

DRAFT MINUTES

**EXECUTIVE COMMITTEE
BEEF PROMOTION AND RESEARCH BOARD
HYATT REGENCY HOTEL
PHOENIX, ARIZONA
JANUARY 28, 2009**

Call to Order

Executive Committee Chair Lucinda Williams called the meeting to order at 7:45 am and introduced new CBB staff member Courtney Kalous, Director of Collections Compliance. The chair then asked for self introductions.

Members Present

Lucinda Williams, Chair
Laurie Bryant
Dan Dierschke, Treasurer
Charles Miller
Sugie Sartwelle
Myron Williams

Dave Bateman
Virginia Coelho
Robert Fountain, Jr.
Daryl Berlier Owen
Ken Stielow
Preston Wright

Guests Present

Don Hullman, CBB
Mark Riechers, CBB
Jenny Senn, CBB
David Owen, TX
Barry Jennings, SD Beef Council
John Schafer, CBB
Pat Woods, CBB
Margie McKeen, CBB
Will Frazee, CBB
Jeff Clausen, CBB
Jo Hall, HI Beef Council
Chuck Zimmerman, Web Blogger

Hughes Abell, CBB
Tom Jones, CBB
Jeff Clausen, CBB
Bob Fortune, SD Beef Council
Marcus Creasy, AR Beef Council
Stephen Orodener, CBB
Wesley Grau, CBB
Don Stewart, CBB
Bill Sessions, USDA
Craig Shackelford, USDA
Wayne Watkinson, Legal Counsel

Staff present

Courtney Kalous, CBB
Diane Henderson, CBB
Rich Otley, CBB
Charlotte Coates, CBB

Lynn Heinze, CBB
Angie Olejnik, CBB
Tom Ramey, CBB

Quorum

Executive Committee Chair Williams declared a quorum was present to conduct business.

Agenda

Daryl Berlier Owen moved and Robert Fountain seconded a motion to approve the agenda as presented. Motion passed.

Minutes

Daryl Berlier Owen moved and Charles Miller seconded approval of the December 15, 2008 meeting minutes and the January 2, 2009 conference call minutes as presented. Motion passed.

Financial Report

Dan Dierschke, CBB Secretary/Treasurer, presented the Beef Board's financial statements for the period ending December 2008. Mr. Dierschke reported that import revenues, domestic revenues and interest income were less than the amounts originally projected. He reported that revenue for FY 2009 would be approximately \$2.5 million less than the projected budget of \$43.4 million.

Myron Williams moved and Daryl Berlier Owen seconded to accept the December financial report. Motion passed.

Mr. Dierschke reported that on January 27, 2009, the Operating Committee recommended the FY 2009 budget be reduced by \$2.5 million with a 5.2% reduction of all program budget components pending approval by the full Board at its meeting on January 31, 2009. (Exhibit I) The Operating Committee is scheduled to meet via conference call on February 17, 2009 to act on the authorization requests that would be amended by the 5.2% program budget reduction.

Dan Dierschke moved and Robert Fountain seconded a motion to ratify Operating Committee actions. Motion passed.

Administration Subcommittee Report

Tom Jones, Chairman of the Administration Subcommittee, reported the Subcommittee reviewed the FY 2009 detailed administration budget and reviewed the summer meeting evaluations. Mr. Jones reported they received a record number meeting evaluation forms from the 2008 Summer Conference. Mr. Jones also stated he thanked the subcommittee for its hard work in 2008 on the Improvements to the Beef Checkoff Program.

Chair Williams added her thanks to the subcommittee for its hard work last year.

Status of State Marketing Plans

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

Status of State Audit Reports

Angie Olejnik indicated that all financial statements had been received from the Qualified State Beef Councils for FY 2008.

Brand or Trade Name References

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

- Washington State Beef Commission requested approval for a partnership with Anthony's Restaurants to promote "Surf & Turf" specials.

Laurie Bryant moved and Virginia Coelho seconded a motion to ratify the brand or trade name reference for this promotion. Motion passed.

Joint Industry Advisory Agreement

Tom Ramey presented the amended Joint Industry Advisory Agreement which reflected the changes approved by the Executive Committee to conduct separate Nominating Committee meetings for CBB, the Federation and the NCBA Policy Division. He also stated there were a few minor edits made to reflect the current status of the Joint Industry Evaluation Advisory Committee and the Joint Audit Advisory Committee.

Laurie Bryant moved and Dan Dierschke seconded to amend Section B - Joint Audit Advisory Committee, of the Joint Industry Advisory Agreement, to have the CBB Audit Committee chairman be an ex-officio non-voting member of the Joint Audit Committee. Motion passed.

Ken Stielow moved and Dan Dierschke seconded to accept all of the amendments to the Joint Industry Advisory Agreement with the exception of Section 2A – Joint Industry Nominating Advisory Committee. Motion passed.

Sugie Sartwelle moved and Laurie Bryant seconded to accept all of the amendments to the Joint Industry Advisory Agreement including changes made to Section 2A (elimination) thereof. Discussion. Motion passed.

USDA representatives stated that having separate Nominating Committees would address the perception issue regarding NCBA Policy having influence on the Nominating Committee selections.

CBB Update Session

CBB Chairman, Dave Bateman, outlined the procedures for presenting the Executive Committee's Recommendations on Improvements to the Beef Checkoff Program at the CBB Update Session scheduled for January 29, 2009.

Calls to CBB Board Members

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

Evaluation Report

Ken Stielow, chairman of the Joint Evaluation Advisory Committee, encouraged everyone to attend the Evaluation Committee meeting to hear Dr. Jim Mintert, Kansas State University, present the results of the Beef Demand Determinant Study.

Rich Otley, Director of Evaluation, reported that preliminary USDA figures indicate that beef demand was down 3.7% for 2008.

Producer Communications Update

Lynn Heinze presented results on the most recent Producer Attitude Survey. He reported producers continue to have very favorable attitudes toward the beef checkoff program, but the approval rating was down slightly from the previous year.

Other Business

Executive Committee Chair Williams stated the future meetings of the Executive Committee would be March 19 in Kansas City, May 14 in Denver, July 15 in Denver, and September 16 in Denver.

Chair Williams thanked all the retiring Executive Committee members and expressed her appreciation to all the Executive Committee members for their hard work this past year.

Executive Session

The Committee went into Executive Session at 10:05 am.

Adjourn

There being no further business, the meeting adjourned at 11:40 am.