

NORTH DAKOTA BEEF COMMISSION MINUTES

June 28th, 2016

The North Dakota Beef Commission meeting was called to order at 10:10 am, June 28, 2016, in Bismarck by Chairman Clark Price. Members present were Clark Price, Merle Jost, Jodi Carlson, Dan Rorvig, Kathy Tokach, Jim Bitz, Gabe Thompson, Jerry Effertz, Mark Wagner and Jeff Dahl. Member absent was Dale Kuhn. Staff present included Nancy Jo Bateman, Robin Berger and Joan Hoovestol. Guests present at various times throughout the day included: Newly appointed board members Weston Dvorak, Travis Maddock, and Gloria Payne who will begin their terms on July 1; Julie Ellingson of the ND Stockmen's Association; Jessie Pfaff of the ND Ag Dept.; Dr. Eric Berg via conference call from NDSU; and Sheyna Strommen, communications consultant for the NDBC.

A motion to approve the agenda was made by Thompson, seconded by Wagner. Carried.

A motion to approve the minutes with a correction to add Jerry Effertz to "members present" was made by Rorvig, seconded by Carlson. Carried

Introductions of the newly appointed Commission members were made including Weston Dvorak, Travis Maddock and Gloria Payne.

Financial statements were reviewed. Bateman explained the income statement columns and voucher list to new board members. Carlson questioned the Attorney General office costs. Bateman explained NDBC is assigned to a specific attorney for legal questions and they bill back. Carlson had a question on the bill for Vicki Volk. Bateman explained she is a person we hire to assist with 1099 printing and some computer programming. Carlson had a question on Neva Cochran costs. Bateman explained she was a nutrition speaker that we sponsored for the ND Nutrition Council conference. Carlson questioned a \$19,000 advertising payment. Bateman explained this was one payment for the television ads that ran during the state basketball tournaments.

Bateman went over some details about the status of refunds. To date there have been 393 different individuals that have received refunds. Some of these people have refunded more than once. A total of \$74,489 has been paid out with the average refund being \$127.63, and 87 refunds being for less than \$10. The total amount of state checkoff dollars collected has been \$980,928.00. Refunds have totaled 7.6% of income which is a little higher than most commodity groups, but lower than what it was prior to the national checkoff. The board also reviewed a current revenue comparison by month and by category of collection point. **A motion to approve the financial reports was made by Bitz, seconded by Wagner. Carried.**

Price stated that \$40,000 of state checkoff dollars was budgeted to go to the Federation but the check hasn't been issued yet. This money would normally go into the general fund and the Federation would decide where it would be spent. Price wondered if these funds should be earmarked for a special fund. Effertz explained how funds are set up at the Federation. There are 6,500 codes for money to be accounted for at the Federation. There is a lot of accountability and any contribution to the Federation will be well spent with producer oversight including 4 ND Beef Commission members on the Federation. Effertz explained one fund, called Fund Source 40. The fund includes money that came from BIC and that was not national checkoff dollars. From time to time national checkoff dollars are not approved for parts of programs so money in fund source 40 can be used to cover these costs if it is deemed necessary and important. Effertz stated that it is possible for the 14 states with state level checkoffs to consider this when investing in the Federation as state checkoff dollars usually have more flexibility in how they are used than the federal dollars. **A motion to earmark the \$40,000 Federation contribution for fund source 40 to be used for program needs apart from those under CBB & USDA program oversight was made by Thompson, seconded by Carlson. After additional discussion, Motion Carried.**

Dr. Eric Berg joined via conference call to discuss research and various ways to get information disseminated. He reported on new research Texas A&M is doing. New findings on beef and other new research appears to support additional benefits of having fat from beef in the diet. Berg said that fat is not the enemy. He discussed the possibility of doing a research project to support the new information. He envisions a human study, but it is very expensive and very hard to control. Thompson asked how the Commission could participate in getting this newer information out. Dr. Berg said that as we keep getting

information to dietitians and nutritionists that understand the benefits of fat, it will eventually make its way to the doctors. Collaborative work with NCBA may also be a possibility, but it will be hard to change the direction of the “low fat ship” according to Berg. As a point to start, Dr. Berg could do a program as part of the nutrition influencer event being planned that Soybean committed grant money to. Tokach added we should make info available to producers and cattlemen to help them in telling of the benefits of their own product. Rorvig mentioned Sanford is opening a new hospital in Fargo in 2017 and it may be an opportunity to use them as a resource. Dr. Sherry Stastny has also received research funding related to diabetes from them. There was also discussion about BBQ boot camp and the need for more man power to keep this great program going. Dr. Berg agreed. Additional funding, incentives for students to help and other ideas were mentioned. Maddock felt that the program as it stands may need to be retooled to be effective in the future and we might be able to help with funding for a reboot of the program. Other ideas discussed included having a brainstorming session with NDSU experts on research. There might be a need to consider some sort of proposal process for programming beyond research – like Beef 701 activities that could go beyond grade & yield information to nutrition, benefits of beef, bringing in ranch moms, bloggers, influencers, in a train the trainer approach.

Jessie Pfaff with the ND Department of Ag gave an update on the Livestock Summit. At last year’s livestock summit the main topic was the need for communication/education for producers and consumers. NDBC has been the only commodity group to date that has taken one of the industry video/commercials the Ag Dept produced and used it for TV ads. This was done during the state basketball tournaments and the Ag Dept greatly appreciates this. August 3 is the date for the 2016 Livestock Summit. “Bring People Together” is the theme. The agenda will include a panel with a dairy, beef and pork representatives discussing their programs. Other presentations will be by the Dept of Health, Dept of Commerce, SD Ag United and a representative from the Aberdeen packing plant.

Bateman gave the Executive Director report and highlighted several different programs and meetings that staff and board members have been involved with.

As the board took a recess for lunch, the board surprised Joan Hoovestol with a cake and gift in recognition of her 30 years of service to the ND Beef Commission.

Effertz gave an update on USMEF and the meeting he attended. There is a 38% tariff in Japan and a 100% tariff on US Beef in Jamaica. The reason many are so interested in what happens with the Trans Pacific Partnership being discussed industrywide is that if it were to be implemented, the tariffs drop in these Pacific Rim countries to as low as 18% which would open more of these markets to US beef.

Julie Ellingson gave an update on the NDSA Tomorrow’s Top Hands Leadership Summit, October 20-22, in Bismarck for students 15-20 years old. They will be showcasing the beef industry and making stops at various locations covering the pasture to the plate. They will end one day with a visit to the ND Beef Commission and a presentation about beef and the checkoff with Bateman. Ellingson also reported on the state stockmen’s convention program. It will be in Minot September 22-24. The Commission will have a booth, do a presentation on the checkoff at the research and education committee meeting and be a partial sponsor for the Friday luncheon and program.

The marketing plan for the upcoming year was presented and discussed. A new “special projects” line item was incorporated for \$110,000. This was suggested by Effertz and the board will decide how to spend this money, possibly on national &/or international projects that need funding. The CattleWomen’s program funding was also increased based on discussion with the budget committee. Wagner stated he would like to see hot beef samples at events CattleWomen work at instead of “trinkets”. Tokach stated that they hand out beef sticks at several events. There was also \$10,000 budgeted for BBQ boot camp or to go to whatever might replace it. Bitz questioned \$10,000 being used for the annual report. Bateman stated this cost is to once again publish it in Farm and Ranch but not for a mass mailing. Wagner felt it was a good use of money to reach producers and to deter potential refunding. Maddock suggested adding news in with the refund check such as how people can spread good information about beef. There was also discussion about combining all producer communications funding and getting real fancy with materials so they are noticed and read. Under promotion, funding was added for television ads for state and to investigate new print, radio, online, and TV segments. Additional funding was also put into BQA. In the research area the RFP process has been developed and will be implemented with a sizeable research budget. Effertz suggested inviting Todd Johnson and Mandy to a meeting to ask questions and bring Dr. Berg and

researchers to the meeting and have a discussion and brainstorming that was referred to as a “research trust”. **A motion to approve the marketing plan was made by Carlson, seconded by Thompson. Carried.**

Price reported on the personnel committee meeting. The retirement and health plan are all dictated by the state. Bateman explained new rules for time and a half. Price discussed recommended salary increases for staff. **A motion to approve personnel committee recommendations was made by Carlson, seconded by Bitz. Carried.**

Dahl gave an update on the budget and budget committee recommendations. Effertz asked if there is a reserve dollar amount. Bateman stated six months of operating funds has been the goal. Effertz suggested \$100,000 a year for 5 years. Bateman mentioned cattle numbers have been stable for years. Wagner felt high amounts of money should not be set aside because the market has been stable for so long. Price brought up the possibility of considering financial support for the new National Ag Genotyping Center at NDSU. The ND Corn Council has two seats on the board of this organization and they were instrumental in getting this state-of-the-art research center located in Fargo. Buying a seat drives the direction of research being developed. It costs \$100,000 for a board seat. Price felt the Center staff should come and do a presentation for the board so everyone could understand it better. **A motion to approve the proposed budget with funds available within it to have a carryover amount the board is comfortable with was made by Thompson, seconded by Wagner. Carried.**

With large events in the future, it was suggested that new shirts be purchased for all board members to wear. Bateman and Carlson will work on this.

The Cattle Industry Mid-Year Conference will be in mid-July. Effertz, Price, Dahl, Carlson and Bateman will be attending. Effertz is the national vice-chair of the Federation and drew an organizational chart for the board to help everyone understand the structure of NCBA and the Federation. He also said that the new promotion emphasis is called “Families in Motion” to address the millennial audience which is the target.

The floor was opened for election of Beef Commission officers.

Nominations were opened for Chair. Carlson nominated Dahl. **There being no further nominations, Wagner moved that the secretary cast a unanimous ballot for Dahl, seconded by Thompson. Carried.**

Nominations were opened for Vice Chair. Carlson nominated Rorvig. **There being no further nominations, Carlson moved that the secretary cast a unanimous ballot for Rorvig, seconded by Bitz. Carried.**

Nominations were opened for Secretary/Treasurer. Bitz nominated Carlson. **There being no further nominations, Bitz moved that the secretary cast a unanimous ballot for Carlson, seconded by Jost. Carried.**

Nominations were opened for Ex-Officio members. Dahl nominated Price for the US MEF. Jost nominated Effertz for the Federation. **There being no further nominations, the secretary cast a unanimous ballot for the nominees. Carried.**

Nominations were opened for the Ag Foundation representative. Carlson nominated Rorvig. **There being no further nominations, the secretary cast a unanimous ballot for Rorvig. Carried.**

Nominations were opened for the Ag Coalition representative. Carlson nominated Dahl. **There being no further nominations, the secretary cast a unanimous ballot for Dahl. Carried.**

Retiring directors Clark Price, Gabe Thompson and Merle Jost were recognized for their years of service and presented with a beautiful clock for their contribution to the state’s beef industry.

The meeting was adjourned at 6:40 pm.