

**EXECUTIVE COMMITTEE  
BEEF PROMOTION AND RESEARCH BOARD  
MARRIOTT RIVERCENTER HOTEL  
SAN ANTONIO, TEXAS  
JANUARY 27, 2010**

**Call to Order**

Executive Committee Chairman Dan Dierschke called the meeting to order at 7:30 am and asked for self introductions.

**Members Present**

Dan Dierschke, Chairman  
Dave Bateman, Ex-Officio  
Laurie Bryant  
Virginia Coelho  
Robert Fountain, Jr.  
Tom Jones, Treasurer

Daryl Berlier Owen  
Dan Petersen  
Jenny Senn  
Lucinda Williams  
Myron Williams  
Weldon Wynn

**Guests Present**

Allen Walth, CBB  
Mark Riechers, CBB  
Charles Miller, KY  
Kristy Lage, CBB  
Virginia Davis, CBB  
Richard Hodge, CBB  
John Schafer, CBB  
Steve Cornett, Farm Journal  
Richard Rossier, Legal Counsel

Richard Nielson, CBB  
Hank Maxey, CBB  
Jeff Clausen, CBB  
Sid Sumner, CBB  
Wes Grau, CBB  
Barry Jennings, SD Beef Council  
Will Frazee, CBB  
Craig Shackelford, USDA  
Chuck Zimmerman, Web Blogger

**Staff present**

Courtney Kalous, CBB  
Polly Ruhland, CBB  
Chad Smith, CBB  
Rich Otley, CBB  
Charlotte Coates, CBB

Lynn Heinze, CBB  
Angie Olejnik, CBB  
Katherine Ayers, CBB  
Tom Ramey, CBB  
Melissa Slagle, CBB

**Quorum**

Executive Committee Chairman Dierschke declared a quorum was present to conduct business.

## **Agenda**

Chairman Dierschke announced to the committee that Jan Lyons and John Queen, co-chairs of the NCBA Governance Task Force, would be speaking with the Executive Committee in Executive Session at 10:00 a.m.

Daryl Berlier Owen moved and Virginia Coelho seconded to approve the agenda as stated. Motion passed.

## **Minutes**

Robert Fountain moved and Daryl Berlier Owen seconded approval of the September 16, 2009 meeting minutes and the October 6 and 27<sup>th</sup>, 2009 conference call minutes. Motion passed.

## **Financial Report**

Tom Jones, CBB Secretary/Treasurer, presented the Beef Board's financial statements for the period ending December 2009. Mr. Jones stated there was \$1,548,495 of additional funds available for program budgets. These funds were from FROE's net of the projected revenue shortfall of \$900,000 for FY 2010 due to a decrease in importer assessment revenues.

Mr. Jones reported that on January 26, 2010, the Operating Committee recommended the FY 2010 budget be increased by \$1.5 million pending approval by the full Board at its meeting on January 30, 2010. (Exhibit 1)

Tom Jones moved and Lucinda Williams seconded the recommendation to the Beef Board to amend the CBB FY 2010 budget. Motion passed

## **Operating Committee Report**

Operating Committee Chairman, Lucinda Williams, reported the committee met on January 26, 2010 prior to the Executive Committee and funded additional programs in the amount of \$1,523,495 and also set aside \$25,000 to be used for the Long Range Plan contingent upon Executive Committee approval.

Lucinda Williams moved and Myron Williams seconded to ratify the actions of the Operating Committee. Motion tabled.

## **Action to Affirm Immediate Past CBB Chairman's Service**

Dave Bateman moved and Jenny Senn seconded to affirm immediate past CBB Chairman Lucinda Williams service as advisor to the Executive Committee. Motion passed.

## **Administration Subcommittee Report**

Robert Fountain, Vice Chairman of the Administration Subcommittee, recommended the FY 2010 amended detailed administration budget (Exhibit 2) and reviewed the summer meeting

evaluations. Mr. Fountain also stated the subcommittee discussed the status of the Improvements to the Beef Checkoff Program which were sent to the Secretary of Agriculture in the fall of 2009 and the status of 2010 Beef Board appointments. Mr. Fountain reported that two new Beef Board employees were introduced to the subcommittee, Katherine Ayers, Chief Financial Officer and Polly Ruhland, Director of Evaluation.

Robert Fountain, Jr. moved and Tom Jones seconded to approve the amended FY 2010 detailed administration budget. Motion passed.

Chairman Dierschke asked Craig Shackelford, AMS/USDA, when the Beef Board might expect new Board appointments. Mr. Shackelford reported that none of the 18 commodity boards had received their appointments and that the current Beef Board members would continue to serve until their replacements are appointed.

### **Status of State Marketing Plans**

Angie Olejnik reported that Vermont had been granted an extension. All other marketing plans received had been reviewed and were found to be in compliance with the Act & Order.

### **Status of State Audit Reports**

Katherine Ayers reported that Illinois and Texas had been granted time extensions.

### **Brand or Trade Name References**

Rich Otley presented partnership proposals which contained brand or trade name reference for the following:

- The Washington State Beef Commission requested approval for a partnership with Washington Thriftway and Red Apple to promote beef in their stores, and
- Nebraska Beef Council requested approval for a partnership with Russ' Supermarket for a "New Year, New You" promotion.

Daryl Berlier Owen moved and Dan Petersen seconded a motion to ratify the brand or trade name references for these promotions. Motion passed.

### **CBB's Corporate Credit Card Policy**

Katherine Ayers, CFO, presented the proposed amendments to CBB corporate credit card policy as follows:

- Change the person who will have the authorization to have a CBB corporate credit card from the Controller to the Chief Financial Officer to reflect the current CBB positions.

- Amend CBB’s policy to allow the corporate credit card to be used for purchase of supplies ordered that require a credit card at the time of purchase and payment of CBB officer and staff functions.

Virginia Coelho moved and Laurie Bryant seconded approval of the amendments to the CBB Corporate Credit Card Policy. Discussion. Motion passed. (Exhibit 3)

### **CBB Audits of Small QSBCs**

Katherine Ayers, CFO, presented the proposed procedural change in audits of small state beef councils as follows:

- CBB has two CPA’s in the financial services department and due to our knowledge of checkoff programs and previous audit experience; it would be more cost effective for CBB staff to perform the audit procedures for QSBCs that qualify.
- CBB will perform the annual audit procedures of the QSBC using either an independent CPA or a CPA on staff at the Board, if requested by the “small QSBC.” A “small QSBC” is defined as a QSBC with annual in-state revenues averaging \$75,000 or less over the most recent three fiscal years.

Laurie Bryant moved and Weldon Wynn seconded approval of the amendments to CBB’s procedures for audits of small QSBCs. Discussion. Motion passed. (Exhibit 4)

### **Executive Session**

The Committee went into Executive Session at 8:20 a.m.

The Committee returned to open session at 11:45 a.m.

### **Beef Industry Long Range Plan**

Tom Ramey, CEO, stated that the Executive Committee had discussed participation in the development of a new Long Range Plan at the 2009 Summer Conference. The Joint CBB and NCBA officer teams requested that Rich Otley and Rick Husted contact economists/industry analysts for their perspectives on the general economy. Below is the recommendation for developing a new Beef Industry Long Range Plan:

- Develop a 3-year plan with a team of 10-15 industry leaders chosen by CBB/NCBA officers
- Rollout new plan at Annual Convention, January 2011
- Plan is to be simple and focused – 1-2 page summary document
- Inclusion of annual plan review and accountability evaluation
- Co-staff coordination
- Budget for plan development estimated at \$70-100k

Weldon Wynn moved and Laurie Bryant seconded to approve funding the Beef Industry Long Range Plan in the amount of \$25,000. Motion passed.

The tabled motion made by Lucinda Williams and seconded by Myron Williams to ratify the actions of the Operating Committee passed.

### **Calls to CBB Board Members**

Executive Committee members reported the results of their calls to CBB Board Members.

### **Beef Demand Index Update**

Rich Otley, Director of Evaluation, stated that Dr. James Mintert reported that the preliminary Beef Demand Index dropped between 3 and 4% from 2008 to 2009 (using Choice data = -3%; using all fresh data = -4%).

### **Producer Communications Update**

Lynn Heinze presented results of the most recent Producer Attitude Survey. He reported producers continue to have very favorable attitudes toward the beef checkoff program with an approval rating of 69%, up slightly from the previous year.

### **Other Business**

Executive Committee Chairman Dierschke stated the future meetings of the Executive Committee would be March 18 in Denver, May 20 in Denver, July 28 in Denver, and September 21 in Denver.

### **Executive Session**

The Committee returned to Executive Session at 12:30 pm.

### **Adjourn**

There being no further business, the meeting adjourned at 1:10 pm.