

**DRAFT
MINUTES
CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD
GAYLORD PALMS HOTEL
ORLANDO, FLORIDA
AUGUST 3 & 4, 2011**

Session I – Wednesday, August 3, 2011

Vice Chairman Wesley Grau welcomed attendees to the CBB Update Session meeting. Welcoming and opening remarks were heard from Polly Ruhland, Interim CEO of the Cattlemen's Beef Board and Keith Miller, Chairman of the United States Meat Export Federation.

Meeting Called to Order and a Quorum Established

Vice Chairman Grau called Session I of the 50th meeting of the Cattlemen's Beef Promotion and Research Board to order and declared a quorum present to conduct business.

Agenda

There being no changes or additions to the agenda, it was approved as printed.

Executive Committee Report

Wesley Grau, Executive Committee Chairman, explained that the Executive Committee carried out Board policies, conducted Board business, and made decisions necessary to administer the terms and provisions of the Act and Order between meetings of the full Board and under policies established by the Board.

Mr. Grau reported the Executive Committee's approved more than a dozen state and national checkoff branded partnerships, reviewed and discussed recommendations received from the Special Committee on Roles & Responsibilities and approved the revised recommendations, reviewed the Operating Committee budget recommendation, and met with Federation Executive Committee members to discuss the working relationship between CBB and the Federation.

It was moved and seconded to ratify the actions in the Executive Committee minutes of June 16, 2011, and the conference call minutes of March 14, May 5, June 28, July 11, July 18 and July 25, 2011.

Motion passed.

Roles and Responsibilities

Ted Greidanus, chair of the special R&R committee, presented a brief history of the work of the Roles & Responsibilities special committee. He also reported that the special committee held a Webinar meeting on the afternoon of July 22, 2011 and reviewed the five major points in the Roles & Responsibilities report with members of the Federation Executive Committee. Following a review of all of the comments submitted to the R&R committee and the CBB Executive Committee approval of the R&R document, the committee recommends to the Beef Board the following changes to the Roles & Responsibilities document:

Recommendation #2: Beef Board Responsibility: Develop and implement plans, projects, and budgets.

- The Cattlemen’s Beef Board and the Federation of State Beef Councils will jointly develop annual plans and priorities, in accordance with checkoff-appropriate strategies within the Industry Long Range Plan.
- QSBCs and contractors will have input on the checkoff’s plans and priorities. The Budget Committee will consist of Cattlemen’s Beef Board and Federation of State Beef Councils members for the purpose of review and approval of all national checkoff budgets.

Recommendation #3: Beef Board Responsibility: Design committee structure

- Joint checkoff committees will have Federation of State Beef Councils and Cattlemen's Beef Board representation.
- Cattlemen's Beef Board officers will choose Cattlemen's Beef Board committee members. The Operating Committee chair and vice chair will choose the chair and vice chair of each committee, which may be from either the Federation of State Beef Councils or the Cattlemen’s Beef Board.
- Committees are open meetings, and all industry participants are encouraged to attend and participate. Only committee members may vote.

Recommendation #7: Beef Board Responsibility: Align programs and funding in accordance with the Board’s strategic plan

- The Cattlemen's Beef Board and Federation of State Beef Councils should adhere to the Beef Industry Long Range Plan to develop priorities for checkoff program work annually. The annual planning process should include all checkoff contractors.
- Industry Long Range Planning Committees should always include all segments and major viewpoints of the industry.
- The Cattlemen's Beef Board and the Federation of State Beef Councils shall work together, and in alignment with the Industry Long Range Plan, to develop annual checkoff priorities. Input should be solicited from all Qualified State Beef Councils and all checkoff contractors during the planning process.

Recommendation #18: Beef Board Responsibility: Evaluate the effectiveness of checkoff programs

- The Evaluation Committee shall be a joint Cattlemen's Beef Board and Federation of State Beef Councils committee, and should evaluate all national checkoff programs.
- The Evaluation Committee should also offer evaluation services to qualified state beef councils (QSBC) at the QSBC invitation. These meetings are open to the industry and all are welcome to attend and participate.

Recommendation #6: Beef Board Responsibility: Recommend approval of plans, projects, and budgets to the Secretary of Agriculture

- The Cattlemen's Beef Board will review all program plans and budgets funded by the Operating Committee.

Ted Greidanus moved and Kristy Lage seconded to approve the recommended changes to the Roles and Responsibilities document. Discussion.

Ted Greidanus moved and Eric Smith seconded to amend the above motion with the following changes to Recommendation #2: Current Procedures – to now read: “Participate in a Cattlemen’s Beef Board and Federation planning process to develop plans, projects and budgets;” and Recommendation #6: Current Procedures – to now read: “The Cattlemen’s Beef Board Executive Committee recommends the Board’s budgets to the Secretary for approval.” Discussion. Motion passed.

Roger West moved and Kevin Frankenbach seconded to conduct the vote by paper ballot. Discussion. Motion failed.

The original motion as amended passed.

Proposed Bylaws Change

CBB member Dean Black from Iowa presented the following proposed Bylaws change to the CBB Bylaws:

Nominating Committee: A standing, nominating committee shall be created for the sole purpose of presenting to the Board a slate of candidates for Officers, Executive Committee members and Beef Promotion Operating Committee members. The board shall consider and vote on leadership candidates at the annual meeting.

The nominating committee shall consist of seven voting members elected by the Cattlemen’s Beef Board (CBB). The Coordinating Chairman of the committee (non-voting) shall be the immediate past chair of the CBB. If the immediate past chair cannot serve in this capacity then the present CBB chair shall appoint a chair for the committee to complete the nominations process for that year.

The seven nominating committee members shall consist of the candidates receiving the greatest number of votes during summer meeting in each of the four regions, along with the three candidates (at large) receiving the greatest number of votes of the remaining candidates. Each member shall serve no more than two, one-year terms. A minimum of two years of experience on the CBB is required.

The regions will consist of states as follows:

Region 1: CT, DE, IL, IN, KY, MA, MD, ME, MI, MN, NC, NH, NJ, NY, OH, PA, RI, TN, VA, VT, WI, WV

Region 2: AL, FL, GA, LA, MS, OK, SC, TX

Region 3: AR, IA, KS, MO, NE, SD

Region 4: AK, AZ, CA, CO, HI, ID, MT, ND, NM, NV, OR, UT, WA, WY

Dean Black moved and Kim Brackett seconded to accept the proposed amendment to the CBB Bylaws. Discussion.

CBB legal counsel Wayne Watkinson thanked Mr. Black for submitting the amendment to the CBB Bylaws in a timely manner and for explaining the intent of the proposed bylaw amendment. Mr. Watkinson indicated that the proposed amendment did not indicate how importers would participate. Mr. Watkinson pointed out that the proposed amendment also did not address the potential vacancy reference

Interim CEO Polly Ruhland described the current Nominating Committee process and stated that currently the seven regions are used informally to ensure all segments of the industry, including importers, make up the nominating committee.

Eric Smith moved and Lindy Whipps seconded to amend the original motion to clarify that the importers would vote within the region that includes their domestic headquarters; and second, that if there were a vacancy on the nominating committee for any reason the next highest vote getter would fill that vacancy. Discussion. Amendment passed.

Discussion continued on the main motion.

Al Davis moved and Chuck Kiker seconded to refer the proposed bylaw changes to a special committee. Discussion.

Jane Clifford moved and Kristy Lage seconded to have the motion voted by ballot vote. Motion passed.

Motion to refer the proposed bylaw changes to a special committee failed.

Kim Bracket moved and Dean Black seconded to amend the main motion to strike the phrase - “A minimum of two years of experience on the CBB is required:” and add the provision – “Each region shall have no more than two members serve on the nominating committee.” Motion passed.

Kim Bracket moved and Eric Smith seconded to amend the main motion as amended to state that if there are three high vote getters in one region the person who receives the lowest number of votes in that region is excluded from running for one of the three at-large positions. Discussion. Motion passed.

Discussion continued on the main motion as amended.

Roger West moved and Ted Greidanus seconded to conduct a ballot vote on the motion as amended. Discussion. Motion passed.

Kim Bracket moved and Eric Smith seconded to call the question. Motion passed.

Main motion as amended failed with 31 no votes and 60 yes votes.

Ted Greidanus moved and Dan Dierschke seconded to destroy the ballots. Motion passed.

Joe Guthrie moved and Ted Greidanus seconded to direct the Chair to appoint a special committee to review the CBB Bylaws and bring the proposed bylaw changes to the Beef Board for consideration at the 2012 board meeting during winter convention. Discussion. Motion passed.

Election of CBB Officer Vacant Position

CBB legal counsel Wayne Watkinson outlined the process for the election of the vacant chair position. Nominations will be received from the floor and if there is more than one candidate, there will be a ballot vote. A majority is needed to elect a candidate.

Mr. Watkinson stated there is a vacancy for the position of chairman and according to the CBB Bylaws under “Article VI, Officers and Their Duties, Section 1.3., Vacancy - In the event of death, resignation, or disqualification of an officer, a successor shall be elected by the Board from members as soon as practical to serve for the remainder of the unexpired term of office.”

Kristy Lage nominated Wesley Grau for the position of CBB chair.

Bob Drake moved and Roger West seconded to close nominations and elect Wesley Grau for the position of CBB Chairman by unanimous ballot.

Wesley Grau was elected as CBB Chairman opening up a vacancy for the CBB Vice Chairman position.

Wayne Buck moved and Bruce Dopslauf seconded to close nominations and elect Weldon Wynn for the position of CBB Vice Chairman by unanimous ballot.

Weldon Wynn was elected as CBB Vice Chairman opening up a vacancy for the CBB Secretary Treasurer position.

John Schafer moved and Bruce Dopslauf seconded to nominate Ted Greidanus for Secretary Treasurer of the Beef Board.

Kim Bracket moved and Dean Black seconded to nominate Roger West for Secretary Treasurer of the Beef Board.

A motion was made and seconded to close the nominations. Motion passed.

The candidates were given an opportunity to say a few words before the board voted.

Roger West received 46 votes and Ted Greidanus received 45 votes. Roger West was elected as the CBB Secretary Treasurer.

Chairman Wesley Grau appointed the following persons to serve on the special bylaws committee:

Kim Bracket, ID
Wayne Buck, CO
Jane Clifford, VT
Joe Guthrie, VA – Chair
Genevieve Lyons, LA
Eric Smith, AL
Weldon Wynn, AR – ex-officio

Joe Guthrie moved and Dan Dierschke seconded to destroy the ballots. Motion passed.

Status of OIG Audit

Polly Ruhland stated that OIG has indicated they will be returning to the CBB offices, but no dates have been set.

A motion was made and seconded to adjourn at 11:00 a.m. Motion passed.

Recess

There being no further business, Session I of the CBB meeting recessed until Session II on Saturday, August 4 at 7:30 a.m.

Session II – Saturday, August 4, 2011

Chairman Wesley Grau convened Session II of the 50th meeting of the Cattlemen’s Beef Promotion and Research Board at 7:45 a.m. Vice Chairman Weldon Wynn gave the Invocation. NCBA President-Elect J.D. Alexander led the Pledge of Allegiance, which was followed by a solo of “God Bless America” by Barb Wilkinson.

Establish a Quorum

Chairman Grau declared a quorum was present to conduct business.

Agenda

It was moved and seconded to approve the agenda as mailed. Motion passed.

Minutes

It was moved and seconded to approve the February 3 and 5, 2011 Board meeting minutes as printed. Motion passed.

Financial Report

CBB Secretary/Treasurer Roger West presented an overview of CBB’s financial statements through June 2011. Mr. West reported that for the past two years, assessments have been the lowest amount collected by the Board since 1987.

FY 2012 Recommended Budget

Secretary/Treasurer Roger West reported that for fiscal year 2012, the Operating Committee and Beef Board Executive Committee recommended the Beef Board budget of \$42.1 million, which is \$890 thousand lower than the 2011 budget due to a decrease in revenues and projected funds available from projects completed under budget.

- Promotion - \$17,809,750
- Research - \$5,806,750
- Consumer Information - \$4,429,570
- Industry Information - \$3,103,760
- Foreign Marketing - \$6,375,170
- Producer Communications - \$1,800,000
- Evaluation - \$225,000
- Program Development - \$180,000
- USDA Oversight - \$250,000
- Administration - \$2,070,000

Roger West moved and Danni Beer seconded to approve the FY 2012 Beef Board budget as presented. Motion passed.

History of the Checkoff

CBB legal counsel Wayne Watkinson offered a history of the Beef Checkoff Program.

Operating Committee Report

Chairman Grau presented a brief report covering Operating Committee actions over the previous six months. He outlined the responsibilities of the committee in approving authorization requests and contracting with national, non-profit, industry governed organizations within the parameters of the Act, Order, and CBB Guidelines. Chairman Grau thanked all the CBB contractors and subcontractors, recognized the members of the 2011 Operating Committee, and thanked them for their efforts.

The Operating Committee welcomed new members and provided an orientation, heard presentations and discussed the FY 2012 priorities, recommended the FY 2012 Beef Board budget to the full Beef Board, received and discussed evaluation updates, and received progress reports from organizations conducting beef checkoff-funded projects.

Evaluation Report

Ted Greidanus presented the Joint Evaluation Advisory Committee report. He reported the committee met on Tuesday, August 2 and unanimously accepted the reports on the external evaluations of the Beef Ambassador Program and the Nutrition & Health Influencers Program. The committee also heard a report on the 10-year research program audit conducted by a third party auditor. The committee approved the tracking method for authorization requests outcome-based measurables.

Joint Committee Reports

CBB Chairman Wesley Grau and NCBA President Bill Donald reported that joint industry committees met yesterday and written summaries were provided to the board in their board meeting packets and additional copies are located at the back of the room.

Management Report

Interim CEO Polly Ruhland presented a CBB management report.

Other Business

Chairman Grau asked if there was any other business to come before the Board.

Adjourn

There being no further business, the CBB portion of the Board meeting adjourned at 9:30 a.m.