

The American Hereford Association (AHA) Board of Directors met in Kansas City, Oct. 19-20, in conjunction with the AHA Annual Meeting and the American Royal.

Officer elections

New officers were elected for the upcoming year.

Jack Evans, Winona, Miss., was elected AHA president, replacing Jack Holden, Valier, Mont.

Hank DeShazer, Hearne, Texas, was elected vice president.

Dale Spencer, Brewster, Neb., was appointed the AHA's National Cattlemen's Beef Association (NCBA) representative. The Board voted to support the NCBA position financially up to \$1,000.

Committee appointments

The following committees were formed for the coming year:

Executive: Jack Evans, chairman; Hank DeShazer; Steve Folkman; Lee Haygood and Lavette Teeter.

Finance: Hank DeShazer, chairman; Bill Cox; Steve Folkman and Lavette Teeter.

Performance/breed improvement: Lee Haygood, chairman; Bill Cox; Bob Harrell Jr.; Wes Hudson; Bill King and Paul Slayton.

Marketing: Steve Folkman, chairman; Marshall Ernst; Bob Harrell; Denny Hoffman and Lavette Teeter.

Show and sale: Wes Hudson, chairman; Hank DeShazer; Lee Haygood; Denny Hoffman and Bill King.

Certified Hereford Beef (CHB) LLC Board: Bill Cox, Marshall Ernst, Lavette Teeter and Wayne Mrnak.

Hereford Publications Inc. (HPI): Lavette Teeter, president, and Paul Slayton, vice president.

Building: Hank DeShazer, chairman; Jack Evans; Marshall Ernst and Bill King.

Hall of Fame/Merit: Wes Hudson, chairman; Denny Hoffman and Paul Slayton.

Hereford Youth Foundation of America (HYFA): Ray Ramsey, president, and Marcia Mickelson, vice president.

Financial, audit report

Bill Eckinger and Janet Dam from AHA's auditing firm, RubinBrown, reported on the financial stability and general accounting practices of the Association.

Total assets were reported to be \$5,011,942. Total assets were down \$75,000 from a year ago due to a depreciation of fair value on investments and a decline in net revenue before depreciation expenses. During fiscal year 2006 cow herd enrollments were down approximately 4,000 cows due to drought conditions, which accounted for a portion of the decline in net revenue. There was also a decline in CHB royalties due to a slip in beef movement during the course of the fiscal year.

The Association reported a year-end loss of \$84,366 after depreciation. This was better than the budgeted loss of \$100,000 approved by the AHA Board prior to the beginning of the year. AHA was able to improve cash reserves by \$30,000 due to a positive cash flow.

Building committee

The AHA Board approved the purchase of a 5-acre tract of land located in the Seabiscuit Business Park. The business park development is located along the eastern border of Interstate 29, immediately across from the Kansas City International Airport. The 5-acre parcel is located on the northwest corner of the development and is bordered by two major interstates — I-29 and I-435. The Board decision to purchase the property was based on the continuing threat of a buy-out of the existing headquarters building located in the heart of a downtown Kansas City development boom.

The purchase of the property will provide one of several options for the Association if or when the current headquarters is purchased or AHA is forced to move because of eminent domain. The land deal was perceived by the Board to be a solid investment with appreciation potential, a high level of visibility and the ability to support several entities under the right development plan.

A total of \$250,000 was moved from cash to a title company to be held in escrow until the completion of the land deal. The developer is to complete infrastructure construction including curbs and roads, roundabouts, cul-de-sacs, and utility access before closing, at which time the title company will release the escrowed money and the balance remaining on the purchase will be due. The AHA will invest a total of \$690,000 in the land venture with an option to buy an additional 5 acres at the same price. The board is reviewing the investment potential of the additional 5-acre option.



Above: The current AHA headquarters is located in the heart of a downtown development boom.

Right: Providing the Association several options, the AHA Board decided to purchase a 5-acre tract of land located in the Seabiscuit Business Park. The business park development is located along the eastern border of Interstate 29, immediately across from the Kansas City International Airport.

The board approved the signing of a seller's agreement with longtime commercial realtor Whitney Kerr Sr. to investigate options for the existing headquarters building.

HPI report

Fiscal year-end income for HPI was \$1,151,718 or 105% of budget. Expenses were \$1,108,658.

Creative Services business generated \$249,165. It was noted that there had been a significant increase in sale book business during the year.

HPI recently added a new online sale catalog option. There are two formats to view: the traditional database format that generates bar charts, provides search capabilities and shows all data the Association provides, as well as a PDF version where the creative printed version of the sale catalog can be downloaded and viewed.

HPI will be testing a video catalog for the National Hereford Sale in Denver. Actual video clips of the sale offerings will be posted online. More information on how to access the clips will be available on *Hereford.org* and distributed through *Hereford eNews* and the *Weekly Hereford Sales Digest*.

Upon request of the AHA Board, HPI will no longer report estimated expected progeny differences (EPDs) on unregistered animals and embryos but will instead list the parent EPDs.

Breed improvement

The Pan-American Evaluation research continues to progress. The projection for an official analysis evaluation is June 2007, should the preliminary runs satisfy all of the partners including the AHA, Canadian Hereford Association, and Uruguay and Argentina Hereford societies. This is the first step toward a global evaluation that will bring in Australia and New Zealand populations in the next phase.

The breed improvement committee selected Star Lake Cattle Ranch to be the AHA nomination for Seedstock Producer of the Year at the Beef Improvement Federation (BIF) Convention, June 6-9, 2007, in Ft. Collins, Colo.

The committee recommended the investigation of mature cow

weight data because there has been a surprising number of cow weights turned in to the performance department in recent years.

The Canadian Hereford Association requested that the AHA consider a method by which overseas genetics might have a starting point for EPDs other than zero. Dan Moser, Kansas State University associate professor and AHA genetic consultant, and AHA staff will look into methods by which imported genetic EPDs might have an estimated North American benchmark starting point as an interim until global evaluation.

Several projects are ongoing at Kansas State University, including research into longevity and stayability, days to second calf and other related issues that might correlate to cow herd longevity or fertility. Along with this research will be a study of the genetic and environmental difference in birth weight between the American Hereford population and the Canadian Hereford population.

The discussion of collecting DNA tissue samples for future quality control or genetic-marker research was discussed. Staff is to develop a voluntary program for DNA storage.

On Dec. 1, 2006, the AHA started registering artificial insemination (AI) calves sired by non-certificate AI bulls. In addition, every 250th AI or embryo transfer (ET) calf will be parentage verified. The AHA will assume the verification costs.

Several research projects in their infancy were reported on, including the Harris Ranch heterosis project, Amana Farms National Reference Sire Program (NRSP) and efficiency study, and the Ginglebach Farms and Circle A Ranch NRSPs. Olsen Ranch and Stahly Ranch will continue as NRSP test herds.

The AHA records department reported that online work jumped from 18% of total work last year to 34% of total work this year.

The Board voted to rescind the decision to include actual birth weights on registration papers. It was decided that actual birth weights do not correspond to ratios on the paper, which are calculated using adjusted birth weights. Furthermore, actual birth weights do not reflect the genetic

differences of animals across herds that are from other contemporary groups due to environmental and management differences across the herds and groups. The AHA Board decided that it is up to individual breeders to determine what raw data they wish to share with customers. Buyers can request such information directly from the breeder.

Marketing report

The marketing committee is soliciting a bid from a land grant university to investigate various auction markets across the country regarding the merit of a certified baldie female program. A survey will be conducted to determine if market makers might perceive an added value in documented commercial baldie genetics and what facts they would deem of value.

The AHA communication team continues to enhance media marketing and promotional efforts — spreading the “Herefords — The Efficiency Experts” message. During the National Association of Farm Broadcasters (NAFB) Convention AHA staff will interview with key broadcasters.

CHB LLC

Rob Ames reported that CHB LLC will be hiring two new employees, a retail marketing director and a food service marketing director. In addition, CHB LLC management will be establishing a more robust relationship with National Beef Packing Co. LLC. A brand manager will be hired within National Beef, who is 100% dedicated to CHB® sales and growth. CHB LLC will be assisting with the search for this candidate.

CHB LLC will be investigating the use of camera technology to more accurately sort cattle into quality groups. The U.S. Department of Agriculture (USDA) has recently approved camera technology for Yield Grade prediction and is getting close to approving the technology for marbling.

The Hereford Verified program tagged more than 18,000 Hereford-influenced calves during the fiscal year. A carcass audit was conducted on more than 100,000 CHB-stamped carcasses during the year. **HW**