

BBU BOARD MEETING
May 28, 2021 – 8:00 AM
The Bevy Hotel – Boerne, TX

President Larry Meacham called the meeting to order.

Clay Howell opened the meeting in prayer.

Kendall Mc Kenzie called roll with the following in attendance:

Larry Meacham	James Skelton	Cindy Emmons
Chris Kauffman	Jerry Davis	Lorenzo Lasater
Kendall Mc Kenzie	Mike Moss	Kito Saenz
Bob Siddons	Clay Howell	Collin Osbourn
Trey Scherer	Ty Agee	

Derek Thompson, Brian Melloan, Tony Psencik and Clark Jones were absent.

Lorenzo Lasater made motion to approve the minutes of the February 4, 2021, meeting as presented. James Skelton and seconded the motion and with a vote, the minutes were approved.

Financial Report – Treasurer Chris Kauffman reported that he had received the April 2021 financials from the accounting firm just prior to these meetings. He and Collin along with the Finance and Audit Committee went over them in that meeting. The April financial report and dashboard were distributed to the board. Kauffman spoke to the membership totals and the process of renewals and recent inactivation of memberships that were not renewed. He commended the membership committee for their efforts in contacting members that were slow in renewing which resulted in fewer memberships being inactivated. WHR is slightly down and Kauffman noted that it may just be due last-minute updates by some members. Kauffman referred to the comparison and history of the BBU budget from January to April 2020 to the BBU budget from January to April 2021. He stated increased registrations, sales attendance and inspections (more travel allowed), more utilization of DNA all contributed to increased income. Kauffman stated that DNA lab expenses were also up due to more utilization of that tool, an increased advertising budget had been approved for this year and the board also approved money to allow for quarterly genetic evaluations rather than the semi-annual previously budgeted. Kauffman reported that the \$45K the board approved be put toward the B.E.E.F. note as a gift in kind last year has been given. May financials will reflect the forgiveness of the PPP loan that BBU received. Per board approval that amount will also be applied to the B.E.E.F. note to further reduce the amount still owed. The board has also approved that as the BBU Budget allows, BBU will continue to give a contribution in kind towards that loan until it is fully extinguished. In summary Kauffman stated the association is pretty much on budget year to date. Kauffman entertained questions. **James Skelton made a motion to accept the April 2021 Financial report as presented. Kendall Mc Kenzie accepted the motion and it carried.**

Seedstock Marketing – Co-Chairman Larry Lairmore and Alyssa Lyssy. Larry thanked the committee and his co-chair for their dedication and hard work, stating they started meeting in February and had met every other Monday for a total of six meetings. Lairmore spoke to the

history of sales since he joined BBU. The committee addressed how Satellite Sales have changed and discussed how they could move them forward and have them represent a better example of what our breed has to offer. The committee came up with a template – no recommendations or requirements – just suggestions. The co-chairs met with Satellite and Marketing Group presidents to put the “template” in their hands and asked them to go through it and figure out what does and does not work for their group and implement it at their level. Help us move our breed forward and also help us improve the quality of your animals, which in turn will help the average of your satellite sale. The goals are to strengthen the quality of consignment sales, narrow the gap between consignment sales and production sales, increase the use of BBU programs, and make consignment sales showcases again for the breed. Larry covered the committee’s letter and discussed ideas for criteria for the various offerings (bull, open heifers, bred heifers and bred cows, pairs and three in ones. The satellites and marketing groups were encouraged to come up with a plan of action for what they want to implement and a time frame to implement it. Sale management was also asked to consider and focus on the importance of the quality of the lots and the use of BBU programs and the collection of data. The committee suggested bringing cattle in on Thursday versus Friday so the cattle can be more presentable for the Saturday sale. The second document presented was “Tips for Success” with helpful information to consigners to prepare for sales. President Meacham will have a follow up meeting in 30 days with the satellite and marketing group presidents to see what their group is doing to implement a plan and then have a meeting once a quarter to discuss and share progression and ideas. **Lorenzo Lasater made a motion to adopt the two documents as presented by the Seed Stock Marketing Committee. Clay Howell seconded the motion and the motion passed.**

Advertising and Public Relations – Communication Coordinator Jeralyn Novak reported in the absence of Chairman Clark Jones. Novak stated the committee had two recommendations to the board. The committee recommends updating our ad campaign, focusing not only our print ads but also our digital ads, updating and implementing more of them that can be used across a variation of digital platforms, banner ads, Facebook, Instagram. Novak shared some examples of the digital ads with the board. Jeralyn explained ad “Re-targeting” and how it works and introduced a company called “FEATHR” that specializes in these ads. “FEATHR” does come with an expense - \$5500/year licensing fee to use their platform and we do everything in house. We will get a one- or two-month training time. It was also recommended that a sub-committee be developed to have three people that would review ads/pictures before they are released to use. **Mike Moss made a motion to move forward using the Grant and Company ads and pursuing “FEATHR” services. Kendall Mc Kenzie made a second to the motion and it passed.**

Breed Improvement – Co-Chairs Mike Hurla and Lorenzo Lasater – Lorenzo Lasater reported that the committee had met several times via zoom calls and had a subcommittee working on EPD issues. Efficiency EPDs are ready to be voted on. Staff worked with John Genho and spent time analyzing data from an efficiency standpoint (cattle that had gone through Grow Safe or similar systems around the country) to be used in the development of feed efficiency EPDs. We had about 2800 usable records of the 4000 we had collected. Out of the 2800 records we were able to develop a strong EPD. The RFI - EPD has the highest of an 87 percent accuracy. RFI will publish as an EPD by itself, and we’ll have an index which incorporates post weaning gain and RFI. It will be expressed as a dollar value, in this case \$FE

for feed efficiency. It is important to note this is basically post weaning feed efficiency in terms of feed lot gain or yearling gain. It is not a maternal index but rather feeds into \$T. The next phase we will tackle is to produce a \$ME for maternal efficiency EPD which would feed into \$M. \$FE would be displayed along with \$T and \$M (hopefully to roll out in the Fall evaluation after staff has time to review it). **Lorenzo Lasater made a motion to adopt the RFI EPD and separately the \$FE index to be analyzed between now and August and rolled out in August if staff thinks it is right. Mike Moss seconded and the motion carried.**

Lasater called the remainder of his presentation from the committee “phase two”. Although progress is slow, it is important to get them right because they will affect and change existing EPDs. It will cause a reranking, so we need to be cautious of how we do it, not rolling it out over and over again. The object is to strengthen stayability and age at first calf. Stayability is currently just based on whole herd records, and it says that a cow is still in the herd in five years regardless of when she calved or how many calves she has had. The tightening parameter that Genho and Lance came up with is to say that she has had 3 calves by 5 ½ years. It still leaves some latitude for management (for those that want to calve a little later or if she missed a calf along the way she still can develop an EPD for that) but now there is some parameter of calving interval and early calving included. Interestingly the success rate was at 80 percent still in the herd at five years with the previous parameters but when the parameters were tightened the success rate dropped to 35 percent. It was a significant swing to the number of cows that had that number of calves in their career. This could be important in selecting for genetic lines that are more likely to have more calves and still be in the herd by that time. The plan for this one, and we need to develop a similar plan for age at first calf, is to incorporate age at first calf, early calving and calving interval. We want to implement those changes and watch those EPDs parallel with the existing ones before presenting them for a vote at the October meeting and possibly rolling them out in January. If we re-rank those, there is going to be a big shift, so Lasater felt that any/all new changes should all be rolled out at one time (targeting January) and then we should be good for a while.

\$ME – Maternal Efficiency. Right now, our \$M is a fairly weak number based on weaning weight and scrotal circumference – not a good indicator of what it sounds like it is. If we could have a strong stayability, age at first calf and \$ME (and we are also looking at sustained cow fertility which looks at cows that have had their second calf at 3 and lasted twelve years – to support that Beefmaster strength) to flow into \$M, that number will become very meaningful in a female selection standpoint. That is a work in progress.

EPDs need to be meaningful for our breeders as well as for our customers so they have the expected results when they get home.

The fat EPD – the fat bar will be eliminated from the graph on the BBU website. It will not be eliminated from the calculations or the sire summary – only from the EPD graph on the website.

Lorenzo Lasater made a motion that the fat bar be eliminated from the EPD graph on the BBU website. Kendall Mc Kenzie seconded the motion. The motion carried with one opposed (TS).

Data Integrity has been a big discussion at the meetings this week and needs to be addressed.

There are broad ranges set for each trait, and if data entered is over or under a set range, the data is “thrown out”. We are looking at potentially tightening those set ranges. Pre-weaning gain is an area of concern. Lance Bauer presented a visual of animals and average daily gains that were extreme. Tightening the ranges will hopefully help ensure data integrity on weights turned in.

Another area of concern is birthdate manipulation (which is harder to control) and another area is

our P numbers. Our customers count on us to present honest numbers for them to use to make their purchasing decisions. The committee discussed how to address this issue without being damaging or combative. It may be a letter that goes out to breeders that own some of these animals with questionable numbers.

Lasater stated that it is time to focus on gathering carcass data. It is difficult to get at but we need to move forward to stay competitive with other breeds and develop actual carcass EPDs. We have made progress collecting scan data and need to begin collecting carcass data to keep moving forward.

Long Range Planning Committee – Co-Chairs Derek Thompson and Trey Scherer –

Scherer shared that Long Range Planning meets first so that the other committees can take some of the long-range aspects to their committees to act on. The Long Range Planning Committee was broken into four subcommittees: Ultrasound carcass, EPD and Index Planning and Overview Committee, Breed Promotion/Seedstock Marketing and long term membership.

Carcass Ultrasound was led by Clark Jones. They had a couple of meetings looking at some of the trends in REA, IMF and such. They set some goals looking at long term trending over last year's. REA is up a little bit. IMF tends to be flat. Trey stated that as more people scan there will be fluctuations and it may be downward to begin with because if breeders haven't been scanning, they probably haven't been selecting on those traits. Goals set were increase in REA by 5% in the next five years and increase IMF by 25% in the next five years.

The group discussed how to improve this area in the Satellite Sales area. One recommendation is to encourage them (within the next five years) to set a goal of a minimum of a 2 ½ IMF for an animal to sell in one of their sales. This could be a goal for private treaty and production sales as well. The group thought we were close to where we want to be on the Ribeye Area (too large an REA is not good either) so they didn't see any reason to set a goal.

EPD/Index Planning and Overview – All agreed that we need to revamp \$M and improve it.

Everyone needs fair warning that changes will be made to \$M because it will affect the numbers and if someone purchased based on numbers and the numbers change. The committee suggested a three-year time frame for the change/revamp of \$M. That would allow enough time to get Age at first calf and stayability solid and get the Maternal Efficiency index ready.

The committee also discussed \$T with concerns in how yearling weight, ribeye, fat, and IMF affected our various \$Ts. Yearling weight really is a huge emphasis on \$T. Trey and Lance presented some examples of how the yearling weights affected the \$T on four different animals. Scherer stated the committee would like to see \$T looked at in that three-year time frame as well, putting a little less emphasis on yearling weight and include the feed efficiency EPDs. Bauer also noted it would be a good idea to update our carcass values before that as well. Our breed average number for \$T is 72 or 73 and our breed average for \$M is 14 and yet we claim to be a maternal breed. The goal is to increase the average value of \$M to at least match or exceed the average value of \$T. **Trey Scherer made a motion that in two to three years when \$T and \$M are retooled, we lower the emphasis of yearling weight on \$T and increase carcass efficiency numbers on the \$T index and that we also bring the \$M number up to par with \$T and include stayability, age to first calf and maternal efficiency. Lorenzo Lasater seconded, and the motion carried with none opposed.**

The group also discussed irregularities and concerns in the measures being reported especially in yearlings that Lance spoke on. The committee recommends have Genho identify concerns and possible breeder integrity issues in data reported. Then have the BBU staff craft a letter to that

breeder warning of questionable reporting and possible repercussions should it continue. That would be sent with some data from John Genho. The discussion included possibly having the Ethics Committee review questionable reporting if it persists past the initial warning letter. Long Range Membership – Discussed how we should continue to look at the member of the future, not just how we are to retain members currently and what we are going to do to drive member participation or gain new members down the road. It would be through functions of advertising, board policy and procedure. Long Range Planning asked the board to think about how new policies and procedures will affect membership. Making things too cumbersome is sometimes a deterrent. No cattleman gets into the business for the record keeping. Scherer commended Jeralyn and the Advertising committee on the ad with the mother and daughter stating that is the kind of ad that reaches people.

By-Laws – Chairman Bill Carr – reported that the primary function of the By-Laws Committee at the summer meetings is to receive from the other committees their proposed policies that they are going to present to the board for approval and confirm and verify that what they are about to propose does not violate the By-Laws in any way. Carr stated that the committee received reports from five or six of the committees on what they were going to propose and fortunately none of them were in violation of the By-Laws. Carr said he was made aware that the JBBA is considering a lifetime JBBA membership, and they will need to consider the By-Laws and the age limit for juniors. They are going to reflect on that further and come up with a financial figure for such a membership.

Carr shared with the board that he had received an email from a member that wanted to make another change to his membership. He had already made a name change (only one is allowed) and wanted another. Carr indicated he would reply to him that it was a long-standing rule/policy but not a By-Law.

Commercial Marketing – Chairman Derek Frenzel – Frenzel shared that the committee discussed renaming the E6 Program or revamping the logo. The committee voted to revamp the logo to include the word Beefmaster in front of E6 and target advertising to make it more attractive to produce the E6 Female. **Lorenzo Lasater made a motion to update the E6 logo. Clay Howell seconded the motion and it passed with none opposed.** We will look at it in house to start and then get input from others to finalize. Trey Scherer and Larry Meacham expressed they would like to see the word cross on the logo also.

The committee also talked about the Charolais program that helped them increase their data by doing some carcass evaluation programs on both commercial and registered calves. The committee asked that the board approve earmarking some money or have a game plan in place where if we found another set of calves similar to the Flying B we could move forward to DNA test and follow them through to rail. Commercial Cattleman are asked to spend \$15 each to DNA test their calves to certify they were sired by Beefmaster bulls. President Meacham suggested being proactive and sharing costs of DNA to expedite this effort. We are needing 600 more records which can get costly and time consuming. **Trey Scherer made a motion to allow staff to make a decision on spending money towards this project as needed – either securing it through B.E.E.F. funds or out of the BBU budget. Kito Saenz seconded, and the motion carried without opposition.**

We received a report on the Texas A&M and OSU programs. There has been some talk with West Texas A&M and Dr. Perkins about incorporating a Beefmaster herd there as well.

Noble Foundation has decided to AI twice as many cows to Beefmaster bulls this year. They did 100 last year and will do 200 this year. Noble calves will not be weaned until the fall so there is no data from them just yet.

Frenzel asked if the board wanted the Commercial Marketing Committee to look into EPD parameters currently being used to make sure these data points are more valid in our EPDs so that are usable to our bull buyers. **Trey Scherer moved that the Commercial Marketing Committee look at data points and spread for the parameters of all the actual phenotypic measures. Lorenzo Lasater seconded, and the motion carried.**

Convention Committee – Collin Osbourn updated the board on the 2021 BBU Convention. Our satellites have become overwhelmed with hosting the BBU Convention. We have asked that instead of one satellite footing the bill and hosting, all of the satellites step up and help support the convention. President Meacham asked the satellites to be creative with fund raising to contribute to the convention. The group of satellites and marketing group presidents will meet with President Meacham and Collin in about a month after they have had a chance to meet with their groups and decide how they can contribute. Osbourn reported that the meals for the convention will be in that \$300 to \$350 range. The committee voted to increase convention registration fees from \$250 to \$300 this year to try to cover some of the increase in meal costs. The room rate is \$165 this year. **Chris Kauffman made a motion to set the BBU Convention registration fee to \$300 this year. Trey Scherer seconded the motion and it passed.** Osbourn noted that Debbie Cheatham and her daughter will organize a clay shoot competition on Wednesday evening to start off the convention for those early arrivals. The sale management was not opposed to not having a sale at the convention this year, so the committee recommended that we do not have a cattle sale this year.

Ethics Committee – Chairman Dalton Skinner reported that the committee had no cases to discuss and nothing pending and nothing to report, which is a good thing. Skinner continued to say that it was brought to the committee's attention about the outlying animals. They asked the committee to take John Genho's report and attach a letter that would explain his report and attach a cover letter from the ethics committee stating there is a concern, and it is being looked at. The committee asked that a letter be developed explaining that these outlying numbers are probably impossible and ask the recipient to check their math numbers and for possible mistakes on birthdates, weaning weights and yearling weights and then report back to BBU staff. The BBU staff will take over from that point. President Meacham asked for any discussion or a motion. There was some discussion concerning how to best proceed. Skinner said some of their committee members wanted to wait until the next genetic run, but others wanted to proceed to get the issue addressed after seeing the graph Lance presented visually displaying the problem. **Kendall Mc Kenzie made a motion that the staff send the report with the outlying data and a kind letter to the submitting breeders of the outlying data, stating that it has been brought to our attention by geneticist John Genho that the information in this report is biologically impossible. The recipient should be asked to please double check the data they submitted for accuracy. Ask the recipient to reply to the staff concerning the information by a given date. Mike Moss seconded the motion and it passed unanimously.** Dalton Skinner noted that if the recipients of the letter did not reply within the given time frame, then the Ethics committee should be involved.

International Committee - Chairman Lauren Lyssy reported to the board on activities of the committee. Kito Saenz is Mexico Vice Chair. He used USLGE funds for reverse trade missions to bring Mexico breeders to sales. The breeders who came purchased cattle totaling approximately \$750K. Lorenzo Lasater is the vice chair for Central and South America and due to the current situation travel was limited. We will be using USLGE funds doing more advertising in that area in different publications. Jon Garza and Collin will be overseeing and looking at those ads prior to placement. Gary Frenzel is vice chair in Australia and South Africa. Right now, we are working with the South Africa Beefmaster Association on a genomic swap. Australia is looking into getting a semen donation for academic research. Doyle Sanders is the vice chair for Europe and Asia. Doyle submitted a report to be handed out about what is going on in Europe and Asia. That area has been very active and do not seem to be slowing down.

GIT Memberships have increased from 31 to 37 members this year.

Jon Garza reported on USLGE spending history for the past 4 years. In 2018 BBU spent 27K of the 30K granted; in 2019 we spent 28K of the 30K granted; in 2020 BBU spent 34K of the 30K granted. We requested more and were granted it because COVID had others not using their funds so we were able to get additional funds. In 2021 we have added Guatemala and the totals are not in yet, we have decided that using the funds for advertising will be our best bet. There is one trip planned the last part of July.

Lauren encouraged breeders with success stories from selling to international members need to report them to Jon so they can be reported to USLGE so that we continue to receive funds.

Lauren stated that the committee discussed semen that they are paying storage on but are not using. The committee would like to dispose or return the semen so they can save the storage fees.

Chris Kauffman made a motion to allow the International Committee to make a decision on handling the semen they have in storage and are paying storage fees on. Ty Agee seconded the motion and the motion passed with none opposed.

Meacham asked about the ads being used in international areas. Jon Garza explained that we use ads with pictures working with Jeralyn Novak and selecting pictures that will gear them toward specific areas. Some of the last round of Grant ads are being redone for the international ads.

Sittipong has done translations in Thailand for us. Lorenzo does some of the Central America ads. Garza got favorable feedback from Central America on our ad there.

Membership Committee – co- chairs Ty Agee and Dave Loftin – Loftin reported on the annual membership renewal calls that the committee has made every year. Most of the calls were pleasant and most said they had not received any notice to renew. Ty commented on the statistic that we lose about 500 members a year. How we can retain members is what we need to focus on to have real growth. All agreed that Satellites are an instrumental part of getting members involved and keeping them active.

B.E.E.F. – President Lorenzo Lasater thanked the board for the forgiveness of the debt and continued with the news that the investment account topped a million dollars in the last month or so. We are starting to gain a little momentum financially which is exciting to see. Looking at our history over the past three years we have had about a ten percent return which is good with a fairly conservative investment policy.

The Endowment campaign has about 1.51 million pledged with about 56% collected thus far.

Lorenzo shared that the B.E.E.F. Board voted in a formal investment policy that deals with how the funds are going to be invested. A financial subcommittee did a review of our current

investment strategy with Edward Jones and it is in compliance with the requirements of that as to how the allocations are balanced. They also created a spending policy; so to date none of the money has been spent. The donated money will never be spent. The spending policy involves a 3-year trailing average of the balance of the profit at the end of a year. This year we will withdraw four percent that will go into the discretionary fund to be used on whatever projects may come up for education and research.

We are ramping up our scholarships, implementing \$2000/year for four years.

B.E.E.F. is also sponsoring the JBBA convention helping them with some of their educational content.

Fund raisers for this year include a raffle of a semen tank. Tickets are \$100 each. It will have lots of different bulls in donated semen. B.E.E.F. will also have some live auction items at convention to raise funds.

They plan to retool the Endowment Campaign materials and get more breeders involved and an active part of the Endowment effort.

JBBA Adult Committee co-chair Darrell Glaser thanked Collin for hiring Rylee Barber. Her phenomenal organizational skills have been very much appreciated. Darrell shared an article/blog that was eye opening on the future of beef. The blog had 2.7 million followers. Glaser noted that educating our youth is critical when articles/blogs like the one he read exists. JBBA has had a great year thus far. Rylee and the board had some ideas that have positively impacted JBBA. We raised more than budgeted for the JBBA AI Program income. JBBA held an online auction that raised over \$7K. The gun raffle had a few tickets that didn't get sold so the income was a little short of what was budgeted. National Registration deadline is not until next week so that total is not determined yet. Glaser announced that they have a carcass contest at Nationals, and they already have 30 entries in that contest and the deadline is a week out. We are educating the juniors on the importance of data collection. There are currently 624 members. The goal is to have nationals pay for itself. Our goal is to use extra money toward director expenses in traveling to shows and other outreach and having more JBBA functions in other states. Darrell gave a comparison of other breeds and they adult to junior member comparisons. The goal for JBBA short term is to have 800 members and long term is 1000. In the next five years JBBA would like to have 1000 head entered in the national show. JBBA is hosting YBIC which is being held at Texas A&M this year – ranch visits are planned

Nominating Committee – chairman Bob Siddons presented the following slate of officers and directors from the committee:

- **TREASURER** **CHRIS KAUFFMAN**
- **SECRETARY** **KENDALL MC KENZIE**
- **DIRECTOR** **CLAY HOWELL (TO FILL UNEXPIRED 1 YR TERM)**
- **DIRECTOR** **DAVE LOFTIN**
- **DIRECTOR** **LAUREN LYSSY**
- **DIRECTOR** **RONNIE TEAGUE**
- **DIRECTOR** **RUBEN GUTTIEREZ**

James Skelton moved to accept the slate of officers as presented by the Nominating Committee. Ty Agee seconded, and the motion carried.

EVP REPORT – Collin Osbourn shared with the board that we filed a claim for hail damage to the roof of the office. The deductible is \$5000 and we are in contact with Beldon for the repairs. Osbourn stated that the conversations this week have been good. He pulled some old certs to compare performance on the certs from 2000, 2010 and current to show the board how far this breed has really come in the area of performance.

Collin shared that we have invited breeders to “tell your Beefmaster story”. It may be used in promotions and ads.

Moving forward with Feed Efficiency EPDs is positive and exciting and leads the way for a bright future ahead for our breed.

PRESIDENT’S REPORT – Larry Meacham thanked the committees and chairs and board members for coming together to grow our breed stating we are Beefmaster Breeders United and united we will stand!

James Skelton made a motion to go into executive session and the meeting adjourned from there.