

NORTH DAKOTA BEEF COMMISSION MINUTES
December 13, 2016

The North Dakota Beef Commission meeting was called to order at 10:10 am, December 13, 2016, in Bismarck by Chairman Jeff Dahl. Members present were Jeff Dahl, Gloria Payne, Dale Kuhn, Jodi Carlson, Dan Rorvig, Travis Maddock, Jim Bitz, Weston Dvorak, Clark Price, Jerry Effertz and Mark Wagner. Staff present included Nancy Jo Bateman, Robin Berger and Joan Hoovestol. Guests throughout the day included State Treasurer Kelly Schmidt, ND BQA coordinator Lisa Pederson and NDSA Executive VP Julie Ellingson.

A motion was made by Bitz to move agenda item 11 which would need to be voted on up to #5. Seconded by Kuhn. Carried.

A motion to approve the agenda as amended was made by Maddock, seconded by Dvorak. Carried.

The minutes were reviewed. **A motion to approve the minutes was made by Dvorak, seconded by Carlson. Carried.**

Rorvig informed the board that since the last meeting, he had been elected to the position of vice president for the ND Stockmen's Association and felt he should resign from his current position as vice chair of the Commission to avoid any appearance of a conflict of interest. The board members appreciated his concern for the best interest of the Commission.

State Treasurer Kelly Schmidt gave an overview of her department and what they do to assist agencies. Helping to manage cash flow for agencies is a priority. Bid-ND is a program they created to invest state dollars for agencies with local banks and credit unions across the state. Their department sends bid out for CD's and whoever offers the best interest rate gets the business. Bateman asked for input regarding putting additional funds into CD's to get a little more interest. Currently we have two \$50,000 CD's at 1% or less. Schmidt said they regularly "ladder" CD's for agencies so the time that they come due is spread out across the year. **Maddock moved to have the audit committee work with staff to create a policy on CD's/investments for the Commission. Payne seconded. Carried. Maddock moved to have up to \$350,000 moved into CD's by March. Bitz seconded. Carried.** Schmidt offered to assist if their help was needed in developing a policy

Carlson chaired the audit committee meeting with state auditor Krista Lambrecht prior to the board meeting. Audit committee members were Carlson, Rorvig and Dahl. Carlson reported that Bateman brought her into several discussions, meetings, and phone calls with the auditor and the CFO of the Cattlemen's Beef Board through the audit process to make sure everything was done correctly. Some adjustments were made in order to comply with the Act & Order. **A motion was made by Carlson to approve the audit report as revised. Seconded by Wagner. Carried. A motion was made by Carlson to approve recommendations from the audit committee to amend the current budget for 2016-2017 and move all salary and benefits currently in the national budget column to the state budget column and move \$125,000 from state research funds to the national research budget. Seconded by Rorvig. Carried with one vote opposed.**

Financial statements for September, October and November were reviewed. Carlson asked several questions about expenses and explained to the board that she does this every month just to make sure she understands everything and that staff has everything documented. **A motion to approve the financials was made by Carlson, seconded by Kuhn. Carried.**

Bateman requested discussion on the additional \$40,000 Federation contribution that was funded out of the 2015-2016 budget. There was much discussion about investments in national programs. **A**

motion was made by Wagner that the Federation be directed to invest these funds in the research program. Seconded by Kuhn. Carried.

A joint state proposal from the Nebraska and Kansas Beef Councils was presented regarding a partnership whereby the ND Beef Commission would co-fund the hiring of a dietitian that would work through the Florida Beef Council to develop programs with the large nutrition professional audience in Florida. Their Beef Council has worked with Kansas and Nebraska in the past to have enough funding so they could reach large consumer audiences. The request was for \$20,000 per year for three years. **A motion was made by Carlson to partner with the Nebraska and Kansas Beef Councils for a three year commitment to provide funding for the Florida Beef Council to hire a dietitian. Payne seconded. After additional discussion, Dvorak moved to table the motion. Seconded by Maddock. Motion tabled.**

NDSU BQA coordinator Lisa Pederson reviewed all of the activities she has been involved with in 2016 that were made possible in part by Beef Commission funding. Pederson expressed that she has concerns that in the near future, maybe in 2017, there will be regulations or a move to have all cattle transported by "certified" drivers. She doesn't know how this will happen or exactly what it might look like but it would require a large education component. Currently the Commission has \$20,000 budgeted for the BQA program.

Dan Halstrom, Senior VP of Global Marketing for the USMEF, joined the meeting via conference phone. He presented a proposal from USMEF to increase beef promotion efforts in mid-level Japanese grocery stores and with foodservice providers. There was a significant cut in the Operating Committee funds available and these important markets could not be funded. That's why USMEF is looking to large cattle states and those with funding outside of the federal checkoff to consider helping to fund work in these markets. Price and Effertz both concurred that with all of the beef in the market that needs to be consumed, this is a good time to invest as there will be excellent opportunities to reach consumers. **A motion was made by Maddock to fund the USMEF proposal for \$50,000. Seconded by Rorvig. Carried.**

Ellingson thanked the Beef Commission for their support of their "Tomorrow's Top Hands" event. They had 30 teenage and college students participate in the extensive, exciting weekend event. Bateman added fun with beef cookery to the event with a beef nutrition game and hand-on cooking and tasting with beef. Ellingson also brought the group up to date regarding the need for a new meat lab at NDSU and the fact that it was the #2 priority for SBARE.

Two funding /sponsorship requests were received from NDSU organizations, one was the Collegiate CattleWomen and the second was the NDSU Ag Collective. Some expressed concern that we need a policy or process as well as expectations when requests like this are considered. There was a general feeling that with the increased funding that the ND CattleWomen received this year for programs that the Collegiate group should access checkoff funding through the ND CattleWomen as they are part of that organization. **Carlson made a motion to deny the requests. Seconded by Payne. Carried.**

Ellingson brought a request forward to have the Beef Commission consider buying beef sticks for law enforcement to show the industry's appreciation for their work in ND communities. This could be an extension of the current efforts that have been undertaken to show appreciation to our military. **A motion was made by Dvorak to show support for law enforcement by purchasing beef sticks, not to exceed \$2500. Seconded by Rorvig. Carried with one opposed.**

The revised research request for proposal (RFP) document was reviewed and discussed. There was also discussion that for the March meeting, which will focus on research proposals, we should consider having the meeting in Fargo. **A motion was made by Maddock to approve the RFP and release it to the scientific community for research proposals. Seconded by Dvorak. Carried.**

A motion was made by Bitz to move to agenda item 14 and set dates for next year. Seconded by Kuhn. Carried.

Meeting dates for 2017 will be March 20-21 (Fargo), June 20, September 12, and December 5.

Bateman presented information on the newly organizing ND Livestock Alliance. There was much discussion as to how this group will operate and what they will do as well as what sort of investment will be necessary for board representation. There needs to be a clearer scope to determine how the Beef Commission and checkoff dollars might be used. **Carlson made a motion to table any decision at this time. Wagner seconded. Carried.**

Bateman reviewed the activity report and gave program updates. The Art Of Meat Cutting Seminar held in October was a huge success. Rorvig attended the November USMEF meeting on behalf of the Commission and reported that 70% of USMEF's staff is actually in foreign countries working to promote beef and there were a lot of questions about the China market opening to US beef. Effertz also reported on the September Operating Committee meeting. There were \$44 million in proposals and only \$38 million available. Maddock would like a thank you note sent to the NDSU Meats Lab staff for the use of their facility for the "Art of Beef Cutting" event held there.

Effertz will be running for the position of chairman of the Federation of State Beef Councils at the Cattle Industry Convention in February. A letter of support was circulated and signed by all board members.

Chairman Dahl called for a reorganization of some of the executive committee seats and the third Federation Director due to Rorvig's resignation as vice chair and the fact that the third Federation director seat had not been filled after the Mid-year conference. **A motion was made by Bitz to elect Price as our third Federation director. Seconded by Payne. Carried.**

Nominations for vice chair (to replace Rorvig) were opened. **Payne nominated Carlson. Bitz nominated Maddock but he declined. Payne made a motion that nominations cease and a unanimous ballot be cast for Carlson. Carried.**

Nominations were then opened for secretary/treasurer (due to the fact that Carlson was elected as vice chair). **Carlson nominated Wagner. Seconded by Payne.** Being no further nominations, **Payne made a motion that a unanimous ballot be cast for Wagner as secretary/treasurer. Seconded by Dvorak. Carried.**

A motion was made by Maddock to approve \$2500 for staff to purchase and upgrade equipment for meetings. Seconded by Wagner. Carried.

The meeting was adjourned at 4:45 pm.