

Board Meeting Minutes

RAAA Board Meeting June 21-23, 2007 Denton, Texas

All Board members and RAAA staff in attendance.

Thursday, June 21, 2007

President Steve Andras called the meeting to order and read the RAAA Mission Statement and Core Policies. The Board approved the January meeting minutes, amended and approved the April 11, 2007 conference call minutes, and approved the June 1, 2007 conference call minutes. Additions to the agenda included the NPLC Convention and a discussion of double muscling.

President Andras reported that the Executive Committee had worked on a proposal for the formation of Genetic Performance Solutions (GPS) company and a decision on how to handle a genetic defect of a Red Angus bull with

Osteopetrosis (marble-bone disease). A motion was made and approved to have Dr. David Steffen as our Association's genetic defect consultant.

Dr. Hough gave his administration report and stated that 2006-07 was a good year. The office downsized the registration department by one person and still kept up with registering data. After the explanation of the Accounts Receivable report, Dr. Hough moved into the projections for the fiscal year 2006-07 and went over all line items. The group discussed how much has been saved in time, paper and people power when registration and transfer items come into the office electronically. Forest Dunning informed the group about the yearly financial investments of the RAAA and how funding the GPS will be handled. The Junior investments are doing well.

Ann Holsinger and Greg Comstock reported on how the new tagging system has been working, and some buyers resistance to change. Joe Mushrush stated that the Alliance Committee consisting of himself, Frank Wedel, Larry Croissant, and Lynn Pelton are unanimous in their opinion that age and source verification helps increase the value of Red Angus cattle and raise the bid price. It was moved and approved to accept the recommendation of the Alliance Committee to proceed with including FCCP feed yards into our PVP requirements.

Ron Bolze gave a report on the April 2007 meeting with Lance Storer, Cargill Meat Solutions, in Wichita, Kan. Ron also mentioned that he visited Agri Beef Company the largest feeder and packer in the Northwest and Harris Ranch. There is much to do in that area to bring Red Angus cattle into their facilities

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and get this project off the ground.

Kip Lewis gave a presentation on the new Pro Cow Automation he designed.

Greg Comstock went over the new budget figures for the Marketing Department. He showed examples of three new brochures being printed this coming year. He also mentioned that the new feeder calf poster being printed will show the new USDA information. The USDA PVP audits will cost more now because the auditors have to go to the "point of origin" ranches.

Ann Holsinger, Magazine Department, noted that Brandee Cattle Company was the winning bid for the inside back cover spot. The postage on mailing of the magazine has increased 31% for this next fiscal period due to the overall postage increases. She asked the board to increase the cost for the breeder links on the website by 25% from \$120 to \$150 per year. The Board approved this request.

Dr. Hough mentioned that Ryan Ludvigson asked if the Junior Foundation would expand their development funds into research and education for the association. The Junior Foundation Board will discuss this suggestion when they hold their next meeting.

Dr. Hough reported on the NPLC (National Pedigreed Livestock Council) convention held in Fort Worth, Texas at the Doral Hotel and Convention Center. The RAAA hosted part of the meeting and helped with preparation for this successful event.

Ben Spitzer gave the Show and Sale report for the past year. The next National RAAA show will be in Fort Worth, Texas in January 2008 at the Southwest Livestock Exposition. Randy Daniels will be the Open Judge. Tommy Coley stated that the RAAA might want to take over the Pen Show in Denver every year. The idea was referred to the Show and Sale Committee for their recommendation.

Dr. Hough mentioned that he,

Ron Bolze, Larry Keenan, Ben Spitzer, and Steve Andras participated in the Beef Improvement Federation summer convention in Fort Collins, Colo. He was delighted to report that Broseco Ranch was named BIF Top Commercial Producer of the Year; Lynn Pelton and his family were awarded Seedstock Producers of the Year; Rob Brown was awarded the 2007 BIF Pioneer Award along with Jim Gosey and 5 L Ranch being elected to the western region on the BIF board.

Dr. Hough attended the Canadian Angus Convention held in Quebec, Canada. The Canadians welcomed him and allowed him to sit in on their board meeting. He also participated in all their convention activities. They were pleased with our close working relationship through the years.

Greg and Ben tag teamed the Promotions and Communication report. Market share indicators show that this year was a little tough, but Red Angus bull sales had 10% more bulls sold over the previous year. They also went over some of the budget line items that attribute to the 2007-08 budget figures. The co-op funds were discussed and it was moved and approved that the matching co-op funds be increased to \$2000 per state and regional affiliate.

Greg stated that this year's Young Guns meeting will be held in Denton, Texas on July 22-24, 2007 at the Radisson Hotel. The program will be more interactive and will last two full days.

Kip Lewis gave a web demonstration on the new "Stockyard" feature and an update on the server migration.

Larry Keenan reported that Calving East Total Maternal (CETM) has been changed to Calving East Maternal (CEM); the Multibreed Evaluation has a good Red Angus data set to work with; three bulls have been nominated for the Carcass Progeny Test; the Fall NCE statistics showed no surprises and a clean

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run, and some of the other projects being considered are Ultrasound Observations along with the Stayability EPD. The SNP (Single Nucleotide Polymorphism) project is being conducted by the USDA.

It was moved and approved to change the verbiage in: Rules and Regulations, Disqualification from Registration or Recordation, 1.e. - Should state: "The owner(s) or breeder(s) of the confirmed carrier animal may contest the results of the genetic diagnosis by filing a complaint with the RAAA Executive Committee prior to the time the designation becomes final."

It was moved and approved to: list the genetic defect of the carrier on the pedigree. Heavy discussion ensued on the importance of this decision. The staff and Registration Committee should work out how to implement this ruling.

Larry Keenan also reported that he is working with MMI Genomics

on a double muscling test. There currently are licensing issues with the strain of double muscling found in Red Angus. A residual feed intake study is being done by Jason Ahola at the University of Idaho.

The Carcass Weight EPD issue was given to the Breed Improvement Committee to investigate and come up with a recommendation. After hearing the recommendation of the BIC, it was moved and approved to adopt the Carcass Weight EPD.

Friday, June 22, 2007

President Andras called the meeting to order at 8 am with all board members and staff present.

The Registration Department's report was given by Kenda Ponder, and included eight statistical reports. She also gave an LCD presentation of what members can retrieve from the website to assist them in putting together their sale catalogs. Larry Keenan read a genetic defect state-

ment that he received from our company attorney and Mrs. Ponder was questioned on what other breed associations do with this genetic defect issue. It was decided that the members should be shown what to look for on genetic defects of carrier animals at the convention since this will be an educational process for all. It was moved and approved to implement the box for genetic defects on our application for registration forms. It was moved and approved that the Red Angus Association list as genetic carriers in our rules those parents listed in other breeds and their progeny list in our herdbook. It was moved and approved to add the particular genetic defect known as HYPOTRICHOSIS (defined as hairlessness in cattle) to our defects list.

The JRA report was given by Laurence Mendoza. He went over the 2006-07 income and expense line items and asked Rita McPhee to