

DRAFT MINUTES
BEEF PROMOTION OPERATING COMMITTEE
BEEF PROMOTION AND RESEARCH BOARD
RENAISSANCE HOTEL - DENVER, COLORADO
MAY 14, 2009

Call to Order

Chairman Lucinda Williams called the meeting to order at 12:55 p.m.

Members present:

Lucinda Williams, Chair
JD Alexander, Vice Chair
Chuck Adami
Jerry Bohn
David Dick
Dan Dierschke
Scott George
Dave Hamilton
Tom Jones
Merrill Karlen

Chuck Kiker
Tammy Ogilvie
Al Pedigo
John Schafer
Don Stewart
Linda Joy Stovall
Craig Uden
Becky Walth
Roger West
Helen Wiese

Guests present:

Laurie Bryant, CBB
Virginia Coelho, CBB
Dave Bateman, CBB
Robert Fountain, Jr., CBB
Kristy Lage, ANCW
Daryl Berlier Owen, CBB
Dan Petersen, CBB
Jenny Senn, CBB
Todd Johnson, KSBC
Dan Halstrom, JBS/USMEF
Ann Marie Bosshamer, NBC
Ray Kronen, Veal Committee

Myron Williams, CBB
Weldon Wynn, CBB
Wendy Harding, ANCW
Lucy Rechel, Federation
Craig Shackelford, USDA/AMS
Sharon Spennath, CBB
Glenda Flora, CBB
Dan Kniffen, CBB
Wayne Buck, CBB
Maralee Johnson, IBA
Richard Ayers, Veal Committee
Bruce Hafenfeld, NCBA

Staff present:

Mandy Carr, NCBA
Martin Roth, NCBA
Shalene McNeill, NCBA
Bridget Wasser, NCBA
Janel Fisher, NCBA
Rick Husted, NCBA
Ashby Green, NCBA
Rick McCarty, NCBA
Jim Henger, NCBA
Dean Conklin, NCBA
Phil Seng, USMEF
Thad Lively, USMEF

Darren Williams, NCBA
J.O. Reagan, NCBA
Jacque Matsen, NCBA
Barb Wilkinson, NCBA
Doug Evans, NCBA
Forrest Roberts, NCBA
Jane Gibson, NCBA
Julie Sodano, NCBA
Randy Irion, NCBA
Ellen Gibson, NCBA
John Lundeen, NCBA
Tom Ramey, CBB

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

Angie Olejnik, CBB
Lynn Heinze, CBB
Melissa Slagle, CBB

Quorum Established

Chairman Williams 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.

Minutes Approved

John Schafer moved and Linda Joy Stovall seconded approval of the March 18-19, 2009 minutes as corrected. Motion passed.

Financial Report

Tom Jones, CBB secretary/treasurer, presented the Beef Board's financial statements for the period ending April 2009. Mr. Jones commented on the FY 2009 amended budget of \$41.7 million and CBB reserves of \$3 million. Mr. Jones reported that assessment revenues decreased from last year, interest income and program expenses also decreased from last year, and administration expenses were up from last year. He indicated that revenues are in line with projections and he will report on the projections again at the September meeting.

Evaluation Update

Rich Otley, CBB director of evaluation, reported that the Joint Evaluation Advisory Committee met on April 24 in Kansas City. Dr. Jim Mintert, Kansas State University, reviewed the recently completed Beef Demand Determinant Study with the committee.

Mr. Otley also reported that mid-year evaluations of FY 2009 projects were completed, and all projects were on track for completion.

Mr. Otley presented the FY 2010 Evaluation Strategic Plan and Budget, which was recommended by the Joint Evaluation Advisory Committee. The proposed budget of \$220,000 has been decreased by \$90,000 from the FY 2009 budget.

Veal Committee

Ray Kronen, chairman of the Joint Veal Committee, spoke about the need for the veal budget to receive the additional \$300,000 of funding the veal budget methodology indicates is paid by veal producers to CBB and through the Federation of State Beef Councils.

Presentation of the FY 2010 Budget

Tom Ramey reviewed the CBB budget committee's calculation of CBB's funds available for budgeting in fiscal year 2010, including the proposed budgets for producer communications, program development, USDA oversight and administration, and the CBB FY 2010 program budget recommended by the Joint Industry Budget Committee.

Presentation of Proposed FY 2010 AR Format

Tom Ramey presented the proposed FY 2010 AR Format. The proposed format included a new budget category requesting the following information under item "C": "Implementation Costs Requested in Separate AR" and the addition of an "Appendix" that would identify all of the strategies and Long Range Plan priorities addressed in individual ARs. The "Appendix" would be placed behind a separate tab in future Operating Committee books and is intended to reduce redundancy and to shorten and simplify the ARs.

Dan Dierschke moved and Tammy Ogilvie seconded a motion to approve the FY 2010 AR format as presented. Motion passed. (Exhibit 1)

Action on FY 2010 Evaluation Plan and Budget

Tom Jones moved and David Dick seconded a motion to approve the evaluation strategic plan and budget for FY 2010 as presented. Motion passed. (Exhibit 2)

Action on FY 2010 Budget Recommendation

Don Stewart moved and Tom Jones seconded a motion to recommend the proposed FY 2010 CBB budget as presented to the full Beef Board. Discussion.

Courtney Kalous, CBB director of collections compliance, discussed how the revenue projection was reached to calculate the funds available for FY 2010.

Linda Joy Stovall moved and John Schafer seconded to amend the FY 2010 proposed budget by reducing the Implementation budgets for Promotion, Research, Consumer Information, and Foreign Marketing by \$20,000 each and use those funds to increase the Industry Information budget by \$80,000. Discussion. The motion failed with 7 yes and 13 no votes. (Exhibit 3)

The original motion as presented passed. (Exhibit 4)

Progress Reports

Chairman Williams indicated that progress reports were printed in the book and asked the committee members if they had any questions. Chairman Williams also indicated that future progress reports would be emailed to the Operating Committee members prior to an Operating Committee meeting in an effort to reduce printing and mailing costs. Chairman Williams stated that all Operating Committee members' names would be added to the subscription lists of USMEF and MICA to receive USMEF's quarterly report and MICA's newsletter via email.

Other Business

Chairman Williams stated the next meeting of the Operating Committee will be September 15-16 in Denver.

Adjourn

The meeting adjourned at 1:50 p.m.

AUTHORIZATION REQUEST FOR FY 2010

AR Title: _____

Name of Contractor: _____

CBB Budget Component: _____

I. OVERVIEW

A. AR Description: *(Brief overview)*

B. Costs Requested from this AR:

Source of Funding	Total	Direct Costs	Implementation
Beef Board/BPOC	\$	\$	\$
Federation of SBCs (FSBCs)	\$	\$	\$
Other Sources <i>(describe)</i>	\$	\$	\$
Total Funds Requested	\$	\$	\$

C. Disclosure of Implementation Costs Requested in Separate AR# _____:

Source of Implementation Funding	Implementation
Beef Board/BPOC	\$
Federation of SBCs (FSBCs)	\$
Other Sources <i>(describe)</i>	\$
Implementation Funds Requested in AR # _____	\$

D. Start date: _____ Completion date: _____

II. PLANNING INFORMATION FOR THIS AR

A. FY 2010 Priorities Addressed by This AR:

B. Committee That Reviewed This AR: *(List committee/subcommittee name)*

C. Committee Recommendations for This AR: *(List committee/ subcommittee recommendations)*

III. **PROGRAM INFORMATION FOR THIS AR**

A. **Strategy 1:** _____ (Refer to Appendix I for description, objectives and Long Range Plan Priorities addressed by this Strategy)

Strategy 1 Proposed Cost: \$ _____

Specific Tactic Information:

Tactic 1A: (Provide title and brief/simple description)

- **Measurable objectives:**
- **Proposed cost:** \$ _____

Tactic 1B: (Provide title and brief/simple description)

- **Measurable objectives:**
- **Proposed cost:** \$ _____

B. **Strategy 4:** _____ (Refer to Appendix I for description, objectives and Long Range Plan Priorities addressed by this Strategy)

Strategy 4 Proposed Cost: \$ _____

Specific Tactic Information:

Tactic 4A: (Provide title and brief/simple description)

- **Measurable objectives:**
- **Proposed cost:** \$ _____

Tactic 4B: (Provide title and brief/simple description)

- **Measurable objectives:**
- **Proposed cost:** \$ _____

IV. DETAILED BUDGET SUMMARY

Strategy & Tactic	Program Manager	Completion Date	Total FY 2010 Budget	Budget by Funding Source		
				CBB/BPOC	FSBCs	Other
Strategy 1: (Include name)						
Tactic 1A: (Include title)						
Tactic 1B: (Include title)						
Strategy 1: (Include name)						
Totals - Strategy 1						
Strategy 4: (Include name)						
Tactic 4A: (Include title)						
Tactic 4B: (Include title)						
Strategy 4: (Include name)						
Totals - Strategy 4						
AR Totals						

V. SUPPLEMENTAL INFORMATION

A. Changes from FY 2009 Approved AR:

-
-
-

B. Subcontractor information:

- Name of proposed subcontractor:
- Will all work with subcontractors be competitively bid? If not, why not?

C. Identify any relationships between this AR and projects previously funded by the Operating Committee:

D. Summary of Prior Year AR Budgets and Expenses:

Strategy & Tactic	FY 2009 Approved Budgets			FY 2009 Actual Expenses (through most recent monthend)		
	CBB/BPOC	FSBCs	Total	CBB/BPOC	FSBCs	Total
Strategy 1: (Include name)						
Tactic 1A: (Include title)						
Tactic 1B: (Include title)						
Totals - Strategy 1						
Strategy 4: (Include name)						
Tactic 4A: (Include title)						
Tactic 4B: (Include title)						
Totals - Strategy 4						
AR Totals						

E. Historical Summary of Budgets and Expenses:

Strategy & Tactic	Total Approved Budgets			Total Actual Expenses		
	FY 2008	FY 2007	FY 2006	FY 2008	FY 2007	FY 2006
Strategy 1: (include name)						
Strategy 4: (include name)						
AR Totals						

ATTACHMENT A
Additional Funding Requests for FY 2010
AR Title: _____

I. PLANNING INFORMATION FOR THIS ATTACHMENT A

A. FY 2010 Priorities Addressed by This Attachment:

B. Committee That Reviewed This Attachment: *(List committee/subcommittee name)*

C. Committee Recommendations for This Attachment: *(List committee/ subcommittee recommendations)*

II. PROGRAM INFORMATION FOR THIS ATTACHMENT

A. Strategy 1: _____ *(Refer to Appendix I for description, objectives and Long Range Plan Priorities addressed by this Strategy)*

Strategy 1 Proposed Cost: \$ _____

Specific Tactic Information:

Tactic 1C: *(Provide title and brief/simple description)*

▪ **Measurable objectives:**

▪ **Proposed cost:** \$ _____

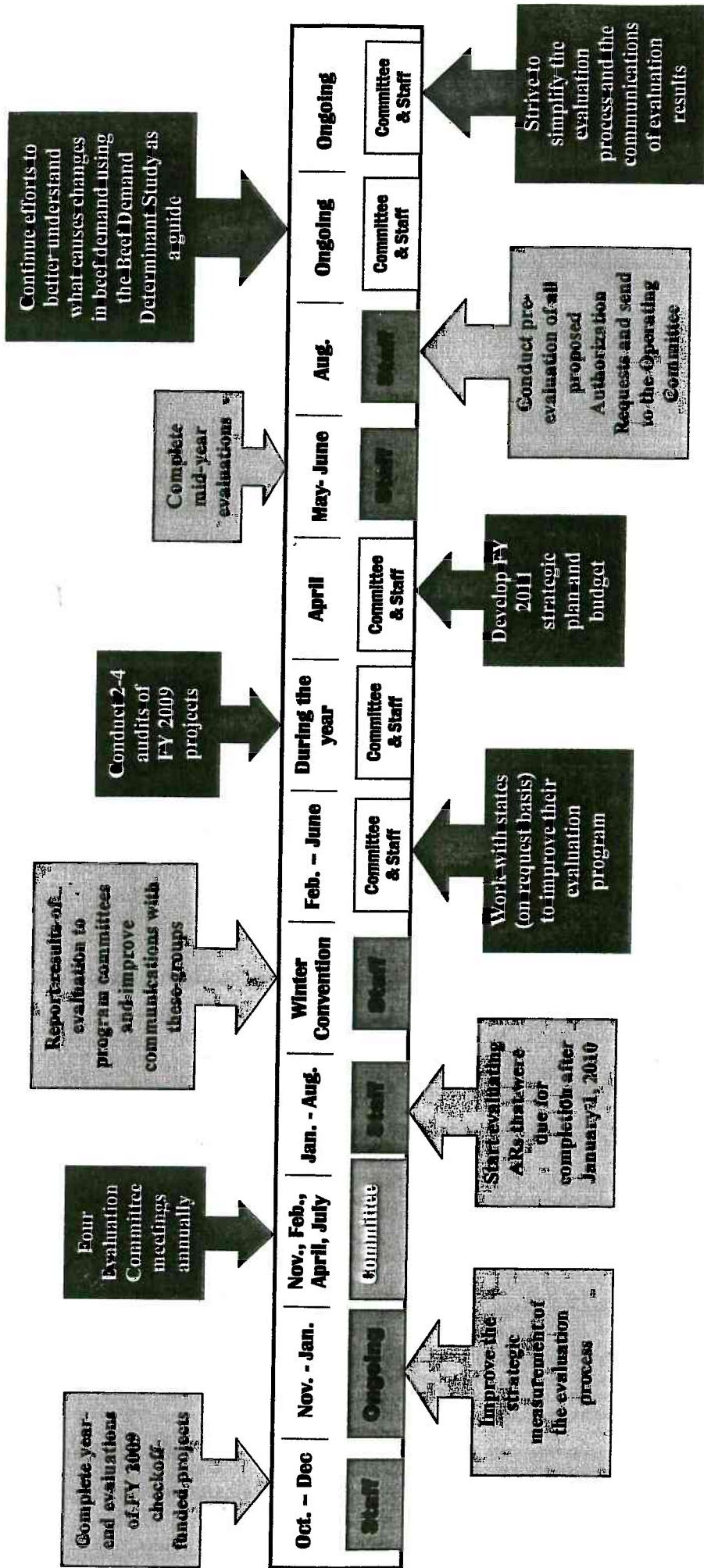
Tactic 1D: *(Provide title and brief/simple description)*

▪ **Measurable objectives:**

▪ **Proposed cost:** \$ _____

Strategy	Measurable Objectives
1.	1a.
	1b.
	1c.
	1d.
	1e.
LRP Objectives:	(List LRP objectives addressed by this strategy)
2.	2a.
	2b.
	2c.
	2d.
	2e.
LRP Objectives:	(List LRP objectives addressed by this strategy)
3.	3a.
	3b.
	3c.
	3d.
	3e.
LRP Objectives:	(List LRP objectives addressed by this strategy)

PROPOSED FY 2010 EVALUATION STRATEGIC PLAN



Analysis of Evaluation Budget Fiscal Year 2010

ACTUAL EXPENSES:

Description	Fiscal Year 2009			2010 Proposed Budget
	2007 Actual Expenses	2008 Actual Expenses	Total Projected Expenses	
Office Support & Travel	\$ 129,696	\$ 142,206	\$ 147,853	\$ 145,000
Project Evaluation Audits	35,709	25,061	85,350	50,000
Economic Impact Study	-	-	85,000	-
Meetings	13,079	11,759	6,925	10,000
Printing and Distribution	19,927	14,442	15,198	15,000
	<u>\$ 198,411</u>	<u>\$ 193,468</u>	<u>\$ 340,326</u>	<u>\$ 220,000</u>

BUDGETED EXPENSES:

Description	Fiscal Year 2009			2010 Proposed Increase (Decrease)
	2007 Approved Budget	2008 Approved Budget	Total Budget Including Carry-Over	
Office Support & Travel	\$ 126,500	\$ 129,000	\$ 135,000	\$ 10,000
Project Evaluation Audits	80,000	82,000	116,532	(20,000)
Economic Impact Study	-	-	85,000	(85,000)
Meetings	8,500	9,000	10,000	-
Printing and Distribution	15,000	20,000	10,000	5,000
	<u>\$ 230,000</u>	<u>\$ 240,000</u>	<u>\$ 356,532</u>	<u>\$ (90,000)</u>

EXHIBIT 3

ROLL CALL VOTE #1

Motion to amend the FY 2010 proposed budget by reducing the Implementation budgets of Promotion, Research, Consumer Information, and Foreign Marketing by \$20,000 each and used to increase the Industry Information budget by \$80,000.

Motion failed.

	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Chuck Adami	X		
JD Alexander - Vice Chair		X	
Jerry Bohn		X	
David Dick		X	
Dan Dierschke		X	
Scott George		X	
Dave Hamilton		X	
Tom Jones	X		
Merrill Karlen		X	
Chuck Kiker III	X		
Tammy Ogilvie		X	
Al Pedigo		X	
John Schafer	X		
Don Stewart	X		
Linda Joy Stovall	X		
Craig Uden		X	
Becky Walth		X	
Roger West		X	
Helen Wiese		X	
Lucinda Williams - Chair	X		
TOTAL	7 YES	13 NO	0 ABSENT

Cattlemen's Beef Promotion and Research Board Recommended Fiscal Year 2010 Budget

CBB Budget Component	FY 2008 Budget	FY 2009 Budget	Recommended FY 2010 Budget	Increase (Decrease) Compared to Prior Year	Percentage Increase (Decrease) Compared to Prior Year
Promotion	\$ 22,796,600	\$ 18,491,538	\$ 18,095,616	\$ (395,922)	(1.7)%
Research	7,408,200	6,096,581	6,164,300	67,719	0.9 %
Consumer Information	6,281,800	4,944,371	4,738,300	(206,071)	(3.3)%
Industry Information	2,422,900	2,298,190	2,864,400	566,210	23.4 %
Foreign Marketing	5,250,000	5,437,824	5,272,384	(165,440)	(3.2)%
Producer Communications	2,270,500	1,801,496	1,800,000	(1,496)	(0.1)%
Evaluation	240,000	310,000	220,000	(90,000)	(37.5)%
Program Development	125,000	125,000	130,000	5,000	4.0 %
Total Programs	46,795,000	39,505,000	39,285,000	(220,000)	(0.5)%
USDA Oversight	210,000	255,000	255,000	-	0.0 %
Administration	2,045,000	1,940,000	2,050,000	110,000	5.4 %
Total Budgeted Expenditures	\$ 49,050,000	\$ 41,700,000	\$ 41,590,000	\$ (110,000)	(0.2)%