



Draft Minutes
February 24, 2017
Staunton, VA

Attendance:

Taylor Fix, MacKenzie Moore, Valerie Rasmussen, Jason Carter, Bill McDonald, Lisa Lloyd, Teresa Volk, Jerry Gustin, Craig Miller, Lawson Roberts, JS Staley, Hank Maxey, Mike Carpenter, Melissa Ball, Mark Gwin, Shirley Powell, Andy Smith, Mark Sowers, Chaz Potter

Last Meeting Minutes:

Overview of what was discussed at the last meeting
Minutes were approved

West Virginia- CBB has their collections now.
We have no relationship, and have no liability for them. We have been reimbursed.
Council side - CBB taken over completely

The agreement that was signed is now terminated and Jason has asked CBB to take over, which they have done.

Introductions for New Board Members

Name
What we do

Goals:

Come out of the meeting with a direction on how we would like to proceed after the split of VCA and VBIC takes place.
Where we have been- Where we can to go as a council and understood going forward.

Jason:

PowerPoint/ Codes in relation to moving forward
Cattleman's Assessment was incorrectly replaced when the beef council came into being.
Cattle assessment in Virginia stays on the books as a law in VA until the assembly takes it away.
Jason has the code suspending while he surveys the producers to see if they'd like to keep the assessment, and at what investment level. Surveys will continue through the end of June 2017.
So far, results are positive towards the assessment and investment levels vary. It also seems that producers are comfortable allowing the same Board of Directors to oversee both the assessment and checkoff funds since they can both only be used for promotion exclusively.
Jason will continue to update the board of survey progress through email between now and the June Board Meeting.

Surveys 415 cattle producer in the last month
Keeping an ongoing spread sheet with results



Favorable for reinstate of the assessment

Many different ideas on how the assessment can be used – promotion of the product exclusively.

Asking how do people feel with this board managing both pots of money- most are fine with dual responsibility.

So far the Survey has been pretty easy, and most understand the assessment.

Many people are not engaged with the beef check off

Work of the check off is aimed at the building demand, which therefore means the efforts are aimed at consumers instead of producers, and producers are becoming accustomed to the dollar per head and not family with what it is.

To move forward with assessment- the goal for the assessment is to move forward with restatement with assessment, with the opportunity to separate the Virginia Cattlemen's Association from the VA Beef Council.

There is a valid concern for how to document and justify the separation of policy and promotion. Splitting will remove that concern and liability.

Code of Virginia-

Need to address Virginia Beef Council and Beef Checkoff specifically.

Because of the situation in Montana, USDA recommended that every state needs to have law compelling people to pay the name state beef council.

Composition of the board- after today –June we are going to come up with recommendations. Jason will keep you updated on updates that will fit the needs of both boards

Redevised the state into six regions (vs. 7) with same number of feeder cattle in them instead of outdated market relationships.

Dairy Industry-

Do we need more than one dairy producer on our board?

We want a proportionate representation of the industry

In the current code, the Livestock and meat board is listed but does not exist anymore.

Regardless of how assessment turns out- moving forward if assessment goes away, the way money is handled section will be eliminated. This will mean that the Checkoff dollars will no longer need to be fed through VDACS. This was something that was never required legally, and adds an extra step and overhead costs to VDACS.



Donovan/Sam visit from Cherry Bekhart Audit Company

Financials

Went through the Financial Audit booklet

Revenues this year were slightly down but comparable to the past year, expenses this year were almost double due to administration fees (Jason's increased salary from 15% to 50%) / and the Federation investment the board approved.

Some of the ways money is reported for the audit has changed as the project areas have shifted from specific projects to 4 larger pools of money, one for each priority area.

Letter- No issues with management- Jason and Teresa did a great job
No change in account polices

Second letter- National Beef Board Requires

Nothing violated the beef research act or board investment policy

There was a notation that for a short period, the amount of funds in Council accounts exceeded the 110% required by CBB. This reflects the notion that only \$250,000 are covered under FDIC insurance at any one financial institution. To navigate this, VBIC set up a savings account at another financial institution to obtain another \$250,000 coverage and the limits should no longer be an issue. Donovan spoke with CBB about this notation and they didn't seem very concerned since it has been dealt with.

Board asked: should the 2nd letter, notating the overage, be part of the financial statement? There was concern that 1 letter notated no issues (as is true for the audit itself), but that there was a concern from CBB's perspective. The board doesn't want this to be misconstrued as hiding information from the financial statement package, and would prefer it to all be enclosed in one document.

Concern that we as the board are responsible for the all of these financials, and the beef check off rules.

Don't feel that the information is all together to be able to explain to the stakeholders.

Request understood- Sam will look into this and see if the letter can be combined with the packet

Oklahoma situation of embezzlement- brings up many concerns for board liability or oversight. Conversation with Sam occurred about what a forensic audit consists of and why one may be done. He charged the board with taking some additional steps on their side to help locate any controversial or fraudulent handlings of Checkoff dollars. This included asking for a financial statement and looking over reconciliations to bank statements.

Primary responsibility of Sam/Donovan- express an opinion that the financials are represented fairly in accordance of accounting processes. They do sample a small number of documents to



help identify any problem areas. If something came to their attention, it would be reported to the person directly managing the person of concern. If the person of concern were Jason, Cherry Bekhart would bring it up to the board directly.

Currently, Jason and Valerie are the only people able to sign checks. It is written in our minutes that Valerie's signature is requested on any checks over the amount of \$5,000.

The board feels that we should do random checks on employee reimbursement records not due to any suspicion of foul play but to be cautious. We do currently have liability insurance that covers all board members. There board mentioned there needs to be healthy skepticism but also some latitude and treating people and professionals. Scrutiny can go too far. Nothing under \$23 needs to have a receipt turned in is the current regulation

It was proposed that the board form a committee to look into these options and potentially appointing a treasurer. Jason will need to check with VDACS to ensure a treasurer position can be created.

Questions up to now with splitting VCA and VBIC

Does this mean VIC will have its own director?

Yes- not sharing oversight any more. Jason will continue as VCA's director and VBIC will need to fill this roll.

Each entity (VCA and VBIC) would now have its own payroll

Insurance/tax liability they would be separate

Teresa could still be doing the accounting for both sides as a split position or contracted position.

Question raised: Would both VCA and VBIC be putting in grants from the Assessment pool of money?

Yes, proposals would be submitted and need to be approved. Money could flow through a grant process back and fourth. The concern was mentioned that since the current VBIC board would be overseeing both Assessment and VBIC funding, they may be more quick to approve VBIC funding proposals.

Guest Speaker: Dwight Paulette

Dwight is working on a research project surrounding drone technology being used in herd management. Although the current project is not fundable by the Checkoff, Jason invited him to brainstorm with our board on possibilities for information that could come from this study that would be important to consumer messaging or our other priority areas.

How can we better present precision ag (ear tags, collars, boluses) to this program? this could be a better plan for this area, and also be a better use of money.

Bobby Grisso and extension agents are in on the planning of this program.



We want to provide more tools to help the producers to be more efficient.

3 parts to the project:

Research- on tech research station- Glad Spring

Training- Extension agents/ placing drones on farms in SW VA

Promoting- practices to the consumer to enhance beef production image

200 steers to come to the research station- come in early August

divided into groups- backgrounded

example of companies- quantified ag in Nebraska- ear tags that transmit to commuter or cell phone- monitor calves body temp, etc. Bella Ag from Nebraska or Colorado- rumen boluses- transmits temp of calves. Possibility to show farmers how to reduce illness, the use of less medication, etc.

Second phase- next summer

Drone pilot and technician

To train extension agents

See how the drone could be used to check fences, count cattle in the pasture, etc.

Asking us to fund some research- that could meet one of our goals of marketing to consumers

Jason: Marketing within our own industry needs to continue to happen.

The VFD comes to mind- we have to follow these guidelines as producers

The board discussed how the information from a production project could be turned into a consumer message and could be disseminated to the public through social media. Valerie weighed in that social media is largely used for bite-size pieces of education, and we wouldn't want to open a can of worms with bringing a new welfare topic for the public to consider worthy or unworthy. On the other hand, it may be a study to escalate to the national level, where tools like FactsAboutBeef.com exist to delve into the nitty-gritty hot button issues. Another board member mentioned that the outcome may not lend itself to as positive of a consumer message as we are hoping. The suggestion was made to do the study to generate data and **then** give a proposal to disseminate the information.

Grant Updates

North East Beef Promotion Initiative – using their \$10,000 towards three programs referenced in the board notebook. One is to create a beef directory for the DC-Maine region for people to be able to search to find beef product directly. This is being mirrored after the Virginia directory.



Staff Update

Taylor-

Farming in the Valley- did not go as planned

Was not able to display of common misconceptions of the industry

Not sure if this is something that will continue

Team Beef-

5 K run in Colorado

Participation in Marine corps marathon program led by Northeast Beef Promotion Initiative

UVA Tailgate

Videos to share beef recipes, and insight for people to come to our website

Creating a pairing guide- to pair up beef recipes to different bold rock drink options

Fire Flour and Fork Event in Richmond

Chef interaction

Featuring a beef dish

Dylan Fultineer- Rappahannock oyster company

Jannequine Bennett from Everyday Gourmet

DC metro Cooking-taste talk

Nicole brown- dietician from Virginia

She was willing to help promote for the beef industry and the nutrition of beef and healthy meal prepping

Made packets with beef cut charts, meal prepping, and beef recipes

Health and Fitness Expo

Worked with Northeast Beef Promotion Initiative

Ads, Signage, and Booth

Looking ahead...

March-

food training presentation- beef meal prep

VAND Sporty Nutrition Workshop

VAFCS Annual Meeting- Farm Tour and food Demo

April-

Sysco Booth JPJ

VA Beef Expo

VA FCCLA convention- tool boxes to send them files and create a day where they can focus on beef production and consumption in the classroom



VT Relay for life- working with Vt Beef Council- about misconception of beefs role on cancer risk
Producer Spotlights

Ongoing:

Beef counts

Tool boxes

Team beef

Races- onsite influence

Valerie

References national updates included in board packet to keep board up to date on all Checkoff work.

Digital Snapshot compares 1st quarter of this fiscal year w/1st quarter of FY16- everything is up and we are hitting the strides of social media

Engagement on pictures and post

Instagram is very much so taking off, new measurement programs will make analytics easier

Team beef

Farm tour planned for may 6th

Map out 5 k to run as a team

Production tour

And bios of the team members to use on social media

Assigning team captains for the different regions of Virginia

May beef month

Use this as an internal motivator

Increate our impressions that we are making on consumers

Plan to really push out in may, but will continue year-round

Plant to update the website

Need to capitalized on new technology and make our website more functional and navigational

Monticello wine trail

Getting paring guides- to be selected to go with beef

Want people to have beef stops as they do these wine tasting trails.

Looking Ahead

What does the VBIC look like if we split from VCA?

Put together a smaller group- a committee to look at personell possibilities

Within the next month- start the framework to make the adjustments



Want to continue to talk about the changes that will be done, and coming up – looking to Jason for email updates about Assessment and code changes.

Taylor's transition: She is now 100% a VCA employee for membership and newspaper
She will see through her projects with the beef council side
Once there are transition opportunities, she will turn over programs and contacts to Valerie

In June- we will have more information about the assessment and the path with be more clear
Todd Johnson from the Federation of state beef councils will be at the meeting
Can offer explanations of what other models look like, how other states are structured and operate

Public Comment

None

Adjourned

Respectfully submitted,

MacKenzie Moore

Intern for Virginia Beef Industry Council

