

**BBU BOARD MEETING
MOODY GARDENS 10 A.M.
GALVESTON, TX**

President Steve Carpenter called the meeting to order 10:08 a.m.

Mackie Bounds opened the meeting in prayer.

Secretary Dan Gattis called rolled with only one absence, EVP Bill Pendergrass (health). The following were in attendance:

Steve Carpenter	Tony Psencik	Dalton Skinner
Bob Siddons	JC Thompson	Kendall Mc Kenzie
Chris Kauffman	Dr Robert Williams	Justin Williams
Dan Gattis	Trey Scherer	Derek Frenzel
Mackie Bounds	Ronnie Teague	Gary Halepeska
Sue Pierson	James Skelton	Collin Osbourn

Carpenter called for any questions or concerns on the minutes of the June 30, 2017, and the October 11, 2017, (conference call) meetings. **James Skelton moved to approve the June 30, 2017 and the October 11, 2017, meeting minutes as presented. Ronnie Teague seconded. The motion carried.**

FINANCIAL REPORT – Treasurer Chris Kauffman and CFO Collin Osbourn – Kauffman referred the board to their bound copy of the audited 2017 financials. Kauffman noted and explained some differences in his projected report from the June meeting and the audited report presented today. Two major things that had an effect on this difference were the Beefmaster Cattleman L P (Nolan Ryan partnership) investment and an adjustment made by the new accounting team from the past FY to clean up credit card accrual that the previous accounting firm should have made in the previous 2016 FY. There is no change in the cash flow position just in the reflection on the books with the generally accepted accounting principles (GAAP). It is a difference of CASH basis income statement versus GAAP basis income statement. Discussion and questions ensued concerning the audited 2017 financial report. Collin Osbourn spoke on the September financial report. Steve Carpenter then entertained a motion to accept the reports. **Mackie Bounds made a motion to accept the Audited 2017 FY Financial report and the September financials as presented. James Skelton and Kendall McKenzie seconded and the reports were accepted.**

B.E.E.F. ENDOWMENT CAMPAIGN REPORT – Bob Siddons reported that the campaign was going well and it would go public this weekend. Siddons quoted Bill Carr’s statement concerning the endowment: “it’s hard to argue that an endowed study flow of money for research, education, and publicity is not good for this breed.” As goals and commitments are met, we will have great opportunities to move this breed forward faster than ever. Dan Gattis has agreed to

chair the finance committee that will hire the professionals to invest the money and Mike Collier has agreed to chair the grant committee that will decide where this money goes. Mackie Bounds noted that all pledge amounts are accepted and needed to get us where we need to be. Each pledged amount is relevant and important to insure success.

NOBLE RESEARCH INSTITUTE – President Steve Carpenter addressed the board on his experience and knowledge of the Noble Foundation. Carpenter asked Collin Osbourn to speak on the two day seminar held in Ardmore, Oklahoma at the Noble Foundation in August. Osbourn noted that the board and members of several committees were in attendance at the meeting. Notes taken from the meeting were distributed to the board for review. Carpenter spoke on the NRI Integrity Beef Program. They asked Beefmaster to submit a proposal to have them consider our breed for their program. The Noble Research Institute will vote at their December board meeting on whether or not to include Beefmasters in their Integrity Beef Program.

CONVENTION REPORT – Marie Welkener reported that full registrations are at 230 plus additional individual meal purchases. The hotel has been very accommodating. Welkener noted the various opportunities and events available. Sponsorship has been great this year and is very much appreciated. South Texas BBA is raising money for the convention by selling chances to win a rifle. They still have tickets available for purchase. The Convention committee has been helpful and great to work with this year. Marie thanked the staff for their support as well.

SIRE EVALUATION PROGRAMS – Collin Osbourn reported on the University of Arkansas at Monticello (UAM) project. They are the first set that went through the grow-safe system. The data is being collected and the heifers were sent back home to UAM. They will continue to keep records and AI them back to Beefmaster sires and go through another production cycle and hopefully continue on through several more production cycles.

Flying B Ranch is involved in a separate research project. They have a set of Angus cows in far west Texas that were AI'd to Beefmaster sires and they used Beefmaster sires as clean up bulls as well. Field Representative, Lance Bauer, presented a slide show from the test and reported averages and results of data taken thus far.

Osbourn noted that both of these multi-year projects are funded by B.E.E.F. He thanked breeders for their support and help in these projects as well (providing animals, purchasing steers, purchasing grow safe systems, etc.)

DEVELOPMENT OF A COMMERCIAL HEIFER REPLACEMENT FEMALE CHIP – Collin Osbourn stated that in the June meetings several committees expressed interest in and wanted staff to pursue information on a commercial heifer product offered through genomics through both Geneseek and Zoetis. Geneseek jumped in right away with information. A meeting has been set up at Geneseek for November 7 – 8, which will involve several committee chairs, some officers and staff. The group will tour and then meet with Dr. Spangler (one of our consulting

geneticist). They will spend a whole day at Geneseek trying to iron out some of the details of the commercial heifer chip. The one coming out of Geneseek will probably be Igenity Beefmaster. It will rank cattle and then we can then make predictions on who is better for different traits that we currently have. We want to try to keep that in line with our EPD's. Zoetis also has a product that will be rolling out soon. This won't cost us anything and we won't have to change anything. The prediction equations are a by-product of the genetic evaluation we are already running with John Genho. There should be more to present in January (on what the process is going to look like) after the meeting in November.

NEW REGISTRY DEMONSTRATION – Collin Osbourn and Donna Henderson – Donna gave a brief preview of the new Registry system and where we are at this time, demonstrating some of the screens and options the breeders can expect with it.

GRANT COMPANY – Eric Grant addressed the board and introduced himself and talked about his experience in Agricultural Advertising. Jeralyn Novak and Eric recently visited the Flying B Ranch and took pictures to possibly use in future ad development. Grant presented some of the ideas he has developed in a slide show for the board.

2019 CONVENTION UPDATES AND OPTIONS – Collin Osbourn stated that Central Texas Beefmaster Breeders Association had been approached about possibly hosting the 2019 Convention in Fort Worth. The option of outsourcing the hotel contract has been discussed in recent years and Derek Frenzel contacted a couple of people about the possibility of a Fort Worth event. He presented options and information from someone who helps TSCRA with their conventions. The options included anywhere from setting up room blocks, to setting up catering, contracting the facility, etc. (up to and including the whole nine yards). A turnkey deal with her would include one liaison between her group and our group to approve the caterer and such. She can take of decorations but we would have to pay for the decorations. Her fee would be \$3750. How much she does would be up to us. She works with cities to find sponsors as well. The savings she would be able to offer on catering fees and facility rentals would easily pay for her fees. Derek stated that BBU could request her to look into several possible cities and she would find and present the best option for us from that list. Frenzel also checked with another woman in the same business. Her fees were more open ended and are determined by the hours required of her. Carpenter noted that Satellites are getting tired and are slower in stepping up and committing to the time and efforts of hosting the conventions. Derek noted that there is no contract required for these services. Carpenter suggested letting the 2019 satellite host and the staff to look into this for the 2019 convention. Discussion ensued about the need for a satellite host if we utilize a convention planner. **Frenzel made a motion that the board pursue talks with Jennifer Haisten for a follow up meeting at the January board meeting for the purpose of the 2019 Convention. Trey Scherer seconded and the motion carried.**

GENETIC DEFECT POLICY – Collin Osbourn handed out a copy of the current Genetic Defect Policy in place. Osbourn noted the last update for the policy was made in 2011. Although we still have not found any genetic defects for our breed, Osbourn and Bill Pendergrass felt we should be proactive by reviewing and updating the policy to make it more relevant. **Chris Kauffman made a motion that the Breed Improvement Committee look into and update the Genetic Defect Policy. JC Thompson seconded and the motion passed.**

COMMITMENT TO EXCELLENCE FUNDS – Chris Kauffman noted the restricted funds in the financials that are a result of the Commitment to Excellence Funds. Now that B.E.E.F. is in place to fund our research, Kauffman asked for a motion to remove the restriction on these funds so they can flow into the BBU general funds where they can still be used for such projects anyway. **Dan Gattis made a motion to remove the restriction from the Commitment to Excellence Funds so it will flow into the general funds. Mackie Bounds seconded the motion and it carried with none opposed.**

TRENDS AND UPDATES – Collin Osbourn reported statistics on the last three years of registrations and transfers. The transfers are up which may be a result of free WHR transfers but also shows that buyers are requesting papers to utilize those animals in a purebred setting. Trends are looking promising and good.

MEXICO ASSOCIATIONS – Collin Osbourn reported to the board that Noel Ramirez of Mexico contacted him about meeting with some of their Beefmaster Association leaders sometime in the fall. Their government has made some changes moving them toward genomic enhanced EPDs. They met at Geneseek to talk about moving strictly to genomics. They seek our help in getting genomic enhanced EPDs. We will need to see how closely our data and their data match to be sure it can work. This opportunity could be an income generator for us. It could lead toward a universal set of EPDs where we could compare cattle on an apple to apples basis which could drive more demand for our genetics.

PRESIDENT’S REPORT – Steve Carpenter noted that his report points have already been covered within the meeting. Carpenter thanked all for their attendance and participation.

JC Thompson moved to go into executive session to discuss contractual issues. Mackie Bounds seconded. The motion carried.

The open session was adjourned.