

**SOUTH DAKOTA BEEF INDUSTRY COUNCIL
BOARD OF DIRECTORS MEETING
AMERICINN
FORT PIERRE, SOUTH DAKOTA
DECEMBER 3, 2012**

President Blair called the meeting to order at 11:15 AM CDT. He asked for introductions for the benefit of guests.

SDBIC Board Members present were as follows:

Ed Blair	SD Farm Bureau Federation
Mike Gebhart	SD Farm Bureau Federation
Georgia Talsma	SD Farm Bureau Federation
Karla Pazour	SD Cattlewomen
Julie Holmquist	SD Cattlewomen
Ruth Anne Farnsworth	SD Cattlewomen
Gary Deering	SD Stockgrowers Association
Bob Fortune	SD Stockgrowers Association
Ernie Mertz	SD Stockgrowers Association
Scott Jones	SD Cattlemen's Association
Becky Walth	SD Cattlemen's Association
Todd Mortenson	SD Cattlemen's Association
Eric Sumption	SD Farmers Union
Mary Ellen Cammack	SD Farmers Union
Mike Maher	SD Farmers Union
VeaBea Thomas	SD Beef Breeds Council
John Symens	SD Beef Breeds Council
Justin Tupper	SD Livestock Auction Market Association
Julie Feldhaus	SD Cattlemen's Auxiliary
Amanda Radke	SD Cattlemen's Auxiliary
Linda Gilbert	Cattlemen's Beef Board
Vaughn Meyer	Cattlemen's Beef Board
Gary Sharp	Cattlemen's Beef Board
Danni Beer	Cattlemen's Beef Board

SDBIC Board Members absent were as follows:

Craig Bieber	SD Beef Breeds Council
Wayne Tupper	SD Livestock Auction Market Association
Frank Volmer	SD Livestock Auction Market Association
Eileen Moller	SD Cattlemen's Auxiliary

SDBIC staff and guests present were Ron Frederick, Executive Director; Holly Swee, Director of Nutrition and Consumer Information; Teri Heninger, Finance Officer; Tracey Walsh, Director of Industry Relations; Connie Smith, Communications; Pam Geppert, Dakota Farm Talk; Jean O'Toole, New York Beef Industry Council; Sarah Caslin, SDDA; Roger Scheibe, SD Dairy Producers; Ron Krogstad, SD Dairy Producers; Donna Sharp, SD Dairy Producers; Randy Schuring, SD Dairy Producers; Allen Merrill, SD Dairy Producers; and Mike Traxinger, SD Farmers Union.

Blair called for additions to the agenda. Jones moved, seconded by Deering to approve the agenda with the addition of Executive Session at the end of the board meeting. **Motion carried unanimously.**

Fortune so moved, seconded by Farnsworth to approve the minutes of the September 29, 2012 Board of Directors meeting as printed. **Motion carried unanimously.**

FINANCIAL REPORT

A brief summary of the Profit and Loss was provided. Heninger highlighted the income accounts first. She noted Miscellaneous Income showed excess revenue due to NYBIC returning unspent FY 2012 promotional dollars. Heninger then went through the expense accounts, emphasizing the major expenses in each category. She noted the Executive Committee directed funds from NYBIC be placed in account 5160 – Special Projects.

Heninger provided an update on the Transaction Account Guarantee (TAG) program which is scheduled to expire December 31, 2012. The TAG program provided unlimited backing for noninterest-bearing accounts which is in addition to, and separate from, the coverage of \$250,000 available to depositors under the FDIC. Without the TAG program in place, the SDBIC's deposits will be uninsured. Heninger is recommending the SDBIC minimize their risk by liquidating the CD at American State Bank and investing the funds in a CDARS Sweep Account. Deering moved, seconded by Gebhart to have staff set up the CDARS ICS Sweep account. **Motion carried.** Mertz moved, seconded by J. Tupper to approve the Financial Report. **Motion carried unanimously.**

DIRECTOR OF NUTRITION & ONLINE COMMUNICATION REPORT

Swee presented the Director of Nutrition and Consumer Information report. A written report of her and Burgers recent activities was provided.

Swee shared a PowerPoint presentation that summarized the consumer target audience and the motivating factors behind consumer choices.

Swee summarized the American Heart Association's *Start Eating Healthy Day-I Love Cooking* classes. The campaign was developed to teach consumers proper culinary skills and heart health nutrition through cooking classes showcased in Rapid City on November 3rd and Sioux Falls on November 10th.

Upcoming events for Swee include: Holiday Roast promotions at two Sioux Falls HyVee locations, Mitchell Technical Institute Beef Value Cuts Workshop with SDSU Extension Meat Specialist Keith Underwood, SD Academy of Family Physicians event in Deadwood, and the AHA annual Heart Ball and Go Red for Women events.

The SDBIC will begin advertising in MED magazine. The advertising contract will also allow the SDBIC to include scientific research based editorials regarding beef. MED magazine currently has a circulation of 5,000 healthcare professionals in South Dakota and surrounding states.

DIRECTOR OF INDUSTRY RELATIONS REPORT

Walsh presented the Director of Industry Relations report. She provided a brief summary of potential resources for Private Treaty Compliance.

Her recent activities include the USD “Beef Up Your Game” event where she judged the Beef Tailgating competition, attendance at the Partnerships in Action meeting in Denver, represented the SDBIC at the SD Cattlemen’s Convention in Huron, and provided BQA Certification during the Grasslands Coalition in Pierre.

Upcoming activities for Walsh include BQA Trainings in Mitchell and a Holiday Roast promotion at the Family Thrift Center in Rapid City.

The board recessed for lunch at 11:58 AM and reconvened at 12:50 PM.

EXECUTIVE DIRECTOR REPORT

Frederick next addressed the Board. He noted the Executive Director report that was printed in the meeting book.

Frederick highlighted his recent attendance at the Partnerships in Action meeting in Denver. He made mention of the many challenges CBB faces with FOIA requests, the OCM lawsuit, and declining cattle numbers. Frederick noted national efforts on increasing beef demand by capitalizing on the value-added cuts.

Frederick commended Walsh on the progress she is making with BQA Certification.

PRESIDENT’S REPORT

Blair summarized USDA’s Advisory Committee for Trade (ATAC) meeting he recently attended in Washington D.C. He touched on current agricultural trade issues, including the Trans-Pacific Partnership and the importance of Foreign trade relations.

President Blair recognized SDBIC’s recently retired directors Nancy Montross and Delina Nagel.

Bair introduced Jean O'Toole NYBIC's Director of Public Relations and Promotion. O'Toole thanked the SDBIC for their past and future support and offered a PowerPoint presentation of the programs we supported. O'Toole noted the large masses and limited budget that challenges the NYBIC.

EXECUTIVE COMMITTEE REPORT

Pazour presented the Executive Committee report. She summarized recommendations to the Policy Manual. Pazour noted CBB is recommending the SDBIC have a policy in place for directors who refuse to sign the required Conflict of Interest. Pazour moved, seconded by J. Tupper to recommend the following Policy Manual changes. **Motion carried unanimously.**

PAGE 7 – DIRECTOR STANDARDS

Level II Offenses: (For example)

- 4) Miss 3 of the 4 quarterly meetings in one fiscal year of the SDBIC.
- 5) Does not attend a "Directors Orientation" meeting during their first year as a director. If a valid excuse is approved by the Executive Director and President then it can be extended **to their second year.**
- 6) Violate Executive Session confidentiality.
- 7) **Director refuses to sign Conflict of Interest form.**

Pazour continued with the report noting the Executive Committee granted staff holiday leave from Christmas through New Year's, directed staff to research a new auditing firm, and reviewed the State Beef Council structure and discussed options for a more efficient board structure.

Pazour announced Frederick will have hip replacement surgery on December 26, 2012.

Pazour concluded the report by summarizing the committee's recommendation to allocate excess funds from NYBIC to Special Projects.

Pazour moved, seconded by Symens to approve the Executive Committee report. **Motion carried unanimously.**

PROMOTION COMMITTEE REPORT

Talsma presented the Promotion Committee report. The committee reviewed final reports from FY 2012. Talsma made mention the committee reviewed ARs that were approved during the FY 2013 budgeting process. Talsma continued by summarizing the committee recommendations for new FY 2013 ARs (see below). Talsma moved, seconded by J. Tupper to approve the Promotion Committee report. **Motion carried unanimously.**

- **Supermarket RD Pilot Test Proposal** - The program targets retail industry growth of in-store nutrition influencers (Registered Dietitians) and recognizes the need for the beef industry to reach these supermarket RDs with accurate information about beef's nutrition. The goal is to empower, educate and evangelize supermarket RDs to endorse beef as an everyday food to their shoppers. By doing this it will ultimately increase sales

for the retailer. – **\$16,000 (\$12,500 Reserve Funding - \$3,500 Consumer Information Funding)**

- **New York Beef Industry Council “Beef from Farm to Fork at the New York State Fair”** – NYBIC will provide a greater presence during their state fair by showcasing beef’s affordability, value and versatility through cooking demos that focus on cooking techniques, ease of cooking beef, beef safety and beef nutrition. - **\$15,000 Discretionary Funds - to include SDBIC director travel if one is available to attend.**

RESEARCH COMMITTEE REPORT

Walth presented the Research Committee report. Walth noted the committee met to review a 4 to 6 month no cost extension to *Influence of Growth Stage on Factors Associated with Marbling Development in Beef Cattle*. Walth so moved, seconded by Fortune to approve the no cost extension. **Motion carried unanimously.**

USMEF REPORT

Gebhart provided a PowerPoint presentation on the Korean Campaign. He noted the new “To Trust” campaign developed by USMEF has brought foreign confidence to the U.S. beef industry.

CBB REPORT

President Blair announced that Linda Gilbert and Danni Beer were reappointed to the CBB.

Sharpe, Gilbert and Meyer provided an update from CBB. Items discussed included the World Dairy Expo, update on the OIG Audit, the need for education of beta antagonist and issues management dealing with animal welfare issues. It was announced the new committee structure is in place.

OTHER BUSINESS

President Blair announced the SD Dairy Producers are requesting organizational membership on the SDBIC. He noted the SDDP has met all the requirements for such request. Blair opened the floor for comments. Blair called for organizational vote by secret ballot. **The request failed; 2 ayes and 6 nays.**

In response to a question from Thomas about the May Beef Month radio ads featuring producers, Frederick commented the SDBIC is moving forward with the ads.

The next Board of Directors meeting will be March 26, 2013.

Blair called for Executive Session at 3:02 PM to discuss personnel matters. Upon the board reconvening at 3:40 PM, President Blair gave a directive for the Executive Committee to meet following the adjournment of the Board of Directors meeting.

There being no further business the meeting adjourned at 3:41 PM.