

**DRAFT MINUTES
BEEF PROMOTION OPERATING COMMITTEE
BEEF PROMOTION AND RESEARCH BOARD
DENVER, COLORADO
MAY 15, 2008**

Call to Order

Chairman Dave Bateman called the meeting to order at 9:40 a.m. and asked for self-introductions.

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
Scott McGregor
Andrew Murphy
Craig Uden
Becky Walth
Helen Wiese

Members Absent:

Jim Wilson

Guests present:

Scharee Atchison, NLPA
Laurie Bryant, CBB
Virginia Coelho, CBB
Wayne Buck, CBB
Terri Carstensen, IA
Kathy Cornett, McCormick Company
Luisa Munsee, NCBA Treasurer
Daryl Berlier Owen, CBB
Charles Miller, CBB
Ken Stielow, CBB
Rod Nulik, AR

Ed Lord, MT
Jim Almond, CBB
Sugie Sartwelle, CBB
Kenny Payne, USDA-AMS
Fita Witte, ANCW
Richard Rossier, Legal Counsel
Myron Williams, CBB
Preston Wright, CBB
Robert Fountain, Jr., CBB
Kristy Lage, CBB
Dan Halstrom, USMEF

Staff present:

Mandy Carr, NCBA
Jane Gibson, NCBA
Ron Goss, USMEF
Dean Conklin, NCBA
Sherry Hill, ANCW
Betty Anne Redson, NCBA
Bridget Baird, NCBA
Kim Essex, NCBA
Martin Roth, NCBA
Ellen Gibson, NCBA
Jim Henger, NCBA
Lynn Heinze, CBB
Rick Husted, NCBA
John Lundeen, NCBA
Steve Barratt, CBB
Charlotte Coates, CBB

Diane Henderson, CBB
Jim Herlihy, USMEF
Mary Young, NCBA
Michele Petersen Murray, NCBA
Barb Wilkinson, NCBA
Philip Seng, USMEF
Shalene McNeill, NCBA
Bucky Gwartney, NCBA
Angie Olejnik, CBB
Doug Evans, NCBA
Ashby Green, NCBA
Rich Otley, CBB
Bo Reagan, NCBA
Thad Lively, USMEF
Tom Ramey, CBB

Quorum Established

Chairman Bateman declared a quorum was present to conduct business.

Agenda Approved

David Dick moved and Laurie Lickley seconded approval of the agenda as presented. Motion passed.

Minutes Approved

Tom Jones moved and Don Stewart seconded approval of the March 17-18, 2008 minutes. Motion passed.

Financial Report

Dan Dierschke, CBB Secretary/Treasurer, presented the Beef Board's financial statements for the period ending April 2008. Mr. Dierschke reported that import revenue and interest income would be less than the amounts originally projected by approximately \$660,000.

Evaluation Update

Evaluation Committee Chair Ken Stielow reported the Committee met recently in Denver. Mr. Stielow further reported that preliminary results on the Beef Demand Determinant Study are due November 2008 from Dr. Jim Mintert, Kansas State University.

Rich Otley presented the 2009 Evaluation Strategic Plan and budget, which includes a proposed budget increase of \$95,000. (Exhibit 1) He reported that the Act and Order requires an in-depth

economic impact study to be conducted at least every five years and he would be soliciting request for proposals for the study (estimated cost of \$85,000). The proposed use for the remaining \$10,000 will be to provide an annual update to the Beef Demand Determinant Study.

Mr. Otley further reported that the FY2008 project evaluation audit on the checkoff response to the cancer report, the second audit on youth education, and the audit of checkoff websites would be reported at the Summer Conference in July.

Recommendations for Enhancements to Summer Checkoff Efforts

In response to member concerns about the beef supply during the economic recession, Kim Essex, NCBA staff, presented a proposal for an expanded summer grilling plan which includes new radio ads and print media focusing on efforts to increase beef demand during the summer months if funding was available.

Budget History

Tom Ramey reviewed a history of the budget, the calculation of CBB's funds available for budgeting in fiscal year 2009, along with a summary of the fiscal year planning process.

Mr. Kenny Payne, USDA-AMS, discussed the need for the increased funds for USDA Oversight in the proposed budget for FY 2009.

Presentation of Proposed FY 2009 AR Format

Tom Ramey presented the proposed FY 2009 AR Format indicating the only change was the addition of a new category requesting the following: "Planning Factors Addressed by This Strategy" under Strategy 1 Objectives. (Exhibit 2) Mr. Ramey indicated that "Big Ideas" may be a better category than "Planning Factors" given the fact that budget recommendations were presented by "Big Idea," not by "Planning Factors." Mr. Ramey asked the committee members if they had any questions on the proposed AR Format.

Operating Committee members requested that future program or project presentations clearly indicate where each "big idea or priority" fits into CBB budget components.

J. D. Alexander moved and Helen Wiese seconded a motion to approve the AR format with the two new categories to be addressed under Strategy 1 Objectives: "Planning Factors Addressed by This Strategy" and "Big Ideas Addressed by This Strategy." (Exhibit 3) Motion passed.

Action on FY 2009 Evaluation Plan and Budget

David Dick moved and Don Stewart seconded a motion to accept the Evaluation Strategic Plan and Budget as presented. Motion passed.

Action on FY 2009 Budget Recommendation

Don Stewart, Vice Chair of the Joint Budget Committee, presented the Budget Committee's recommendations totaling \$45.8 million. (Exhibit 4)

Promotion	\$19,967,400
Research	7,014,300
Consumer Information	5,446,000
Industry Information	2,620,300
Foreign Marketing	5,837,000
Producer Communications	2,160,000
Evaluation	335,000
Program Development	125,000
Total Programs	43,505,000
USDA Oversight	255,000
Administration	2,040,000
Total Proposed Budget	<u>\$45,800,000</u>

Don Stewart moved and Virginia Davis seconded a motion to approve the budget recommendations as presented and to recommend the 2009 proposed budget to the full Beef Board. Discussion. Motion passed.

Operating Committee members requested that the CBB budget be summarized by individual program committees and sent to the Operating Committee members.

Progress Reports

Chairman Bateman indicated that progress reports were printed in the book and asked the committee members if they had any questions. The most recent Research update was distributed to the members.

Other Business

Chairman Bateman reported the next Operating Committee meeting would be held September 17-18, 2008 in Denver, CO.

Adjournment

Having no further business, Laurie Lickley moved and David Dick seconded a motion to adjourn. Motion passed and the meeting adjourned at 11:15 a.m.

Analysis of Evaluation Budget Fiscal Year 2009

ACTUAL EXPENSES:

Description	Fiscal Year 2008			2009 Proposed Budget
	2006 Actual Expenses	2007 Actual Expenses	Additional Projected Expenses Thru 2/2008	
Office Support & Travel	\$ 128,820	\$ 129,696	\$ 76,783	\$ 140,000
Project Evaluation Audits	74,707	35,709	91,000	75,000
Meetings	7,983	13,079	5,000	10,000
Printing and Distribution	15,029	19,927	2,000	15,000
	<u>\$ 226,539</u>	<u>\$ 198,411</u>	<u>\$ 174,783</u>	<u>\$ 240,000</u>

BUDGETED EXPENSES:

Description	Fiscal Year 2008			2009 Proposed Budget	2009 Proposed Increase (Decrease)
	2006 Approved Budget	2007 Approved Budget	2008 Approved Budget		
Office Support & Travel	\$ 115,000	\$ 126,500	\$ 129,000	\$ 140,000	\$ 11,000
Project Evaluation Audits	90,000	80,000	82,000	85,000	3,000
Economic Impact Study	-	-	-	85,000	85,000
Meetings	8,000	8,500	9,000	10,000	1,000
Printing and Distribution	12,000	15,000	20,000	15,000	(5,000)
	<u>\$ 230,000</u>	<u>\$ 230,000</u>	<u>\$ 240,000</u>	<u>\$ 335,000</u>	<u>\$ 95,000</u>

AUTHORIZATION REQUEST FOR FY 2009

AR Title: _____

Name of Contractor: _____

CBB Budget Component: _____

I. OVERVIEW

A. AR Description: *(Brief overview)*

B. Funds requested:	Beef Board/BPOC	\$
	Federation of SBCs (FSBCs)	
	Other Sources (describe)	_____
	Total Funding	\$_____

C. Start date: _____ **Completion date:** _____

II. PROGRAM INFORMATION

A. Strategy 1: *(Brief and simple description, and proposed cost)*

Strategy 1 Objective(s) (including measurable results) for this AR:

LRP Priorities Addressed by This Strategy: *(list outcome names)*

Planning Factors Addressed by This Strategy:

Program Areas Addressing This Strategy:

Committee That Reviewed This Strategy: *(List committee/subcommittee name)*

- **Committee Priorities:** *(List committee priority or priorities that this strategy supports.)*

Specific Tactic Information:

- **Tactic 1A:** *(Brief and simple description, measurable results and proposed cost)*
- **Tactic 1B:** *(Brief and simple description, measurable results and proposed cost)*

B. Strategy 2: *(Same information that was presented for Strategy 1)*

Specific Tactic Information:

- **Tactic 2A:** *(Brief and simple description, measurable results and proposed cost)*
- **Tactic 2B:** *(Brief and simple description, measurable results and proposed cost)*

III. DETAILED BUDGET SUMMARY

Detailed Budget Summary of Current Authorization Request

Strategy & Tactic	Program Manager	Completion Date	Total FY 2009 Budget	Budget by Source		
				CBB/BPOC	FSBCs	Other
Strategy 1: <i>(Include name)</i>						
Tactic 1A: <i>(Include name)</i>						
Tactic 1B: <i>(Include name)</i>						
Totals - Strategy 1						
Strategy 2: <i>(Include name)</i>						
Tactic 2A: <i>(Include name)</i>						
Tactic 2B: <i>(Include name)</i>						
Totals - Strategy 2						
Strategy 3: <i>(Include name)</i>						
Tactic 3A: <i>(Include name)</i>						
Tactic 3B: <i>(Include name)</i>						
Totals - Strategy 3						
AR Totals						

Summary of Prior Year AR Budgets and Expenses

Strategy & Tactic	FY 2008 Approved Budgets			FY 2008 Actual Expenses (through most recent monthend)		
	CBB/BPOC	SBCs	Total	CBB/BPOC	FSBCs	Total
Strategy 1: <i>(include name)</i>						
Tactic 1A: <i>(include name)</i>						
Tactic 1B: <i>(include name)</i>						
Totals - Strategy 1						
Strategy 2: <i>(include name)</i>						
Tactic 2A: <i>(include name)</i>						
Tactic 2B: <i>(include name)</i>						
Totals - Strategy 2						
Strategy 3: <i>(include name)</i>						
Tactic 3A: <i>(include name)</i>						
Tactic 3B: <i>(include name)</i>						
Totals - Strategy 3						
AR Totals						

Historical Summary of Budgets and Expenses

Strategy & Tactic	Total Approved Budgets			Total Actual Expenses		
	FY 2007	FY 2006	FY 2005	FY 2007	FY 2006	FY 2005
Strategy 1: <i>(include name)</i>						
Strategy 2: <i>(include name)</i>						
Strategy 3: <i>(include name)</i>						
AR Totals						

IV. SUPPLEMENTAL INFORMATION

A. Changes from FY 2008 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:

ATTACHMENT A
Additional Funding Requests for FY 2009
AR Title: _____

Strategy A: *(Brief and simple description, and proposed cost)*

Strategy A Objective(s) (including measurable results):

LRP Priorities Addressed by This Strategy: *(List outcome names)*

Committee Information

- **Name of Committee:**
- **Priority for additional funding:**

Specific Tactic Information:

- **Tactic A1:** *(Brief and simple description, measurable results and proposed cost)*
- **Tactic A2:** *(Brief and simple description, measurable results and proposed cost)*

Strategy B: *(Same information as Strategy A)*

AUTHORIZATION REQUEST FOR FY 2009

AR Title: _____

Name of Contractor: _____

CBB Budget Component: _____

I. OVERVIEW

A. AR Description: *(Brief overview)*

B. Funds requested:	Beef Board/BPOC	\$	
	Federation of SBCs (FSBCs)		
	Other Sources (describe)		_____
	Total Funding	\$	=====

C. Start date: _____ Completion date: _____

II. PROGRAM INFORMATION

A. Strategy 1: *(Brief and simple description, and proposed cost)*

Strategy 1 Objective(s) (including measurable results) for this AR:

LRP Priorities Addressed by This Strategy: *(list outcome names)*

Planning Factors Addressed by This Strategy:

Big Ideas Addressed by This Strategy:

Program Areas Addressing This Strategy:

Committee That Reviewed This Strategy: *(List committee/subcommittee name)*

- **Committee Priorities:** *(List committee priority or priorities that this strategy supports.)*

Specific Tactic Information:

- **Tactic 1A:** *(Brief and simple description, measurable results and proposed cost)*
- **Tactic 1B:** *(Brief and simple description, measurable results and proposed cost)*

B. Strategy 2: *(Same information that was presented for Strategy 1)*

Specific Tactic Information:

- **Tactic 2A:** *(Brief and simple description, measurable results and proposed cost)*
- **Tactic 2B:** *(Brief and simple description, measurable results and proposed cost)*

III. DETAILED BUDGET SUMMARY

Detailed Budget Summary of Current Authorization Request

Strategy & Tactic	Program Manager	Completion Date	Total FY 2009 Budget	Budget by Source		
				CBB/BPOC	FSBCs	Other
Strategy 1: <i>(Include name)</i>						
Tactic 1A: <i>(Include name)</i>						
Tactic 1B: <i>(Include name)</i>						
Totals - Strategy 1						
Strategy 2: <i>(Include name)</i>						
Tactic 2A: <i>(Include name)</i>						
Tactic 2B: <i>(Include name)</i>						
Totals - Strategy 2						
Strategy 3: <i>(Include name)</i>						
Tactic 3A: <i>(Include name)</i>						
Tactic 3B: <i>(Include name)</i>						
Totals - Strategy 3						
AR Totals						

Summary of Prior Year AR Budgets and Expenses

Strategy & Tactic	FY 2008 Approved Budgets			FY 2008 Actual Expenses (through most recent monthend)		
	CBB/BPOC	SBCs	Total	CBB/BPOC	FSBCs	Total
Strategy 1: <i>(include name)</i>						
Tactic 1A: <i>(include name)</i>						
Tactic 1B: <i>(include name)</i>						
Totals - Strategy 1						
Strategy 2: <i>(include name)</i>						
Tactic 2A: <i>(include name)</i>						
Tactic 2B: <i>(include name)</i>						
Totals - Strategy 2						
Strategy 3: <i>(include name)</i>						
Tactic 3A: <i>(include name)</i>						
Tactic 3B: <i>(include name)</i>						
Totals - Strategy 3						
AR Totals						

Historical Summary of Budgets and Expenses

Strategy & Tactic	Total Approved Budgets			Total Actual Expenses		
	FY 2007	FY 2006	FY 2005	FY 2007	FY 2006	FY 2005
Strategy 1: <i>(include name)</i>						
Strategy 2: <i>(include name)</i>						
Strategy 3: <i>(include name)</i>						
AR Totals						

IV. SUPPLEMENTAL INFORMATION

A. Changes from FY 2008 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:

ATTACHMENT A
Additional Funding Requests for FY 2009
AR Title: _____

Strategy A: *(Brief and simple description, and proposed cost)*

Strategy A Objective(s) *(including measurable results):*

LRP Priorities Addressed by This Strategy: *(List outcome names)*

Committee Information

- **Name of Committee:**
- **Priority for additional funding:**

Specific Tactic Information:

- **Tactic A1:** *(Brief and simple description, measurable results and proposed cost)*
- **Tactic A2:** *(Brief and simple description, measurable results and proposed cost)*

Strategy B: *(Same information as Strategy A)*

**Cattlemen's Beef Promotion and Research Board
Recommended Fiscal Year 2009 Budget**

<u>CBB Budget Component</u>	<u>FY 2008 Budget</u>	<u>Proposed FY 2009 Budget</u>	<u>Increase (Decrease) Compared to Prior Year</u>	<u>Percentage Increase (Decrease) Compared to Prior Year</u>
Promotion	\$ 22,796,600	\$ 19,967,400	\$ (2,829,200)	(12.4)%
Research	7,408,200	7,014,300	(393,900)	(5.3)%
Consumer Information	6,281,800	5,446,000	(835,800)	(13.3)%
Industry Information	2,422,900	2,620,300	197,400	8.1 %
Foreign Marketing	5,250,000	5,837,000	587,000	11.2 %
Producer Communications	2,270,500	2,160,000	(110,500)	(4.9)%
Evaluation	240,000	335,000	95,000	39.6 %
Program Development	125,000	125,000	-	0.0 %
Total Programs	46,795,000	43,505,000	(3,290,000)	(7.0)%
USDA Oversight	210,000	255,000	45,000	21.4 %
Administration	2,045,000	2,040,000	(5,000)	(0.2)%
Total Budgeted Expenditures	\$ 49,050,000	\$ 45,800,000	\$ (3,250,000)	(6.6)%