

**MINUTES**  
**BEEF PROMOTION OPERATING COMMITTEE**  
**BEEF PROMOTION AND RESEARCH BOARD**  
**DENVER AIRPORT EMBASSY SUITES HOTEL**  
**DENVER, COLORADO**  
**MARCH 17-18, 2010**

**Call to Order**

Chairman Dan Dierschke called the meeting to order at 3:00 p.m.

**Members present**

Dan Dierschke, Chair  
Scott George, Vice Chair  
Sally Angell  
David Dick  
Glenda Flora  
Robert Fountain  
Ted Greidanus  
Dave Hamilton  
Richard Hodge  
Cevin Jones

Tom Jones  
Al Pedigo  
John Schafer  
Don Stewart  
Linda Joy Stovall  
Craig Uden  
Sid Viebrock  
Becky Walth

**Members Absent**

Weldon Wynn

Jim Wilson

**Guests present**

Ann Marie Bosshamer, NEBC  
Virginia Coelho, CBB  
Sid Sumner, CBB  
Laurie Bryant, MICA  
Kristy Lage, CBB  
Daryl Berlier Owen, CBB  
Will Frazee, CBB  
Virginia Davis, CBB  
Lucinda Williams, CBB  
Wesley Grau, CBB

Bill Donald, NCBA  
Hank Maxey, CBB  
Luisa Jaca, NCBA  
Wayne Watkinson, Legal Counsel  
Craig Shackelford, USDA/AMS  
Steve Foglesong, NCBA  
Carol Gillis, NYBC  
Jim Peterson, USMEF  
J.D. Alexander, NCBA  
Nancy Jo Bateman, NDBC

**Staff present**

Phil Seng, USMEF  
Doug Evans, NCBA  
Rick Husted, NCBA  
Bo Reagan, NCBA  
Jim Henger, NCBA  
Shalene McNeill, NCBA

Ellen Gibson, NCBA  
Michele P. Murray, NCBA  
Forrest Roberts, NCBA  
Kim Essex, NCBA  
Martin Roth, NCBA  
Mandy Carr, NCBA

Jackie Buehner, ANCW  
Thad Lively, USMEF  
Nancy Rudzek, NCBA  
Melissa Slagle, CBB  
Courtney Kalous, CBB  
Lynn Heinze, CBB  
Charlotte Coates, CBB

Jacque Matsen, NCBA  
Greg Hanes, USMEF  
Tom Ramey, CBB  
Polly Ruhland, CBB  
Angie Olejnik, CBB  
Katherine Ayers, CBB

### **Quorum Established**

Chairman Dierschke declared a quorum was present to conduct business.

### **Agenda Approved**

David Dick moved and Craig Uden seconded approval of the meeting agenda as mailed. Motion passed.

### **Introduction and Seating of Newly-Elected Members**

Chairman Dierschke asked the Operating Committee members to introduce themselves. Chairman Dierschke then welcomed the following nine new Operating Committee members:

#### CBB Members

Glenda Flora, KS  
Robert Fountain, GA  
Ted Greidanus, CA  
Richard Hodge, TX  
Weldon Wynn, AR

#### Federation Members

Sally Angell, MO  
Cevin Jones, ID  
Sid Viebrock, WA  
Jim Wilson, OR (Previously served)

### **Minutes Approved**

Linda Joy Stovall moved and Don Stewart seconded approval of the January 26, 2010 minutes as mailed. Motion passed.

### **Orientation, Committee Procedures, and Fiduciary Responsibilities**

Tom Ramey reviewed Operating Committee rules and procedures and outlined the current budget development process.

Wayne Watkinson reviewed the fiduciary duties of Operating Committee members.

Craig Shackelford presented the USDA's perspectives about the Operating Committee's responsibilities under the Act & Order.

### **Financial Report**

Robert Fountain, CBB Secretary/Treasurer, presented the Beef Board's financial statements for the period ending February 2010. Mr. Fountain reported that assessment revenues decreased from last year and this decline was projected to continue due to lower import revenues.

## **Evaluation Update**

The Committee discussed their information needs from the evaluation program, including what types of information they would like to have and the ideal form for such information. Suggestions were noted by Polly Ruhland for incorporation into the 2010 annual evaluation.

Ms. Ruhland reported that the Evaluation Committee would conduct project evaluation audits of the National Beef Cook-off program and the Producer Communications program in 2010. The audits are scheduled to begin on April 1.

Ms. Ruhland reported that retail beef demand was down 3.7% in 2009 and was expected to drop again in 2010.

## **Financial Orientation**

Katherine Ayers, CFO, conducted a brief financial orientation for the Operating Committee members.

The meeting recessed for the evening at 5:45 pm.

## **Thursday, March 18, 2010**

Meeting reconvened at 8:05 a.m.

## **International Market Access Update**

Jim Peterson, Greg Hanes, and Thad Lively, USMEF, updated the committee on export market access issues and foreign marketing programs. Gregg Doud, NCBA, participated in the export market presentation via speaker phone. The group reported that demand for beef continues to grow in the export markets.

## **Status of Culinary Center Relocation to Denver**

Bo Reagan, NCBA, reported that the Culinary Center moved to Denver from Chicago in December of 2009. Six new people had been hired to develop recipes and 41 new recipes have already been developed. The Culinary Center staff has also worked with the nutrition and advertising teams. Dr. Reagan indicated that the culinary team is stronger than it has ever been before. He also reported on the plans to put in a demonstration kitchen for recipe tasting, conducting classes and for testing new beef products. The new facility will be set up to facilitate filming of cooking demonstrations. He stated NCBA was working with designers and that Viking was interested in supplying ranges for the demonstration kitchen. NCBA is five or six weeks away from working out the details. When asked how much it cost to close the Culinary Center in Chicago, Dr. Reagan reported it was approximately \$32,000-\$35,000 and the cost of the shutdown was charged to overhead. He also indicated that the cost to build out the new demonstration kitchen would be funded by NCBA without checkoff contributions at an approximate cost of \$350,000-\$400,000. Doug Evans, NCBA CFO, indicated the costs would be capitalized as leasehold improvements, the depreciation of the improvements would be charged to overhead, and the overhead costs would be allocated to programs funded by CBB. Doug also explained that the tear-out costs for the Chicago facility were charged to overhead for the Chicago office.

## **Presentation of Ag Coalitions Funded by the Beef Checkoff**

Rick Husted, Kim Essex, and Jacque Matsen, NCBA, gave the committee members an update on ag coalitions funded by the beef checkoff, including: the Nutrient Rich Foods Coalition, North American Meat Group/International Meat Secretariat Efforts on Red Meat & Cancer, Choline Coalition, National Meat Case Study, Protein Labeling Study, Nutrition Labeling Coalition, 2010 NAMP Meat Buyers Guide, Cross-Species FMD Communicators, Animal Agriculture Alliance, Joint Industry Coalition and Farmers Fighting Hunger. Approximately \$2.2M in checkoff funding has been invested in ag coalitions.

## **Presentation of Amended Authorization Request**

Greg Hanes, USMEF, presented an amendment to previously approved FM-12-2010 – Taiwan Promotional Campaign to the Operating Committee for consideration. USMEF requested the addition of a “Trade Team” activity to Tactic 5A-Buyer Loyalty which would not require any additional funding, just the shifting of dollars from the promotions tactic to the trade team tactic.

David Dick moved and Dave Hamilton seconded to amend FM-12-2010-Taiwan Promotional Campaign, USMEF, to add a no-cost “Trade Team” activity to Tactic 5A-Buyer Loyalty. Motion passed.

## **Review Fiscal Year 2011 Planning Process and Priorities**

Rick Husted, NCBA, discussed the annual program planning process and presented the results of the program committee recommendations from the 2010 annual convention. The priorities for 2011 are:

1. Educate Influencers on Beef and Beef Production
2. Reconnect Consumers with Beef Production
3. Develop and Expand International Markets
4. Make Beef an Easy Choice
5. Demonstrate Beef’s Value (The Operating Committee requested that convenience be added to this priority.)
6. Implement Cohesive Safety Solutions
7. Capitalize on the Power of Lean

By consensus the Operating Committee agreed to have staff move forward with the priorities listed above for 2011.

The next step will be for staff to begin developing FY 2011 plans with input from contractors and state beef councils.

## **Progress Reports**

Chairman Dierschke indicated that progress reports were emailed to the committee and asked the committee members if they had any questions.

## **Other Business**

Chairman Dierschke stated the future meeting dates of the Operating Committee were May 20 in Denver and September 20-21 in Denver.

Chairman Dan Dierschke and Vice Chairman Scott George expressed their thanks to the staff.

## **Adjourn**

The meeting adjourned at 11:40 a.m.