

**BBU BOARD OF DIRECTORS MEETING
OCTOBER 28, 2021
FORT WORTH DOWNTOWN OMNI HOTEL**

President Larry Meacham called the meeting to order.

Lorenzo Lasater opened the meeting with a prayer.

Secretary Kendall Mc Kenzie called roll. Brian Melloan and Clark Jones were out with health issues. The following were in attendance:

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

President Meacham entertained a motion to approve the minutes from the previous meeting. **Lorenzo Lasater made a motion to approve the minutes from the May 28, 2021, meeting. Kendall Mc Kenzie made a second and the motion carried.**

Treasurer Chris Kauffman presented and discussed the August financial report and the transition of the fiscal year to coincide with the calendar year. Kauffman noted that all the numbers are up – memberships, Whole Herd Reporting numbers (IBR is down as participants shift to WHR), registrations and transfers. Kauffman moved to the September financials that were included in the board packets stating that the association is well on track for a good year yet cautioning that the last three months of the year are historically hard months where the association sees a deficit or barely breaks even. Kauffman stated the financials he typically monitors and works from the most are comparing the prior year to current year to date. The board followed the dashboard hand out as Chris presented and spoke on the most recent comparison and explained the ups and downs. Looking at the budget year to date, Kauffman stated the association is well ahead of where we thought we would be at this point. He entertained questions and with none posed the treasurer concluded his report. President Meacham entertained a motion to approve the report. **James Skelton made a**

motion to approve the financial reports as presented. Trey Scherer followed with a second and the motion passed.

Treasurer Chris Kauffman reported to the board that the Finance and Audit Committee met via conference call earlier in October and adopted a proposed budget for Fiscal Year 2022 (included in the board packet) to present to the board for approval. Kauffman explained the strategy of using prior year financials to formulate the budget and proceeded to cover and speak to various areas and line items in the proposed 2022 budget. He then opened the floor for questions. There was discussion concerning fees and the financial success of the association over the past few years. Kauffman noted that several factors played into the numbers for the past two year's such as Covid limiting field service travel and some vacated staff positions that are not yet filled. Trey Scherer stated that when we looked at changing fees before it was with the intent that we would spike for about five years and then come back to a break-even point. Kauffman shared the other intent was to establish a "safety net" for the association and noted that we have now done that. Meacham suggested looking over a long-range plan of about five years where we could increase budgets for areas like advertising and also find ways to save in some areas could be worthwhile. Bob Siddons stated that membership growth has added to the financial success with increased income. Kauffman noted that when we have had lean years, we have scaled back any where we could (advertising budget was scaled way back) and now with good years we are trying to build back up such budgets that will add to our success as a breed. After further discussion **Kendall Mc Kenzie made a motion to approve the 2022 budget as proposed by the Finance and Audit Committee. James Skelton seconded the motion and it passed.**

Digital Ad Update – Jeralyn Novak reported on our utilization of a company called FEATHR to create a digital platform we can use to gather data to get our ads out based on events attended, searches made, and types of devices and websites being used. This ensures the proper size artwork is generated for our ads based on the specific devices being used. We are still using Grant and Company in conjunction with this, using animated gifs that are connected to our url - so if a person clicks on our banner, it will drive them to our website. We have the option to "geofence" (capture ip addresses at certain places during certain given dates) past events, current events and future events. Our current budget is \$3100 with FEATHR and to date we have spent \$1700 of that budget. We can track views and

conversions (viewers that actually clicked and went to our website). Novak stated that we are six months into our relationship with FEATHR and it has been used as more of a brand building thus far, but in the future our hopes are to use it more specifically, such as for membership growth and retention. Novak shared that our website is in the process of being updated and when that is completed, we will be able to track “conversions” more specifically.

Update on Performance Letters Mailed – Breed Improvement director Lance Bauer reported that he and EVP Collin Osbourn had a meeting with our geneticists John Genho and Kari White, who do our genetic evaluations. Genho and White found some animals that were abnormal in terms of their pre-weaning growth. The group did a scatter plot that tracked birth weights and yearling weights and what their growth was and identified extremes. The group looked at pre-weaning growth and worked through that to find specific outliers and discussed what we need to do to address this. President Meacham shared that after these findings the board decided a letter should be sent to the breeders of these outliers to ask them to review their data and correct any entry errors to clear this up and then report back to the staff with their findings and updates. Meacham stated phone calls have been made and the letter has been mailed. Contact with these breeders have led to some good conversations. He informed the board that this issue will continue to be discussed and addressed until it is cleared up. Collin Osbourn assured the board that with or without this data, our genetic evaluations correlate at 99.997 percent. He urged the group to continue to use the data from the genetic evaluations to make decisions in their herd because it does make a difference. The staff will continue to review and look for outliers on each evaluation, but the best picture to identify real issues will be seen in annual comparisons of these evaluations.

B.E.E.F. Updates – **Lorenzo Lasater, president of B.E.E.F.** reported that the B.E.E.F. Endowment sits at 1.2 million now and has obtained some momentum of its own. In 2021 the B.E.E.F. Board developed a financial metric for how we spend proceeds which is a conservative four percent on a running average. In 2021 B.E.E.F. supported roughly 30k in feed efficiency research, 10k in scholarships and 5k in education (at convention). The monies that go into the B.E.E.F. foundation come directly back to impact the breed and the membership. Lorenzo welcomed four new B.E.E.F. Board members: Kendall Mc Kenzie, Don Evans, Clark Jones and Mark Blau. Lasater stated that Roger Fuller will be retiring as secretary/treasurer

of B.E.E.F. in August of 2022. Roger has served in that position since the beginning of B.E.E.F. and has done a fantastic job. Plans on how to fill the vacancy are still being discussed. The Endowment sits at 37 percent of the pledges outstanding and 63 percent collected. Lasater noted that 64 pledges made from 3000 members means a very small percentage of the membership has stepped up to support the endowment. Hearing what B.E.E.F. supported in 2021 alone, shows it is a powerful tool for the association and we need to find a way to get more members involved as it continues to grow and gain some traction. Lasater then promoted items that can be won in the raffle drawing that will be held at the awards banquet on Saturday afternoon and he encouraged all to secure their tickets.

2022 Convention Report – Collin Osbourn reported on the 2022 Convention to be held in Oklahoma City, Oklahoma. The satellites and marketing group presidents discussed the 2022 convention at the President’s Council Breakfast. They discussed trying to keep costs down. Suggestions of shortening the convention to two days were made and Osbourn noted that we will see if we can get the hotel to work with us on our contract. Attendance is the key to keeping costs down and shortening the convention to two days may allow more people to attend.

2023 Convention – Collin stated that we do not yet have a contract for 2023. A lot of suggestions were made at the Presidents council breakfast and he asked everyone to fill out the convention survey online and give input for preferred days, locations and even dates (possibly summer) to be considered.

Next Board Meeting – Larry Meacham announced the next board meeting will be February 24th or 25th at W TAMU in Canyon, Texas and will be in conjunction with an educational event on carcass evaluation/breakdown (like a mini-706) and possibly a feed yard tour.

Staff Updates – Collin Osbourn shared that we are looking to fill our Junior Coordinator position. Osbourn shared that hiring right now has its challenges. We don’t want just a warm body but someone who can not only fill that position but also be able to help in other areas like membership and, as Lorenzo mentioned, to possibly help with B.E.E.F. record and bookkeeping. Osbourn also mentioned that DNA is getting to the point where we will need a fulltime person. We are looking at maybe combining that with coordinating education. Osbourn would like to see us have an education site that would be

utilized by multiple groups out there: commercial breeders, ag teachers and 4H programs and such. He would like to see it cover all bases and keep it as current and relevant as we can. Possibly offer zoom conferences, video messaging, podcasts, etc. There was some discussion about vacation and comp time policies. Questions arose about field staff positions and discussion of how that job description has emerged.

EVP Report – Collin Osbourn gave a review of where we have gone as an association this year. He began by thanking the committee chairs and their committees for the hard work during this year. We have had three new EPDs released this year – stayability, age at first calf, and RFI and added the feed efficiency index as well. We asked some of the big commercial breeders what we could do that would help them from an EPD or data standpoint. The answers circled around the maternal traits. We went to work and came up with stayability and age at first calf. Mature cow weight is coming along as well. All of these will feed into and retool our indexes.

Seedstock Marketing worked to bring us tips and plans for marketing and presented some recommendations for setting goals to improve our production and satellite sales. This is a great tool for our satellites and marketing groups to use in their educational seminars and sales.

Moving forward, carcass quality must come to the forefront. We as a whole need to pay more attention to those marbling EPDs and we will probably start to retool the \$T index a little bit and more heavily weight carcass quality and marbling in just to help move that along. We will probably task breed improvement again this year to see what we the association can do to make people focus more on carcass quality. It could be as simple as changing the layout of EPDs where the carcass EPDs are the first ones that are published rather than birth weights. Collin mentioned a project already underway in Florida, where we have calves that are sire identified and when we get the kill data, we will be able to start gathering the records and working with Noble Research identifying those calves. Osbourn asked if anyone knew of commercial customers that are doing a good job and retaining ownership. We want to know and reach out to them. We want that data and have the funds from B.E.E.F. built into the budget to do the research.

Our advertising program is continuing to grow focusing on modernizing ads and getting them out there. You see personal touches of young families portraying the future and showing what these cattle can do for you long term with testimonials that go along with each telling their own Beefmaster stories. We are constantly

looking for this type of content and Osbourn requested breeders to let us know of any customers they have that may be a good contact.

Our international market continues to grow in Thailand and Europe. We are still working with South Africa on some genetics – looking at genotypes to see what kind of a relationship is there. Seeing if there is something we can do together as a whole to start to tie some of this together. If the opportunity presents itself for there to be a global evaluation, we want to be the one to lead that.

Collin spoke on changes in staff this past year and noted again that DNA is constantly changing and becoming a full-time position. Writing up the job description for the DNA position, Collin added developing a system that will help keep everyone up to date the best way we can. With it being such a timely process, we must figure out a way to keep everyone informed as we go along. Osbourn shared that there may be an opportunity to back off the 150K testing required for donors and AI sires right now. Collin is talking with the geneticist about it and will talk with the board more about that option as things progress. Neogen has a 100K available that would meet our needs and would be a reduced fee from the current \$85 cost for the 150K, thus cutting expenses for the breeders.

As an association, we are all part of the US Beef Breeds Council. The Food Safety and Inspection Service under USDA is currently working on cell cultured labeling. The US Beef Breeds Council has drafted a letter basically directing them to consider when they start working on labeling, that this stuff doesn't get labeled just as beef. They want to protect the integrity of what beef is. Collin stated that unless advised otherwise by the board, he intends to sign the letter on behalf of Beefmaster Breeders United. The signed letter will be sent to congress by the council. Osbourn feels it is important to try to back this effort and continue to integrate ourselves more into the beef industry.

President Meacham and Collin discussed indexes and how breeders unknowingly go for the biggest numbers. Osbourn noted that the indexes will be retooled, but preferably only one time because there will be significant changes in the rankings when that happens.

Collin asked the board to begin thinking about going completely paperless. With new technology and the way the world does business today, not to mention the lack of dependability on the mail/delivery services, we are headed in that direction. Sooner or later, this will be a reality and he asked the board to consider how it will affect us. Meacham stated that once a certificate is printed, it is already obsolete due to the constant changes in EPDs and data being entered.

Collin stated that even when we transition to paperless, having a certificate printed will always be an option for those that want or need it.

President's Report – Larry Meacham asked the staff to come up with goals for the coming year. He spoke with treasurer Chris Kauffman about financial goals as well. Larry stated he appreciated how the staff had pushed on and kept things moving along despite being shorthanded. Membership is up about four percent overall. Registrations are up about seven percent. Another “measurement” Meacham noted was that we sold (on paper) just over 300 more bulls this year than we did last year! We still have work to do but we are headed in the right direction. We made a big push this year and went out to Reno and met with Western States BBA. We need to get a foothold in that area of the country. We're planning a bull sale for 2023 in that area. We are going to market it and promote it. We are deciding what age groups we are going to accept and trying to get it set up and managed properly where it will succeed and not set it up to fail. Their numbers will be down, and they are going to need to have our cattle involved as they are coming back from a drought situation. We need to make that push and help them out as we are all responsible for the growth of this breed. We've made progress, so much so that our cattle are in short supply because they are so well sought after. We need to keep moving forward and not let up now.

President Meacham moved the meeting into executive session and the meeting adjourned right after.