

# Texas Beef Council

## BOARD OF DIRECTORS MEETING

FEBRUARY 2024



Strengthen demand for beef as the world's most preferred and trusted protein.

**TEXAS BEEF COUNCIL  
(TBC)  
BOARD OF DIRECTORS MEETING**

**Virtual  
Thursday, February 15, 2024  
10:00 AM**

**AGENDA**

- 1. Call to Order and Establish Quorum**
- 2. Approval of Minutes**
- 3. Executive Vice President's Report**
- 4. Action Items**
  - Executive Committee Report
  - A. Ratification of Executive Committee Action
  - Audit and Budget Committee Report
  - B. Accept FY24 Financial Statements
  - C. Accept FY23 Audited Financial Statements
- 5. Discussion of Other Business**
  - A. Checkoff Litigation Update
  - B. Federation and CBB Director Reports
  - C. Federation Revenue Seat Holder Report
  - D. NCBA and USMEF Audited Financial Statements
  - E. Next Board Meeting – June 5, 2024
- 6. Other Business**
- 7. Adjourn**

# MINUTES

**TEXAS BEEF COUNCIL**  
**Board of Directors**  
**Meeting Report**

**Chairman's Name:** Fred Schuetze  
**Meeting Time/Date:** 11:32 AM, Wednesday, November 15, 2023  
**Meeting Place:** Texas Beef Council, Austin, Texas

**Roll Call**

**Directors:**

Amy Kirkland, Brandi Richards, Brian Malaer, Dane Elliott, Fred Schuetze, Gilly Riojas, Kara Dudley, Kerry Wiggins, Marsha Shoemaker, Pat McDowell, Pat Shields, Richard Winter, Sarah McKenzie, Shannon Treichel, Ty deCordova

**Guests:**

Craig Shackelford, Patrick Dudley, Tracy Tomascik, Paige deCordova, Linda Rasmussen, Tara Davey, Staci Musgrove

**Staff:**

Adriana Mora, Amber Elwood, Amy Foster, Cheyenne Pierce, Jason Bagley, Jennifer Matison, Jerry McPherson, Jordan Manning, Kathleen Pickett, Kaleb McLaurin, Kaylee Greiner, Layla Mays, Michael Loeffler, Molly McAdams, Nancy Allender, Rachel Chou, Robert Hale, Victoria Heller

**Decisions Made**

The Chairman called the meeting to order and established a quorum.

**Approved the Agenda revision**

Motion by Richard Winter    Second by Brandi Richards    Motion Passed

**Approved the minutes of the August 23, 2023, Board Meeting**

Motion by Brian Malaer    Second by Ty deCordova    Motion Passed

**Approved Action Item A – Ratification of Executive Committee Action**

Motion by Sarah McKenzie    Second by Brandi Richards    Motion Passed

**Approved Action Item B – Approve Operating Procedures**

Motion by Sarah McKenzie    Second by Brandi Richards    Motion Passed

**Approved Action Item C – Accept Financial Statements**

Motion by Pat Shields    Second by Marsha Shoemaker    Motion Passed

**Officer and Committee Reports**

***Beef Resources Committee Report***

Dane Elliott reported that the Beef Resources Committee met to review the FY23 Program Evaluations and the FY24 Marketing Plan, including the tactical areas for international marketing, channel marketing, producer communications, and research. The Committee engaged in detailed discussions of the retail, food service, and industry education and advocacy areas.

### **Marketing Committee Report**

Amy Kirkland reported on the Marketing Committee meeting during which the Committee reviewed the FY23 Program Evaluations and the FY24 Marketing Plan, including the Ultimate Beef Loving Texan, social media strategy, website redesign, merchandise store, BBQest pass, Sports Nutrition Game Plan, educational resources, and the medical office outreach program.

### **Executive Vice President's Report**

Molly McAdams reported on TBC's Strategic Plan in action through Staff activity updates. Cheyenne Pierce introduced the new Director Portal website. Rachel Chou shared details on the Ultimate Beef Loving Texan program and the National Finals Rodeo ad campaign in partnership with Beef. It's What's For Dinner and Oklahoma and Nebraska Beef Councils.

### **Executive Committee Report**

Fred Schuetze reported that the Executive Committee met on November 10, 2023, where the Committee reviewed and approved FY23 year-end budget redirections and amendments. The Committee also approved minor updates to TBC Employee Policies and Procedures.

### **Audit & Budget Committee Report**

Pat Shields reported on the meeting on November 10, 2023, where the Committee reviewed and accepted the September 2023 financial statements. The Committee recommends the Board's acceptance of the financial statements.

### **Discussion Items Not Requiring Action**

#### ***Beef Checkoff Litigation Update***

Molly McAdams provided brief updates on the litigation involving R-CALF v. USDA and the Complaint and Consent Decision between USDA and 7S Packing Company.

### ***USMEF Board Meeting Report***

Jason Bagley reported on the recent USMEF Board meeting, noting export updates worldwide. He also explained programs conducted by USMEF, contractor to the Beef Checkoff, in various countries during the past year, including RAPP funding. Possible challenges for US meat exports include the reduced U.S. beef supply and inflation.

### ***New Director Orientation Report***

Fred Schuetze called on the new directors to report on Federation and TBC New Director Orientation meetings.

### **Future Meeting Dates**

The next Board meeting dates for FY24 will be on:

February 15, 2024 (Virtual) - Changed from February 14, 2024

June 5, 2024 (Austin)

August 21, 2024 (Austin)

### **Adjourn**

#### **Approved Motion to Adjourn at 12:40 PM**

Motion by Dane Elliott

Second by Sarah McKenzie

Motion Passed

Report Submitted by:

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Fred Schuetze

Date Submitted: February 16, 2024  
Distribution: Board of Directors

# ACTION ITEMS

## **TBC ACTION ITEM: A**

### **Ratification of Executive Committee Action**

**Action Item:**

**Ratify the actions taken by the Executive Committee as presented.**

**Background:**

At each Board meeting, the Board of Directors will review and ratify actions taken by the Executive Committee.

**Rationale:**

Article VI, Section 1. Executive Committee of the TBC Bylaws state that the Executive Committee “may act for and on behalf of the Board between meetings of the Board; provided that a report of any actions taken shall be reported at the next Board meeting for ratification.”

Article VII, Miscellaneous, Section 4. Operating Procedures of the TBC Bylaws call for preparation of operating procedures (in the form of a Board Policy Manual and an Employee Policy Manual) for review and approval at the first meeting of the Board in each fiscal year.

**Financial Impact:** N/A

**Staff Impact:** N/A



## **TBC ACTION ITEM: B**

### **Accept Financial Statements**

**Action Item:**

**Accept the financial statements for December 2023 as presented by the Audit & Budget Committee.**

**Background:**

The December financial statements are presented using the modified cash basis. The financial statements present year-to-date results of operations and include a schedule showing expenses paid with funding provided by TBC and expenses paid with funding provided by BPRCT.

**Rationale:**

Directors must routinely review, understand, and approve the financial reports of TBC.

**Financial Impact:**

None

**Staff Impact:**

Approximately 15 hours to prepare monthly financial statements and management reports.



TEXAS BEEF COUNCIL

**To: Board of Directors**  
**From: Michael Loeffler**  
**Re: December 2023 Financial Statements**

The TBC financial statements and related schedules for December 2023 are included in this booklet. In a related status update, we went live on our new accounting system on October 1. However, there were items to reconcile and issues to resolve, many of which involved working with our implementation consultants to answer questions and make setup changes. We are now in a position to utilize the system for complete and accurate information. We have completed building most of the reports and financial statements needed, and are working on integrations between the software and the online store and resource site.

#### **Statement of Financial Position**

You will note that total assets and total liabilities and net assets are much greater at December 31, 2023, than in either of the two previous years. Some of this difference was caused by an increase in net assets due to revenues exceeding expenses in the prior fiscal year. The majority of the increase is due to the extremely large balances in the receivable from BPRCT and payable to BPRCT. While we worked through our system implementation and the FY23 audit, we were not able to prepare financial reports and determine the amounts owed to and from each entity. Once we were able to produce the information needed, we prepared reports and settled the receivables and payables as quickly as possible. All balances were settled by the end of January 2024.

#### **Statements of Activities - Comparative**

- Year-to-date Checkoff revenues for FY24 are very close to prior year amounts. Year-to-date FY24 Checkoff revenues are \$14,000 greater than year-to-date revenues in FY23 and \$16,000 less than year-to-date revenues in FY22.
- Year-to-date expenses in FY24 are quite comparable to FY23 expenses. FY22 expenses were lower in almost every category as we were still working through post-COVID uncertainty at that time.

#### **Monthly Collection Summary**

Year-to-date revenues are \$21,958 or 1.6% greater than the year-to-date budget.

#### **Monthly Federal Checkoff Collection Comparison by Producer Type**

It is interesting to note the increase in Checkoff collections received from markets and the decrease in collections from packers in FY24. These differences exist in the comparison of FY24 with FY23 and the comparison of FY24 with the five-year average.

**TEXAS BEEF COUNCIL**  
**Statements of Financial Position**  
(Modified Cash Basis)

|  | <u>12/31/23</u>     | <u>12/31/22</u>     | <u>12/31/21</u>     |
|--|---------------------|---------------------|---------------------|
| <b>ASSETS</b>                              |                     |                     |                     |
| <b>Current Assets</b>                      |                     |                     |                     |
| Cash and Cash Equivalents                  | \$ 2,664,104        | \$ 2,092,687        | \$ 3,858,125        |
| Investments                                | 2,320,442           | 1,889,696           | 125,030             |
| Accounts Receivable                        |                     |                     |                     |
| Beef Promotion & Research Council of Texas | 1,768,010           | 675,537             | 535,906             |
| Other                                      | 8,369               | 14,647              | 5,537               |
| Prepaid Expenses                           | 136,965             | 24,807              | 23,441              |
| Inventory                                  | 396,697             | 399,785             | 402,946             |
| <b>Total Current Assets</b>                | <u>7,294,587</u>    | <u>5,097,159</u>    | <u>4,950,985</u>    |
| <b>Fixed Assets</b>                        |                     |                     |                     |
| Furniture & Fixtures                       | 216,052             | 196,044             | 192,556             |
| Equipment & Supplies                       | 427,817             | 289,455             | 324,834             |
| Automobiles                                | 422,030             | 487,111             | 431,800             |
| Website Development                        | 520,740             | 387,554             | -                   |
| Building, Land, & Improvements             | 2,059,883           | 2,023,122           | 2,009,694           |
|  | <u>3,646,522</u>    | <u>3,383,286</u>    | <u>2,958,884</u>    |
| Less Accumulated Depreciation              | (2,358,431)         | (2,208,540)         | (2,126,634)         |
|  | <u>1,288,091</u>    | <u>1,174,746</u>    | <u>832,250</u>      |
|  | <u>\$ 8,582,678</u> | <u>\$ 6,271,905</u> | <u>\$ 5,783,235</u> |
| <b>LIABILITIES &amp; NET ASSETS</b>        |                     |                     |                     |
| <b>Current Liabilities</b>                 |                     |                     |                     |
| Accounts Payable                           |                     |                     |                     |
| Trade                                      | \$ 252,772          | \$ 237,353          | \$ 215,988          |
| Beef Promotion & Research Council of Texas | 2,732,853           | 942,360             | 1,025,513           |
| Other States                               | 62,896              | 60,170              | 99,385              |
| Cattlemen's Beef Board                     | 481,204             | 479,734             | 516,584             |
| National Program Investments               | 750,000             | 750,000             | 749,000             |
| Deferred Revenue                           | 35,222              | 39,580              | 61,289              |
| <b>Total Current Liabilities</b>           | <u>4,314,947</u>    | <u>2,509,197</u>    | <u>2,667,759</u>    |
| <b>Net Assets</b>                          |                     |                     |                     |
| Unrestricted net assets                    | <u>4,267,731</u>    | <u>3,762,708</u>    | <u>3,115,476</u>    |
|  | <u>\$ 8,582,678</u> | <u>\$ 6,271,905</u> | <u>\$ 5,783,235</u> |

**TEXAS BEEF COUNCIL**  
**Statements of Activities – Comparative**  
**(Modified Cash Basis)**

|   | One Month Period Ended   |                          |                          | Year-to-Date Through       |                          |                            |
|---|--------------------------|--------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
|   | 12/31/23                 | 12/31/22                 | 12/31/21                 | 12/31/23                   | 12/31/22                 | 12/31/21                   |
| <b>REVENUES</b>                                 |                          |                          |                          |                            |                          |                            |
| <b>Checkoff Revenues</b>                        |                          |                          |                          |                            |                          |                            |
| Texas Checkoff Revenues                         | \$ 362,397               | \$ 376,712               | \$ 407,781               | \$ 1,147,222               | \$ 1,159,408             | \$ 1,206,456               |
| Out-of-State Checkoff Revenues                  | 94,238                   | 78,788                   | 64,635                   | 228,826                    | 205,083                  | 187,717                    |
| Late Fee Income                                 | 2,510                    | 42                       | 609                      | 3,033                      | 701                      | 1,292                      |
|   | <u>459,145</u>           | <u>455,542</u>           | <u>473,025</u>           | <u>1,379,081</u>           | <u>1,365,192</u>         | <u>1,395,465</u>           |
| <b>BPRCT Contract Revenues</b>                  |                          |                          |                          |                            |                          |                            |
| BPRCT Contract Revenues                         | 931,162                  | 854,184                  | 535,906                  | 1,732,556                  | 1,804,631                | 1,419,291                  |
| <b>Other Revenues</b>                           |                          |                          |                          |                            |                          |                            |
| Interest Revenues                               | 20,478                   | 11,653                   | 61                       | 51,821                     | 26,919                   | 139                        |
| Other Revenues                                  | -                        | -                        | -                        | -                          | 5,150                    | -                          |
|   | <u>20,478</u>            | <u>11,653</u>            | <u>61</u>                | <u>51,821</u>              | <u>32,069</u>            | <u>139</u>                 |
| <b>BLT Store</b>                                |                          |                          |                          |                            |                          |                            |
| Sales, Net of Discounts                         | 4,200                    | 3,270                    | 2,942                    | 18,795                     | 16,159                   | 13,882                     |
| Cost of Sales and Direct Expenses               | (3,922)                  | (5,598)                  | (5,774)                  | (21,053)                   | (16,309)                 | (12,454)                   |
|   | <u>278</u>               | <u>(2,328)</u>           | <u>(2,832)</u>           | <u>(2,258)</u>             | <u>(150)</u>             | <u>1,428</u>               |
|   | <u>1,411,063</u>         | <u>1,319,051</u>         | <u>1,006,160</u>         | <u>3,161,200</u>           | <u>3,201,742</u>         | <u>2,816,323</u>           |
| <b>EXPENSES</b>                                 |                          |                          |                          |                            |                          |                            |
| <b>National &amp; State Program Investments</b> |                          |                          |                          |                            |                          |                            |
| Federation of State Beef Councils               | -                        | 20,000                   | -                        | -                          | 20,000                   | -                          |
| U.S. Meat Export Federation                     | -                        | -                        | -                        | -                          | -                        | -                          |
| Texas CattleWomen                               | -                        | -                        | -                        | -                          | -                        | -                          |
|   | <u>-</u>                 | <u>20,000</u>            | <u>-</u>                 | <u>-</u>                   | <u>20,000</u>            | <u>-</u>                   |
| <b>Marketing</b>                                |                          |                          |                          |                            |                          |                            |
| Consumer Marketing                              | 605,569                  | 604,367                  | 268,779                  | 804,633                    | 886,127                  | 648,234                    |
| Nutrition & Health                              | 126,442                  | 126,721                  | 97,362                   | 367,552                    | 390,493                  | 257,214                    |
| Program Implementation                          | 89,962                   | 91,813                   | 89,196                   | 242,146                    | 270,856                  | 252,206                    |
|   | <u>821,973</u>           | <u>822,901</u>           | <u>455,337</u>           | <u>1,414,331</u>           | <u>1,547,476</u>         | <u>1,157,654</u>           |
| <b>Beef Resources</b>                           |                          |                          |                          |                            |                          |                            |
| Channel Marketing                               |                          |                          |                          |                            |                          |                            |
| Retail  | 3,102                    | 2,693                    | 14                       | 12,096                     | 7,651                    | 7,075                      |
| Foodservice                                     | 2,558                    | 9,515                    | 7,699                    | 29,403                     | 30,273                   | 53,310                     |
| Issues & Reputation Management                  | 836                      | 285                      | 1,596                    | 18,560                     | 2,162                    | 1,772                      |
| Producer Communications                         | 81,264                   | 49,746                   | 28,142                   | 109,948                    | 115,957                  | 73,414                     |
| Beef Quality & Beef Safety                      | 10,573                   | 12,907                   | (1,329)                  | 14,611                     | 25,131                   | 822                        |
| Export Market Development                       | -                        | -                        | -                        | 1,694                      | 1,657                    | 1,133                      |
| Program Implementation                          | 69,972                   | 77,285                   | 69,768                   | 198,503                    | 218,275                  | 195,821                    |
|   | <u>168,305</u>           | <u>152,431</u>           | <u>105,890</u>           | <u>384,815</u>             | <u>401,106</u>           | <u>333,347</u>             |
| <b>Collections &amp; Compliance</b>             |                          |                          |                          |                            |                          |                            |
| Collection & Compliance Activities              | 8,762                    | 9,309                    | 4,441                    | 14,915                     | 15,408                   | 11,169                     |
| Program Implementation                          | 21,671                   | 24,861                   | 15,261                   | 48,359                     | 51,300                   | 37,107                     |
|   | <u>30,433</u>            | <u>34,170</u>            | <u>19,702</u>            | <u>63,274</u>              | <u>66,708</u>            | <u>48,276</u>              |
| <b>Administration</b>                           |                          |                          |                          |                            |                          |                            |
| Administration                                  | 73,196                   | 66,178                   | 67,149                   | 218,712                    | 184,619                  | 179,870                    |
|   | <u>1,093,907</u>         | <u>1,095,680</u>         | <u>648,078</u>           | <u>2,081,132</u>           | <u>2,219,909</u>         | <u>1,719,147</u>           |
| <b>TOTAL INCREASE IN NET ASSETS</b>             | <b><u>\$ 317,156</u></b> | <b><u>\$ 223,371</u></b> | <b><u>\$ 358,082</u></b> | <b><u>\$ 1,080,068</u></b> | <b><u>\$ 981,833</u></b> | <b><u>\$ 1,097,176</u></b> |

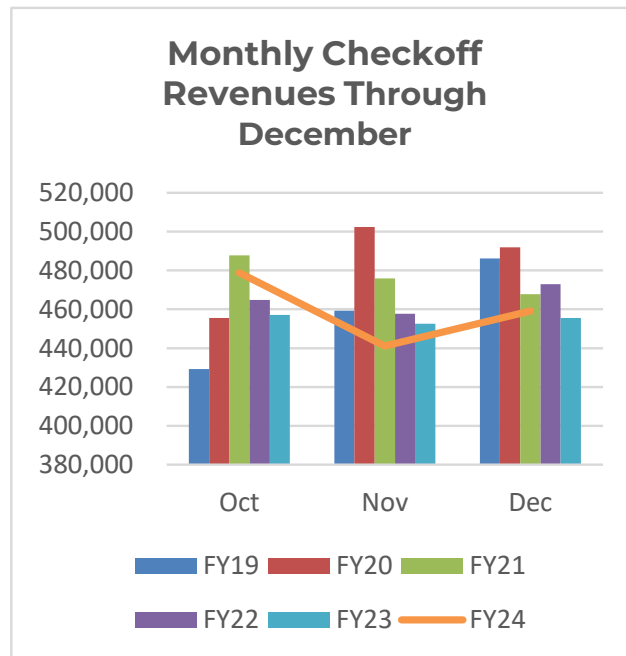
**TEXAS BEEF COUNCIL**  
**Statement of Activities – Actual vs Budget**  
**(Modified Cash Basis)**

|   | <u>% Rev</u>         | <u>Year-to-Date<br/>12/31/23</u> | <u>Annual<br/>Budget</u> | <u>% Budget</u>       |
|---|----------------------|----------------------------------|--------------------------|-----------------------|
| <i>Percent of year expired</i>                  |                      |                                  |                          | <i>25.00%</i>         |
| <b>REVENUES</b>                                 |                      |                                  |                          |                       |
| <b>Checkoff Revenues</b>                        |                      |                                  |                          |                       |
| Texas Checkoff Revenues                         | 36.29%               | \$ 1,147,222                     | \$ 4,330,386             | 26.49%                |
| Out-of-State Checkoff Revenues                  | 7.24%                | 228,826                          | 769,614                  | 29.73%                |
| Late Fee Income                                 | 0.10%                | 3,033                            | -                        | 0.00%                 |
|   | <u>43.63%</u>        | <u>1,379,081</u>                 | <u>5,100,000</u>         | <u>27.04%</u>         |
| <b>BPRCT Contract Revenues</b>                  |                      |                                  |                          |                       |
| BPRCT Contract Revenues                         | 54.81%               | 1,732,556                        | 9,800,000                | 17.68%                |
| <b>Other Revenues</b>                           |                      |                                  |                          |                       |
| Interest Revenues                               | 1.64%                | 51,821                           | 155,000                  | 33.43%                |
| Other Revenues                                  | 0.00%                | -                                | 2,000                    | 0.00%                 |
|   | <u>1.64%</u>         | <u>51,821</u>                    | <u>157,000</u>           | <u>33.01%</u>         |
| <b>BLT Store</b>                                |                      |                                  |                          |                       |
| Sales, Net of Discounts                         | 0.59%                | 18,795                           | -                        | 0.00%                 |
| Cost of Goods Sold & Direct Expense             | -0.67%               | (21,053)                         | -                        | 0.00%                 |
|   | <u>-0.07%</u>        | <u>(2,258)</u>                   | <u>(20,000)</u>          | <u>0.00%</u>          |
|   | <u>100.00%</u>       | <u>3,161,200</u>                 | <u>15,037,000</u>        | <u>21.02%</u>         |
| <b>EXPENSES</b>                                 |                      |                                  |                          |                       |
| <b>National &amp; State Program Investments</b> |                      |                                  |                          |                       |
| Federation of State Beef Councils               | 0.00%                | -                                | 1,134,000                | 0.00%                 |
| U.S. Meat Export Federation                     | 0.00%                | -                                | 1,296,000                | 0.00%                 |
| Texas CattleWomen                               | 0.00%                | -                                | 20,000                   | 0.00%                 |
|   | <u>0.00%</u>         | <u>-</u>                         | <u>2,450,000</u>         | <u>0.00%</u>          |
| <b>Direct Program Expenses</b>                  |                      |                                  |                          |                       |
| Marketing                                       |                      |                                  |                          |                       |
| Consumer Marketing                              | 25.45%               | 804,633                          | 4,395,700                | 18.31%                |
| Nutrition & Health                              | 11.63%               | 367,552                          | 1,720,800                | 21.36%                |
|   | <u>37.08%</u>        | <u>1,172,185</u>                 | <u>6,116,500</u>         | <u>19.16%</u>         |
| Beef Resources                                  |                      |                                  |                          |                       |
| Channel Marketing                               |                      |                                  |                          |                       |
| Retail  | 0.38%                | 12,096                           | 227,000                  | 5.33%                 |
| Foodservice                                     | 0.93%                | 29,403                           | 369,000                  | 7.97%                 |
| Issues & Reputation Management                  | 0.59%                | 18,560                           | 141,000                  | 13.16%                |
| Producer Communications                         | 3.48%                | 109,948                          | 482,500                  | 22.79%                |
| Beef Quality & Beef Safety                      | 0.46%                | 14,611                           | 101,000                  | 14.47%                |
| Export Market Development                       | 0.05%                | 1,694                            | 430,000                  | 0.39%                 |
|   | <u>5.89%</u>         | <u>186,312</u>                   | <u>1,750,500</u>         | <u>10.64%</u>         |
| Collection & Compliance Activities              | 0.47%                | 14,915                           | 136,000                  | 10.97%                |
|   | <u>43.45%</u>        | <u>1,373,412</u>                 | <u>8,003,000</u>         | <u>17.16%</u>         |
| <b>Program Implementation</b>                   |                      |                                  |                          |                       |
|   | <u>22.39%</u>        | <u>707,720</u>                   | <u>3,751,000</u>         | <u>18.87%</u>         |
|   | <u>65.83%</u>        | <u>2,081,132</u>                 | <u>14,204,000</u>        | <u>14.65%</u>         |
| <b>TOTAL INCREASE IN NET ASSETS</b>             | <b><u>34.17%</u></b> | <b><u>\$ 1,080,068</u></b>       | <b><u>\$ 833,000</u></b> | <b><u>129.66%</u></b> |

# TEXAS BEEF COUNCIL

## Monthly Federal Checkoff Summary by Producer Type (Modified Cash Basis)

| <u>Item Description</u>      | <u>Oct</u>     | <u>Nov</u>      | <u>Dec</u>     | <u>FY24 Total</u> | <u>Pct.</u> |
|------------------------------|----------------|-----------------|----------------|-------------------|-------------|
| Dealers                      | 61,060         | 50,045          | 49,187         | 160,292           | 5.7%        |
| Feedyards                    | 51,375         | 39,844          | 153,377        | 244,596           | 8.7%        |
| Individuals                  | 5,482          | 10,280          | 3,524          | 19,286            | 0.7%        |
| Markets                      | 406,440        | 339,480         | 333,221        | 1,079,141         | 38.3%       |
| Packers                      | 312,173        | 308,993         | 229,601        | 850,767           | 30.2%       |
|                              | 836,530        | 748,642         | 768,910        | 2,354,082         | 83.5%       |
| Late Fees                    | 807            | 239             | 5,020          | 6,066             | 0.2%        |
| State of Origin In           | 135,771        | 133,406         | 188,476        | 457,653           | 16.2%       |
| <b>Collections for Texas</b> | <b>973,108</b> | <b>882,287</b>  | <b>962,406</b> | <b>2,817,801</b>  | <b>100%</b> |
| Less Payable to CBB          | (486,554)      | (441,144)       | (481,203)      | (1,408,901)       | 50.0%       |
| <b>TBC Collections</b>       | <b>486,554</b> | <b>441,143</b>  | <b>481,203</b> | <b>1,408,900</b>  |             |
| Deferred Revenue Adjustment  | (7,726)        | (36)            | (22,058)       | (29,820)          |             |
| <b>Revenue Recognized</b>    | <b>478,828</b> | <b>441,107</b>  | <b>459,145</b> | <b>1,379,080</b>  |             |
| <b>Budget</b>                | <b>443,771</b> | <b>454,117</b>  | <b>459,234</b> | <b>1,357,122</b>  |             |
| <b>Budget Variance</b>       | <b>35,057</b>  | <b>(13,010)</b> | <b>(89)</b>    | <b>21,958</b>     | <b>1.6%</b> |
| State of Origin Out          | 61,258         | 59,521          | 62,896         | 183,675           | 7%          |



**TEXAS BEEF COUNCIL**  
**Monthly Federal Checkoff Collection Comparison by Producer Type**  
**(Modified Cash Basis)**

**Year-to-date collections through December**

**FY24 vs FY23**

| Item Description             | Amount           |                  |            | Percentage |         |            | Percent Increase (Decrease) |
|------------------------------|------------------|------------------|------------|------------|---------|------------|-----------------------------|
|                              | FY24             | FY23             | Difference | FY24       | FY23    | Difference |                             |
| Dealers                      | 160,292          | 151,838          | 8,454      | 5.69%      | 5.45%   | 0.2%       | 5.57%                       |
| Feedyards                    | 244,596          | 157,800          | 86,796     | 8.68%      | 5.66%   | 3.0%       | 55.00%                      |
| Individuals                  | 19,286           | 19,799           | (513)      | 0.68%      | 0.71%   | 0.0%       | -2.59%                      |
| Markets                      | 1,079,141        | 1,029,036        | 50,105     | 38.30%     | 36.92%  | 1.4%       | 4.87%                       |
| Packers                      | 850,767          | 1,017,212        | (166,445)  | 30.19%     | 36.50%  | -6.3%      | -16.36%                     |
|                              | 2,354,082        | 2,375,685        | (21,603)   | 83.54%     | 85.23%  | -1.7%      | -0.91%                      |
| Late Payment Fees            | 6,066            | 1,403            | 4,663      | 0.22%      | 0.05%   | 0.2%       | 332.36%                     |
| State of Origin In           | 457,653          | 410,166          | 47,487     | 16.24%     | 14.72%  | 1.5%       | 11.58%                      |
| <b>Collections for Texas</b> | 2,817,801        | 2,787,254        | 30,547     | 100.00%    | 100.00% | 0.0%       | 1.10%                       |
| Less Payable to CBB          | (1,408,901)      | (1,393,627)      | (15,274)   |            |         |            |                             |
| <b>TBC Collections</b>       | 1,408,900        | 1,393,627        | 15,274     |            |         |            |                             |
| Deferred Revenue Adjustment  | (29,820)         | (28,435)         |            |            |         |            |                             |
| <b>Revenue Recognized</b>    | <b>1,379,080</b> | <b>1,365,192</b> |            |            |         |            |                             |
| <b>Budgeted Amount</b>       | <b>1,357,122</b> | <b>1,419,087</b> |            |            |         |            |                             |
| <b>Budget Variance</b>       | <b>21,958</b>    | <b>(53,895)</b>  |            |            |         |            |                             |
| State of Origin Out          | 183,675          | 203,057          |            |            |         |            |                             |

**FY24 vs 5 Year Average**

| Item Description             | Amount           |                  |            | Percentage |          |            | Percent Increase (Decrease) |
|------------------------------|------------------|------------------|------------|------------|----------|------------|-----------------------------|
|                              | FY24             | 5 Yr Avg         | Difference | FY24       | 5 Yr Avg | Difference |                             |
| Dealers                      | 160,292          | 184,026          | (23,734)   | 5.69%      | 6.40%    | -0.7%      | -14.81%                     |
| Feedyards                    | 244,596          | 145,684          | 98,912     | 8.68%      | 5.06%    | 3.6%       | 40.44%                      |
| Individuals                  | 19,286           | 21,411           | (2,125)    | 0.68%      | 0.74%    | -0.1%      | -11.02%                     |
| Markets                      | 1,079,141        | 1,096,022        | (16,881)   | 38.30%     | 38.10%   | 0.2%       | -1.56%                      |
| Packers                      | 850,767          | 1,057,893        | (207,126)  | 30.19%     | 36.77%   | -6.6%      | -24.35%                     |
|                              | 2,354,082        | 2,505,036        | (150,954)  | 83.54%     | 87.08%   | -3.5%      | -6.41%                      |
| Late Payment Fees            | 6,066            | 3,483            | 2,583      | 0.22%      | 0.12%    | 0.1%       | 42.58%                      |
| State of Origin In           | 457,653          | 368,291          | 89,362     | 16.24%     | 12.80%   | 3.4%       | 19.53%                      |
| <b>Collections for Texas</b> | 2,817,801        | 2,876,810        | (59,009)   | 100.00%    | 100.00%  | 0.0%       | -2.09%                      |
| Less Payable to CBB          | (1,408,901)      | (1,438,405)      | 29,505     |            |          |            |                             |
| <b>TBC Collections</b>       | 1,408,900        | 1,438,405        | (29,504)   |            |          |            |                             |
| Deferred Revenue Adjustment  | (29,820)         | (34,989)         |            |            |          |            |                             |
| <b>Revenue Recognized</b>    | <b>1,379,080</b> | <b>1,403,416</b> |            |            |          |            |                             |
| <b>Budgeted Amount</b>       | <b>1,357,122</b> | <b>1,400,246</b> |            |            |          |            |                             |
| <b>Budget Variance</b>       | <b>21,958</b>    | <b>3,170</b>     |            |            |          |            |                             |
| State of Origin Out          | 183,675          | 250,908          |            |            |          |            |                             |

**TBC/BPRCT EXPENSE ALLOCATIONS**

**YEAR-TO-DATE THROUGH DECEMBER 31, 2023**

| Dept | Tactic | Tactic Description              | Allocation Percentage |          |            | Direct Program Expenses |           |            | Program Implementation |           |            | Total      |            |            |          |
|------|--------|---------------------------------|-----------------------|----------|------------|-------------------------|-----------|------------|------------------------|-----------|------------|------------|------------|------------|----------|
|      |        |                                 | TBC                   | BPRCT    | Percentage | Total                   | TBC       | BPRCT      | Total                  | Total     | TBC        | BPRCT      | Total      | TBC        | BPRCT    |
| 2100 | 2197   | TBC Administration              | 100.000%              | 0.000%   | 0.000%     | -                       | -         | -          | 2,611.93               | 2,611.93  | -          | 2,611.93   | 2,611.93   | -          | 2,611.93 |
| 2100 | 2198   | BPRCT Administration            | 0.000%                | 100.000% | 0.000%     | -                       | -         | -          | 1,223.16               | -         | 1,223.16   | 1,223.16   | -          | 1,223.16   |          |
| 2100 | 2199   | Combined Administration         | 50.000%               | 50.000%  | 50.000%    | -                       | -         | -          | 104,045.90             | 52,022.95 | 52,022.95  | 104,045.90 | 52,022.95  | 52,022.95  |          |
|      |        | Administration                  |                       |          |            | -                       | -         | -          | 107,880.99             | 54,634.88 | 53,246.11  | 107,880.99 | 54,634.88  | 53,246.11  |          |
| 2200 | 2297   | TBC Accounting                  | 100.000%              | 0.000%   | 0.000%     | -                       | -         | -          | 3,714.72               | 3,714.72  | -          | 3,714.72   | 3,714.72   | -          |          |
| 2200 | 2298   | BPRCT Accounting                | 0.000%                | 100.000% | 0.000%     | -                       | -         | -          | 2,047.46               | -         | 2,047.46   | 2,047.46   | -          | 2,047.46   |          |
| 2200 | 2299   | Combined Accounting             | 50.000%               | 50.000%  | 50.000%    | -                       | -         | -          | 105,072.51             | 52,536.26 | 52,536.26  | 105,072.51 | 52,536.26  | 52,536.26  |          |
|      |        | Accounting                      |                       |          |            | -                       | -         | -          | 110,834.69             | 56,250.97 | 54,583.72  | 110,834.69 | 56,250.97  | 54,583.72  |          |
| 2300 | 2311   | Collection Activities           | 50.000%               | 50.000%  | 50.000%    | 12,831.57               | 6,415.79  | 6,415.78   | 9,230.48               | 4,615.24  | 4,615.24   | 22,062.05  | 11,031.03  | 11,031.02  |          |
| 2300 | 2312   | Compliance Activities           | 50.000%               | 50.000%  | 50.000%    | 14.59                   | 7.30      | 7.29       | 2,773.94               | 1,386.97  | 1,386.97   | 2,788.53   | 1,394.27   | 1,394.26   |          |
| 2300 | 2313   | Field Staff Activities          | 50.000%               | 50.000%  | 50.000%    | 1,839.98                | 919.99    | 919.99     | 2,273.48               | 1,136.74  | 1,136.74   | 4,113.46   | 2,056.73   | 2,056.73   |          |
| 2300 | 2314   | Texas Checkoff Refunds          | 0.000%                | 100.000% | 0.000%     | 228.06                  | -         | 228.06     | 4,410.89               | -         | 4,410.89   | 4,410.89   | -          | 4,410.89   |          |
| 2300 | 2397   | TBC Program Implementation      | 100.000%              | 0.000%   | 0.000%     | -                       | -         | -          | -                      | -         | -          | -          | -          | -          |          |
| 2300 | 2398   | BPRCT Program Implementation    | 0.000%                | 100.000% | 0.000%     | -                       | -         | -          | -                      | -         | -          | -          | -          | -          |          |
| 2300 | 2399   | Combined Program Implementation | 37.500%               | 62.500%  | 62.500%    | 14,914.20               | 7,343.08  | 7,571.12   | 29,668.56              | 11,125.71 | 18,542.85  | 29,668.56  | 11,125.71  | 18,542.85  |          |
|      |        | Collections & Compliance        |                       |          |            | 14,914.20               | 7,343.08  | 7,571.12   | 48,357.35              | 18,264.66 | 30,092.69  | 63,271.55  | 25,607.74  | 37,663.81  |          |
| 3100 | 3111   | Retail Engagement               | 11.182%               | 88.818%  | 88.818%    | 9,052.08                | 1,012.23  | 8,039.85   | 20,156.46              | 2,253.95  | 17,902.51  | 29,208.54  | 3,266.18   | 25,942.36  |          |
| 3100 | 3112   | Industry Meetings & Planning    | 11.182%               | 88.818%  | 88.818%    | 3,043.75                | 340.36    | 2,703.39   | -                      | -         | -          | 3,043.75   | 340.36     | 2,703.39   |          |
| 3100 | 3199   | Combined Program Implementation | 11.182%               | 88.818%  | 88.818%    | -                       | -         | -          | 9,918.11               | 1,109.07  | 8,809.04   | 9,918.11   | 1,109.07   | 8,809.04   |          |
|      |        | Retail                          |                       |          |            | 12,095.83               | 1,352.59  | 10,743.24  | 30,074.57              | 3,363.02  | 26,711.55  | 42,170.40  | 4,715.61   | 37,454.79  |          |
| 3200 | 3211   | Foodservice Education           | 11.182%               | 88.818%  | 88.818%    | 29,403.67               | 3,288.00  | 26,115.67  | 38,920.55              | 4,352.20  | 34,568.35  | 68,324.22  | 7,640.20   | 60,684.02  |          |
| 3200 | 3299   | Combined Program Implementation | 11.182%               | 88.818%  | 88.818%    | -                       | -         | -          | 2,355.53               | 263.40    | 2,092.13   | 2,355.53   | 263.40     | 2,092.13   |          |
|      |        | Foodservice                     |                       |          |            | 29,403.67               | 3,288.00  | 26,115.67  | 41,276.08              | 4,615.60  | 36,660.48  | 70,679.75  | 7,903.60   | 62,776.15  |          |
| 4100 | 4111   | Beef Loving Texans Store        | 100.000%              | 0.000%   | 0.000%     | 214.25                  | 214.25    | -          | 6,524.04               | 6,524.04  | -          | 6,738.29   | 6,738.29   | -          |          |
| 4100 | 4112   | BLT Branding & Promotions       | 11.182%               | 88.818%  | 88.818%    | 90,854.98               | 10,159.65 | 80,695.33  | 17,904.40              | 2,002.12  | 15,902.28  | 108,759.38 | 12,161.77  | 96,597.61  |          |
| 4100 | 4113   | BLT Paid Advertising            | 11.182%               | 88.818%  | 88.818%    | 276,665.91              | 30,937.53 | 245,728.38 | 1,385.26               | 154.90    | 1,230.36   | 278,051.17 | 31,092.43  | 246,958.74 |          |
| 4100 | 4116   | Industry Meetings & Planning    | 11.182%               | 88.818%  | 88.818%    | 2,035.42                | 227.61    | 1,807.81   | 4,980.11               | 556.89    | 4,423.22   | 7,015.53   | 784.50     | 6,231.03   |          |
| 4100 | 4121   | BLT Earned Media                | 11.182%               | 88.818%  | 88.818%    | 77,091.19               | 8,620.55  | 68,470.64  | 1,385.26               | 154.90    | 1,230.36   | 78,476.45  | 8,775.45   | 69,701.00  |          |
| 4100 | 4126   | BLT Content                     | 11.182%               | 88.818%  | 88.818%    | 136,272.59              | 15,238.37 | 121,034.22 | 29,320.60              | 3,278.71  | 26,041.89  | 165,593.19 | 18,517.08  | 147,076.11 |          |
| 4100 | 4131   | BLT Brand Activation            | 11.182%               | 88.818%  | 88.818%    | 166,755.28              | 18,647.03 | 148,108.25 | 47,657.47              | 5,329.19  | 42,328.28  | 214,412.75 | 23,976.22  | 190,436.53 |          |
| 4100 | 4132   | Brand Partnerships              | 11.182%               | 88.818%  | 88.818%    | 381.30                  | 42.64     | 338.66     | 1,731.36               | 193.61    | 1,537.75   | 2,112.66   | 236.25     | 1,876.41   |          |
| 4100 | 4133   | Information Dissemination       | 11.182%               | 88.818%  | 88.818%    | 54,362.79               | 6,079.00  | 48,283.79  | 1,380.86               | 154.41    | 1,226.45   | 55,743.65  | 6,233.41   | 49,510.24  |          |
| 4100 | 4199   | Combined Program Implementation | 11.182%               | 88.818%  | 88.818%    | -                       | -         | -          | 74,166.97              | 8,293.55  | 65,873.42  | 74,166.97  | 8,293.55   | 65,873.42  |          |
|      |        | Consumer Marketing              |                       |          |            | 804,633.71              | 90,166.63 | 714,467.08 | 186,436.33             | 26,642.32 | 159,794.01 | 991,070.04 | 116,808.95 | 874,261.09 |          |
| 4200 | 4216   | Industry Meetings & Planning    | 11.182%               | 88.818%  | 88.818%    | 578.73                  | 64.72     | 514.01     | 1,755.77               | 196.33    | 1,559.44   | 2,334.50   | 261.05     | 2,073.45   |          |
| 4200 | 4222   | Health Professional Outreach    | 11.182%               | 88.818%  | 88.818%    | 13,700.47               | 1,532.02  | 12,168.45  | 5,528.14               | 618.17    | 4,909.97   | 19,228.61  | 2,150.19   | 17,078.42  |          |
| 4200 | 4224   | Medical Office Outreach         | 11.182%               | 88.818%  | 88.818%    | 337,955.73              | 37,791.13 | 300,164.60 | 6,011.46               | 672.22    | 5,339.24   | 343,967.19 | 38,463.35  | 305,503.84 |          |
| 4200 | 4225   | Nutrition Content               | 11.182%               | 88.818%  | 88.818%    | 811.93                  | 90.79     | 721.14     | 1,666.75               | 186.38    | 1,480.37   | 2,478.68   | 277.17     | 2,201.51   |          |
| 4200 | 4234   | Consumer Nutrition Education    | 11.182%               | 88.818%  | 88.818%    | 14,505.17               | 1,622.01  | 12,883.16  | 9,561.74               | 1,069.22  | 8,492.52   | 24,066.91  | 2,691.23   | 21,375.68  |          |
| 4200 | 4299   | Combined Program Implementation | 11.182%               | 0.000%   | 0.000%     | -                       | -         | -          | 31,183.62              | 3,487.04  | 27,696.58  | 31,183.62  | 3,487.04   | 27,696.58  |          |
|      |        | Nutrition & Health              |                       |          |            | 367,552.03              | 41,100.67 | 326,451.36 | 55,707.48              | 6,229.36  | 49,478.12  | 423,259.51 | 47,330.03  | 375,929.48 |          |
| 5100 | 5111   | Crisis Communications           | 100.000%              | 0.000%   | 0.000%     | -                       | -         | -          | -                      | -         | -          | -          | -          | -          |          |
| 5100 | 5112   | Industry Advocacy               | 11.182%               | 88.818%  | 88.818%    | 3,458.29                | 386.72    | 3,071.57   | 8,143.55               | 910.63    | 7,232.92   | 11,601.84  | 1,297.35   | 10,304.49  |          |
| 5100 | 5113   | Issues & Reputation Management  | 11.182%               | 88.818%  | 88.818%    | 1,500.00                | 167.73    | 1,332.27   | -                      | -         | -          | 1,500.00   | 167.73     | 1,332.27   |          |
| 5100 | 5115   | Production Content              | 11.182%               | 88.818%  | 88.818%    | 222.80                  | 24.91     | 197.89     | 5,110.79               | 571.50    | 4,539.29   | 5,333.59   | 596.41     | 4,737.18   |          |
| 5100 | 5116   | AgriLife Extension Engagement   | 11.182%               | 88.818%  | 88.818%    | 13,378.03               | 1,495.97  | 11,882.06  | 3,142.03               | 351.35    | 2,790.68   | 16,520.06  | 1,847.32   | 14,672.74  |          |



**TBC/BPRCT EXPENSE ALLOCATIONS**

**YEAR-TO-DATE THROUGH DECEMBER 31, 2023**

| Dept               | Tactic | Tactic Description                 | Allocation Percentage |          |                     | Direct Program Expenses |                     |                   | Program Implementation |                   |                     | Total             |                     |           |
|--------------------|--------|------------------------------------|-----------------------|----------|---------------------|-------------------------|---------------------|-------------------|------------------------|-------------------|---------------------|-------------------|---------------------|-----------|
|                    |        |                                    | TBC                   | BPRCT    | Percentage          | Total                   | TBC                 | BPRCT             | Total                  | TBC               | BPRCT               | Total             | TBC                 | BPRCT     |
| 5100               | 5199   | Combined Program Implementation    | 11.182%               | 88.818%  | -                   | -                       | -                   | 18,356.77         | 2,052.70               | 16,304.07         | 18,356.77           | 2,052.70          | 2,052.70            | 16,304.07 |
|                    |        | Issues & Reputation Managements    |                       |          | 18,559.12           | 2,075.33                | 16,483.79           | 34,753.14         | 3,886.18               | 30,866.96         | 53,312.26           | 5,961.51          | 47,350.75           |           |
| 6100               | 6111   | Producer Direct Communications     | 11.182%               | 88.818%  | 20,651.21           | 2,309.27                | 18,341.94           | 46,121.68         | 5,157.45               | 40,964.23         | 66,772.89           | 7,466.72          | 59,306.17           |           |
| 6100               | 6112   | Producer Assets                    | 11.182%               | 88.818%  | 9,821.75            | 1,098.29                | 8,723.46            | 456.49            | 51.05                  | 405.44            | 10,278.24           | 1,149.34          | 9,128.90            |           |
| 6100               | 6113   | Producer Influencer Communications | 11.182%               | 88.818%  | 14,259.43           | 1,594.53                | 12,664.90           | 1,212.63          | 135.60                 | 1,077.03          | 15,472.06           | 1,730.13          | 13,741.93           |           |
| 6100               | 6115   | Industry Meetings & Planning       | 11.182%               | 88.818%  | 512.79              | 57.34                   | 455.45              | 6,898.31          | 771.39                 | 6,126.92          | 7,411.10            | 828.73            | 6,582.37            |           |
| 6100               | 6116   | Producer Earned Media              | 11.182%               | 88.818%  | 6,670.81            | 745.95                  | 5,924.86            | 1,303.16          | 145.72                 | 1,157.44          | 7,973.97            | 891.67            | 7,082.30            |           |
| 6100               | 6117   | Producer Paid Media                | 11.182%               | 88.818%  | 36,285.90           | 4,057.59                | 32,228.31           | -                 | -                      | -                 | 36,285.90           | 4,057.59          | 32,228.31           |           |
| 6100               | 6118   | Producer Strategy                  | 11.182%               | 88.818%  | 21,746.49           | 2,431.75                | 19,314.74           | 1,891.59          | 211.52                 | 1,680.07          | 23,638.08           | 2,643.27          | 20,994.81           |           |
| 6100               | 6199   | Combined Program Implementation    | 11.182%               | 88.818%  | -                   | -                       | -                   | 7,331.43          | 819.82                 | 6,511.61          | 7,331.43            | 819.82            | 6,511.61            |           |
|                    |        | Producer Communications            |                       |          | 109,948.38          | 12,294.72               | 97,653.66           | 65,215.29         | 7,292.55               | 57,922.74         | 175,163.67          | 19,587.27         | 155,576.40          |           |
| 7100               | 7111   | Beef Quality Assurance             | 11.182%               | 88.818%  | 4,611.41            | 515.66                  | 4,095.75            | 16,153.09         | 1,806.28               | 14,346.81         | 20,764.50           | 2,321.94          | 18,442.56           |           |
| 7100               | 7112   | AgriLife BQA Travel                | 0.000%                | 100.000% | 10,000.00           | -                       | 10,000.00           | -                 | -                      | -                 | 10,000.00           | -                 | 10,000.00           |           |
| 7100               | 7113   | Industry Meetings & Planning       | 11.182%               | 88.818%  | -                   | -                       | -                   | -                 | -                      | -                 | -                   | -                 | -                   |           |
| 7100               | 7131   | Beef Quality & Safety Research     | 11.182%               | 88.818%  | -                   | -                       | -                   | -                 | -                      | -                 | -                   | -                 | -                   |           |
| 7100               | 7199   | Combined Program Implementation    | 8.387%                | 91.613%  | -                   | -                       | -                   | 2,671.47          | 224.05                 | 2,447.42          | 2,671.47            | 224.05            | 2,447.42            |           |
|                    |        | Beef Quality & Beef Safety         |                       |          | 14,611.41           | 515.66                  | 14,095.75           | 18,824.56         | 2,030.33               | 16,794.23         | 33,435.97           | 2,545.99          | 30,889.98           |           |
| 8100               | 8111   | USMEF Programs                     | 11.182%               | 88.818%  | -                   | -                       | -                   | 1,888.65          | 211.19                 | 1,677.46          | 1,888.65            | 211.19            | 1,677.46            |           |
| 8100               | 8112   | International Industry Meetings    | 100.000%              | 0.000%   | 1,694.13            | 1,694.13                | -                   | 3,889.09          | 3,889.09               | -                 | 5,583.22            | 5,583.22          | -                   |           |
| 8100               | 8199   | Combined Program Implementation    | 55.591%               | 44.409%  | -                   | -                       | -                   | 2,581.34          | 1,435.00               | 1,146.34          | 2,581.34            | 1,435.00          | 1,146.34            |           |
|                    |        | Export Market Development          |                       |          | 1,694.13            | 1,694.13                | -                   | 8,359.08          | 5,535.28               | 2,823.80          | 10,053.21           | 7,229.41          | 2,823.80            |           |
| <b>Grand Total</b> |        |                                    |                       |          | <b>1,373,412.48</b> | <b>159,830.81</b>       | <b>1,213,581.67</b> | <b>707,719.56</b> | <b>188,745.15</b>      | <b>518,974.41</b> | <b>2,081,132.04</b> | <b>348,575.96</b> | <b>1,732,556.08</b> |           |

## **TBC ACTION ITEM: C**

### **Accept Audited Financial Statements**

**Action Item:**

**Accept the audited financial statements for fiscal year ended September 30, 2023, as presented by the Audit & Budget Committee.**

**Background:**

The September 30, 2023, financial statements are presented in accordance with generally accepted accounting principles. The financial statements present the combined results of TBC and BPRCT and include a report on compliance with the Beef Promotion and Research Act and Order.

**Rationale:**

Annual audited financial statements are required by the TBC Bylaws and the Beef Promotion and Research Act & Order.

**Financial Impact:**

\$17,000 - \$18,000

**Staff Impact:**

Approximately 80 hours to prepare the audited financial statements and provide supporting documentation to the auditors.

