

MINUTES
BEEF PROMOTION OPERATING COMMITTEE
BEEF PROMOTION AND RESEARCH BOARD
PHOENIX, ARIZONA
JANUARY 27, 2009

Call to Order

Chairman Dave Bateman called the meeting to order at 4:10 p.m.

Members present:

Dave Bateman, Chairman
Virginia Davis
Dan Dierschke
Tom Jones
Merrill Karlen
Chuck Kiker III
John Schafer
Don Stewart
Roger West
Lucinda Williams

Alan Albright, Vice Chairman
J.D. Alexander
David Dick
Laurie Lickley (via phone)
Scott McGregor
Craig Uden
Becky Walth
Helen Wiese

Members Absent:

Andrew Murphy

Jim Wilson

Staff present:

Angie Olejnik, CBB
Rick Husted, NCBA
Charlotte Coates, CBB
Diane Henderson, CBB

Rich Otley, CBB
Tom Ramey, CBB
Courtney Kalous, CBB
Lynn Heinze, CBB

Quorum Established

Chairman Bateman declared a quorum was present to conduct business.

Agenda Approved

Agenda was approved as presented by consensus of the committee.

Cattle-Fax Presentation

Mike Miller, Cattle-Fax, presented an overview of the projected cattle numbers for the remainder of FY 2009.

CBB Revenue Shortfalls and CBB Reserves

Dan Dierschke, CBB Secretary/Treasurer, Courtney Kalous, Director of Collections and Compliance, and Tom Ramey, OC Administrative Manager, discussed the revenue shortfalls for FY 2009. They reported that revenues were projected to be \$2-3 million less than previously budgeted due to declines in domestic and import assessments and a decline in interest rates. It was anticipated that domestic and import collections would increase slightly over last year during the remainder of FY 2009 but only enough to bring CBB's revenues to approximately \$2.5 million below projections. (Exhibit 1)

Mr. Dierschke presented the following options for the Operating Committee to consider:

1. Do nothing about the shortfall now;
2. Reduce some of the program budgets now and reduce the remainder later; or
3. Reduce the entire program budget now.

Mr. Dierschke also stated that the CBB reserves were intended to be used for emergency purposes such as responding to a BSE issue and was not intended to be used to supplement a shortfall in the budget.

Review Information Provided by Contractors

Rick Husted, NCBA COO, reported a shortfall in the Federation budget and indicated that a recommendation was made to reduce Federation funding of checkoff programs by \$1.4 million across all checkoff program areas. This recommendation was not yet approved by the Federation Board.

Chuck Kiker moved and John Shafer seconded to reduce CBB's FY 2009 budget by \$2,000,000. Motion failed with 8 yes, 10 no, and 2 absent. (Exhibit 2)

Tom Jones moved and John Shafer seconded to reduce CBB's FY 2009 budget by \$2,500,000. Motion passed with 13 yes, 5 no and 2 absent. (Exhibit 3)

JD Alexander moved and Craig Uden seconded to reduce all CBB program budget components by 5.2%. Discussion. Motion passed.

Action on FY 2009 Budget Amendment Recommendation

David Dick moved and Don Stewart seconded to approve the budget amendment recommendations and to recommend the 2009 proposed amended budget to the full Beef Board. Discussion. Motion passed. (Exhibit 4)

Adjournment

Having no further business, the meeting adjourned at 5:40 p.m.