

East Tennessee Angus Association  
Board of Directors  
*easttnangus@yahoo.com*

March 26, 2019

**By E-mail**

American Angus Association  
Board of Directors  
Attn: Allen Moczygemba, CEO  
3201 Frederick Avenue  
Saint Joseph, MO 64506  
*allenm@angus.org*

Dear Board,

As the oldest regional association in the country, we are gravely disappointed and disturbed by recent actions of the Board and trends within the American Angus Association (“AAA”) leadership. Integrity and trust are guiding principles in the Angus business, and both have been breached by recent actions of the Board. The AAA “is a **member-driven** organization committed to the advancement of the Angus breed, the progress of the beef industry, and the expansive **network of individuals invested** in the breed’s success.” American Angus Association Overview (2008) (emphasis added). According to the AAA’s Vision Statement, it must be the goal of the Board to “be the leading and most progressive, **member-driven, consumer-focused**, beef organization in the world.” American Angus Association Vision Statement (emphasis added). Recently, the Board has taken several actions adverse to its member-oriented mission and vision.

At February’s board meeting alone, the Board voted for and passed a Total Performance Index or “Balanced Index” to be implemented on or before June of 2020. This vote was taken and passed with the Board’s knowledge that this issue was of great concern to members, members were unaware of the planned vote, and without any transparency or explanation provided to AAA members. The East Tennessee Angus Association (“ETAA”) is comprised entirely of small to medium-sized breeders who will be most severely impacted by the implementation of a Balanced Index. This vote in favor of the Balanced Index was taken by the Board despite:

- 1) The Board having tabled this topic at the November 2017 Board meeting;
- 2) Board members informing AAA members that this remained a shelved issue;

3) No notification being given to AAA members that the issue was being re-introduced, let alone voted on;

4) Members strong objections to a Balanced Index and those objections remaining unheeded; and

5) Regional managers unable adequately explain the Balanced Index or the actions taken by the Board because they are as uninformed as the general membership;

Rumor has it that the implementation date of the Balanced Index is being pushed up by a year to June 2019. It is also rumored that a specially called Board meeting has been set for April 2019 to discuss immediate implementation in the midst of members' expression of great concern, lack of adequate information and strong opposition thereto. No one is able to verify or deny this information due to the AAA's refusal to be transparent and provide such basic information to its members.

Furthermore, as admitted by President Pfeiffer himself, the Board of Directors were given rankings on their own herds with regard to the new \$Value Indexes, providing them with critical breeding information at least one whole breeding cycle prior to the membership.

These examples are just one month of bad-faith and misleading (at best) actions taken by the Board. In the last several years, members have experienced a never-ending series of evaluation changes, massive defect shakeups, and multi-million dollar purchases which membership never even knew about until it was announced. These are not the actions of a member-driven association and we reject this precedent.

Changes to the way Angus cattle are evaluated and ranked is of the highest priority to breeders. Genetic improvement is a three-year cycle from breeding to calving to performance evaluation. How can members make informed, financially-sound decisions against a moving target? This is an active marketplace, and for the last few years breeders such as us feel like we are playing catch-up to scientists in a lab who do not have to wait out a breeding cycle. Adding insult to injury, now the AAA Board—elected by the membership to serve its members and the industry—upon information and belief, have access to pertinent information one entire breeding cycle before the rest of us. Their 2020 calves that they bring to market will be positioned far better than the ones from breeders who are still waiting for the data, still waiting for an explanation of the Balanced Index, and still waiting on transparency from the AAA. This breach of duty and trust is akin to insider trading and is an egregious abuse of power and a gross violation of professional ethics.

As breeders we still believe in the utmost value of phenotype and raw data which members loyally provide to the AAA. While science has certainly helped breeders improve the breed and our own herds, the recent infatuation with warp-speed scientific advancement leaves no room for the essentials, including honest, field evaluation and affirmation of raw data. The AAA currently cares more about scientific advancement and

laboratory experiments than cattle and people. The February vote to implement a Balanced Index—a decision the membership opposed and Board members publicly claimed was tabled—is a devious example of the AAA's new priorities. Many members do not want more data only to confuse their customers, and many fear that this new extrapolation will only serve to broaden, not narrow, the quality gap in our breed. The net effect will be the AAA granting the 'scientific' genetic merit award to the few large breeders capable of absorbing the blow of science-driven, not member-driven, service of the AAA. We strongly believe that the breed needs breeders of all sorts, large and small; those genetically motivated and those phenotypically motivated; and we believe that there is still room and need for us all. The recent actions of the Board indicate that the AAA feels otherwise.

The Balanced Index will not achieve the balance it purports to bring, because we all know that you cannot accurately compare animals in different environments by one number, nor can you meet the needs of every commercial cattlemen by pushing one method of comparison. Rather than a clear-cut scientific evaluation, this index will add confusion to the breed and remove the actual animal further from the marketplace. As breeders, we still believe that the animal itself is the #1 piece of information that buyers should know—not a number.

These are concerns with just the most recent decisions forced upon members of the AAA by the AAA staff and Board. Members should have been able to raise these concerns, discuss them with Board and staff, BEFORE the issues were voted on and implemented. The most egregious offense is the Board and staff's refusal to publish (and adhere to) meeting agendas, the glaring omissions from "Meeting Highlights," the absence of full accounts of votes, and then, after all this, the secrecy and silence members get from the Board members and CEO when questions are asked.

We, the breeders and our cattle, are the heart of the American Angus Association—not scientists and profits—and we refuse to sit silently while the AAA keeps us in the dark and abuses our trust, funds, and loyalty any longer. We therefore demand, as initial remedies, that the implementation of a Balanced Index be halted, the Board meeting agendas be published in advance of meetings, the full votes by name be released, the "Meeting Highlights" be replaced with full meeting minutes, and most importantly that the AAA return to a member-driven organization.

Respectfully Submitted,

A handwritten signature in black ink that reads "Robert Stinson". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

President Robert Stinson & the East Tennessee Angus Association Board  
(approved by unanimous vote)