



# Cattlemen's Beef Promotion and Research Board Meeting Minutes

Friday, February 5, 2021  
8:00 AM – 11:00 AM MT  
Virtual Meeting

**DRAFT**

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## **Meeting Called to Order**

Chair Jared Brackett called the 69<sup>th</sup> meeting of the Cattlemen's Beef Promotion and Research Board to order at 8:05 AM MT. Chair Jared Brackett led the pledge of allegiance followed by Norman Voyles Jr. providing the invocation. Introductions of Officers, CEO and Legal Counsel were made.

## **Special Guests**

USDA's Administrator for the Agriculture Marketing Services Livestock & Poultry Program, Bruce Summers, was welcomed. Mr. Summers shared a few words with our CBB members. Chair Jared Brackett thanked Mr. Summers for his dedication to the beef industry and for his support of the Beef Checkoff.

## **Quorum**

Sara Arp, CBB Director of Operations, declared a quorum was present.

## **Agenda**

Irv Petsch moved, and Cheryl DeVuyst seconded approval of the agenda as posted on the CBB meeting website. Motion approved.

## **Minutes**

Bruce Jackson moved and Jackie Means seconded approval of the July 29, 2020 and September 21, 2020 Board meeting minutes as posted on the CBB meeting website. Motion approved.

## **CEO Report**

Greg Hanes, CEO, thanked Mr. Summers and the USDA/AMS team for their support. Mr. Hanes thanked all Board Members, Committee leaders, Officers, Chuck Coffey, Staff and Legal Counsel for joining us virtually and hopes to be in-person this summer. He talked about all the CBB and Checkoff accomplishments of 2020 – despite the challenges of the pandemic. He then reviewed some of the key objectives for 2021.

He reminded everyone to read The Drive Newsletter and the Beef Brief which provides valuable information about what CBB and the Checkoff are doing. Mr. Hanes encouraged all the CBB members to go out and talk about the facts behind the programs.

## **Welcome Kevin Ross, Chairman of Corn Board of the National Corn Growers Association**

Mr. Hanes introduced special guest Kevin Ross, Chairman of Corn Board of the National Corn Growers Association (NCGA) to share a few words with us.



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Mr. Ross spoke about the shared challenges the corn and beef industries faced. He noted the NCGA recently conducted a multi-month strategic planning exercise with other agriculture commodity groups. This included pork, soy, grains, poultry, and beef (via Mr. Hanes). The results identified areas in which the different commodities could collaborate for the benefit of all.

## **Checkoff Program Reviews, Rockland Dutton Research & Consulting**

Chair Jared Brackett introduced Dr. David Rockland, Partner and CEO with Rockland Dutton Research & Consulting who provided an update on Checkoff program reviews and evaluation.

## **Outgoing Member Recognition**

Chair Jared Brackett recognized our outgoing Beef Board members Kent Bamford, Laurie Bryant, Cliff Coddington, Jim Eschliman, Bruce Jackson, Sean Jones, Dick McElhaney, Jackie Means, Ryan Miller, Jason Peeler, Rob Von der Lieth, Jr., and Chuck Coffey.

## **Legal Update**

Wayne Watkinson, Legal Counsel, provided a legal update.

## **CBB Executive Committee Report and Approval of Minutes**

Vice Chairman Hugh Sanburg noted the Beef Board Executive Committee last met as a full Board in July 2020 virtually. Mr. Sanburg noted we have had a total of five Executive Committee meetings. A conference call in August, an in-person meeting in September, virtual calls in November and January 2021 as well as today's meeting.

Hugh Sanburg moved, and Bruce Jackson seconded to ratify the actions in the July 27, 2020, August 17, 2020, September 10, 2020, November 10, 2020, and January 6, 2021 meeting minutes. Motion approved.

## **CBB Budget & Audit Committee Report**

Rob Von der Lieth Jr., Chairman of the CBB Budget & Audit Committee, reported the committee met with Adam Pyzdrowski, a principal at CliftonLarsonAllen, the Board's audit firm. Adam presented the results of the audit procedures conducted on the Board's 2020 financial statements. CliftonLarsonAllen issued an audit report stating that the Board's financial statements were fairly presented under the modified cash basis of accounting, which is the method the Board has used since its inception. The auditors reported that nothing came to their attention that caused them to believe the Board was not in compliance with the Act and Order relative to the use of funds collected during fiscal year 2020. The auditors also reported that nothing came to their attention that caused them to believe the Board was not in compliance with the AMS Investment Policy relative to the investment of funds and that they did not identify any deficiencies in internal controls. The Chairman reported the Board's expenditures for administration were below the 5% limitation established by the Act. Administrative



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expenses for 2020 were 3.6% of projected revenues. The Budget & Audit Committee recommended to the Board that CliftonLarsonAllen be retained as the Board's auditors for the coming year and the Board approve the Cattlemen's Beef Board audited financial statements for fiscal year 2020.

Rob Von der Lieth Jr., moved, and Larry Jeffcoat seconded to recommend CliftonLarsonAllen, LLP be retained as the Board's audit firm for FY 2021. Motion approved.

## **CBB Financial Report**

Norman Voyles Jr., CBB Secretary/Treasurer, presented the December 2020 Financial Report. Norman provided an overview of CBB's Assets and Liabilities as of December 31, 2020. Cash and short-term investments increased by approximately \$3.0 million during fiscal year 2021 to \$26.3 million as of December. The weighted average yield of our investments decreased by .61 percent during fiscal year 2021 to .39 percent as of December due to the lower interest rate environment. Looking at fund balances, the Board reserve of \$4.35 million is unchanged for fiscal year 2021. We have approximately \$910 thousand in additional funds available to cover any budget shortfalls in fiscal year 2021 or add to future budgets. Approximately \$21.1 million in funds have been appropriated for budgeted expenditures but not yet paid by the Board, as of December.

Norman Voyles Jr. presented the Board's Assessment Revenue. Total assessment revenue collected for the three months ended December was \$11.0 million. This is increase of \$470 thousand compared to last year at this time. Domestic Assessment Revenue collected for the three months was \$9.0 million. This is an increase of \$307 thousand. Importer Assessment Revenue collected for the three months ended December was \$2.0 million or increase of \$307 thousand compared to the period last year.

Compared to last year, Norman Voyles Jr., reported total program expenses for the first three months of fiscal year 2021 decreased \$351 thousand to \$7.6 million. USDA oversight costs for the three months of fiscal year 2021 decreased slightly by \$16 thousand to \$153 thousand, and administrative expenses for the first three months of fiscal year 2021 decreased by \$75 thousand to \$287 thousand.

## **Checkoff Program Committee Reports**

The Board heard reports from the following Checkoff committees:

- Consumer Trust Committee – Co-Chair Bill McLaren
- Domestic Marketing Committee – Co-Chair Katie Cooper
- International Marketing Committee – Co-Chair Jimmy Taylor
- Nutrition & Health Committee – Co-Chair Angie Meyer
- Safety & Product Innovation Committee – Co-Chair Torri Lienemann
- Stakeholder Engagement – Co-Chair Brian Malaer
- Evaluation Advisory Committee – Chair Jackie Means



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## CBB Nominating Committee Report & Elections

Kent Bamford, Chair, Nominating Committee, met in Denver with the following nominating committee members:

- Jack Parent, Region 1
- Bruce Jackson, Region 2
- Seth Denbow Region 3
- Angie Meyer, Region 4
- Bree DeNaeyer, Region 5
- Wally Schulthess, Region 6
- Laurie Bryant, At-Large (virtually)

Nominating Committee Chair Kent Bamford noted that all of the committee members were proud and excited to interview so many qualified candidates for elected positions in 2021.

Kent Bamford reported that the Nominating Committee recommended Hugh Sanburg as the Beef Board's 2021 Chair.

Chair Jared Brackett asked if there were any nominations from the floor. No nominations were received from the floor.

Jackie Means moved and Bree DeNaeyer seconded to close nominations and elect Hugh Sanburg by acclamation as the Beef Board Chair for 2021. Motion approved.

Kent Bamford reported that the Nominating Committee recommended Norman Voyles Jr. as the Beef Board's 2021 Vice Chair.

Chair Jared Brackett asked if there were any nominations from the floor. No nominations were received from the floor.

Jackie Means moved and Bree DeNaeyer seconded to close nominations and elect Norman Voyles Jr. by acclamation as the Beef Board Vice Chair for 2021. Motion approved.

Kent Bamford reported that the Nominating Committee recommended Jimmy Taylor as the Beef Board's 2021 Secretary/Treasurer.

Chair Jared Brackett asked if there were any nominations from the floor. No nominations were received from the floor.

Jackie Means moved and Kent Bamford seconded to close nominations and elect Jimmy Taylor by acclamation as the Beef Board Secretary/Treasurer for 2021. Motion approved.



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Kent Bamford noted the CBB Nominating Committee recommends the following slate of eight candidates to serve with the three officers as our 2021 Executive Committee:

Rich Brown, NY	Jason Hitch, OK	David Hutsell, MO	Bill King, NM
Bob Mitchell, WI	Irv Petsch, WY	Bill Slovek, SD	Don Smith, TX

Chair Jared Brackett asked if there were any nominations from the floor. No nominations were received from the floor.

Jackie Means moved and Bruce Jackson seconded to close nominations and elect the slate of 2021 Executive Committee candidates by acclamation. Motion approved.

Kent Bamford noted the CBB Nominating Committee recommends the following slate of seven candidates to serve with the three officers as our 2021 Beef Promotion Operating Committee:

Katie Cooper, MT	Dave Hamilton, NE	Jeff Isenmann, MI	Torri Lienemann, NE
Bill McLaren, MO	Terry Quam, WI	Michael White, TX	

Chair Jared Brackett asked if there were any nominations from the floor. No nominations were received from the floor.

Jackie Means moved and Bruce Jackson seconded to close nominations and elect the slate of 2021 Beef Promotion Operating Committee candidates by acclamation. Motion approved.

## **Chairman Farewell and Passing of Chairman Gavel**

Chair Jared Brackett presented the gavel to newly elected 2021 CBB Chairman Hugh Sanburg.

Mr. Sanburg accepted the gavel and spoke a few words, and then turned the podium back to outgoing Chair Jared Brackett.

Chair Jared Brackett extended his personal thanks to the outgoing Beef Board members for their hard work and dedicated service to the Beef Board, the Beef Checkoff Programs, and the beef industry. He also said a few words of farewell.

Newly elected Chair, Hugh Sanburg, made acceptance comments.

## **Other CBB Business**

No other business was noted.



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## Adjourn

No executive session items were noted, so with there being no further business, Bruce Jackson moved, and David Hutsell seconded to adjourn the CBB meeting at 10:36 AM MT.