

**BBU BOARD MEETING
FEBRUARY 4, 2021 – 8:00 A.M.
OKLAHOMA CITY, OK – HILTON**

President Larry Meacham called the meeting to order.

Lorenzo Lasater opened the meeting in prayer.

Secretary Kendall McKenzie called roll with the following in attendance (Thompson and Psencik via Zoom).

Larry Meacham

Derek Thompson (Zoom)

Chris Kauffman

Kendall McKenzie

Bob Siddons

Collin Osbourn

Trey Scherer

James Skelton

Brian Melloan

Tony Psencik (Zoom)

Jerry Davis

Clark Jones

Mike Moss

Ty Agee

Cindy Emmons

Lorenzo Lasater

Kito Saenz

OLD BUSINESS:

B.E.E.F. Loan Forgiveness Update – B.E.E.F. Board President, Lorenzo Lasater addressed the board concerning the request made by Dave Loftin (previous B.E.E.F. president) to the BBU Board last year to forgive the 168k loan. Lasater covered the history of the contributions to and from B.E.E.F. in various areas since 2016, noting the total from B.E.E.F. to BBU projects is 318K. Lasater also updated the board on the B.E.E.F. Endowment campaign – noting sixty-five pledges have been made with 53.1% collected thus far on those pledges. The pandemic slowed the campaign this past year. The current board is looking to get back on track with those efforts. There is about 1.9 years left on the five-year pledges, so we still have some time on those. With three thousand members and only sixty-five pledges, there is clearly more work to be done to gain more membership involvement. Seventeen of the sixty-five pledges have been paid in full and Lasater noted that those who originally doubted or feared the campaign's success have now had time to realize it is working. Lasater named Bub and Nancy Epley III and Bill and Dusty Carr as two of seventeen that have paid their pledges in full (plus) in well under the five years allotted. Lasater stated it shows their dedication and commitment to the breed. BBU is currently involved in three research projects being funded by B.E.E.F. dollars – Texas A&M University, Oklahoma State University, and the Noble Foundation. The B.E.E.F. Endowment thus far has made 163k in interest income that can be used for research projects, educational scholarships, etc. Lasater spoke in favor of forgiving the B.E.E.F. loan considering how much B.E.E.F. has contributed back to BBU already when B.E.E.F. itself has struggled financially (for operational funds). Treasurer Chris Kauffman reported that at the summer board meeting in June 2020, the board agreed to begin forgiving the outstanding loan. There were two separate loans that were granted based on the lowest interest rates at the time (4-5 %). At last summer's meeting the board agreed to restructure the loan with a lower interest rate and on an annual

basis begin to forgive principal of roughly 19k/year. The board also approved that, on an annual basis, BBU would give B.E.E.F. a contribution in kind of the outstanding interest on the balance. In essence the loan is costing B.E.E.F. nothing anymore. Kauffman also noted if BBU is granted forgiveness of the PPP loan (still pending approval), that amount would be put towards the principal of the loan. **Clark Jones made a motion to allow Chris Kauffman to restructure the B.E.E.F. loan exactly as he discussed. To forgive the loan, BBU will forgive principal of 19k per year of the B.E.E.F. loan for the next nine years and will make a contribution in kind to B.E.E.F. of the outstanding interest on the balance each year. Kendall McKenzie seconded.** Meacham asked for any discussion. Lorenzo Lasater expressed concern that because it is being drawn out future boards could change the process and the decision before the completion. **Clark Jones amended the motion to include that any change in the conditions of this motion would require a unanimous vote from the board. Kendall McKenzie seconded. The motion passed unanimously.** Kauffman reiterated that the PPP loan forgiveness is still pending. Collin Osbourn stated that the accountant said that the board would have to approve when we want to move or realize the PPP loan.

Lorenzo stated that we are finishing out the Flying B Project and will soon be looking for another research project to get involved in. Osbourn shared about a carcass research project opportunity. Right now, because ours are only ultrasound based EPDs there is no carcass adjustments. It is our goal to get to actual carcass EPDs as soon as we can. It will involve some expenses to verify parentage so we can sire identify those calves that have gone through there. Collin Osbourn and Lance Bauer gave project updates to the board.

Lorenzo Lasater moved to approve the minutes from the October 29, 2020 meeting and the conference call meeting December 16, 2020 as presented. James Skelton made the second and the motion passed.

NEW BUSINESS

President's Questions: Larry Meacham held discussion on questions he posed to the board members. Members answered the questions and shared their thoughts on how to use technology to improve the breed and move the breed forward. They shared how the breed has changed and how the members themselves have changed as well as what they believe the breeder fifteen years from now may be like.

Meacham asked for input on Satellites and their Marketing Group sales and what they are doing right, how they can improve, how they can build membership. President Meacham wants to have a list of recommendations to put in front of the Satellite and Marketing Group presidents at the summer meetings. Meacham asked that the office start working on a list and put it out to the board for input and edit. McKenzie indicated that Larry Lairmore is working on this through the seedstock marketing committee.

BBU SPONSORSHIP OF THE INTERNATIONAL SHOW (REPLACES HOUSTON OPEN SHOW) –

Collin Osbourn received a request to sponsor an International show that was formed to replace

the Houston Show. We usually sponsor the International Room in Houston. Cindy Emmons spoke for the Beefmaster Promotion Group that will be involved and explained some of the costs and things that will be going on at this event at the end of March. Alyssa Lyssy and Kalli Ellis requested the sponsorship. Osbourn asked for feedback from the board on sponsorship and at what level. Lorenzo indicated BBU should at least sponsor for the \$550 usually budgeted to sponsor the Houston International Booth/room. **Lorenzo Lasater made a motion that BBU sponsor this International Show for \$1000. Kendall McKenzie seconded the motion and it carried unopposed.** Cindy Emmons thanked the board for their support. BPG was asked to be part of The Cattlemen's Congress that was held in Oklahoma City but due to late notice they were not able to attend. They hope to attend next year. Meacham shared that the feedback from the Oklahoma City event was good and he greatly encouraged the group to attend next year if the opportunity was available.

BBU GOALS FOR 2021 – Collin Osbourn

Increasing Revenues by 5% overall

Increasing Membership by 5%

Develop and release Efficiency EPDs

Improve Member Education Tools

Increase Co-op Ads and Use the Entire co-op Budget

Develop Most Aggressive Digital Media Presence in the Beef Industry

Offer Sale Catalog builds

Grow JBBA national show entries by 10%

Committee Items for 2021

- Developing new EPDs – particularly efficiency EPDs – Breed Improvement
- Member Education – seminars – concentrate on Performance, Use of Registry system and Sale Prep – offer more webinars with a small forum and Q & A sessions
- Increasing Co-Op ads –we are currently working with Marburger Marketing on our social media to ramp it up – we are growing our video archives – Exploring ways we can reach more people – and how we can use the technology we have effectively – Advertising and PR

Osbourn covered some of the increases/changes displayed in comparison to past years in:

- Membership Increases
 - New
 - Reactivating Past members
- Registrations – up from previous years
- Transfers – up from previous years
- WHR - holding steady
- IBR – is down – but some have moved to WHR now.

Grant and Company Ad Proposal – Clark Jones updated the Board on recent meetings with Eric Grant and Company and shared that the Advertising and Public Relations Committee is working to increase the Co-op Ad program this year. Jones wants to see a consensus message of what we want these ads to present to the industry about Beefmaster cattle. In advertising you must identify the market you are going after and what the customers are asking for. In doing that we must target those things in a concise message in our ads. We will inform the board as we go along being careful with our messages and what we do. Jones stated that the ads will focus not only on our maternal strengths but we also on the progress we have made over the years with Beefmaster bulls. Feedback from cattlemen that tried our bulls years ago and did not like them tells us we need to show that the Beefmaster bull today is not the same. Jones did not have a proof or copy of an ad to show at this time but assured the board as the ads are developed the committee will get them before the board to see.

Collin Osbourn presented a “Beefmaster Footprint” and how it breaks down in various areas and regions. Figuring 20 cows per bull and estimating how many cows we have, there is need for approximately 180k bulls in our footprint per year. The number of bulls we sold in 2020 was 2467 (based on transfers – some may be sold and not transferred). About 2000 were mature (breeding age) bulls. Approximately 1380 bulls go to commercial customers per year, based on the numbers in 2020. Collin went over transfer numbers from previous years. There is a demand for bulls which creates an opportunity to sell more bulls. We need to produce and effectively market our product to make the most of the opportunity.

Genetic Evaluations – Collin Osbourn stated that funds to increase the number of genetic evaluations run per year from two to four were included in the budget for this fiscal year, so the evaluations will now be run on a quarterly basis. Lance Bauer noted that this change should eliminate the big change in numbers on the animals that were noticed with only two genetic runs per year. Bauer stated that when he began working at BBU there was not enough data coming in to warrant a quarterly run. Educating the breeders about the importance of collecting and turning in performance data has resulted in the need for and justifies the expense of quarterly evaluations. Lance explained what he receives after the run and explained what he looks at and how he checks the updates. Once he and Collin have discussed any concerns or issues, he talks with the geneticist on any further questions they may have and then the data is updated in the system. Lorenzo asked if extreme numbers are addressed that may be the result of data manipulation. Lance noted there is a minimum and maximum that is accepted on all traits.

Certificates and the Future – Collin Osbourn reported that the new EPDs for stayability and age at first calf have been calculated. We are still talking about efficiency EPDs and possibly another index but Osbourn noted these will not fit on our certificate as it is right now. It will be a stretch to even get the stayability and age at first calf incorporated on it. We must decide how all the new EPDs and indices will be presented since there is no more room on the certificate. We also must consider the need for actual hard copy certificates. There will be instances where

certificates will need to be printed – Junior Shows for one. Performance data printed on a certificate is basically outdated the day after it is printed. Osbourn asked the board to think about how they see the future of the printed certificate, noting there may have to be some by law changes before things can be changed. Meacham asked that Long Range Planning look at which EPDs we want to display and the future of the hard copy certificate and then present ideas this summer to the board. Jerry Davis asked if the breeder would have an opportunity to print a certificate online. Copy certificates are currently available for the breeder to print.

FINANCIAL REPORT – Treasurer Chris Kauffman reported that the Association is in very good standing right now. Kauffman presented the December (year-end) financials as best he could, knowing this will change when we complete the seventeen-month (August 1, 2019 thru December 31, 2020) audit that is scheduled. Kauffman spoke to constantly changing line items such as insurance, postage, Nolan Ryan Beef, vehicles etc. and how these items can affect the annual budget. There was no convention this past year so that also affected our expenses and income for the year. Chris explained working through the unprecedented seventeen-month income and expense and the budgeted amounts for the period. **James Skelton made a motion to accept the December (end of year) financial report as presented. Lorenzo Lasater made a second and the report was approved.**

James Skelton made a motion to move the meeting into executive session. Lorenzo Lasater seconded the motion. The motion carried and the meeting moved into executive session.

Lorenzo Lasater made a motion to move the meeting back into open session and Mike Moss seconded the motion.

Per BBU by-laws, the board voted to fill the director vacancy left by Larry Meacham's move to President. Clay Howell will fill that spot *until the next annual general membership meeting whereupon a successor shall be elected for the unexpired term by the voting membership. (excerpt from BBU By-laws)*

Clark Jones moved to adjourn the meeting with several seconds the meeting adjourned.