

# AHA Board Finalizes Budget

The American Hereford Association (AHA) Board of Directors' summer meeting was dedicated to developing the budget for the next fiscal year, which began on Sept. 1. The Board evaluates the budget projections and cost allocations for four different entities:

**AHA** — Revenue derived from registrations, transfers, membership fees and total performance records along with other membership services.

**Hereford Publications Inc. (HPI)** — Revenue driven by *Hereford World* advertising sales and Creative Services business, principally composed of sale book business.

**Certified Hereford Beef (CHB) LLC** — Revenue driven by the royalties from licensed packing companies from the sale of Certified Hereford Beef®.

**American Beef Records Association (ABRA)** — A separate wholly owned subsidiary dedicated to registry and records department services of livestock organizations. This past year ABRA contracted with five other breeds to begin to conduct their records business beginning in the fall of 2007.

For the coming year, the Board budgeted a conservative revenue projection from AHA registry and cow

herd enrollment revenue due to drought conditions that could influence cow numbers, as well as a lower average rate for registrations due to more breeders (33% of all registrations) using the lower rate registry fee through online services. Despite these revenue challenges, AHA is still expected to come close to breaking even.

HPI is expected to have another profitable fiscal year in '06-'07.

CHB LLC is projecting 20% growth under some new strategies. The AHA will invest upward of \$150,000 above revenue this year in the program that is currently creating a market for more than 440,000 head of cattle. Last year the CHB program generated more than \$1 million in revenue that went back into the marketing and support of the program.

ABRA will realize start-up investment in the coming year without revenues being generated until the fall of 2007.

## **AHA land acquisition**

AHA has reported in the last two years the massive downtown development work that is threatening the existence of the AHA's current headquarters.

Long term the city wishes to expand the convention center, which might displace the current headquarters in a buy-out scenario. The Board approved the investigation into the purchase of alternative land that could be a future location for AHA headquarters.

## **New advertising campaign**

A new and aggressive advertising campaign was approved, promoting the power of the Hereford baldie. Advertising dollars and overall advertising coverage was expanded significantly for the coming year.

Advertisements have been placed in a number of publications: *BEEF*, *Drover's* and *Progressive Farmer* to name a few. The ads are just one part of an industry-wide communication plan, promoting the inherent advantages of Hereford genetics in a crossbreeding system.

## **Breed improvement**

It was recommended by the Board to print actual birth weight on registration papers along with birth ratio.

## **Ribeye area research**

The results of a major carcass quality and yield audit were reported to

the Board. More than 100,000 CHB-eligible cattle were scanned through National Beef Packing Co. LLC. Average ribeye area was an impressive 13.5 square inches on carcasses averaging 808 lb. Producers have made major strides in muscle composition of Hereford cattle during the last 10 years.

## **JNHE committee formed**

Due to the amazing growth and funding requirements of the Junior National Hereford Expo (JNHE), AHA President Jack Holden will appoint a committee to look into funding strategies and future location options that will continue to support the annual event.

## **Hall of Fame, Hall of Merit**

The Board approved the 2006 Hereford Heritage Hall of Fame and Hereford Hall of Merit inductees. The recipients will be recognized during the Annual Meeting on Oct. 23. Look for profiles on the award winners in the December *Hereford World*. **HW**