

**SOUTH DAKOTA BEEF INDUSTRY COUNCIL
BOARD OF DIRECTORS MEETING
BEST WESTERN RAMKOTA
ABERDEEN, SOUTH DAKOTA
JUNE 25, 2013**

President Blair called the meeting to order at 11:01 AM CDT. He asked for introductions of directors and guests.

SDBIC Board Members present were as follows:

Ed Blair	SD Farm Bureau Federation
Georgia Talsma	SD Farm Bureau Federation
Wayne Tupper	SD Livestock Auction Market Association
Justin Tupper	SD Livestock Auction Market Association
Scott Jones	SD Cattlemen's Association
Becky Walth	SD Cattlemen's Association
Todd Mortenson	SD Cattlemen's Association
Eileen Moller	SD Cattlemen's Auxiliary
Julie Feldhaus	SD Cattlemen's Auxiliary
VeaBea Thomas	SD Beef Breeds Council
Craig Bieber	SD Beef Breeds Council
John Symens	SD Beef Breeds Council
Eric Sumption	SD Farmers Union
Mike Maher	SD Farmers Union
Mary Ellen Cammack	SD Farmers Union
Ruth Farnsworth	SD CattleWomen
Karla Pazour	SD CattleWomen
Julie Holmquist	SD CattleWomen
Gary Deering	SD Stockgrowers Association
Bob Fortune	SD Stockgrowers Association
Ernie Mertz	SD Stockgrowers Association
Gary Sharp	Cattlemen's Beef Board

Absent was:

Frank Volmer	SD Livestock Auction Market Association
Amanda Radke	SD Cattlemen's Auxiliary
Mike Gebhart	SD Farm Bureau Federation
Linda Gilbert	Cattlemen's Beef Board
Danni Beer	Cattlemen's Beef Board
Vaughn Meyer	Cattlemen's Beef Board

SDBIC staff and guests present were SDBIC Executive Director Ron Frederick, SDBIC Director of Nutrition Holly Swee, SDBIC Director of Industry Relations Tracey Walsh, SDBIC Nutrition Assistant Briana Burgers, SDSU Extension Rosie Nold, SDBIC Communications Connie Smith, SDSU Extension Roger Ellis DVM, SD Farmers Union Intern, Logan Kopfmann, PA Beef Council Executive Director Bridget Bingham, PA Beef Council Director of Communications and Channel Marketing Kristi Kassimer, Donna Sharp, and Ron Moller.

A motion to approve the agenda was made by J. Tupper and seconded by Walth. **Motion carried unanimously.**

A motion to approve the March 26, 2013 minutes was made by Pazour and seconded by Talsma. **Motion carried unanimously.**

PENNSYLVANIA BEEF COUNCIL UPDATE

Bair introduced Pennsylvania Beef Council's Executive Director Bridget Bingham and Director of Communications and Channel Marketing Kristi Kassimer. They thanked the SDBIC for their past support and provided a PowerPoint presentation of the programs the SDBIC supported as well as future promotions they are seeking funding for.

DIRECTOR OF NUTRITION REPORT

Swee next presented the Director of Nutrition and Consumer Information report. A written report of her recent activities was provided. Swee highlighted a few of her recent events as well as shared upcoming events.

The SDBIC once again partnered with the Nebraska, Iowa, and Kansas Beef Councils to interact with regional chefs at the Central Region Culinary Federation Conference held in Arkansas. The four Beef Councils hosted and assisted with two educational sessions – “Perfect Pairings” and “Explore Today's Beef: Farm to Fork”.

The SDBIC helped sponsor the “Beef-up Your Heart Healthy Diet” event in Luverne, MN. Sanford's Registered Dietitian Margaret Kuipers and Swee shared heart-healthy beef cooking preparation information and a cooking demo.

The SD Beef Ambassador Contest is scheduled for Thursday, July 25, 2013 at the Crossroads Hotel and Huron Event Center – deadline for entry is July 12, 2013. Swee encouraged SDBIC members to promote the contest to youth in their local areas due to low enrollment.

Swee gave an update on her work with the South Dakota School Lunch program and highlighted five new beef school lunch recipes. She will be demonstrating these new recipes on August 1st at the School Nutrition Association Convention, and August 9th at the School Board and School Administrators meeting.

DIRECTOR OF ONLINE COMMUNICATIONS/NUTRITION ASSISTANT

Burgers next addressed the board and provided a written report. Burgers provided an update on Team BEEF, including the results of the Mickelson Trail Marathon. She participated in the Race Expo where she was able to educate, recruit and provide promotional items such as beef jerky, cheer cards, and cow bells with thousands of runners and their families. The next SDBIC sponsored Team BEEF event will be the Beef and Eggs 5K in Brookings on July 13, 2013.

Burgers highlighted May Beef Month activities which included a grilling promotion on KSFY. She and Swee featured a grilling once, dining twice recipe. Following the grilling demonstration, KSFY's Shawn Cable and Nancy Naeve agreed to become celebrity Team BEEF members and wore their complimentary SD Team BEEF jersey's during their newscast.

The SDBIC social media sites continue to grow steadily and have increasing activity and participation. Burgers informed the SDBIC board that the revamped SDBIC website (www.sdbeef.org) launched in May, in honor of Beef Month.

FINANCIAL REPORT –

SDBIC Treasurer Gary Deering presented the financial report in the absence of the Finance Officer. He summarized the most recent Profit and Loss and Balance Sheet, noting revenue from In-state collections was up while Out-of-State collections and Private Treaty collections were down. Deering highlighted the expense side of the budget providing a brief summary of the major expenses in each category.

Deering next summarized the Balance Sheet. During the last meeting it was determined that the ICS program was not the most lucrative or manageable investment and staff and officers received the direction to invest those funds in a sweep account. Deering provided a detailed explanation of the new investment vehicle. Funds will sweep on a daily basis between the checking account, which will maintain a \$30,000 balance, and the Goldman Sachs account which will provide .01% interest. They also negotiated a .25% interest rate on a 30 day CD at American State Bank, which they invested \$210,000.

DIRECTOR OF INDUSTRY RELATIONS REPORT

Walsh provided the Director of Industry Relations Report as well as a written report was made available. Walsh briefed the board on Private Treaty compliance, noting that letters were mailed to all Dairies and certified Feedlots in South Dakota.

The SDBIC once again partnered with the Minnesota Beef Council by sharing a booth and offering BQA educational information at the Central Plains Dairy expo in Sioux Falls on March 26-28, 2013.

Walsh is working with SDSU Extension to provide approximately ten regional Beef Quality Assurance trainings throughout the state this fall. She also made mention that South Dakota dairy farm employees will have an opportunity to become BQA certified through a partnership with SDBIC, SDSU and American Breeder Services. Ten dairy farms will be targeted for the first year with additional sessions at the I-90 Dairy Conference and Central Plains Dairy Expo.

Walsh noted her recent attendance at the State BQA Coordinators meeting in Denver. She along with Jerry Yates, West Virginia, facilitated the coordinator breakout session.

EXECUTIVE DIRECTOR REPORT

Frederick summarized his printed report. The SDBIC helped sponsor St. Mary's Foundation *Paint the Town Red* event that was held in April. The Ramkota featured a recipe from the Beef Its What's For Dinner website.

Frederick made mention of the checkoff articles that were published in various newsletters throughout the state.

Frederick shared May Beef Month activities which included various in-store promotions throughout the state, heavy radio advertising featuring the new national ads, as well as Outreach Ads featuring Frank Volmer, Craig Bieber, Linda Gilbert, and Gary Sharp.

The SDBIC participated in Ag United's Beef Crawl which was held in Rapid City on May 13, 2013. The Beef Crawl is a progressive dinner where participants were able to sample beef dishes from local restaurants as well as mingle with local producers about today's beef production. Frederick explained that today's consumers are very interested in how their food is produced. He thanked Pazour, Blair, Deering and Tupper for attending on behalf of the SDBIC.

Frederick attended the FDA meeting in Pierre on May 21. This was one of four comment meetings held across the nation on the proposed rule changes concerning DVM prescriptions required for all antibiotics used in feed or water for livestock. Veterinarians and producers from South Dakota, North Dakota, Nebraska, Iowa, Minnesota, and other surrounding states voiced their concerns and opposition to the proposal. This proposal adds excessive recordkeeping and expense in order to comply with the new law.

Frederick shared a potential sponsorship opportunity during the Sturgis Rally with Mike Kilmer from the Buffalo Chip.

Frederick summarized exports. The U.S. has dropped from the #1 beef exporter in 2011 to #4 in 2012 behind India, Brazil, and Australia. United States was a 2011 net exporter of beef. In 2012, beef imports mainly from Australia increased. This trend is expected to continue in 2013 potentially making the United States a net importer of beef in 2014. Frederick shared his concerns of low supply of US beef per capita continually declining and higher prices will in turn cause a decline in the wholesale beef demand index.

PRESIDENT'S REPORT

Blair highlighted his participation in the Governor's Roundtable Livestock Development committee. Recommendations will be presented from the committee at the Governor's Ag Summit to be held June 25, 2013 in Pierre, SD.

EXECUTIVE COMMITTEE REPORT

Pazour summarized the Executive Committee meeting. The committee reviewed an estimate and letter of intent to perform audit services from Clausen & Rice, LLP; however, no action was taken. The committee approved a staff cell phone policy set at \$250 annually for all employees. Pazour noted the FY2014 Budget Committee meeting will be held July 31, 2013 in Pierre with Budget Proposals due July 12. Pazour continued, noting the Executive Committee tabled the formation of the SDBIC Board Structure task force committee; however, will look into the possibility of a Strategic Planning Session that would include task force committee members.

Pazour shared the Executive Committee's recommended Bylaw change:

SDBIC Bylaws – Article V

Section 3. Voting in the Council or Committees shall be by member organizations, each organization having one vote. Any action decided upon shall be by a majority vote of the member organizations present. Voting rights may be exercised only **by appointed directors in person and by those** in attendance at the meeting of the Council.

A copy of the recommended Bylaw change will be mailed to SDBIC Directors thirty days prior to the September 14, 2013 Annual Meeting. Pazour moved to accept the Executive Committee report, seconded by Jones. **Motion carried unanimously.**

PROMOTION COMMITTEE REPORT

Talsma presented the Promotion Committee report. The two FY2013 Authorization Requests (Taste of Autumn BBQ Championship and Rural Women in Ag Conference) were tabled. The committee also reviewed and prioritized promotional efforts and requests for FY2014 budget purposes. The Promotion Committee will make a recommendation to the Budget Committee. Talsma moved, seconded by Maher to approve the Promotion Committee report. **Motion carried unanimously.**

Feldhaus addressed the SDBIC board in regards to the "Etc for Her" Expo that is part of the SD Cattlemen's Auxiliary FY2014 budget. In order to participate in this expo a commitment needs to be made prior to the Budget Committee or Annual Meeting. Farnsworth moved, seconded by Feldhaus to commit \$10,000 out of the Cattlemen's Auxiliary FY2014 Budget for "Etc for Her" Expo to be held in October. This will allow the Auxiliary to commit to this event. **Motion carried.**

PRIME PROMOTER COMMITTEE REPORT

Fortune presented the Prime Promoter Committee report. Fortune so moved, seconded by Sumption to recommend the following be recognized during the annual meeting. **Motion carried unanimously.**

- D&K Outpost of Highmore – Business Category
- Mid-Dakota Meats, LLC of Winner – Business Category
- Dr. Dave Barz of Parkston – Individual
- Dean and Eileen Strong of Belle Fourche – Distinguished Service Award

RESEARCH COMMITTEE REPORT

Walth summarized the Research Committee meeting that was held via teleconference on May 6, 2013. The committee reviewed Dr. Kendra Kattlemann's revised research proposal *Pilot study to determine the effects of consuming lean beef on markers of metabolic syndrome in humans*. The committee recommends funding Dr. Kattlemann's revised proposal.

Walth made mention the committee also reviewed a research proposal from Dr. Amanda Weaver for FY 2013 funding. It was determined that similar research was being conducted on the national level; therefore the committee did not recommend funding the project. Walth noted the committee also agreed that reviewing or funding research mid-year gives an unfair disadvantage to forthcoming research proposals. Walth moved, seconded by Mertz to approve the Research Committee report. **Motion carried unanimously.**

NATIONAL REPORTS

Walth and Sharp gave reviews of the Operating Committee meeting that was held June 3-4, 2013. A beef industry scan was performed and updates to the Long Range Plan were made. The Operating Committee will meet again after Summer Conference to discuss the \$3 million deficit expected in FY2014. Highlights were given by Sharp, Jones, and Walth on the Sustainability Conference.

Symens and W. Tupper gave updates on the USMEF meeting held in Washington DC. Symens made mention of the marketing tactics, such as social media, that USMEF is utilizing in other countries. Science based theories was a hot topic throughout the conference; whereas USDA contends that countries have to accept our science based information and USMEF argues that we have to be able to provide what consumers want.

SDSU Extension Rosie Nold addressed the board in regards to the Best Management Practices manual that SDSU's Extension Beef Group and the Animal Science department are compiling. The manual will cover a wide range of topics, including animal nutrition, reproduction, management practices as well as a host of other information. This would be a valuable resource to the beef industry. The committee will be meeting in early July. Nold wanted to know if the SDBIC would support and provide suggestions on what to include. The publication will be

available the Spring 2014. Nold will submit an Authorization Request prior to the Budget Committee.

The SDBIC Annual Meeting will be held in Brookings on September 13-14 2014 during the Beef Bowl.

W. Tupper moved to adjourn, seconded by Jones. Motion Carried.