

South Dakota Beef Industry Council
BOARD OF DIRECTORS ANNUAL MEETING
SDSU Performing Arts Center – Fishback Studio
Brookings, SD
September 17, 2016

President Wayne Tupper called the meeting to order at 8:45 AM CDT.

SDBIC board members present were as follows:

Wayne Tupper, President	SD Livestock Auction Market Association
Steve Hellwig	SD Livestock Auction Market Association
Eric Sumption, Vice President	SD Farmers Union
Mike Maher	SD Farmers Union
Laurie Johnson	SD Cattlemen's Auxiliary
Kari Sanders	SD Cattlemen's Auxiliary
Shirley Thompson	SD Cattlemen's Auxiliary
Veabea Thomas	SD Beef Breeds Council
Craig Bieber	SD Beef Breeds Council
John Symens	SD Beef Breeds Council
Ernie Mertz	SD Stockgrowers Association
Gary Deering	SD Stockgrowers Association
Becky Walth	SD Cattlemen's Association
Todd Mortenson	SD Cattlemen's Association
Mike Gebhart	SD Farm Bureau Federation
Stacy Hadrick	SD Farm Bureau Federation
Jeffery Gatzke	SD Farm Bureau Federation
Karla Pazour	SD Cattlewomen
Erin Yost	SD Cattlewomen

SDBIC board members absent were: Justin Tupper, SD Livestock Auction Market Association; Randy Volmer, SD Stockgrowers Association; Mary Ellen Cammack, SD Farmers Union; Kodi Blotsky, SD Cattlewomen; and Scott Jones, SD Cattlemen's Association.

SDBIC staff present were Suzy Geppert, Executive Director; Holly Swee, Director of Nutrition and Consumer Information; Teri Heninger, Finance Officer; and Amanda Bacon, Director of Communications.

Guests present were: Pam Geppert, Tim Pazour, Ed Blair, Nancy Montross, and Bob Montross. SDSU researchers and staff present were: Interim Dean of Ag & Bio Sciences Dr. Daniel Scholl, Dept Head Ag & Bio Sciences Dr. Joe Cassady, Dr. Bill Gibbons, Dr. Kyle Grubbs, Dr. Amanda Blair, Dr. Keith Underwood, Warren Rusche, Heather Rode, and Taylor Grussing.

President Tupper thanked the directors for attending and asked each person to introduce themselves for the benefit of guests.

Maher so moved, seconded by Mertz to approve the amended agenda. **Motion carried.**

Tupper asked if there were any corrections to the June 20, 2016 minutes as dispensed in the meeting book. Hearing none, Tupper announced the minutes approved as distributed.

FINANCIAL REPORT

The board reviewed the Monthly Cash Flow. A previous year comparative showed In-state collections decreased by \$40,108; revenue from Other States increased by \$31,958; and In-State expenses decreased by \$224,214. As stated in previous meetings, the drop in revenue is from the shift of North Dakota state of origin checkoff being directly remitted to North Dakota.

Heninger summarized the Profit and Loss through September 15, 2016. In-State and Out-of-State collections exceeded budgeted projections with Private Treaty collections falling short.

Heninger next highlighted each expense category. Promotion will remain under budget for FY 2016 – major expenses since the June board meeting include radio and television advertising, Sioux Falls Stockyards Ag Experience sponsorship, GroundWorks Youth Eating Smart campaign, Watertown Public Opinion sponsorship, and various promotional items.

Consumer Information will remain under budget for FY 2016 – major expenses since the June board meeting include Team BEEF, American Culinary Federation Conference, SD Academy of Nutrition and Dietetics Conference and nutrition education materials.

Producer Communications will remain under budget for FY 2016 – major expenses since the June board meeting include Dakota Farm Talk, Summer Spotlight sponsorship, SD Stockgrowers booth, and various print and radio ads.

Heninger noted \$159,062 has been expensed for research in FY 2016. The current research liabilities are \$63,305.

Industry Information will remain under budget for FY 2016 – major expenses since the June board meeting include travel for various Beef Quality Assurance events.

Heninger explained Administration is currently under budget; however she anticipates the expenses will exceed the budgeted amount. The major expenses since the June board meeting include staff and director travel for Summer Conference, USMEF Convention, and SDBIC committee meetings.

Compliance will remain under budget for FY 2016.

As of September 15, 2016 the SDBIC has remitted \$1,489,605 to CBB, \$326,653 to the Federation which includes USMEF and \$497,185 to other state beef councils.

Heninger next summarized the Balance Sheet. Checking account and CDs total \$929,134; Research liabilities total \$63,305; October wires will be approximately \$67,274. Total cash balance after liabilities total \$798,555. Deering so moved, seconded by Yost to approve the Financial Report. **Motion carried.**

DIRECTOR OF NUTRITION AND CONSUMER INFORMATION REPORT

Swée provided a written report of her recent activities. In summary, Swée continues to forge relationships and share beef's nutritional benefits with health and nutrition influencers, retail and foodservice, and active lifestyle enthusiasts through targeted promotions statewide. The events include Ground Works-Midwest Youth Eating Smart (YES!) Summer School Day Camp, Sanford Black Hills Pediatric Symposium, SD School Nutrition Association beef and dairy farm tours, SD Association for Career and Technical Education Conference, and SD Team BEEF.

DIRECTOR OF COMMUNICATIONS REPORT

Bacon provided a written report of her recent activities. In summary, the SDBIC online engagement has increased significantly. The Live Video feeds, which include the Genex Burger Battle, Feeding South Dakota, Gatzke Feedlot, Summer Spotlight, SD State Fair, Sioux Falls Marathon, are doing extremely well. In addition, Bacon placed statewide targeted radio ads through Pandora; and placed articles with IGrow, Rapid City Journal, Ag United, SD Cattlemen's Association and SD Stockgrowers.

EXECUTIVE DIRECTOR REPORT

Geppert provided a written report of her recent activities. In summary, Geppert continues to maximize checkoff dollars by creating opportunities that connect producers to consumers with a clear and consistent message.

In an effort to increase producer communications, Geppert attended Summer Spotlight, Dakotafest, Central States Fair and SD State Fair. These events created an opportunity for direct communication with producers to share information about SDBIC activities.

Geppert briefed the board on the health insurance renewal. She noted the budget committee anticipated a 15% increase; however, the renewal rate came in at a 25% increase.

Geppert highlighted the Stockyards Ag Experience sponsorship. She noted the facility will host an open house in March.

PRESIDENT'S REPORT

Tupper next gave the President's report. He noted the number of changes over the course of the year and commended staff for their commitment to the SDBIC.

EXECUTIVE COMMITTEE REPORT

Tupper summarized the August 3, 2016 Executive Committee meeting. The committee accepted a proposal from First Dakota National Bank as the SDBIC financial institution.

Tupper shared the committee's recommendation to post a job opening for the Director of Industry Relations at \$15.00 per hour plus full benefits with the exclusion of BQA as part of the job description.

Geppert provided a brief update on the BQA program. She has been working with BQA Steering Committee Chair Bryan Nagel on the transition process. She noted the SDBIC will continue to manage the program through the end of September or early October.

Bieber so moved, seconded by Hadrick to approve the Executive Committee report. Motion carried.

RESEARCH COMMITTEE REPORT

Walth presented the Research Committee report. The Research Committee met in Brookings on August 11, 2016 to review FY 2017 research proposals and receive updates on existing projects.

The following extensions were approved through September 30, 2017:

- Dr. Blair's *Impact of maternal protein restrictions in beef cattle during mid- to late-gestation on gene expression and epigenetic change in offspring.*
- Dr. Scaria's *Identification of microbial risk factors that cause Salmonella persistence and infection in beef cattle.*
- Dr. Underwood's *The supplementation of long chain fatty acids in feedlot cattle diets effect on beef carcass traits.*

The following FY 2017 research proposal was approved:

- *Control of Salmonella to improve Pre-Harvest food safety and antibiotic stewardship in beef production* – Dr. Michael Gonda – **\$48,345**

Walth concluded her report by noting the committee will grant one year extensions moving forward. Additionally, the committee recommends a research budget of \$91,252 with \$4,000 being directed to researcher travel.

Walth so moved, seconded by Mertz to approve the Research Committee report. **Motion carried.**

PROMOTION COMMITTEE REPORT

Gebhart presented the Promotion Committee report. The committee met September 7, 2016 to consider FY 2016 Authorization Requests and recommend a FY 2017 Promotion Budget. In addition, the committee discussed a mobile interactive beef display to be used as an educational tool at various events across the state.

FY 2016 recommended ARs include:

- SD Summer Spotlight – BBQ Bootcamp for Youth in the amount of \$1,200.

Gebhart continued with the report summarizing the committee's FY 2017 Promotion Budget:

- Sponsorships and Awards - \$18,000
- Promotional Items - \$15,000
- SD Cattlemen's Auxiliary - \$22,820
- SD Cattlewomen - \$25,000
- Media - \$45,000
- Beef Up Your Game - \$19,150 per contractual agreement
- 4-H BBQ - \$1,200
- Prime Promoter - \$3,500 - recommending the SDBIC honor two recipients within the state during appropriate producer focused events such as the Black Hills Stock Show and Prime Time Gala.
- Beef Certificates/Beef Bucks - \$7,200
- State-to-State partnerships - \$109,500
- Special Projects - \$60,650 - funds cut from other areas of the promotion budget were directed to Special Projects
- Beef Up Your Ride - committee recommends this line item be moved to Producer Communications
- Pump Iron Eat Beef - \$5,000
- Implementation - \$12,000

Gebhart so moved, seconded by Gatzke to approve the Promotion Committee report. Discussion followed. Sumption moved to amend, seconded by Deering for the Evaluation Committee to review the structure of the Prime Promoter Awards. **Amendment carried. Amended motion carried.**

Tupper introduced Dr. Amanda Blair for a presentation on *SDSU Meat Lab Promotion and SDSU BBQ Bootcamp Video Production*. This project will create advocates for the beef industry by providing meat lab students with an educational experience of beef cattle. In addition, the BBQ Bootcamp portion will educate consumers on meat selection, proper cookery, safety, nutritional value, marinades and rubs. Video segments based on the BBQ Bootcamp will be produced and available on IGrow as well as made available to the SDBIC. **Amount requested - \$13,000.**

Dr. Blair continued with a presentation on *Beef 2020*. This program is designed to provide producers and industry representatives with an overview of current and potential factors that impact carcass value through classroom presentations and hands-on learning activities with live cattle. **Amount requested - \$12,300.**

Sumption so moved, seconded by Walth to fund from reserves the SDSU Meat Lab Promotion and SDSU BBQ Bootcamp Video Production for \$13,000 and Beef 2020 for \$12,300. **Motion carried.**

SDSU Graduate Research Assistant Heather Rode provided an update on the SDSU Meats Judging Team and introduced the current Meat Judging Team. She shared the results of the five competitions they have competed in thus far.

BUDGET COMMITTEE REPORT

Sumption presented the Budget Committee report. The Budget Committee met August 3, 2016 to formulate the FY 2017 budget. Sumption went through the budget page by page summarizing each category. Sumption so moved, seconded by Johnson to approve the FY 2017 budget as amended. **Motion carried.**

- Income - \$3,397,900.00
- Promotion - \$344,020.00
- Consumer Information - \$259,159.68
- Producer Communication - \$41,000.00
- Research - \$91,252.00
- Industry Information – \$71,454.00
- Administration - \$309,152.84
- Compliance - \$3,500.00
- CBB - \$1,432,500.00
- Federation - \$322,712.00 (\$222,712 Unrestricted ~ \$100,000 International Marketing)
- USMEF - \$17,200.00
- Other states - \$500,000.00

NOMINATING COMMITTEE REPORT

Sanders presented the Nominating Committee report. The committee interviewed candidates for SDBIC President, Vice President and Treasurer as well as candidates for USMEF Director and two Federation Director positions.

The committee recommended Wayne Tupper for President. Sanders called for nominations from the floor, there being none; Bieber so moved, seconded by Mortenson to cease nominations and cast a unanimous ballot. **Motion carried.**

The committee recommended Eric Sumption for Vice President. Sanders called for nominations from the floor, there being none; Deering so moved, seconded by Maher to cease nominations and cast a unanimous ballot. **Motion carried.**

The committee recommended Laurie Johnson for Treasurer. Sanders called for nominations from the floor, there being none; Yost so moved, seconded by Mertz to cease nominations and cast a unanimous ballot. **Motion carried.**

The committee recommended Gary Deering and Laurie Johnson to serve as Federation Directors. Sanders called for nominations from the floor, there being none; Gebhart so moved, seconded by Pazour to cease nominations and cast a unanimous ballot. **Motion carried.**

The committee recommended Mike Gebhart to serve as USMEF Director. Sanders called for nominations from the floor, there being none; Mertz so moved, seconded by Johnson to cease nominations and cast a unanimous ballot. **Motion carried.**

NATIONAL REPORTS

Karla Pazour addressed the board. She noted she was not able to attend summer conference. She thanked the board for the opportunity to serve as Federation Director.

Becky Walth made mention of her written report in the meeting book. She announced her appointment to a three year term on the Evaluation Committee.

Gary Deering shared highlights of his attendance at the Cattle Industry Summer Conference. The FY 2017 Operating Committee budget represents a \$5.3 million cut in checkoff programs on the national level. Deering noted his work on the Export Growth Committee. Japan, Mexico and Korea are the three largest importers of US Beef.

The board reviewed results of the recent CBB Audit. The SDBIC was found to be in compliance with the Act and Order. Gatzke so moved, seconded by Symens to approve the Audit. **Motion carried.**

Maher so moved, seconded by Mortenson to amend the Bylaws as follows. **Motion carried.**

ARTICLE IV.

Representation

Section 2. Additional Organizations. ~~Other organizations may be accepted to make up the Council. Non-affiliated agricultural and/or livestock organizations may be admitted by 2/3rds vote of the member organizations after attending meetings of the South Dakota Beef Industry Council for one year at their own expense.~~ Other Ag organizations unaffiliated with the current member organizations and unable to gain representation on the board, may petition for membership after attending the meetings of the South Dakota Beef Industry Council for one year. A two-thirds vote will be necessary for inclusion on the

board. If rejected, they may repetition three years after attending the meetings of the South Dakota Beef Industry Council for one year.

Mortenson so moved, seconded by Yost to amend the Policy Manual to reflect the new Bylaw change. **Motion carried.**

A Strategic Planning meeting and quarterly board meeting has been scheduled for Sunday, November 20, 2016 and Monday, November 21, 2016.

There being no further business, Walth moved to adjourn, seconded by Yost. **Motion carried.** Meeting adjourned at 11:10 AM.