MICHIGAN BEEF INDUSTRY COMMISSION

Board Meeting

Thursday, December 17, 2020

TEAMS Video Conferencing Meeting

**Commissioners in Attendance: Others Present:**

Dale Oeschger George Quackenbush, MBIC

Jon Haindl Jacquie Harrison, MBIC

Leonard Brown Katie Serbinski, MBIC

David Neitzel Ken Blight, Ex-officio

Travis Schunk Heather Throne, MDARD (Video)

Monte Bordner (out of meeting 10am-11am) Dale Rozeboom, MSU Dept of Animal Science

Jill Sears Bill Tucker, CPA, Maner Costerisan

Dave Clark

Bret Schapman (arrived 11am)

Chairman Dale Oeschger called the meeting to order at 9:06 am. A quorum is set in that eight Board members are present by video. All votes will be taken by roll call because the meeting is attended virtually by all.

**General Business & Information**

**Approval of Agenda**

No additions were requested by Board members. No motion was given.

**Approval of Minutes – Jon Haindl, Secretary**

Jon Haindl **MOVED** to approve the September 17, 2020 MBIC Board meeting minutes, with an amendment that George Quackenbush requested to go into Executive Session for an annual staff evaluation, and inclusion of any decisions made in Executive Session in the Open Meeting minutes. Travis Schunk **SUPPORTED.** By a roll call vote (Haindl-Aye; Brown-Aye; Neitzel-Aye; Sears-Aye; Schunk-Aye; Clark-Aye; Oeschger-Aye), **MOTION CARRIED**.

**Nutrition & Consumer Info Report – Katie Serbinski**

Katie reported that she has been working on making connections with different health and wellness groups and letting them know that there is staff and MBIC can be a resource for them. Katie is also exploring other opportunities with other healthcare organizations such as Henry Ford Health System, St. Joe Health System and working on plans for future events with MI Academy of Nutrition & Dietetics. She is also working with other State Beef Council and NCBA staff to explore what virtual opportunities will look like because, due to the pandemic, 2021 looks like events will remain virtual. Recently, Katie appeared on Fox 2 TV, in Detroit, doing a 3-minute segment on ways to provide education into mealtime and beef nutrition in children’s diets. Katie has been involved with a 4-day Eating in the Early Years E-vent hosted by NCBA. The topics of these conferences include Eating in the Early Years, which provides education about child nutrition for children 2 years and younger and the importance of beef and its nutrients and is expected to bring in 1,300 participants. These conferences will be recorded, and Katie will extend an opportunity to health professionals to view them and provide continuing education credits. Katie will offer these recorded conferences to women’s and children’s offices, and health systems that have staff such as pediatric dieticians, family physicians, and pediatricians. There will be many more events planned in the next few months, of which Katie will take advantage.

**Financial Report – Jill Sears, Treasurer**

George Quackenbush, on Jill Sears behalf, reviewed the financial reports for the year to date ending November 30, 2020. The $43,000 of approved additional operating funds are not needed yet. The additional operating funds help the budgeted fiscal year revenue to exceed the budgeted expenses. Quackenbush reviewed a new graph that represents FY2011 through FY2020 revenue, expenditures and fund balances and FY 2021 budgeted numbers with and without the expected carryover of funds.

The Huntington Non-Checkoff certificates of deposit matured in November 2020. Case Credit Union has been non-responsive to Quackenbush’s request to transfer funds from Huntington to Case CU, as approved by the Board previously. Quackenbush requested approval to talk with LAFCU and other credit unions to transfer funds from Huntington.

Dave Clark **MOVED** to accept financial statements as presented. Jill Sears **SUPPORTED.** By a roll call vote (Haindl-Aye; Brown-Aye; Neitzel-Aye; Sears-Aye; Schunk-Aye; Clark-Aye; Bordner-Aye), **MOTION CARRIED.**

**MBIC Audit & Budget**

Bill Tucker, CPA, from Maner Costerisan, presented the FY2020 audit. MBIC has been operating on a Modified Cash Basis which is highlighted in the Auditors report. Bill Tucker reviewed the balance sheet reports for both fund groups – Checkoff (restricted) and Non-Checkoff (general). He also reported that the $31,200 of Payroll Protection Plan funds, that were awarded to MBIC in July 2020, are listed as a liability because it is unknown if some or all of the PPP funds will be forgiven by the Small Business Administration and IRS.

Bill Tucker reviewed the Revenue and Expenditure Report and the Fund Balance Report. He reviewed the variations from FY 2019 which may be caused by COVID-19 and other factors.

No discrepancies or concerns regarding procedures and internal controls were noted. No deficiencies regarding the Act & Order were noted.

Monte Bordner **MOVED** to accept the FY 2020 Audit Report. Jill Sears **SUPPORTED**. By a roll call vote (Haindl-Aye; Brown-Aye; Neitzel-Aye; Sears-Aye; Schunk-Aye; Clark-Aye; Bordner-Aye; Schapman-Aye), **MOTION CARRIED.**

**MBIC FY 2021 Budget & Fund Balance**

George Quackenbush reviewed the Non-Checkoff FY2021proposed budget and the Checkoff Fund Balance. He provided a graph that compares the revenue, expenditures, and fund balance for fiscal years between FY 2011 and FY 2020 for the Checkoff fund and expected fund balance at end of FY 2021.

Monte Bordner **MOVED** that an additional $50,000 of the existing Fund Balance money be allocated and budgeted for promotional activities in FY 2021 and amend the FY 2021 budget to reflect this change. Jill Sears **SUPPORTED**. By a roll call vote (Haindl-Aye; Brown-Aye; Neitzel-Aye; Sears-Aye; Schunk-Aye; Clark-Aye; Bordner-Aye; Schapman-Aye), **MOTION CARRIED.**

**Information Updates**

**Nutrition & Consumer Info Report**

Katie Serbinski reported that the MBIC website, Facebook, Twitter and Instagram have holiday presentations going on through the December holidays. Katie and Digital Cheddar created Instagram and Facebook ads that steer consumers directly back to the holiday posts on MIBeef.org. Katie included, on Instagram, a giveaway campaign of holiday swag. Katie and Digital Cheddar are working on consistency across all digital platforms. A newsletter for health and wellness influencers is being created, going out to about 100 contacts. The first newsletter will go out in December 2020. Katie is also working with Michigan Academy of Nutrition and Dietetics and put something in their newsletter. The article received a 36% click rate which is comparatively more than other articles in the same newsletter.

Katie is launching a year-long campaign with Michigan Academy of Family Physicians (MAFP) to put articles in their website and newsletter each month, beginning January 2021. Each monthly MAFP newsletter has a different focus (e.g., Strength, heart health, general nutrition, etc.). Katie is also working with Texas Beef Council to utilize their robust program of reaching physicians. Katie is working with other health and wellness influencers to create and post blogs with a holiday message sharing beef recipes and nutrition information. Katie is also working with Michigan Ag Council and other commodity groups to increase social media engagement and hopes to be a guest speaker with one or more groups in January 2021. These groups are also discussing allowing space in their newsletters for MBIC. Katie is working with Henry Ford Health System dietician and hopes to add more beef related information on the Henry Ford website.

All told, MBIC has reached over 10,000 people through all digital platforms.

**Executive Report**

George Quackenbush reported on the various promotional activities with which MBIC is involved.

* Hallmark Channel Drool Log commercials are playing during Christmas holiday movie times beginning November 16 and will run through December 31, 2020. The full-length video is two hours long.
* Beef It’s What’s for Dinner (BIWFD) is running a holiday campaign from November 1 through December 31, 2020. Thirty-five million, plus, impressions of videos, audio, and social media posts is expected to be viewed.
* BIWFD.com website has new assets to “Beef Up the Holidays”.
* BIWFD and Gallo Wines are in a partnership, providing a coupon opportunity for dollars off the purchase of beef roast when 2 bottles of Gallo wine are purchased. It was too late for MBIC to use this promotional opportunity.
* The national Checkoff partnered with Chicory, a digital shopper marketing platform, for placing recipes and access to ingredients on the app. Chicory forwards the shopper to Kroger or Wal-Mart for ingredients.
* The national Checkoff partnered with Target on their e-commerce website and with Albertson’s playing the Drool Log video.
* Holiday nutrition influencers, with a national following, created a Roast & Toast online blog event with a notable chef. The blog event was picked up by many nutrition bloggers who have a lot of followers.
* NCBA has created a satellite media tour from their kitchen which is a live feed to local news stations.
* NCBA is sponsoring the Daytona Xfinity Series Nascar race that leads up to the Daytona 500 race. BIWFD is the title sponsor with a $300,000 investment. Other State Beef Councils got on board as sponsors. MBIC did say we’d sponsor at the $5,000 level but, is rethinking it because the investment from other State Beef Councils far exceeds the needed sponsorship dollars for the event.
* MBIC was approached by Michigan International Speedway (MIS) and asked to sponsor the Fan Plaza at a race in August 2021. MIS attracts audiences from Michigan, Ohio, Illinois, Indiana, and other regional and national regions. This type of sponsorship provides an opportunity for email and digital marketing. MIS has a contact list of over 36,000 recipients.

**Decisions**

**MBIC Procedure Manual – Financial Procedures**

Bill Tucker, CPA, suggested in December 2019 that MBIC update the Procedure Manual and create a “date of update” schedule. George Quackenbush reviewed recommended changes to the current Financial Procedures in the Budget Development and Reporting section.

Jon Haindl **MOVED** to approve the Procedure Manual changes as recommended. Leonard Brown **SUPPORTED**. By a roll call vote (Haindl-Aye; Brown-Aye; Neitzel-Aye; Sears-Aye; Schunk-Aye; Clark-Aye; Bordner-Aye; Schapman-Aye), **MOTION CARRIED.**

**FY 2021 Non-Checkoff Budget**

George Quackenbush reviewed a proposed budget for FY 2021 Non-Checkoff funds.

Monte Bordner **MOVED** to approve the FY 2021 Non-Checkoff proposed budget as presented. Jill Sears **SUPPORTED**. By a roll call vote (Haindl-Aye; Brown-Aye; Neitzel-Aye; Sears-Aye; Schunk-Aye; Clark-Aye; Bordner-Aye; Schapman-Aye), **MOTION CARRIED.**

**Allied Industry Reports**

**Michigan Department of Agriculture and Rural Development**

Heather Throne reported that an electronic copy of the MBIC FY 2020 audit has already been sent to Jeff Haarer at MDARD.

Value Added Grant applications have been received and some have been reviewed. Two of nine grant approvals will be announced that pertain to help with livestock production.

Rural Development Grant applications, numbering 140, were received and 24 have been reviewed. The committee will meet in January 2021 to discuss screening of applications and will announce approvals in February 2021.

There are some changes proposed to the Open Meetings Act, which may be approved, that allow for virtual meetings through March 2021. Heather will let commodity boards know when the changes are approved. Currently, there is no legislation that allows meetings of public entities to be conducted virtually for an indefinite time period.

**Michigan State University**

Dr. Dale Rozeboom, Acting Co-Chair of MSU Department of Animal Science, reported that Dr. Ruegg stepped down from this position to another position within the Department. Dr. Cathy Ernst and Dr. Rozeboom will share the interim role until the Dean fills the position.

MSU teaching continues in an all-virtual format except for Equine classes, which are a hybrid format. MSU is planning on 6-7 animal science classes going hybrid soon. There are plans to fill student housing dorms with COVID protocols in place. Animal science research is doing well in this COVID environment and has received several federal grants. The Department is trying to protect MSU resources and farms which are teaching resources. The MSU Pavilion will be used as a drive-through COVID vaccine administration location. The MSU budget is affected by the expected reduction (estimated at 10%) of State of Michigan financial support. Nine staff positions in the Animal Science Department are vacant, but MSU hopes to fill these positions in the next few years. The solar array construction, planned for the agriculture area on MSU campus, is put in neutral due to COVID.

**Michigan Cattlemen’s Association**

George reported that the MCA Annual Conference will be held as a virtual meeting using Microsoft Teams and broadcast from the CentralStar conference room on Saturday, January 23, 2021. CentralStar has the best technical capabilities.

The Michigan Beef Expo Committee has decided to hold the 2021 Beef Expo as a virtual sale hosted by Breeders World. The International Symposium on Beef Cattle Welfare is postponed until June 2022, due to COVID, and is expected to be held at MSU. The group will hold some webinars in 2021 to get people excited about 2022.

The MCA Board is hopeful that the Summer Round Up can be held in June 2021 but are unsure what plans may arise.

MCA is working with MDARD and the MI Department of Natural Resources (DNR) to try to meet the deer head commitment level as required by USDA Memorandum of Understanding and State of Michigan. There were three positive Bovine-TB herds found in the Modified Accredited Zone in the last 12 months. By January 2021, one of the three positive herds will go off the calendar. If positive herds continue to be found, USDA could downgrade Michigan’s status.

**Commissioner Reports and Public Comments**

Jon Haindl said that the UP had snow in October but no significant snow since then. The ground is frozen. The fall harvest was decent for potatoes and wheat.

Monte Bordner expressed concerns about the MIS sponsorship issue.

Leonard Brown reported that all crops were harvested, and it went well but yields were not the best because of rain. It was a nice Fall season to get all the work done.

Travis Schunk said the packing houses have been going full tilt since getting back to work in the summer. The packing house is only going to be harvesting four days a week going into the end of the year then will go back to a normal schedule after the first of the new year.

Dave Neitzel said Meijer will sell 1.4 million pounds of beef rib roasts in the next five days. Year to date, Meijer exceeded last year’s dollar totals. Meijer has been investing money in the last eight weeks, so tonnage is up more than retail dollars. Meijer may be willing to partner on an event like the MIS race. Meijer’s distribution centers are full of meat and stores are selling lots of meat.

Bret Schapman reported that no cattle turned into two loads then turned into 3 loads that needed to be processed today. Their farm is full of cattle currently with some challenges getting them to slaughter or market. Bret is still working with NRCS and EGLE on conservation practice. They are looking at making changes in application and technology for the spring. They had some decent harvest yields in the Fall. They are looking to renew a feedlot tagging agreement with MDARD which they use to ship cattle directly to slaughter. This uses identification other than RFID tags and reported to MDARD.

Dave Clark said the sale barn has been going well. Beef numbers are down a little. Cow cull numbers are higher probably because producers are liquidating due of feed situation. Some producers are quitting the business because of this problem and Dave expects cow numbers will be down in the coming year because of liquidation. Dave’s farm is full of cattle and crops came off well in the Fall.

Ken Blight said he put his name in for the NCBA Operating Committee again and will be interviewed in February 2021. His feedlot is full of cattle, but he is worried about the current cash market.

Jill Sears said they had a great Fall season. The weather has been pretty dry, and cows are moving well on contracts. The whole family and their hired hand had COVID around Thanksgiving time and were down for three weeks but back to normal now.

Dale Oeschger said the thumb area has seen a good Fall season with good crops harvested. Their farm is not quite full of cattle. The number of cattle at the stockyards over the last couple of weeks have been higher. Fall season was down quite a bit.

Jill Sears **MOVED** to gift each staff member a $200 Christmas bonus. Monte Bordner **SUPPORTED**. By a roll call vote (Haindl-Aye; Brown-Aye; Neitzel-Aye; Sears-Aye; Schunk-Aye; Clark-Absent; Bordner-Aye; Schapman-Aye), **MOTION** **CARRIED**.

**FY 2021 Meetings and Other Business**

The meeting dates for MBIC Board meeting were approved at the last Board meeting. They are

 Thursday, March 25, 2021

Thursday, July 15, 2021

 Thursday, September 16, 2021

**Additions**

None

**Adjourn**

Dale Oeschger adjourned the meeting at 12:21 pm.

Respectfully submitted,

Jacquie Harrison