



Cattlemen's Beef Board Meeting Minutes

Friday, February 2, 2024

10:30 AM – 12:30 PM EST

Orange County Convention Center, Orlando, FL

Room S230 B-D

DRAFT

Call to Order

Chair Jimmy Taylor called the 75th meeting of the Cattlemen's Beef Promotion and Research Board to order at 10:30 AM EST.

Welcome & Recognition of Guests

Chair, Jimmy Taylor introduced fellow officers, Vice Chair, Andy Bishop, Secretary-Treasurer, Ryan Moorhouse, Immediate Past Chair, Norman Voyles, Jr., CBB CEO, Greg Hanes, Legal Counsel, Wayne Watkinson of Watkinson & Miller and special guests - USDA-AMS, Bruce Summers, Jeana Harbison, and Kinley Hartman as well as Federation of State Beef Councils Officers, Clark Price and Dan Gattis. He also acknowledged that media member, Brian Baxter, was present. Mr. Taylor then welcomed the Beef Board and thanked them for their continued dedication and hard work on behalf of the Beef Checkoff and for their participation in this meeting.

Quorum

Wayne Watkinson, Legal Counsel, declared a quorum was present to conduct business.

Agenda

Chair Jimmy Taylor called for a motion to approve the agenda. Steve Hobbs moved, and Jason Hitch seconded to approve the agenda as emailed. Motion passed.

Approve Meeting Minutes – December 12, 2023

Chair Jimmy Taylor asked for a motion to approve the July 26, 2023, and September 19, 2023, meeting minutes. Steve Hobbs moved, and Kim D'Anella seconded to approve the minutes as emailed. Motion passed.

USDA Remarks

Bruce Summers, USDA-AMS Administrator provided an update to the board on the work being conducted by USDA.

Legal Update

Legal Counsel Wayne gave the following update:

- No new litigation at this time.
- The administrative case is in the briefing stage and is still standing.

CEO Update

CEO Greg Hanes gave an update on the following:

- Appreciate the staff's hard work in preparation for the Annual Convention and all the meetings taking place this week. He introduced and recognized the staff individually.
- Update on articles featured in Politico.
- Recognized the boards continual engagement, sharing the success of the programs conducted by the Beef Checkoff, and the importance of members telling the story.



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- Continuing to receive FOIA requests. In the last few months, we have received over 40 from "Our Honor" and other groups. Appreciate USDA-AMS helping staff with the process once requested information has been submitted.
- Currently working with USDA-AMS to help smaller QSBC's conduct annual reviews vs. audits. Audits can be very costly, which is difficult for states with smaller budgets to conduct program work. Therefore, staff are working to try and elevate some of the financial burden and conduct reviews annually, with a third-party audit requirement every five years. This initiative is happening in close coordination with CBB's CFO, QSBC's and USDA.
- Partnering with other commodity groups including soy, pork, beef and corn to conduct a study with Aimpoint Research. This project is currently underway and will share the findings once the results are ready to be presented.
- Participating in the USFRA Task Force as the organization is rebranding and rebuilding.
- Alumni Group is launching to start engaging former board members. Meetings will be held this spring.
- Checkoff Visionary Award applications will open on February 12, 2024. The winner will be announced and recognized at the Summer Business Meeting.

Business Meeting

a. Executive Committee Report and Approval of Minutes

Vice Chair, Andy Bishop, gave his Executive Committee meeting update. He then moved for the for the Board to ratify the following CBB Executive Committee Minutes:

- September 7, 2023
- October 10, 2023
- November 14, 2023
- December 12, 2023

Chair, Jimmy Taylor asked for a second. Dan Kniffen seconded to ratify the Executive Committee Minutes for September 7, 2023; October 10, 2023; November 14, 2023, and December 12, 2023. Motion approved.

b. Budget & Audit Report

CBB Budget & Audit Committee Chair, Seth Denbow presented the Cattlemen's Beef Board audit results for fiscal year 2023 as conducted by CliftonLarsonAllen, the Board's audit firm.

- Adam Pyzdrowski, a principal at CliftonLarsonAllen presented the results of the audit procedures conducted on the Board's 2023 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.



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- 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 and AMS Guidelines relative to the use of funds collected during fiscal year 2023.
- The auditors also reported that nothing came to their attention that caused them to believe the Board was not in compliance with the USDA Investment Policy relative to the investment of funds and that they did not identify any deficiencies in internal controls.
- Seth Denbow, Chair reported the Board's expenditures for administration were below the 5% limitation established by the Act. Administrative expenses for 2023 were 3.93% of projected revenues.
- The Budget & Audit Committee recommended to the Board that CliftonLarsonAllen be retained as the Board's auditor for the coming year.

Seth Denbow moved, and Michael White seconded to recommend CliftonLarsonAllen, LLP be retained as the Board's audit firm for FY 2024. Motion approved.

c. Approve Audited FY 2023 Financial Statements

CBB Budget & Audit Committee Chair, Seth Denbow moved to approve the FY 2023 audited financial statements as presented. Trish Downton seconded. Motion approved.

Seth Denbow reminded all members that CBB's Budget & Audit Committee meetings at the Annual Convention and the Summer Business Meeting are open to anyone, just like all other Beef Checkoff meetings. He encouraged members to attend the meetings to hear the discussion about how we ensure the financial integrity of the Beef Board financial statements.

In closing, he thanked committee member, Dan Kniffen from Pennsylvania, who has served on the committee for the past two years and will be terming off the Board concluding this meeting.

d. Financial Report

Secretary-Treasurer, Ryan Moorhouse, presented a report on the Board's financial statements for the three months ended December 31st.

- Cash and short-term investments increased by approximately \$4.0 million during the three months ended December 31st to \$27.7 million.
- The weighted average yield of our investments decreased by approximately .28 percent during the months ended December 31st to approximately 3.4 percent.



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- Looking at fund balances, the Board reserve of \$4.35 million remains unchanged. CBB has approximately \$3.9 million in Available Funds to cover any budget shortfalls in fiscal year 2024 or add to future budgets and approximately \$19.5 million in Appropriated Funds for the budget expenditures that have not been paid yet by the Board.
- The Board's Total Assessment Revenues collected through the end of December were approximately \$11.3 million, an increase of approximately \$450 thousand compared to last year at this time.
- Domestic Assessment Revenue collected through December was approximately \$9.1 million, a slight decrease of approximately \$50 thousand compared to last year at this time.
- Total Importer Assessment Revenue collected through December was approximately \$2.2 million, an increase of approximately \$500 thousand compared last year at this time.
- Total program expenses for the first three months of fiscal year 2024 decreased \$1.4 million to approximately \$7.1 million compared to last year. The decrease in Program Expenses is primarily the result of timing in payments to the Board's contractors.
- USDA Oversight Expenses decreased approximately \$61 thousand for the first three months ended to approximately \$9 thousand compared to the same period last year. The decrease in USDA Oversight Expenses is due to CBB prepaying USDA Oversight costs due to a possible government shut down in fiscal year 2023. The prepayment was used to cover October and most of the November fiscal year 2024 USDA monthly billings.
- Total Supporting Services & Litigation paid for the first three months ended were approximately \$33 thousand. Included in the Supporting Services and Litigation expense is the CBB Office Support for USDA oversight, Freedom of Information Act (FOIA) requests, and Litigation Expenses.
- State Services paid during the first three months ended were approximately \$40 thousand.
- Administrative Expenses paid during the first three months ended were approximately \$299 thousand, a slight decrease of approximately \$9 thousand over the same period last year.



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e. Checkoff Program Committee Reports

Co-Chairs of the Checkoff Program Committees reports were given to the Board as follows.

- Consumer Trust Committee: Co-Chair, John Ferry
- Domestic Marketing Committee: Co-Chair, Sallie Miller
- International Marketing Committee: Co-Chair, Ross Havens
- Nutrition & Health Committee: Co-Chair, Doc Walker
- Safety & Product Innovation Committee: Co-Chair, David Bruene
- Stakeholder Engagement Committee: Co-Chair, Steve Springer
- Checkoff Evaluation Committee: Chair, Cheryl DeVuyst

f. Nominating Committee Report

Michael White, from the CBB Nominating Committee provided the Board with a report on behalf of the Chair, Angie Meyer, who was unable to attend the meeting. The Nominating Committee met earlier in the week with the following committee members in addition to Michael and Angie:

Ed Hildenbrand, IN, Region 1
Leon James, MO, Region 2
Sallie Miller, CO, Region 4

VeaBea Thomas, SD, Region 5
Katie Cooper, MT, Region 6
Bill Slovek, SD, At-Large

Mr. White noted that all of the committee members were proud and excited to interview so many qualified candidates for elected positions in 2024. He encouraged any candidates who did not get nominated to a position to apply again next year.

Michael White reported that the Nominating Committee recommended Andy Bishop as the Beef Board's 2024 Chair.

Chair, Jimmy Taylor asked if there were any nominations from the floor. No nominations were received from the floor.

Steve Springer moved, and Dan Kniffen seconded to close nominations and elect Andy Bishop by acclamation as the Beef Board Chairman for 2024. Motion approved.

Michael White reported that the Nominating Committee recommended Ryan Moorhouse as the Beef Board's 2024 Vice Chair.

Chair, Jimmy Taylor asked if there were any nominations from the floor. No nominations were received from the floor.



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Bill Lipscomb moved, and Dan Kniffen seconded to close nominations and elect Ryan Moorhouse by acclamation as the Beef Board Vice Chair for 2024. Motion approved.

Michael White reported that the Nominating Committee recommended Cheryl DeVuyst as the Beef Board's 2024 Secretary-Treasurer.

Chair, Jimmy Taylor asked if there were any nominations from the floor. No nominations were received from the floor.

Dave Hamilton moved, and Patty Wood seconded to close nominations and elect Cheryl DeVuyst by acclamation as the Beef Board Secretary-Treasurer for 2024. Motion approved.

Michael White noted the CBB Nominating Committee recommends the following slate of eight candidates to serve with the three officers as our 2024 CBB Executive Committee:

Seth Denbow, TX	Steve Hobbs, MT
Mary Graner, ND	Mike Holden, IA
Ross Havens, IA	Bill Lipscomb, AL
David Henderson, TX	Caleb Plyler, AR

Chair, Jimmy Taylor asked if there were any nominations from the floor. No nominations were received from the floor.

Jason Hitch moved and VeaBea Thomas seconded to close nominations and elect the slate of 2024 CBB Executive Committee candidates by acclamation. Motion approved.

Michael White noted the CBB Nominating Committee recommends the following slate of seven candidates to serve with the three officers as our 2024 Beef Promotion Operating Committee:

Trish Downton, ID	Terry Quam, WI
John Ferry, UT	Mark Sustaire, TX
Dave Hamilton, NE	Tammy Wiedenbeck, WI
Jason Hitch, OK	

Chair, Jimmy Taylor asked if there were any nominations from the floor. No nominations were received from the floor.

Sarah Childs moved, and Mary Graner seconded to close nominations and elect the slate of 2020 Operating Committee candidates by acclamation. Motion approved.



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Recognition of Outgoing Members

The CBB Officer team individually recognized outgoing members, thanked them for their years of service and presented plaques in honor of their dedication to the Board and industry.

Chair Remarks and Passing of the Gavel

Chair, Jimmy Taylor provided remarks reflecting on this past year. He 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.

He then presented the gavel to newly elected 2024 CBB Chair, Andy Bishop.

Comments from Newly Elected Chair

Mr. Bishop accepted the gavel and spoke a few words, discussed his goals for the year ahead, and then turned the podium back to outgoing Chair, Jimmy Taylor.

Other Business

No other business as noted.

Executive Session

No Executive Session was needed.

Adjourn

Steve Hobss moved, and Warren Nop seconded to adjourn at 12:13 PM EST.