

BBU BOARD OF DIRECTORS MEETING
8:00 AM - JUNE 26, 2020
BEVY HOTEL BOERNE, TX

President Bod Siddons called the meeting to order.

Chris Kauffman opened the meeting in prayer.

Secretary Kendall McKenzie called roll with the following in attendance:

Bob Siddons	Jerry Thomas	Larry Meacham
Kendall McKenzie	Trey Scherrer	Mike Moss
Chris Kauffman	James Skelton	Collin Osbourn
Larry Lairmore	Jerry Davis	
Dr Jim Colvin	Clark Jones	

Steve Carpenter, Sue Pierson, Brian Melloan and Tony Psensick were not in attendance.

President Siddons asked for any additions, corrections or discussion of the minutes from the previous meeting. **James Skelton made a motion to accept the minutes from the January 24, 2020, meeting as presented. Jerry Davis seconded the motion and the motion carried.**

Financial Report – Treasurer Chris Kauffman referenced the May financials that had been emailed to the board prior to the meeting. Kauffman gave a brief overview of the financials. BBU’s application for the PPP Loan was accepted. Collin Osbourn and the accounting firm worked together to make application and though we were kicked out of the first round of eligible applicants we were accepted in the second round. Chris presented a comparison of financial periods January thru May of 2019 to January thru May of 2020 and spoke to the areas of difference. Kauffman noted that the biggest difference was the BBU sale fees and that is due to COVID restrictions. We are actually right on par with the 2020 budget, as the budget was passed. Nothing is out of line at this point. Kauffman further explained that application for forgiveness of the PPP loan will begin June 30, 2020. BBU will make such an application and will keep the board updated. If the loan is forgiven, the loan will come off the balance sheet and will be listed as grant income or debt forgiveness as an income statement item. Chris then entertained questions. **Clark Jones made a motion that the May financials be accepted as presented. Larry Lairmore seconded and the motion passed.**

Seedstock Marketing Committee – Clark Jones chairman of the committee reported that President Siddons had charged them with developing some educational videos to help the membership and with the help of Lance Bauer, Dusty Pendergrass and Jeralyn Novak forty plus videos have been made thus far. Jones stated that the committee will continue this work going forward. President Siddons encouraged the board and attending members to tune into the

webinars being offered and advised that if they have missed them thus far, they are still available to view by clicking a link on our website.

Finance and Audit Committee – Treasurer Chris Kauffman stated that with the approval of the fiscal year change that was approved by the board, the current 2020 fiscal year includes an additional five months that were not considered in the currently approved 2020 budget. The Finance and Audit committee proposed a five-month budget to cover August 1, 2020 thru December 31, 2020, which Kauffman presented to the board for approval. Chris went through the previous proposed budget as well as the additional five months being proposed. He stated even though he mirrored the past year at this time, this was a very conservative budget due to the unknown future and impact of COVID. There were no questions or discussion. **Clark Jones made a motion to approve the five-month budget for August 1, 2020 thru December 31, 2020, as proposed by the Finance and Audit Committee. Larry Lairmore seconded the motion and the motion carried.** President Siddons expressed appreciation to treasurer Chris Kauffman for helping us work through this change and all it entailed.

Advertising and Public Relations – Communications Coordinator Jeralyn Novak shared that she had stepped in to head the committee when chairman JC Thompson passed away. Novak shared that the committee has been working to implement and complete some of the visions JC had for the committee. Digital and Print subcommittees have been set up to handle the different areas of advertising. The digital subcommittee proposed and presented the idea of implementing digital co-op ads. Co-op ads have previously only been offered in print ads. Marketing Groups and Satellites will now have opportunities to participate in digital co-op ads. Novak shared that we are currently working with Eric Grant to get the RFD TV Fall show produced and the Fall Pay Weight is still on schedule and both are currently looking for advertisers and sponsors. The committee looked into utilizing google ads to get more people connected to our website so they get more accurate and association approved photos and information. Jeralyn thanked her committee and subcommittees for their hard work and help in keeping the committee active after losing the chairman. She then entertained questions. Siddons asked Jeralyn to expand on the recent work with Eric Grant and his company. Grant and his company have visited various ranches coast to coast and attended the National E6 Sale. The content he is capturing is on the commercial Beefmaster female and focusing on the maternal traits of the breed. Grant has more visits and shoots lined up in the next few weeks. Grant's media background will bring a significant difference in the quality of the production of the RFD special. Staff and appointed committee members will proof and authorize the final production before it is run. Siddons thanked Jeralyn for her hard work with this committee and its objectives.

Breed Improvement Committee – Chairman Mackie Bounds reported the committee was given the task of reviewing the current Pacesetter criteria. James Skelton chaired the

subcommittee set up to review, address and discuss the Pacesetter Award. The committee proposed to the board to leave the Pacesetter Policy in place with the following changes:
Item number 3 change to say *consecutive natural or AI calves with an average calving interval of 375 days or less or one natural calf followed by one embryo calf with a calving interval of 375 days or less.*

Item number 5 it should also be added stating *that she ranks in the top 50% percent for four of the following six EPDs: weaning weight, yearling weight, ribeye, IMF, \$T and \$M*

Item 6 that should be added is that *the female is required to be scanned (animals will be grandfathered in until 2023)*

Bounds stated that the committee would like the board to approve these recommendations.

The committee also looked into the Typesetter Program. Feeling that Typesetters should be a very elite group, the committee would like to change the criteria for this program.

A cow must have produced five females that reach Pacesetter Status.

A bull must have produced ten females that reach Pacesetter Status.

Bounds shared with the board that John Genho spoke to the committee about future EPDs that are in the works. The committee is working on new EPDs to include efficiency but at this point in time the committee is not ready to present anything to the board as a recommendation.

The committee requested that a physical copy of the new member handbook be sent to all new members. Bounds acknowledged the postage involved in sending new member packets stating that the treasurer may need to approve the cost increase.

The committee recommended to the board that when breeders have all of their data collected and the animal has EPDs, this should be printed in bold letters on the certificate. Bounds stated that he is working with staff to see if that is possible and they feel it is. This is an action item that will need board approval.

The committee recommended P numbers be published on the public search. When you look up an animal right now and look for progeny, the females look non-productive during years when P numbers were recorded but cannot be seen. Making them visible shows the true production record and is not a strike against the female.

The committee requests, due to the increase in data coming in, that the board look for budgeting for quarterly evaluations beginning in 2021.

Clark Jones moved that the Pacesetter criteria changes be approved as recommended by Breed Improvement Committee. Kendall McKenzie seconded the motion. The motion passed.

New member packets were discussed. Kauffman addressed the additional postage and the relevance of the information with constant changes. There was discussion of a new member tab on the website where all of the information would be in one place for them, with an option to request hard copies. A suggestion was made to send a letter from the President with a list of opportunities available. Another suggestion was to put a few extra pages in the June issue of the Cowman about the programs offered in the back of the directory. **Larry Meacham made a motion that we send out a welcome letter from the President to new members, that we incorporate a new member tab on the website with an option box to request a hardcopy of available programs and that staff make a phone call to new members within thirty days of joining. Larry Lairmore seconded the motion and after a brief discussion the motion carried.**

Larry Lairmore made a motion that actual data collected by an owner will appear in bold print on that certificate (provided this can be programmed into the registry system). Mike Moss seconded the motion. The motion passed.

Clark Jones made a motion to display P numbers on the public search. Kendall McKenzie seconded the motion. The motion carried.

Long Range Planning – Chairman Trey Scherer shared that the committee was broken into several sub-committees: Carcass/ultrasound Improvement sub-committee, EPD & index Overview sub-committee, Long Term membership sub-committee, and Research and Promotion Planning and Overview sub-committee.

The Carcass/Ultrasound Improvement sub-committee was a continuation of a sub-committee. Clark Jones and Lance Bauer put this together, looking at trends going on within the breed as far as carcass measures in both the EPDs and in the actual numbers. Obviously, they are getting better. They continued looking ahead to the future – to a five, ten, fifteen-year period as far as a goal of what we wanted to do to continue to drive those at a reasonable level. After studying the current data and trends, Jones and Bauer tracked and looked at the data and the rate of increase in the past year or two. The committee would like to target a 25% increase in IMF and RIBEYE (from where we are now) in the next five years.

The EPD and Index Overview Sub-committee focused on review and overview of current and future EPDs and Indices. The committee discussed the overlap in stayability and Longevity and age to first calf. The committee discussed the importance of the trait of longevity and how it needed to be looked at beyond just stayability and how it is measured. Additionally, the committee felt that heifer puberty or pregnancy rates at early age was another data point or value that we need to look at in addition to age at first calf because of how it is measured. The committee recommends that the board consider looking into creating a heifer pregnancy date EPD and separate that from age to first calf and also looking at a longevity EPD or score separate from stayability. They indicated that the board would need to approve any new EPDs before they are implemented and included on a certificate or incorporated into an index. Discussion followed.

Long Term Membership sub-committee discussed what a BBU member will look like twenty years from now. The committee presented some suggestions for maintaining members: to retain JBBA members by getting them more involved (possibly in committees); reaching out to new and potential members and making them feel more included; offering a collegiate level discount: offering discounts on transfers between family members; getting our collegiate, aged out juniors involved in programs where Universities are using Beefmaster Cattle in their herds; offering more continuing education for our membership.

The Research and Promotional Planning and Overview sub-committee looked at where our research projects are today and where they are going and considered promotional materials in the forefront. What direction are we focusing this breed on? Where are we headed. Trey stated the buzz word at the moment in the industry is “sustainability” – doing more with less. Beefmasters are the perfect breed to capture and market this trait.

By-Laws Committee – Chairman Bill Carr stated that the committee met and the only item brought to them was on the Pacesetter changes. Since this does not affect the By-laws. The committee had no recommendations to the board.

Commercial Marketing Committee – Breed Improvement Director Lance Bauer shared that Eric Grant is currently taking videos to use to produce the RFD TV show that will promote the Beefmaster commercial females. Grant attended the E6 sale and made several ranch visits to get testimonies to use in the production. Grant is gathering feedback to use in efforts to rebrand the E6 female.

The committee also discussed the Oklahoma State University project. The University is looking for approximately 70 donations of solid color cattle for the project and they currently have seven. Contact Lance Bauer or Collin Osbourn for donation criteria if you are interested. Dr. Reuter presented a roadmap of where he plans to go with this research project. The project involves rangeland and grazing research and finding cattle that fit the range and fit that environment that are adaptable and work well. They have tools to work with to study and research grazing efficiency and virtual fencing. Bauer noted that the cattle in this program could possibly be used by OSU in other research programs and the progress could be tracked through the different programs.

The committee also discussed the Noble Research Institute and Integrity Beef. They have a replacement female program, a feeder calf program and a program for commercial females. Bauer stated that Noble is also using Beefmaster bulls in their herd to prove what they have been preaching about heterosis and adaptability. Bauer noted that Lorenzo Lasater and Dr. Jim Colvin had donated bulls to NRI.

The committee recommended that the board explore partnerships with multiple breeds in areas such as advertising that would be mutually beneficial to both breed organizations. The committee also recommended that we continue to work on commercial cattle videos for promotion in three main regions of the United States: Gulf Coast Region, Fescue Belt and out West.

Larry Lairmore made a motion that the BBU staff contact other breed associations to see if there is a mutual interest in advertisements or programs that may be beneficial to the Beefmaster Breed. Trey Scherer seconded the motion. The motion passed.

Bauer spoke on the University of Oklahoma project and what type of animal they are looking for in their program. They are looking for animals that will thrive in range conditions. They want to utilize Beefmasters for our strengths. Bauer noted that the EPD parameters are pretty wide and anyone interested in donating an animal should see he or Collin. E6 commercial females will also be considered in the program. They prefer the lighter solid colored cattle. President Siddons suggested we try to get some of the South Texas breeders to bring some cattle to the Live Oak Sale and if we get enough interested, we may want to make a presentation at the sale. Siddons suggested any other Satellites that see such an opportunity may want to do this also.

Convention Committee – Collin Osbourn reported that this year's convention will be at the Fort Worth down-town Omni right across from the convention center. Being the 60th Anniversary of the convention this year's theme Blazing Trails will revolve around this anniversary. We are working through some small sub-committees. Jerry Davis will be helping us coordinate some fund-raising ideas and working with the office to reach out to members and satellites and marketing groups with sponsor letters. Osbourn reported there will not be a satellite host this year as it has become a challenge to get the satellites to commit. It is quite an undertaking for the host group. Osbourn explained that without a host group to lead in the fund-raising this year, we will be asking all satellites to come up with some convention fund-raising activities to help raise funds to offset some of the convention expenses. Convention registration will remain at \$250 this year. Collin noted that the pandemic will affect us in some way, but we are not sure how much at this point. We will move forward to hold the convention as planned but we will update the board and the membership if things change. We are looking ahead to BBU Conventions for 2021 and 2022. Some have suggested places have been Oklahoma City, Biloxi, Shreveport, Lake Charles, Kansas City, Las Vegas and Reno. Ardmore, Oklahoma was also suggested and with its proximity to the Noble Research Institute, we thought it would be better to save that location for later as we get more cattle in production there. Osbourn encouraged the board to give input or suggestion to future convention sites. Larry Meacham asked if when the convention brings in money, if those funds could stay designated to convention and possibly at some point, we wouldn't need so many sponsors. There was discussion about the history and the affect on the BBU budget convention income has had in the past. With a recent change in our Fiscal Year, this would not be a good time to change how the income is allocated.

Ethics Committee – Collin Osbourn reported for chairman Gary Halepeska. The ethics committee has nothing pending at this time. The committee had a general discussion about the role of this committee and the language set forth in our by-laws and policies concerning the committee. The committee agreed that the roles and the language concerning the committee were sufficient and thus recommended no changes at this time.

International Committee – Lorenzo Lasater reported that this committee is actually self-funded. BBU is a member of USLGE and we pay a membership of \$5500 per year. USLGE has given us a budget this year of \$30,000 to use for International outreach – most of which we spend on mission trips to other countries and reverse trade missions – bringing them here. Lance was able to go to Panama before travel restrictions tightened. Lorenzo and Lance were to meet in Nicaragua for the inauguration of the Nicaraguan Beefmaster Association by the government. That trip was cancelled due to the pandemic. Travel may open up later but we are going on the assumption that we may not be able to travel any more this year. Lorenzo stated that subcommittees were set up to look into advertising in the various countries and to come up with a plan and a budget for digital and printout ads. Lorenzo will utilize our remaining balance of our \$30,000 allotment towards those ads and if we use our funds and other associations are not able to use theirs, that money becomes available and we would be able to apply for more. Lasater expressed his thanks to staff member Jon Garza for his help with the International program and in applying for USLGE funds.

Lasater shared that Go International Team (GIT) membership is available for \$100 per year (\$200 for satellites) to those who want to be involved in International efforts. GIT members are included in our international semen and embryo directory and any international leads are passed on to that group. The GIT membership fees and monies raised from ads that appear in the directory are how the USLGE dues are paid. Lorenzo encouraged anyone interested in the International program to join GIT. Dues are due now and renewable every July to remain active. The committee proposed to the board that an International Breeder of the Year Award be established and presented at Convention maybe every other year with a chance to recognize our breeders in other countries, bring them to convention and appreciate them for spreading the news of Beefmaster cattle to other countries. The committee suggested the first recipient be Sittipong Kitchpakorn from Thailand. This is the tenth anniversary of our Thailand Initiative. Sittipong had the first Beefmaster calf born (ten years ago) in Thailand and is still purchasing Beefmaster cattle. **James Skelton made a motion to establish an International Breeder of the Year Award to be presented every other year at the annual BBU convention. Clark Jones seconded the motion and the motion passed.**

JBBA Adult Committee – JBBA Coordinator Rylee Barber reported for committee chairman Darrell Glaser. The JBBA National Show will look a little different this year due to COVID restrictions but we are still on go at this time. We will work to keep everyone as healthy and as safe as possible. Our numbers this year are good even with the current situation. Scholarship applications have exceeded previous years and we've had lots of interest in our educational fun day. Barber entertained questions and that concluded her report.

Membership Committee – Chairman Barry Parker reported to the board that our general membership has increased about seven percent over last year. Our Junior membership didn't increase as much but that is attributed to COVID and the cancellation of shows. The

membership committee received a donation of \$1000 to give to the BBU or JBBA member that has recruited the most new members for BBU or JBBA from tentatively November 1, 2020 thru the convention of 2021. The rules will be stated in the Beefmaster Cowman and also in the BBU E-News.

Parker stated that the committee had shared with the staff some ideas on retaining JBBA members that age out. The committee will continue to follow up on these suggested changes. The committee also asked that the Pay Weight publish articles that will interest and attract new members. Trey Scherer asked about the mentor program. Parker stated that new member lists are distributed to the satellites each month for them to reach out to new members.

B.E.E.F. President Dave Loftin reported that there were two action items for the Board. Teri Thompson resigned as the directory for Texas District 2. The B.E.E.F board asked Dan Gattis to step in to complete the term. As the sole member of B.E.E.F. Loftin asked the BBU Board to approve the appointment. **Trey Scherer made a motion to approve the appointment of Dan Gattis to Director of Texas District 2 to fill the vacancy left by Thompson's resignation. James Skelton seconded the motion. The motion carried.**

Loftin shared a letter from B.E.E.F. with the board, asking for forgiveness of the 2016 loan to the foundation. BBU loaned B.E.E.F. one hundred and sixty-eight thousand. Loftin asked that the board grant forgiveness of this loan in the form of a donation to B.E.E.F. Treasurer Chris Kauffman addressed the board as to how the forgiveness would affect the balance sheets. Kauffman suggested possibly rewriting the note and look at an amortization schedule and forgiveness on an annual basis and make a donation in kind. **Larry Meacham made a motion that BBU forgive the loan over a ten-year period. Larry Lairmore seconded the motion and it passed.** Chris Kauffman will rewrite and restructure the loan over nine years and present it to the board.

Nominating Committee – Mackie Bounds presented the following slate of director and officer nominees selected by the nominating committee to be presented at the general membership meeting in October:

President: Larry Meacham

Vice President: Derek Thompson

Director: Lorenzo Lasater

Director: Ty Agee

Director: Cindy Emmons

Directory: Kito Saenz

EVP Report – Collin Osbourn shared with the board some reasons why Indicus cattle are not used across the USA. Two of the reasons stated were part of our six essentials – fertility and docility. Osbourn stressed the need for the research to prove the merit of those two traits.

Collin shared recent changes in the BBU Staff: Dusty Pendergrass resigned at the end of May to accept a position with the Louisiana Cattlemen's Association. Jon Garza was hired to work with our International Program and field services as needed. Rylee Barber joined the staff during COVID as our JBBA coordinator and membership secretary. Osbourn assured the board that they still have the best staff they could ever hope to find working for them. Collin also expressed his appreciation to EC Larkin and The Beefmaster Cowman staff for their continued help and support. They just continue to give whenever we call.

Osbourn reminded the board and attending member that sponsors are still needed for the RFD TV program. The program this year will put Beefmaster cows back in the spotlight. The Fall Pay Weight is still in need of advertisers as well.

Collin thanked the board for their time and service to the breed noting that it is not a light commitment.

President's Report – President Bob Siddons expressed appreciation to the committees for all their hard work and all the ideas, recommendations and proposals that were brought to the board. Siddons also thanked the board for their dedication and commitment to the breed. The research projects, the Foundation established to fund the projects and the participation of the membership to donate animals and/or genetics and collect more data have helped our breed move forward in the industry. We are in a good spot and we must continue the forward momentum.

Siddons entertained a motion to go into executive session.

James Skelton made a motion to move into executive session. Kendall McKenzie seconded and after excusing guests and a short break, the meeting continued in executive session.

Kendall McKenzie made a motion to return to open session and then adjourn the meeting. James Skelton seconded and the motion carried.