and marketing initiatives that are already flourishing, many of which have been established in the fourth quarter of the fiscal year. Gremmert's contacts and associates in the meat business are providing market channel alliances that will extend the brand's growth in FY 2008.

### Pounds sold

CHB LLC, along with two licensed packing partners Greater Omaha Packing Co. Inc. and National Beef Packing

Co. LLC, sold 375 million lb. of Certified Hereford Beef. That's slightly down from the previous fiscal year at about a 10% reduction primarily because of lower-than-expected cattle numbers required to supply the demand.

The sales trend since FY 2002 remains strong with an average annual figure of 35.8 million lb. per year. Cattle harvest for the CHB program was down approximately 10,000 head at 454,444 at a time when CHB demand was on the rise, a situation that presented some challenges. The three-year average cattle number now stands at a respectable 454,273, almost halfway to the original goal of pulling 1 million head per year of Hereford-

influenced cattle through the system. Certification of CHB carcasses was 230,509 head for the period.

### Grocery sales

CHB LLC served 319 grocery stores in 28 states, providing a geographically exclusive brand to millions of consumers nationwide. United Supermarkets of Oklahoma, a 22-store chain, joined in March and set records for same-store sales in the process. Many other individual store owners also began selling Certified Hereford Beef under license, pulling from long-established wholesale accounts.

Inventive CHB LLC promotion work grew sales, especially through the summer Beef Blitz program. Many retailers reported large sales and profit increases compared to the previous year's results during the CHB-funded promotional periods.

Shonda Anderson became CHB LLC's newest retail account manager in November 2006 and is assigned to four major grocery accounts. She was instrumental in the very successful United Supermarkets Certified Hereford Beef launch that also involved extensive cooperation and support from the Oklahoma Hereford Association.

Mick Welch, with a 30-year foodservice meat sales career, joined CHB LLC as food service director and immediately developed new customers through his contacts in the industry. For instance, Certified Hereford Beef is now available in many restaurants throughout the greater Kansas City area, a long-sought goal.

Gremmert and Michael Elwer, CHB LLC foodservice representative, brought in Wolverine Packing Co. of Detroit as a new master foodservice and retail distributor. In addition, Welch signed industry leader Reinhart Foodservice, Omaha, Neb., division this year as well as Bell Foods, New Orleans; Evans Meats, Birmingham, Ala.; and Bar W Meats, Ft. Worth, Texas. Thousands more restaurants now have access to Certified Hereford Beef in previously untapped markets.

The CHB deli meat program hit a record 465,483 lb. representing an 8% increase. Dan's Prize, our licensed

processor, boldly entered new markets and effectively sold the brand despite stiff competition from well-established products.

Cattle supply issues tested the staff's skill and innovation. In a year when Cattle-Fax reported a 5% decline in cattle on feed numbers, CHB LLC struggled to meet demand needs as new accounts were brought on and as Hereford-influenced cattle were directed into other premium programs aside from CHB. Several premium programs benefited from Hereford-influenced carcasses such as age-verified carcasses, natural programs and Angus programs that were competing for black baldies. Hereford Verified enrolled 15,782 head and harvested 7,745, all of which were earmarked for the Japanese market. CHB LLC staff Jim Williams and Connie Couch were instrumental in the logistical work involved in the Hereford Verified program. Williams' efforts were challenged all year as he worked to secure additional price premiums between both packers and a host of prospective feedlots.

### New goals, questions linger

CHB LLC board members provide support, advice and expertise to help guide the staff through uncharted waters, setting new policy-level courses and goals for the program. Hispanic marketing initiatives were developed during the summer months and distribution partners were identified that are readying for the launch of a new brand to be announced in the coming year that could move an additional 1,000 head per week. This new concept in beef marketing is unprecedented within the industry.

As the CHB program reinvents, rejuvenates and firmly establishes itself as one of the major brands of the beef industry, CHB LLC will have to focus on an increasing array of questions and challenges.

### Ambassador program launched

In March CHB LLC welcomed Mary Ann Berg, Dalton, Ohio, and Anna Rhodus, Greenwood, Mo., to the CHB marketing team as 2007 CHB ambassadors. These women assisted CHB LLC staff at promotional events throughout the year as volunteer spokespersons for CHB product and the breed behind the brand.

This is the first year of the CHB Ambassador Program, which is coordinated by CHB LLC, the National Organization of Poll-ettes (NOP) and the American Hereford Women (AHW). The purpose is to help interested individuals learn about and participate in CHB marketing.

After successfully completing an application process, interview and presentation, Berg and Rhodus were selected by program coordinators as this year's ambassadors. The ambassadors were involved in a wide array of promotional and educational activities involving CHB, such as product demo and sampling, women's food show appearances, and various charitable events that CHB LLC participates in each year.

## AHA experiences increase in corporate and breeder support

Communication team member Amy Cowan oversees the American Hereford Association (AHA) marketing and corporate sponsorship. This fiscal year one of the strategies that the communication team focused on was to continue to grow AHA revenues through current and new products, programs, services or partnerships. By so doing the AHA staff has witnessed growth not only in revenues but also in relationships with allied industry.

This year the Association has experienced a significant increase in support from corporate advertisers in the *Hereford World* magazine and corporate sponsors for industry and junior events. Corporate sponsorship and advertising dollars generated more than \$100,000 in revenue this fiscal year, which is twice the amount generated from the previous year.

The AHA has seen growth not only in corporate ad dollars but also in support from Hereford breeders, especially within the Web marketing sector. Breeders have realized the opportunity to promote their businesses with banner advertising on the Hereford Web site and in *Weekly Hereford Sales Digest* and *Hereford eNews*. Breeders have used this form of advertising to promote production, private treaty, Internet and semen sales.

## AHA field staff represents breeders across U.S.

In order to efficiently give breeders the best service throughout the U.S., six field representatives work as the communication link between the American Hereford Association (AHA) and Hereford breeders. These field reps attend Hereford and cattle industry events, including sales, where they communicate with breeders about the AHA as well as promote the breed and sell advertising for *Hereford World* magazine. This fiscal year field reps attended 167 sales.

Also in August 2007 the Southern region was split and Andee Marston was hired to represent the Southeast region. Based out of Nashville, Tenn., he will work with breeders in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia.

Marston has been involved in the beef industry since birth. His family has a registered Shorthorn operation near Manhattan, Kan. While growing up he was active in the Shorthorn junior association and graduated from Kansas State University with an animal science degree.

Since graduation he has been involved in the seedstock industry, including assisting Jensen Bros., Courtland, Kan., with show cattle management and its bull management and collection service. Most recently he has been manager of Bohi Land & Cattle Co. Butler Division, where he was responsible for herd management, health and reproductive programs for its Angus cows and bulls.

**American Hereford Association and Subsidiaries  
Consolidated Statements of Financial Position  
August 31, 2007 and 2006**

<b>Assets</b>	<b>2007</b>	<b>2006</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$293,224	\$475,700
Short-term investments	721,413	124,805
Accounts receivable, net	503,653	481,077
Accounts receivable, other	123,913	30,839
Prepaid expenses	21,739	66,100
Inventories	46,938	53,594
<b>Total current assets</b>	<u>1,710,880</u>	<u>1,232,115</u>
<b>Investments</b>	<u>829,357</u>	<u>1,457,143</u>
<b>Property and Equipment</b>		
Land	462,122	462,122
Building	2,250,776	2,231,075
Furniture and fixtures	338,876	337,732
Autos	192,224	198,843
Data processing equipment	371,559	333,472
Software	270,587	266,587
Total property and equipment	3,886,144	3,829,831
Accumulated depreciation	(1,548,733)	(1,515,186)
<b>Property and equipment, net</b>	<u>2,337,411</u>	<u>2,314,645</u>
<b>Other Assets (Note 9)</b>	<u>250,090</u>	<u>8,039</u>
<b>Total Assets</b>	<u>\$5,127,738</u>	<u>\$5,011,942</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt (Note 5)	\$9,836	\$11,281
Prepayments from breeders	108,734	116,774
Accounts payable	166,824	269,081
Accrued expenses	318,839	203,964
Deferred subscription and advertising revenue	251,155	226,407
<b>Total current liabilities</b>	<u>855,388</u>	<u>827,507</u>
<b>Long-Term Debt (Note 5)</b>	<u>—</u>	<u>9,836</u>
<b>Net Assets</b>		
Temporarily restricted net assets	15,000	17,500
Unrestricted net assets	4,257,350	4,157,099
<b>Total net assets</b>	<u>4,272,350</u>	<u>4,174,599</u>
<b>Total Liabilities and Net Assets</b>	<u>\$5,127,738</u>	<u>\$5,011,942</u>

**Consolidated Statements of Activities  
For The Years Ended August 31, 2007 and 2006**

<b>Changes in Unrestricted Net Assets, Revenues and Support</b>	<b>2007</b>	<b>2006</b>
AHA services	\$2,185,394	\$2,128,571
HPI advertising and subscriptions	1,520,786	1,382,954
CHB program revenues	921,966	956,991
Other	587,495	531,621
Net assets released from restrictions (Note 8)	2,500	2,500
<b>Total revenues</b>	<u>5,218,141</u>	<u>5,002,637</u>
<b>Expenses</b>		
General and administrative	1,510,045	1,458,633
Board of Directors' expenses	34,660	43,618
Building expenses	113,360	150,084
Market development and information	607,742	531,537
Junior activities	219,452	229,524
Research and TPR activities	208,871	181,429
CHB program expenses	1,013,379	1,103,184
HPI advertising and subscriptions	1,293,073	1,209,715
<b>Total expenses</b>	<u>5,000,582</u>	<u>4,907,724</u>
<b>Revenues Over Expenses Before Depreciation and Other Income (Expenses)</b>	<u>217,559</u>	<u>94,913</u>
<b>Depreciation Expense</b>	<u>142,296</u>	<u>161,301</u>
<b>Other Income (Expense)</b>		
Realized gain (loss) on sale of investments	(526)	1,220
Net appreciation (depreciation) in fair value of investments	16,152	(21,890)
Other income (expenses)	(6,888)	5,305
Gain (loss) on sale of property and equipment	16,250	(113)
<b>Total other income (expense)</b>	<u>24,988</u>	<u>(15,478)</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>100,251</u>	<u>(81,866)</u>
<b>Changes in Temporarily Restricted Net Assets</b>		
Net assets released from restrictions (Note 8)	(2,500)	(2,500)
<b>Increase (Decrease) in Net Assets</b>	<u>97,751</u>	<u>(84,366)</u>
<b>Net Assets - Beginning of Year</b>	<u>4,174,599</u>	<u>4,258,965</u>
<b>Net Assets - End of Year</b>	<u>\$4,272,350</u>	<u>\$4,174,599</u>

See the accompanying report letter and notes to consolidated financial statements.

## Consolidated Statements of Cash Flows For The Years Ended August 31, 2007 and 2006

<b>Cash Flows From Operating Activities</b>	<b>2007</b>	<b>2006</b>
Increase (decrease) in net assets	\$97,751	\$(84,366)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	142,296	161,301
Realized (gain) loss on sale of investments	526	(1,220)
Net (appreciation) depreciation in fair value of investments	(16,152)	21,890
(Gain) loss on disposal of property and equipment	(16,250)	113
(Increase) decrease in assets:		
Accounts receivable	(22,576)	28,652
Accounts receivable — other	(93,074)	9,106
Prepaid expenses	44,361	(57,965)
Inventories	6,656	(12,347)
Other assets	(242,051)	(7,949)
Increase (decrease) in liabilities:		
Prepayments from breeders	(8,040)	(12,400)
Accounts payable	(102,257)	71,234
Accrued expenses	114,875	(70,356)
Customer deposits	—	(12,032)
Deferred subscription and advertising revenue	24,748	43,373
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>(69,187)</u>	<u>77,034</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	(174,836)	(76,732)
Proceeds from sale of property and equipment	26,024	—
Purchases of investments	(209,485)	(248,272)
Proceeds from sale and maturity of investments	256,289	341,554
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>(102,008)</u>	<u>16,550</u>
<b>Cash Flows Used In Financing Activities</b>		
Repayment of long-term debt	(11,281)	(10,685)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(182,476)	82,899
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>475,700</u>	<u>392,801</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>293,224</u>	<u>\$475,700</u>

See the accompanying report letter and notes to consolidated financial statements.

## Notes to Consolidated Financial Statements August 31, 2007 and 2006

### 1 — Summary of Significant Accounting Policies

**Nature of Operations** The American Hereford Association (Association) conducts research and experiments in the breeding of Hereford cattle, compiles and preserves pedigree records for owners and breeders, participates in and promotes the arrangement of fairs, exhibitions and cattle shows to encourage the breeding of Hereford cattle, and assists with the promotion of the end product produced from Hereford cattle. Members and subscribers of the Association are primarily owners and breeders of Hereford cattle. The members and subscribers are located worldwide; however, the largest concentration is within the United States.

Hereford Publications Inc. (HPI) provides publication services to Hereford cattle ranches and publishes a monthly magazine.

American Beef Records Association (ABRA) provides computer consultation in herd planning and management, breeding services and marketing for commercial livestock.

**Certified Hereford Beef (CHB) LLC** The Association is the sole member of CHB LLC. CHB strives to increase demand for Hereford cattle by promoting Hereford beef as a premium beef product under the Certified Hereford Beef® trademark. CHB was formed as a limited liability company on September 1, 2001. Prior to that date, CHB's activities were performed and accounted for within the Association.

**Basis of Consolidation** The consolidated financial statements include the Association and its wholly owned subsidiaries, Hereford Publications Inc. (HPI), Certified Hereford Beef LLC (CHB) and American Beef Records Association (ABRA). All material intercompany transactions have been eliminated in the consolidation.

**Management Estimates** Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Basis of Financial Statement Presentation** The Association reports information regarding its financial position and activities according to three classes of net assets. Net assets are reported as follows:

- Unrestricted net assets, which are funds available for any purpose.
- Temporarily restricted net assets represent contributions whose use by the Association is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Association pursuant to those stipulations. When a stipulated restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets — At August 31, 2007 and 2006, the Association had no permanently restricted net assets.

**Cash and Cash Equivalents** The Association considers all money market investments and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. For the years ended August 31, 2007 and 2006, investments amounting to \$51,334 and \$213,040, respectively, were considered to be cash equivalents.

**Accounts Receivable** Accounts receivable consist of amounts billed for magazine advertising, subscriptions and member services, but not received by year-end. Bad debts are provided on the allowance method based on management's evaluation of outstanding accounts receivable at the end of each year. HPI's policy states that accounts with outstanding balances beyond 60 days will accrue interest at 1.5% per month, balances beyond 90 days will no longer be provided with services and balances beyond 120 days will be turned over to a collection agency. The allowance for doubtful accounts was \$25,108 and \$24,749 as of August 31, 2007 and 2006, respectively.

**Inventories** Inventories are valued at the lower of cost (first-in, first-out) or market.

**Investments** Investments are comprised of debt securities and are carried at fair value. The fair value of investments is based on quoted fair prices for those investments or similar investments as of August 31, 2007 and 2006. Gains or losses on sales of investments are determined on a specific cost identification method. Unrealized gains and losses are determined based on year-end market value fluctuations.

**Property and Equipment and Depreciation** Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over

the estimated useful lives of the related assets. The assets are depreciated and amortized over periods ranging from 5 to 30 years. Additions and betterments of \$1,000 or more are capitalized, while maintenance and repairs which do not improve or extend the life of the asset are expensed in the year incurred. Depreciation charged against income amounted to \$142,296 in 2007 and \$161,301 in 2006.

**Revenue Recognition** The Association recognizes service fee revenue over the applicable accounting period to which the services relate. Unearned revenues related to Association services and publication subscriptions and advertising of HPI are reflected as deferred revenue on the Consolidated Statement of Financial Position.

**Functional Allocation of Expenses** The costs of providing the various programs and activities have been summarized on a functional basis in the Consolidated Statement of Activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**Income Taxes** The Association, ABRA and CHB LLC are exempt from federal income taxes on their primary operations under paragraph 501(c)(5) of the Internal Revenue Code. They are, however, subject to income taxes on any net income from unrelated business activities. The Association and ABRA have been classified by the Internal Revenue Service as organizations that are not private foundations.

HPI is not exempt from federal income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

## 2 — Concentration of Credit Risk

The Association maintains cash accounts at a bank located in the Kansas City metropolitan area. The balances in the bank periodically exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of 100,000. Funds in excess of FDIC insured limits, before considering reconciling items, were \$178,474 and \$79,103 on August 31, 2007 and 2006, respectively.

## 3 — Investments

Investments at August 31, 2007 and 2006, are summarized as follows:

	<b>Amortized Cost</b>	<b>Fair Value</b>
<b>August 31, 2007</b>		
Government bonds and notes	<u>\$1,564,480</u>	<u>\$1,550,770</u>
<b>August 31, 2006</b>		
Government bonds and notes	<u>\$1,611,541</u>	<u>\$1,581,948</u>

Investments are carried at fair value in accordance with generally accepted accounting standards. At August 31, 2007, unrealized gains in the amount of \$16,152 were recorded to adjust investments to fair value. At August 31, 2006, unrealized losses in the amount of \$21,890 were recorded to adjust investments to fair value.

## 4 — Retirement Plan

The Association established a defined contribution employee retirement plan for all eligible employees of the Association, HPI and CHB. The plan provides for employer and employee contributions based on a percentage of annual compensation. Employer contributions for the years ended August 31, 2007 and 2006, were \$76,135 and \$75,317, respectively.

## 5 — Long-Term Debt

Long-term debt consists of the following at August 31:

	<b>2007</b>	<b>2006</b>
Notes – vehicles, collateralized by related vehicles, interest from 5% to 5.85%, maturing from February 2007 through July 2008.	\$9,836	\$21,117
Current portion	<u>9,836</u>	<u>11,281</u>
Long-term debt	<u>\$ -</u>	<u>\$9,836</u>

Future maturities of long-term debt for the year ending August 31, 2008 is \$9,836.

In November 2006, the Association entered into a revolving line of credit agreement with UMB Bank. The line is unsecured with a maximum draw amount of \$250,000 and matures November 9, 2007. There was no outstanding balance as of August 31, 2007. Interest is payable monthly at interest rate of 8.25%.

## 6 — Income Taxes

The components of the deferred tax assets at August 31 are as follows:

<b>Deferred tax assets:</b>	<b>2007</b>	<b>2006</b>
Net operating loss carryforwards	\$270,099	\$336,083
Less valuation allowance	<u>270,099</u>	<u>336,083</u>
	<u>\$ -</u>	<u>\$ -</u>

For the year ended August 31, 2007, HPI utilized net operating losses of approximately \$180,000 to eliminate taxable income. HPI has net operating loss carryforwards of \$794,409 available to offset future federal and state taxable income that expire through 2023 as follows:

<b>2010</b>	\$20,113
<b>2011</b>	114,044
<b>2012</b>	93,429
<b>2013</b>	168,100
<b>2014</b>	157,696
<b>Thereafter</b>	<u>241,027</u>
	<u>\$794,409</u>

## 7 — Supplemental Cash Flow Information

Interest paid during the years ended August 31, 2007 and 2006, was \$870 and \$1,466, respectively. During the year ended August 31, 2006, noncash investing and financing transactions consisted of the purchase of equipment in the amount of \$76,732. There were no noncash investing and financing transactions during the year ended August 31, 2007.

## 8 — Temporarily Restricted Net Assets

Temporarily restricted net assets are funds donated for the purpose of awarding \$2,500 annually to the supreme champion Hereford of the Denver show.

## 9 — Land Purchase

On October 4, 2006, the Association entered into an agreement with Seabiscuit Park, LLC to purchase approximately 10 acres of land for a purchase price of \$1,306,800. During the fiscal year ended August 31, 2007, the Association made a deposit of \$250,000 of earnest money which is included in other assets on the consolidated financial statements. Closing on the contract is contingent on survey and review of the property, as well as the accomplishment of certain construction projects within a specific timeline and allows the Association the right to terminate the contract and be refunded the earnest money under these circumstances. As of August 31, 2007, the construction phase had not been completed due to approval delays from the city planning commission. The Association has extended the deadline for the aforementioned closing requirements to May 2008.

## Independent Auditor's Report

Board of Directors/American Hereford Association/Kansas City, Mo.:

We have audited the accompanying consolidated statement of financial position of American Hereford Association and subsidiaries (collectively, the Association) as of August 31, 2007 and 2006, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Hereford Association and subsidiaries as of August 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

—RubinBrown LLP, October 1, 2007

Pursuant to its bylaws, AHA submits the above financial information for its members as of the close of this fiscal year ended August 31, 2007.

—American Hereford Association, Craig Huffhines, executive vice president



**2007 AHA Board of Directors** pictured (front row, l to r) are: Jack Evans, president; Hank DeShazer, vice president; Craig Huffhines, executive vice president; Bill King; Marshall Ernst; and Steve Folkman. Back row (l to r) are: Bill Cox; Wes Hudson; Bob Harrell; Lavette Teeter; Paul Slayton; Lee Haygood and Denny Hoffman.

## 2006-07 Registrations, Transfers and Memberships

State	Registrations	Transfers	Cow Inventory	Members		Registration Rank
				Active	Juniors	
Alabama	958	575	570	31	21	24
Arizona	576	134	1,284	12	0	35
Arkansas	827	426	1,051	58	34	27
California	1,872	702	2,734	114	88	12
Colorado	1,220	532	1,910	62	25	21
Connecticut	134	87	230	24	13	41
Delaware	16	12	4	3	6	47
Florida	202	85	330	15	10	40
Georgia	2,289	1,768	3,025	87	55	10
Idaho	2,491	868	2,997	75	43	8
Illinois	2,468	1,361	4,859	193	193	9
Indiana	1,561	1,076	2,324	147	167	16
Iowa	1,282	456	1,988	100	73	19
Kansas	3,564	1,498	6,931	128	72	5
Kentucky	1,252	767	2,355	84	38	20
Louisiana	677	300	742	36	42	33
Maine	41	15	38	12	4	46
Maryland	398	251	837	43	57	38
Massachusetts	50	21	79	3	4	44
Michigan	808	612	1,090	78	62	29
Minnesota	1,292	640	2,461	91	35	18
Mississippi	809	1,208	1,670	43	47	28
Missouri	2,845	1,623	5,027	172	109	7
Montana	3,032	946	4,167	74	22	6
Nebraska	5,441	1,784	7,827	138	80	2
Nevada	360	107	535	12	13	39
New Hampshire	77	32	82	12	5	43
New Jersey	49	16	96	11	8	45
New Mexico	917	117	1,094	28	6	25
New York	428	181	567	59	37	37
North Carolina	797	485	1,171	69	36	30
North Dakota	2,038	636	3,053	58	25	11
Ohio	1,154	717	2,251	117	63	22
Oklahoma	3,732	1,987	4,785	155	126	3
Oregon	1,652	624	2,675	91	46	14
Pennsylvania	713	424	886	66	64	31
Rhode Island	3	1	0	2	1	48
South Carolina	497	256	920	25	5	36
South Dakota	3,578	1,036	7,296	82	45	4
Tennessee	1,860	1,216	2,713	118	71	13
Texas	9,459	5,034	13,364	393	246	1
Utah	696	128	1,050	28	0	32
Vermont	115	72	198	7	3	42
Virginia	879	445	1,198	66	29	26
Washington	1,067	483	1,983	81	68	23
West Virginia	590	293	732	51	15	34
Wisconsin	1,391	990	232	124	83	17
Wyoming	1,597	923	2,856	37	19	15
<b>Total</b>	<b>69,754</b>	<b>33,950</b>	<b>108,467</b>	<b>3,515</b>	<b>2,314</b>	

# TOP TEN REGISTRATIONS

## Top 10 States

<b>Texas</b>	<b>9,459</b>
<b>Nebraska</b>	<b>5,441</b>
<b>Oklahoma</b>	<b>3,732</b>
<b>South Dakota</b>	<b>3,578</b>
<b>Kansas</b>	<b>3,564</b>
<b>Montana</b>	<b>3,032</b>
<b>Missouri</b>	<b>2,845</b>
<b>Idaho</b>	<b>2,491</b>
<b>Illinois</b>	<b>2,468</b>
<b>Georgia</b>	<b>2,289</b>

## Top 10 Breeders

<b>Rausch Herefords</b>	<b>637</b>
<i>Hoven, S.D.</i>	
<b>Harper Cattle LLC</b>	<b>566</b>
<i>Arlington, Texas</i>	
<b>Mrnak Herefords</b>	<b>508</b>
<i>Bowman, N.D.</i>	
<b>Upstream Ranch</b>	<b>504</b>
<i>Taylor, Neb.</i>	
<b>W4 Ranch</b>	<b>479</b>
<i>Morgan, Texas</i>	
<b>Imig Herefords</b>	<b>430</b>
<i>Lakeside, Neb.</i>	
<b>Spencer Herefords Inc.</b>	<b>352</b>
<i>Brewster, Neb.</i>	
<b>Shaw Cattle Co. Inc</b>	<b>411</b>
<i>Caldwell, Idaho</i>	
<b>Dudley Bros.</b>	<b>385</b>
<i>Comanche, Texas</i>	
<b>DeShazer Cattle Co.</b>	<b>366</b>
<i>Hearne, Texas</i>	



### **Vision Statement**

To be the preferred beef breed for producers and consumers.

### **Mission Statement**

AHA will provide the leadership to record, protect, promote and facilitate the production and consumption of Hereford beef.

### **Core Strategies**

- I. Continue to grow the Certified Hereford Beef program
- II. Develop a more aggressive and targeted industry marketing plan to positively influence the perceptions and value of Hereford cattle
- III. Increase the quality, consistency and reliability of Hereford genetics
- IV. Continue to grow AHA net revenue through current/new products, programs, services or partnerships
- V. Increase the educational opportunities for our members, prospective members and customers
- VI. Continue to grow and emphasize our youth development programs and create a young breeder development program
- VII. Invest in developing global markets for our Hereford genetics

**HEREFORDS – THE EFFICIENCY EXPERTS**



1501 Wyandotte • P.O. Box 014059  
Kansas City, MO 64101  
(zip code for street address is 64108)  
(816) 842-3757 • (816) 842-6931 fax  
[www.hereford.org](http://www.hereford.org)