



Virginia Beef Council
Strategic Planning Session Minutes
June 26-27, 2017

Meeting Location: Hilton Richmond Spa & Resort Short Pump, 12042 West Broad Street, Richmond, VA 23233

Attendance: Todd Johnson, Teresa Volk, Andy Smith, Mike Carpenter, Mark Gwin, Craig Miller, Lawson Roberts, Shirley Powell, Cecelia Moyer, JS Staley, Jennifer Callison, Valerie Rasmussen, Jason Carter

Absent: Chas Potter, Hank Maxey, Jerry Gustin, Mark Sowers, Bobby Combs, Bill McDonald, David Coleman

Goals for Meeting

- Strategic Outcomes
 - Assist board members (6 new) with information to help them do their job well
 - Fiduciary responsibilities
 - Understanding the checkoff (VBC, CBB, Federation)
 - The Beef Industry Long Range Plan and VBC's role in supporting
 - Define priorities in a way that provides clarity to contracting organizations
 - We want contractors to bring projects that align with board priorities
 - Understand dynamics around an increase in VA assessment
 - Added funds and greater impact on beef demand
 - Organizational structure to meet expectation of board and stakeholders
 - 3 SBC organizational structures currently available

Monday, 4-6pm

Strategic Planning Session

Grant Proposal Presentations

- Blue Ridge Cattlemen's Association
 - Jason presented ideas on behalf of Gary Hornbaker. Blue Ridge Cattlemen's Association wants to partner with a local brewery. Wants to work with Salamander Resort in Middleburg. It was suggested that they attend the September meeting to present directly to the board since their funding will be needed for the next fiscal year.
- Virginia Cooperative Extension
 - Alyssa Elliott, specialty animal science/livestock.
 - Creating a 4-session workshop on direct marketing for beef, goat, and other proteins in Lynchburg area at Campbell County Rustburg Office (inspection, laws and regulations, economic structure, carcass breakdown with Jordan Wicks with basic price breakdown). Asking funds for meals using uncommon cuts to educate

producers about what they are marketing, funds to get speakers/professionals to the workshop, and for advertising/materials). Each session will be 2 hours, offering a discount for the entire 4-week series. Will discuss various marketing tactics. It was suggested Alyssa seek buy in from other protein groups and Jason will follow up with her in August once she has more details about attendance and other sponsorships

“Setting the Stage” – Jason, Mark & Todd Johnson

- Introductions of board members
- Understanding your job as a beef council board member
 - Checkoff Insights (Act, Order, CBB, VBC, Federation, etc.)
 - Passed in 1986 after 2 failed times.
 - Established one “qualified” state beef council per state. This allows only one entity per state to collect the national dollar.
 - Key Elements of the Successful Model:
 - Engaged grassroots
 - Producer-controlled structure
 - Everyone pays
 - State and national partnership
 - National Boards/Committee Structure
 - Beef Board
 - 100 seats going to 99 because Virginia is losing a seat.
After Bill McDonald’s term expires in February 2018, we will not be re-appointing a second member. We can apply in 2020 for early reappointment (vs. usual 3 year waiting period).
 - nominated by state-producer organizations
 - appointed by US Secretary of Ag
 - Federation
 - Approximately 100 seats
 - Investment based (you can pay for seats)
 - Appointed by State Beef Councils
 - Joint Committees
 - CBB/Federation/State execs
 - Beef Promotion Operating Committee
 - 20 members (10 beef board, 10 federation of state beef councils)
 - Responsibilities of VBIC board members
 - Leadership comes from the voluntary board
 - Mission-focused
 - Strategic planning
 - Facing the cold hard facts
 - Management comes from the staff
 - Aligning the talent with the outcomes that the board expects
 - Provides incentives for promotion to keep staff
 - Removing obstacles
 - Keeps the board informed

- Leaders (Board) determine the direction, managers (staff) get you there
- Leadership does not solve management problems, and management does not solve leadership challenges. The board funnels their communications through the Exec, and the board needs to internally solve leadership challenges
- Manage cattle producer's money wisely. You represent all the 26,000+ Virginia producers that pay the Checkoff. They expect accuracy, fiscal responsibility, visibility of their dollars at work.
 - Visibility is more difficult now that the message is in a different medium than cattlemen are used to (digital vs. radio). It's up to the board to help carry the message back to the area you're from.

Responsibilities as outlined by the law:

- Collect assessments and ensure compliance
- Remit 0.50 of assessment to CBB
- In-state programs
- Keep producers informed
- Audited financial statements
- February Board Meeting minutes- tabled approval until September board meeting

"Understanding the Beef Business Environment" – phone conference with CattleFax

Tuesday, June 27 beginning at 8:00am

Attendance: Todd Johnson, Teresa Volk, Andy Smith, Mike Carpenter, Mark Gwin, Craig Miller, Lawson Roberts, Shirley Powell, Cecelia Moyer, Jennifer Callison, JS Staley, Valerie Rasmussen, Jason Carter, Melissa Ball, Shepherd Cronemeyer

Absent: Chas Potter, Hank Maxey, Jerry Gustin, Mark Sowers, Bobby Combs, Bill McDonald, David Coleman

Beef Industry Long Range Plan Overview - Todd

- We will review the LRP by Core Strategy
- Why do we plan?
 - Having a defensible basis for decision-making
 - Influence instead of being influenced
- 4 core strategies
 - Drive Growth in Beef Exports
 - Important because exports have not been as critical to prices the past 9 years of declining US production, tight supplies and higher prices, but US beef production is now rising, and competition is fierce. Exports will be much more critical to cattle/beef prices the next 5 years.
 - Three ways the LRP plans to do this:
 - Increase market access
 - Advocate for international trade of US beef in foreign markets
 - Adopt animal ID traceability systems

- Promote unique attributes of US beef
- Protect & Enhance the Business Climate for Beef
 - Grey boxes in Planner signify political options that Checkoff cannot fund, but are focuses for the beef industry as a whole in the LRP
 - Dietary Guidelines: beef maintained its presence in the guidelines, but it's now recognized that sustainability practices may influence this position in the future.
- Grow Consumer Trust in Beef & Beef Production
- Promote and Strengthen Beef's Value Proposition
- Board Anonymously marked their worksheets on which priority areas they think Virginia could make the most impact on. (See attached document for results)
- Break
- Take action on VBC Mission Statement –
 - After hearing discussion about the LRP, does the board want to reaffirm or amend Mission Statement?
 - Perhaps swap out the word "benefit" or "strengthen" for the current word "sustain". Remove the word "and" suggesting that enhancing consumer preference WILL strengthen Virginia families. More cause and effect than than 2 separate focus points. New proposed mission statement would read "to enhance consumer preference for beef to strengthen Virginia families". This will be brought back to discussion and to a vote in September meeting.
- Next steps:
 - Staff will review board direction and use to build a marketing plan and budget.

12:00pm Lunch

- Buffet at Hotel

Afternoon workshop – Understand dynamics around an increase in VA assessment

- Jason update on Assessment code: The official recommendation (see attachment for details)
- Next steps: What does this mean for Virginia Beef Council? The code, originally meant for Assessment dollars, has been followed by the Beef Council but is not required. Beef Council can now begin the process of developing by-laws, etc. to govern themselves.
 - VBIC has a tax id number that's never been used, but can be. VBIC also has a history of executing the Checkoff in Virginia, so USDA will be able to approve VBIC as a qualified state beef council pretty quickly. The Qualified State Beef Council is currently as VCA, contracted by the entity of VBIC.
 - VCA and VBIC could still share admin, office, etc. There are many models for VBIC board to consider (employee benefits, payroll taxes, etc. can be shared even if staff time is not shared between VCA and VBIC roles). Jason prefers not to have an administrative role with Beef Council because of potential firewall concerns. He recommends a small group of VBIC members look into the potential structures. Mark Gwin will email the board asking for volunteers to investigate these options.

- Added funds bring opportunity for greater impact on beef demand, plus greater expectations from producers.
 - Discussion on progress with updating state code
 - Surveys indicate that most prefer work in live cattle marketing and research, but VBIC will be able to apply for funds from the Assessment as well.
- 3 potential organizational structures:
 - **Two-Hat:** what Virginia currently has. One exec manages both activities (policy and checkoff)
 - One board: North Carolina shares one board for both organizations and has 2-hat staff and exec.
 - Two boards: Some states have 2 meetings per year where both boards come together (Ohio)
 - **Father-Daughter:** Kansas
 - Kansas Beef Council exec reports directly to beef council board, but staff evaluation and administratively reports to Association exec.
 - Pros: kept beef council in tune with industry
 - CEO of policy organization is a treasurer of Kansas Beef Council. CEO came to meetings, but didn't get involved in program execution. He was able to weigh-in on programs once a year. Kansas CBB members are full-voting members on the board (Virginia they are ex-officio).
 - **Independent:** Texas, for example, has 3 different separately operating entities:
 - Cattle Feeders – Amarillo, TX –separate board, separate staff
 - Beef Council – Austin, TX – separate board, separate staff
 - Beef Council board manages assessment money as well (different boards, same people)
 - Arizona
 - Cattlemen's Association – holding company (6 total staff)
 - Feeder council underneath
 - Beef Council underneath

It was recommended 2-3 board members will arrange conference calls with other state's execs to learn more about the different options, and will include Jason and Valerie on those conference calls. Mark Gwin plans to email the board to ask for volunteers to explore these options.

Public Comment: Shepherd Cronemeyer from the Virginia Agribusiness Council thanked the board for allowing her to attend to learn more about the needs and happenings of the Virginia Beef Council.

3:00pm Adjourn

Respectfully submitted,
Valerie Rasmussen