

**SOUTH DAKOTA BEEF INDUSTRY COUNCIL  
BOARD OF DIRECTORS ANNUAL MEETING  
SWIFTEL CENTER  
BROOKINGS, SOUTH DAKOTA  
SEPTEMBER 14, 2013**

President Blair called the meeting to order at 9:15 AM CDT.

SDBIC board members present were as follows:

Ed Blair	SD Farm Bureau Federation
Mike Gebhart	SD Farm Bureau Federation
Karla Pazour	SD Cattlewomen
Ruth Farnsworth	SD Cattlewomen
Julie Holmquist	SD Cattlewomen
Wayne Tupper	SD Livestock Auction Market Association
Eric Sumption	SD Farmers Union
Mike Maher	SD Farmers Union
Mary Ellen Cammack	SD Farmers Union
Sarah Caslin	SD Cattlemen's Auxiliary
Eileen Moller	SD Cattlemen's Auxiliary
Laurie Johnson	SD Cattlemen's Auxiliary
VeaBea Thomas	SD Beef Breeds Council
Craig Bieber	SD Beef Breeds Council
Bob Fortune	SD Stockgrowers Association
Ernie Mertz	SD Stockgrowers Association
Gary Deering	SD Stockgrowers Association
Scott Jones	SD Cattlemen's Association
Becky Walth	SD Cattlemen's Association
Todd Mortenson	SD Cattlemen's Association
Gary Sharp	Cattlemen's Beef Board
Dr. Chris Chase	Parliamentarian

SDBIC Board Members absent were as follows:

Georgia Talsma	SD Farm Bureau Federation
John Symens	SD Beef Breeds Council
Justin Tupper	SD Livestock Auction Market Association
Frank Volmer	SD Livestock Auction Market Association

SDBIC staff present was Ron Frederick, Executive Director; Holly Swee, Director of Nutrition and Consumer Information; Teri Heninger, Finance Officer; Tracey Walsh, Director of Industry Relations; and Briana Burgers, Nutrition Assistant/Director of Online Communications.

Guests present were as follows: Dr. Barry Dunn, SDSU Dean of Ag & Bio Sciences; Dr. Daniel Scholl, SDSU Associate Dean; Dr. Joe Cassidy, SDSU Animal Science Department Head; Dr. Stacy Scramlin, SDSU Animal Science; Dr. Amanda Blair, SDSU Animal Science; Dr. Keith Underwood, SDSU Animal Science; Dr. Michael Gonda, SDSU Animal Science; Dr. Julie Walker, SDSU Animal Science; Rosie Nold, SDSU Extension; Lynn Gordon, SDSU Extension; Pam Geppert, Dakota Farm Talk; Emma Christensen, SD Beef Ambassador; Tim Pazour, Producer; Allen Walth, Producer; and Donna Sharp, SD Dairy Producer.

Blair thanked the Directors for attending and asked each person to introduce themselves for the benefit of new members and guests.

Blair welcomed the new incoming directors whose terms are effective immediately – SD Cattlemen’s Auxiliary representative Sarah Caslin replacing Julie Feldhaus and SD Cattlemen’s Auxiliary representative Laurie Johnson replacing Amanda Radke. Incoming directors whose terms begin at the close of the annual meeting include: SD Farm Bureau representative Stacy Hadrick replacing Ed Blair, SD Cattlewomen representative Kodi Blotsky replacing Ruth Farnsworth, and SD Stockgrowers representative replacing Bob Fortune has yet to be named.

Agenda adopted with the addition of Executive Session directly after the Promotion Committee report.

Blair entertained a motion to approve the minutes of the June 24, 2013 meeting as printed and dispensed in the meeting book. Bieber so moved, seconded by Deering. **Motion carried unanimously.**

## **FINANCIAL REPORT**

The board reviewed the monthly cash flow. On the two year comparison, through August, it was noted that collections were up by \$97,968. It was noted that revenue from other State Beef Councils decreased as well as obligations to other State Beef Councils increased.

Heninger summarized the Profit and Loss through September 13, 2013. In-State and Out-of-state collections exceeded budgeted projections and Private Treaty collections were right on target with last year’s collections. Heninger highlighted each expense category. Promotion was currently under budget; however, outstanding State-to-State partnerships that will be expensed by the end of the fiscal year will exceed projections – major expenses since the June board meeting include: USD and SDSU Tailgater prizes, Deadwood Medora Trail beef meal sponsor, and the Buffalo Chip BBQ sponsorship. Consumer Information will remain under budget for FY 2013 – major expenses since the June board meeting include: Team BEEF, ACF Conference, and meat thermometers. Producer Communication will remain under budget for FY 2013 – major expenses since the June board meeting include: Media Contractor expenses, various print and radio ads targeting producers. Research obligations due as of September 13, 2013 is \$218,883 of which \$39,813 is FY 2012 research and the remainder is FY 2013 obligations. Industry Information will remain under budget for FY 2013 – major expenses since the June board meeting include: Beef 2020, SDSU Meat Judging Team sponsorship, and various Beef Quality Assurance booths and trainings. Administration is anticipated to be right on budget

for the fiscal year; however, it was noted that line item Board Meeting and Expense will go over budget due to two annual meetings being expensed in one year – major expenses since the June board meeting include: USMEF meeting, Summer Conference, Research Committee meeting, Budget Committee meeting and staff travel to various events. Compliance will remain under budget for FY 2013. Heninger next summarized the Balance Sheet, including outstanding Research obligations. Fortune so moved, seconded by Pazour to approve the Financial Report. **Motion carried unanimously.**

## **DIRECTOR OF NUTRITION AND CONSUMER INFORMATION REPORT**

Swee presented the Director of Nutrition report. A summary of her written report includes her attendance at the SD School Nurse Association Conference and SD Career & Technical Education Conference where she provided nutritional information and materials to attendees.

Swee is forging relationships with school lunch professionals, staff and the foodservice industry by sharing five new recipes that meet USDA's school lunch guidelines and educating them on the importance of high-quality protein in school children's diets at various events throughout the state.

The SDBIC hosted the Beef Ambassador Contest in Huron, SD on July 25, 2013. Ella Stiefvater took first place in the beginner division, Leslie Zubke took first place in junior division and Kelsey Repenning took first place in the senior division. Repenning will represent South Dakota throughout the year and will compete at the National Beef Ambassador contest in the fall of 2014.

Upcoming events for Swee include:

- SD Association of Health Organizations and SD Academy of Nutrition and Dietetics Association annual meeting and expo. The SDBIC will sponsor Registered Dietitian Shelly Aspin who will discuss how beef can help with deficiencies associated with celiac disease.
- Swee will participate in the Healthy SD Stakeholders meeting in Pierre on October 1, 2013 where they will discuss the state's health and wellness programs. The SDBIC will sponsor the beef luncheon during the event.
- Swee will attend the Association of Nutrition and Foodservice Professionals conference on October 2, 2013 in Rapid City. She will be sharing beef's great versatility and variety of products for foodservice use.

Swee introduced Emma Christensen, 2012-2013 SD Beef Ambassador. Emma thanked the SDBIC for the wonderful opportunity she experienced as Beef Ambassador. She summarized the events and curriculum she focused on during her tenure and is looking forward to competing in the national contest in Springdale, AR September 27-28, 2013.

## **NUTRITION ASSISTANT/DIRECTOR OF ONLINE COMMUNICATIONS REPORT**

Burgers next addressed the board. A summary of her written report was provided. Burgers shared with the board a video on the impact of social media in today's world. Social networking tools like Twitter, Facebook, Pinterest and Blogs influence people's buying behaviors. She noted her blog, Beauty and the Beef which features weekly recipes, receives over 2,000 views daily.

The board next viewed the spotlight videos of the Blair ranch and Deering ranch that Burgers recently created. The videos, which are shared on the SDBIC Website and Social Media Outlets, showcase family cattle operations with a positive message about beef production. Burgers noted the videos received more than 800 views to date and will create communication between consumers and producers.

Burgers completed her report by summarizing Team BEEF activities and the success of the program.

## **DIRECTOR OF INDUSTRY RELATIONS REPORT**

Walsh provided the Director of Industry Relations report. Walsh is partnering with SDSU Extension in a collaborative effort to provide "One Stop" Beef Quality Assurance trainings at locations around the state. The kickoff session will be held at Sisseton Livestock on September 16 with a focus on BQA as well as Risk Management, Nutrition, and record keeping. The additional focuses are subject to change at each location. Walsh is also partnering with SDSU Extension to provide on the farm dairy employee BQA training sessions.

Walsh highlighted her recent attendance at the SDSU Cottonwood Research Center Ag Day. The keynote speaker was Chad Mackay, President and COO of El Gaucho Restaurants (very high end steakhouse) in Seattle, Washington. Mackay discussed how El Gaucho Restaurants trains the servers on selling beef as well as incorporate their customers into a "Farm to Fork" experience. Mackay noted customers in his high end restaurant want to know how farmers and ranchers handle their cattle. Walsh mentioned that Mackay's comments were a reminder of the importance proper Beef Quality Assurance practices and consumer confidence in beef.

## **EXECUTIVE DIRECTOR REPORT**

Frederick presented the Executive Director report. A summary of his written report includes preparation for the Budget Committee meeting, Research Committee meeting, Annual meeting and SDBIC Strategic planning meeting.

Frederick shared his recent attendance at the Hill City Wine, Brew & BBQ event. He noted approximately 2,500 consumers attended the event and plans are underway to provide the SDSU BBQ Bootcamp for next year.

Events at the SD State Fair included the beef meal sponsorship during the Sheep Dog Trials, brisket for the BBQ Cookoff People's Choice event, and the SDBIC sponsored the beef meal for

Dakota Broadcasting's VIP Tent. Frederick noted his disappointment of the VIP sponsorship and therefore will not do this event in the future.

Frederick will provide a presentation on the beef checkoff and the beef industry at the Leadership Rapid City Conference on September 19, 2013.

Frederick summarized year-to-date beef exports, which are up 9% in value and reflect a record \$273 per-head value. The US is a net exporter of beef for the fourth straight year. Frederick provided an update on SDBIC's FY 2013 Federation Investment. Our current investment guarantees three Federation directors for FY 2015. If the SDBIC invests an additional \$30,000 by September 30, 2013, we are ensured a fourth seat for FY 2015. Pazour so moved, seconded by Jones the SDBIC invest an additional \$30,000 from reserves to secure a fourth Federation director seat. **Motion carried unanimously.**

## **EXECUTIVE COMMITTEE REPORT**

Blair presented the Executive Committee report. He noted the committee met July 31, 2013 to finalize the Strategic Planning Session scheduled for November 13, 2013 and completed the Executive Director evaluation. Todd Johnson, Federation Vice President, has agreed to facilitate the SDBIC Strategic Planning Session. Blair also noted that the committee agreed to invite the Ad-Hoc committee to participate in the planning session.

Blair summarized the Executive Committee's recommendation to amend the Policy Manual in regards to Federation Director terms. Discussion followed. Fortune so moved, seconded by Tupper to approve the following Policy Manual change. **Motion carried unanimously.**

### **Page 6 – III. Organizational Structure – Officers – Paragraph 4**

- The Board elects persons to serve on the Board of Directors of the Federation Division of the National Cattlemen's Beef Association. ~~These directors are elected for three year terms.~~ These terms shall be established by the Executive Committee not to exceed a term of three years with no term limits.

Mertz so moved, seconded by Moller to approve the Executive Committee report. **Motion carried unanimously.**

The board discussed the Bylaw change that was presented at the June 24, 2013 board meeting. Jones so moved, seconded by Deering to amend the SDBIC Bylaws as follows. **Motion carried unanimously.**

### **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 those~~ **by appointed directors in person and by those** in attendance at the meeting of the Council.

## RESEARCH COMMITTEE REPORT

Walth presented the Research Committee report. She summarized the committee's recommendations during the Research Committee meeting that was held August 15, 2013 in Brookings. Walth noted the committee also met via conference call on September 11, 2013 to prohibit future consideration of Dr. Brake's study *Impact of metabolizable protein supply on skeletal muscle protein turnover and other indices of product tenderness in cattle during zilpaterol administration & during zilpaterol withdrawal*. The committee met again on September 13, 2013 to review Dr. Amanda Blair's revised research proposal *Impact of maternal protein restriction in mid-to-late gestations on gene expression, offspring growth, carcass composition & meat quality*. Walth so moved, seconded by Moller to approve the following research proposals at the amount indicated. **Motion carried – 7 ayes, 1 nay.**

- *Beef or Chicken? A pilot study of the Generation-X and Millennials Consumers' Meat Choice with an Emphasis on Improving the Effectiveness of the Beef Council's Social Media Outlets* - Generate practical marketing insights to assist the SDBIC in continuing to successfully target young consumers within South Dakota and increase their demand for beef - **\$9,010.**
- *Genetic susceptibility to Salmonella spp. infections in beef cattle* (this proposal is phase 2 of a two year project – phase 1 funded in FY 2013) – **\$63,387.**
- *Global gene expressional and DNA methylation of the hypothalamus in feeder calves fed high concentrate finishing diet upon entering the feedlot phase* – This proposal addresses the research area of product enhancement. Reducing the cost of feeding cattle and increasing the carcass quality or yield will increase the value of beef products for the consumer. Understanding the mechanisms the body uses to control muscle development and adipose deposits can enhance the product the consumer receives while limiting the cost to the producer - two year project (year one \$25,918 – year two \$28,673) total funding **\$54,591.**
- *Determining the relationship between pH and instrumental color measurements to predict water-hold capacity and sensory juiciness* – Consumers require tender, juicy, flavorful beef products and are willing to pay premiums for beef products that are guaranteed to deliver these palatability attributes. Juiciness is strongly related to sensory tenderness and may greatly impact flavor and can be predictive of consumer perception - **\$40,657.**
- *“Impact of maternal protein restriction in mid-to-late gestations on gene expression, offspring growth, carcass composition & meat quality.”* Data from this proposal will provide valuable information related to the consequences of maternal protein restriction on economically important traits such as feed efficiency, gain, and carcass quality, and will provide producers with nutritional management strategies designed to decrease input costs and ultimately increase consistency and value of beef products - **\$106,305.**

## PROMOTION COMMITTEE REPORT

Acting Chair Bob Fortune presented the Promotion Committee report. He noted the committee met on September 13, 2013 to review Authorization Requests for FY 2014 and recommend a promotion budget of \$360,700. Fortune so moved, seconded by Maher to approve the following Promotion Committee recommendations. **Motion carried unanimously.**

- Sioux Falls Canaries – **\$7,500**
- Sioux Falls Stampede – **\$4,800**
- SDARL – two year agreement – **FY '14 \$7,500 – FY '15 \$7,500**
- Pennsylvania Beef Council State-to-State sponsorships (total \$59,000 as follows)
  - Pennsylvania Team BEEF - **\$1,500**
  - Pennsylvania Farm Show - **\$7,500**
  - Northeast Public Relations, Retail and Foodservice Outreach - **\$50,000**
- New York Beef Council State-to-State sponsorships (total \$55,000 as follows)
  - Farm to Fork Training for Culinary Schools - **\$10,000**
  - May is Beef Month Farm Tours - **\$10,000**
  - Beef from Farm to Fork at the NY State Fair - **\$15,000**
  - Boilermaker - **\$20,000**
- SDSU Athletic Sponsorship – two year agreement – **FY '15 \$8,00 – FY '16 \$8,820**
- USD Athletic Sponsorship – two year agreement – **FY '15 \$7,350 – FY '16 \$7,720**

President Blair noted the time and announced the Budget Committee report, Nominating Committee report and Executive Session be moved after the board convened from lunch.

## NATIONAL REPORTS

CBB Director Gary Sharp and Federation Directors Walth, Pazour, Deering and Jones summarized their attendance at Summer Conference. They noted the challenges with the new committee structure. Additionally, Walth shared her attendance at the New York State Fair. She commented on the amount of media attention focused on the fair.

President Blair introduced Dr. Barry Dunn, SDSU Dean of Ag and Biological Sciences. Dunn thanked the board for their leadership and support for SDSU research. Dunn provided an update on SDSU and noted the college continues to show growth.

The board recessed for lunch at 11:25 A.M. and reconvened at 12:43 P.M.

President Blair introduced SD Cattlemen's Foundation members Todd Wilkinson and Ryan Eichler. SD Cattlemen's Foundation is organizing the *Prime Time Gala* which is a fundraising event for Feeding South Dakota. They summarized the event and provided a list of available corporate sponsorship levels and asked the SDBIC for their support. No action was taken.

President Blair declared Executive Session at 1:05 P.M. The board reconvened at 2:10 P.M.

## **BUDGET COMMITTEE REPORT**

Budget Committee Chair Karla Pazour presented the Budget Committee report. The Budget Committee met July 31, 2013 to formulate the FY 2014 budget. Pazour went through the budget page by page summarizing each category and highlighting increases or decreases in each area. Pazour so moved seconded by Fortune to approve the FY 2014 budget as amended. Motion carried.

- Income - \$ 3,756,000.00
- Promotion - \$360,700.00
- Consumer Information - \$267,700.00
- Producer Communication - \$45,500.00
- Research - \$278,950.00
- Industry Information – \$90,770.00
- Administration - \$297,630.00
- Compliance - \$3,000.00
- CBB - \$1,405,000.00
- Federation - \$339,189.00 (\$239,189 Unrestricted ~ \$100,000 International Marketing)
- USMEF - \$17,200.00
- Other states - \$650,000.00

## **NOMINATING COMMITTEE REPORT**

Acting Chair Blair presented the Nominating Committee report. He stated the Nominating Committee met earlier in the day to reaffirm Karla Pazour as SDBIC President and Wayne Tupper as SDBIC Vice President. Additionally, the Nominating Committee recommends Todd Mortenson as Treasurer, Mike Gebhart as USMEF Director, Scott Jones for two year term as Federation Director, Gary Deering for one year term as Federation Director and Karla Pazour for one year term as Federation Director. Blair called for other nominations from the floor, there being none; a motion was made by Fortune, seconded by Maher to cease nominations and cast a unanimous ballot. Motion carried unanimously.

There being no further business, Blair adjourned the meeting at 2:50 P.M.