

**REMARKS OF BRANT M. LAUE**

**UPON ELECTION AS CHAIRMAN OF THE BOARD OF THE AMERICAN ROYAL**

**MARCH 7, 2012**

**UNION STATION, KANSAS CITY, MISSOURI**

**In 1976, a 15 year old ranch kid from North Central Kansas was on his own in the big city for the first time in his life. He had won a trip from his local 4-H club to attend the American Royal 4-H Conference in Kansas City. He stayed in a fancy downtown hotel room, he shook hands with Charlie Plumb, a POW from the Vietnam War, and with Jesse Owens, the great Olympic athlete, and he fell under the spell of 18 year old Tanya Tucker as she rode bareback on a rodeo horse around Kemper Arena while singing "Delta Dawn."**

**By now, I'm sure you have guessed it – that ranch kid stands before you today as the new Chairman of the American Royal. For a person of my background, upbringing, and interests, there really is no greater honor or challenge.**

**I want to thank the Nominating Committee and the former Chairs and Officers who asked me to serve and who have laid the groundwork for the 2012 American Royal – which will be our 113<sup>th</sup> year. In particular, I would like to thank Chairman David Fowler for his tremendous leadership in guiding the American Royal to its successful 2011 results.**

**I would like to take a few moments this afternoon to talk with you about what the American Royal means to me and to Kansas City, and where it is going for the future.**

**The American Royal has played an important role in my family's life, just as it has in the life of Kansas City. I am the third generation of my family to participate in the Royal. The trophy case at the Laue Ranch holds a number of gold, silver, and purple momentos of championship Charolais cattle from the Royal. Showing cattle at the Royal was always a highlight of the year – my father would bring the cattle to Kansas City, typically sleeping in the cattle trailer under the viaduct until my mother came to town; then they would move up the hill to more civilized living quarters at the Muelbach Hotel or the Kansas City Club. Our participation in the Royal lead to many grand experiences and great stories that I look forward to sharing with you at our events throughout the coming year.**

**Incidentally, mother and father would like to have joined us here today, but as those of you in agriculture know, this is calving season in farm and ranch country, and they are watching over 150 or so pregnant cows and heifers along with our cowboy Koty. I look forward to introducing you to them at one of our future events once the cows go to pasture.**

**When I graduated law school, it was natural for me to make Kansas City my new home. As they say, you can take the boy out of the country but you can't take the country out of the boy. And practicing law in Kansas City also allowed me to continue as a partner in the family ranching operation.**

**It was also natural for me to become involved in the American Royal, and the first thing I did when I hit town was sign up as an American Royal Governor. I soon found myself volunteering on a number of committees and eventually becoming the Chairman of the Rodeo and an officer of the Board.**

**My experiences and fondness for the Royal echo those of thousands of people from the Kansas City region and throughout rural America, for whom the Royal is the epitome of a first class celebration and competition. No doubt that is why the Burlington Railroad named its fastest train from here at Union Station bound for Chicago the "American Royal Zephyr," or why you could buy "American Royal" brand coffee at the local grocery, or why the new baseball team was christened as the "Royals" in 1969.**

**Even as the Royal reached this high level status in the public mind, economic forces were at play that would change agriculture, the Royal, and Kansas City forever. The story of modern agricultural progress is an amazing tale of biology, science, and entrepreneurship. As recently as a generation ago, most Americans had a direct connection to agriculture – now, barely 2% of the U.S. population produces the food for all of us and much of the world – a world that now has 7 billion people and climbing.**

**This has presented new challenges and opportunities for the American Royal, as we continue to celebrate agriculture but also educate and introduce our fellow Kansas Citians to its many wonders.**

**At its core, the American Royal today is a charitable organization devoted to education. In 2011, we contributed nearly \$1.4 million to our educational programs, which include such varied**

events as livestock competitions for young people in agriculture to school tours for inner city kids that have never been within ten feet of a cow.

To fund and realize these educational purposes, we put on a number of annual events that generate revenue and provide educational opportunities – and some events that celebrate our agricultural heritage or are just plain fun, in a cowboy sort of way.

Here is a quick rundown of those events for the coming year:

Our BBQ contest will return to the Royal for the 33<sup>rd</sup> time – I like to call it the “Carnivore Carnival.” It is the largest event of its type in the world, bringing tens of thousands of people to the West Bottoms year after year. The Royal has recently acquired the rights to the name and certain assets of the BBQ Hall of Fame, and is studying how to capitalize on that resource.

Our Rodeo, which was honored in 2011 as one of the top five large indoor rodeos in America and also received the Remuda Award for the nation’s best Rodeo livestock, will return for 2012 to its traditional home at the American Royal Complex, and will again feature the nation’s top cowboys, cowgirls, and stock. The Rodeo is an important part of the American Royal tradition, and is Kansas City’s annual opportunity to “go cowboy.”

Our livestock show is firmly entrenched as one of the top shows in the nation and fills our facility to capacity. Since 1899 cattlemen and women have planned their year around coming to Kansas City to meet and compare the best of their industry. On its own, the livestock show is one of the largest annual convention events held in Kansas City. In 2011, almost a million dollars in animals were sold in auctions conducted at the Royal, including \$300,000 for youth exhibitors in our Junior Premium Auction, where buyers also donated several tons of meat to local hunger charities.

Horse shows are also a big part of the American Royal. We will host shows for 6 different breeds or disciplines, bringing several thousand horses and their people to Kansas City every year. Our UPHA National Championship Show is a jewel of the Royal and of the national saddle horse circuit. If you love horses and the artistry of horsemanship, you will find many friends at the American Royal.

Finally, let me give you an update on one of our most important ongoing initiatives here at the Royal -- our facility planning. The planning process now goes back almost a decade, and during that time period, of course, our landlord, the City of Kansas City Missouri, built the new Sprint Center arena that has dramatically changed the use and viability of Kemper Arena. After much thought -- and no small amount of emotion -- last October our Board unanimously approved and, along with the Kemper family, announced a plan to replace Kemper Arena with a new events center that better serves the needs of the Royal and Kansas City. Stated simply, we believe the time has come to set aside the issues and controversies of the past and move forward with a new right-sized facility that enhances the competitive position of Kansas City as a venue for the growing agriculture events sector.

This past summer -- outside of our traditional season -- we hosted about three thousand head of cattle and horses and the thousands of people that come with them for six different events. Kansas City is ideally located for these "truck and trailer" events, and our exhibitors delight in the entertainment and shopping amenities that our City offers. We believe a new facility would attract more of these events. But let me inject a word of caution: our actions are being closely watched in other cities like Denver and Louisville, some of which have proposed their own new facility upgrades. We must move forward or we may find our position in the market challenged by others.

We have engaged a creative team of public finance professionals who are developing a financial plan to make this project a reality. Every past building project for the American Royal has been a public private partnership with the City of Kansas City, and we look to continue that approach. The City has large liabilities associated with maintaining Kemper Arena for another 33 years under the terms of our lease. Rather than funding those liabilities, we believe a far wiser use of the funds would be to invest them in a new asset.

Our announcement of this initiative has prompted renewed public discussion of and interest in the Royal, the importance of agriculture to Kansas City, and the future of the historic area that was formerly the home of the Kansas City Stockyards. We welcome this discussion and the opportunity to be a part of it. Toward that end, we have also engaged a leading national economic consulting firm to refresh past analyses of the American Royal's economic impact and the opportunities for growth that a new facility would support. I will not presume to preempt their work, but we can safely say that the Royal is responsible for bringing tens of thousands of people to Kansas City and contributes tens of millions of dollars to the Kansas City economy year upon year.

**Kansas City and the American Royal have been great partners for 113 years, and we look forward to securing their future together in the coming year. It is my hope that many generations to come can share our enthusiasm and optimism for Kansas City's agricultural past, present, and future. With your help and support, we can make it happen.**

**Thank you for coming this afternoon.**

**[FOWLER THANK YOU GIFT PRESENTATION]**