

# Texas Beef Council

## BOARD OF DIRECTORS MEETING

AUGUST 2024



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

**TEXAS BEEF COUNCIL  
(TBC)  
Board of Directors Meeting**

**Austin, Texas  
Wednesday, August 21, 2024  
10:00 AM**

**AGENDA**

**1. Call to Order and Establish Quorum**

**2. Approval of Minutes**

**3. Officer and Advisory Committee Reports**

- A. Marketing Committee Report
- B. Beef Resources Committee Report
- C. Executive Vice President's Report

**4. Action Items**

Executive Committee Report

- A. Ratify Executive Committee Action

Audit & Budget Committee Report

- B. Accept Financial Reports
- C. Approve FY25 Plan & Budget

FY25 Directors

- D. Election of Directors
- E. Elect At-Large Directors

Nominating Committee Report

- F. Elect Officers and Executive Committee

Additional Action

- G. Approve FY25 Audit & Budget Committee
- H. Nominate Directors to Beef Promotion and Research Council of Texas (BPRCT)
- I. Approve Memorandum of Agreement with BPRCT for FY25

**5. Discussion Items Not Requiring Action**

- A. Federation of State Beef Councils (Federation) Director Report
- B. Litigation Update
- C. Next Board Meeting Dates – FY25
  - i. November 20, 2024 (November 19 – New Director Orientation)
  - ii. February 12, 2025 (Virtual)
  - iii. June 4, 2025
  - iv. August 20, 2025
- D. Recognition of Retiring Directors

**6. Adjourn**

# MINUTES

# **TEXAS BEEF COUNCIL**

## **Board of Directors**

### **Meeting Report**

**Chairman's Name:** Fred Schuetze  
**Meeting Time/Date:** 10:00 AM, Wednesday, June 5, 2024  
**Meeting Place:** Texas Beef Council, Austin, Texas

#### **Roll Call**

##### **Directors:**

Amy Kirkland, Brandon Cutrer, Brandi Richards, Brian Malaer, Dane Elliott, Fred Schuetze, Gilly Riojas, Kara Dudley, Kerry Wiggins, Klazina de Boer, Leslie Kinsel, Marsha Shoemaker, Neil Dudley, Pat McDowell, Pat Shields, Richard Winter, Sarah McKenzie, Shannon Treichel, Ty deCordova

##### **Guests:**

Patrick Dudley, Tracy Tomascik, Claudia Wright, Kinley Hartman, Amber Sisco, Victoria Rivera, Drew Cassens, Tim Neidecken, Darren Turley

##### **Staff:**

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

#### **Decisions Made**

Chairman called the meeting to order and established a quorum.

#### **Approved the minutes of the February 15, 2024, Board meeting**

Motion by Richard Winter    Second by Shannon Treichel    Motion Passed

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

Motion by Brian Malaer    Second by Kara Dudley    Motion Passed

#### **Approved Action Item B – Accept Financial Reports**

Motion by Pat Shields    Second by Neil Dudley    Motion Passed

#### **Approved Action Item C – Approve Nominating Committee**

Motion by Kerry Wiggins    Second by Dane Elliott    Motion Passed

#### **Officer and Committee Reports**

##### ***Advisory Committee Report***

Amy Kirkland reported on the May 29, 2024, Joint Advisory Committee meeting. Kirkland highlighted that TBC Staff shared trends impacting the cattle industry and beef supply, consumer trends in retail and foodservice, generational changes in e-commerce, and personalized marketing strategies.

##### ***Executive Committee Report***

The Executive Committee met on May 20, 2024, to review the FY24 mid-year budget

redirections as presented by Michael Loeffler. Following discussion, the Committee unanimously agreed to accept the proposed redirections. The Committee also met on June 5, 2024, to review the proposed national investments for FY25, which are listed in the FY25 budget guidelines at a 3% reduction from prior year amounts. Following discussion, the Committee approved FY25 national investments as presented.

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

Pat Shields reported on the April 10, 2024, Audit & Budget Committee meeting. The Committee reviewed the FY25 Checkoff revenue estimates provided by CattleFax and Dr. David Anderson and approved the revenue budget and overall budget guidelines for FY25. Shields also reported on the June 4, 2024, Audit & Budget Committee meeting, during which the Committee reviewed the April 2024 financial statements. The Committee accepted the April 2024 financial statements as presented and recommends their acceptance by the Board.

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

Molly McAdams reported on the challenges of inflation and the opportunities we have to promote ground beef and lesser value cuts. McAdams welcomed Adriana Mora, TBC manager of consumer marketing, to report on the Texas Beef Team program.

### **Discussion Items**

#### ***USMEF Director Report***

Brandon Cutrer, Richard Winter, and Jason Bagley reported on their recent travel to USMEF Spring Conference and gave information on international exports.

#### ***Litigation Update***

The lawsuit filed by R-CALF alleging that USDA violated the Administrative Procedures Act when it entered into MOUs with Qualified State Beef Councils through the Beef Checkoff is still pending.

### **Future Meeting Dates**

The next Board meeting will be on August 21, 2024.

### **Adjourn**

Approve Motion to Adjourn at 11:00 AM

Motion by Sarah McKenzie    Second by Brandi Richards    Motion Passed

Report Submitted by:

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Fred Schuetze

Date Submitted: August 23, 2024

Distribution: Board of Directors



# ACTION ITEMS

## **TBC ACTION ITEM: A**

### **Ratification of Executive Committee Actions**

**Action Item:**

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

**Background:**

The Executive Committee met on August 20, 2024, regarding the following:

- Review the TBC Form 990 for the year ended September 30, 2024
- Conduct the annual evaluation of the executive vice president
- Review and approve proposed FY24 budget redirections
- Discuss Cattlemen's Beef Board's review of TBC during FY24
- Review and approve the TBC ERISA Wrap Plan Document that consolidates TBC's employee insurance programs

**Rationale:**

Article VI, Section 1. Executive Committee of the TBC Bylaws states 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 V, Officers and Administration, Section 2. Chairman of the TBC Bylaws states that the Chairman *"shall... (c) conduct or cause to be conducted an annual review of the Executive Vice President."*

**Financial Impact:**

Unknown.

**Staff Impact:**

None.

# TEXAS BEEF COUNCIL

## BUDGET STATUS REPORT

### JUNE 30, 2024

As we enter the last few months of the fiscal year, we have identified a few tactics that are projected to be over-budget by year-end. More importantly, the staff have identified an opportunity to utilize projected unspent budget in many tactics for a program enhancement than can be completed by year-end.

Overall, direct program expenses are projected to be \$221,909 under budget for FY24, before adding the cost of the program enhancement. Please see the attached Direct Program Expense Projections schedule for a complete listing of all tactics and the projected results for the year. In the discussion that follows, tactics that are projected to be over budget are listed in one group and the proposed program enhancement is in a separate group.

#### **Tactics That Are Over Budget**

**Tactic 4112 – BLT Branding & Promotions.** Projected total expense for FY24, \$433,000; projected over-budget, \$11,000 – 2.61%. This tactic is projected to go over budget because staff identified thought-leader social media strategy work that we could do this year with unspent dollars from other Consumer Marketing tactics.

**Tactic 4224 – Medical Office Outreach.** Projected total expense for FY24, \$1,419,619; projected over-budget, \$11,119 – 0.79%. This tactic is projected to go over budget because the project to analyze the impact of the Medical Office Outreach program in Texas cost more than originally expected.

**Tactic 2311 – Compliance Activities.** Projected total expense for FY24, \$14,845; projected over-budget, \$4,445 – 42.74%. Anticipating unspent budget in other Collections tactics, the staff are planning additional compliance activities for the year.

#### **Program Enhancement**

**Tactic 4234 – Consumer Nutrition Education.** TBC's Sports Nutrition Game Plan achieved a strong first-year performance with over 500 active users and 600 followers on the SportsYou app. Building on this success, we propose reallocating resources toward health educator outreach to support the launch of a targeted statewide advertising campaign during the back-to-school season. This campaign will focus on Texas high school coaches and parents, driving awareness and adoption of the Game Plan program. The campaign will also generate valuable data to inform our FY25 promotional strategy, further amplifying program impact. The anticipated cost of this enhancement is \$200,000.

The attached Direct Program Expense Budget Redirections schedule displays budget redirections and the proposed program enhancement in separate columns.

**TEXAS BEEF COUNCIL**  
**Direct Program Expense Projections**

Tactic/Description	FY 24 Expenses			FY 24 Annual Budget	Budget Variance	Percent of Budget Spent
	Actual Oct-Jun	Projected Jul-Sep	Total Expenses			
3111 Retail Engagement	\$ 43,657	\$ 63,000	\$ 106,657	\$ 196,000	\$ 89,343	54.42%
3112 Industry Meetings & Planning	4,085	1,000	5,085	7,000	1,915	72.64%
Retail - 3100	47,742	64,000	111,742	203,000	91,258	55.05%
3211 Foodservice Education	190,488	159,000	349,488	369,000	19,512	94.71%
Foodservice - 3200	190,488	159,000	349,488	369,000	19,512	94.71%
4111 Beef Loving Texans Store	692	225	917	1,000	83	91.70%
4112 BLT Branding & Promotions	261,198	171,802	433,000	422,000	(11,000)	102.61%
4113 BLT Paid Advertising	1,273,237	958,462	2,231,699	2,238,700	7,001	99.69%
4116 Industry Meetings & Planning	2,492	-	2,492	8,000	5,508	31.15%
4121 BLT Earned Media	240,383	54,608	294,991	295,000	9	100.00%
4126 BLT Content	251,737	53,021	304,758	315,000	10,242	96.75%
4131 BLT Brand Activation	605,276	225,681	830,957	835,000	4,043	99.52%
4132 Brand Partnerships	468	532	1,000	30,000	29,000	3.33%
4133 Information Dissemination	178,584	70,278	248,862	258,000	9,138	96.46%
Consumer Marketing - 4100	2,814,067	1,534,609	4,348,676	4,402,700	54,024	98.77%
4216 Industry Meetings & Planning	650	-	650	1,000	350	65.00%
4222 Health Professional Outreach	74,281	144,948	219,229	231,300	12,071	94.78%
4224 Medical Office Outreach	1,024,972	394,647	1,419,619	1,408,500	(11,119)	100.79%
4225 Nutrition Content	2,273	8,227	10,500	10,500	-	100.00%
4234 Consumer Nutrition Education	43,611	33,480	77,091	86,500	9,409	89.12%
Nutrition & Health - 4200	1,145,787	581,302	1,727,089	1,737,800	10,711	99.38%
5111 Crisis Communications	-	1,000	1,000	1,000	-	100.00%
5112 Industry Advocacy	17,579	23,125	40,704	40,800	96	99.76%
5113 Issues & Reputation Management	1,625	3,300	4,925	5,000	75	98.50%
5115 Production Content	5,328	59,570	64,898	65,000	102	99.84%
5116 AgriLife Extension Engagement	22,156	7,000	29,156	29,200	44	99.85%
Issues & Reputation Mgmt - 5100	46,688	93,995	140,683	141,000	317	99.78%
6111 Producer Direct Communications	75,345	33,928	109,273	116,800	7,527	93.56%
6112 Producer Assets	26,936	34,101	61,037	61,100	63	99.90%
6113 Producer Influencer Communications	22,839	1,539	24,378	40,000	15,622	60.95%
6115 Industry Meetings & Planning	1,885	1,487	3,372	3,900	528	86.46%
6116 Producer Earned Media	20,406	9,090	29,496	29,500	4	99.99%
6117 Producer Paid Media	102,634	23,300	125,934	126,000	66	99.95%
6118 Producer Strategy	67,204	36,474	103,678	105,200	1,522	98.55%
Producer Communications - 6100	317,249	139,919	457,168	482,500	25,332	94.75%
7111 Beef Quality Assurance	10,343	57,000	67,343	85,000	17,657	79.23%
7112 AgriLife BQA Travel	10,000	-	10,000	10,000	-	100.00%
7113 Industry Meetings & Planning	1,240	1,750	2,990	3,000	10	99.67%
7131 Beef Quality & Safety Research	1,549	-	1,549	3,000	1,451	0.00%
Beef Quality/Safety - 7100	23,132	58,750	81,882	101,000	19,118	81.07%
8111 USMEF Programs	133,538	290,667	424,205	425,000	795	99.81%
8112 International Industry Meetings	4,859	-	4,859	5,000	141	97.18%
Export Mkt Development - 8100	138,397	290,667	429,064	430,000	936	99.78%
2311 Collection Activities	39,356	39,979	79,335	79,400	65	99.92%
2312 Compliance Activities	1,773	13,072	14,845	10,400	(4,445)	142.74%
2313 Field Staff Activities	12,908	26,700	39,608	44,200	4,592	89.61%
2314 Texas Checkoff Refunds	911	600	1,511	2,000	489	75.55%
Total Collections - 2300	54,948	80,351	135,299	136,000	701	99.48%
	4,778,498	3,002,593	7,781,091	8,003,000	221,909	97.23%

**TEXAS BEEF COUNCIL**  
**Direct Program Expense Budget Redirections**

	Tactic/Description	FY 24 Expenses			FY 24 Budget				Budget Variance	Percent of Budget Spent
		Projected Expenses	Proposed Enhancement	Total Expenses	Current Budget	Proposed Redirections	Proposed Enhancement	Amended Budget		
3111	Retail Engagement	\$ 106,657		\$ 106,657	\$ 196,000		\$ (88,000)	\$ 108,000	\$ 1,343	98.76%
3112	Industry Meetings & Planning	5,085		5,085	7,000			7,000	1,915	72.64%
	Retail - 3100	111,742	-	111,742	203,000	-	(88,000)	115,000	3,258	97.17%
3211	Foodservice Education	349,488		349,488	369,000		(19,000)	350,000	512	99.85%
	Foodservice - 3200	349,488	-	349,488	369,000	-	(19,000)	350,000	512	99.85%
4111	Beef Loving Texans Store	917		917	1,000			1,000	83	91.70%
4112	BLT Branding & Promotions	433,000		433,000	422,000	11,500		433,500	500	99.88%
4113	BLT Paid Advertising	2,231,699		2,231,699	2,238,700		(6,000)	2,232,700	1,001	99.96%
4116	Industry Meetings & Planning	2,492		2,492	8,000		(4,000)	4,000	1,508	62.30%
4121	BLT Earned Media	294,991		294,991	295,000			295,000	9	100.00%
4126	BLT Content	304,758		304,758	315,000		(9,000)	306,000	1,242	99.59%
4131	BLT Brand Activation	830,957		830,957	835,000		(3,000)	832,000	1,043	99.87%
4132	Brand Partnerships	1,000		1,000	30,000	(11,500)	(17,000)	1,500	500	66.67%
4133	Information Dissemination	248,862		248,862	258,000		(8,000)	250,000	1,138	99.54%
	Consumer Marketing - 4100	4,348,676	-	4,348,676	4,402,700	-	(47,000)	4,355,700	7,024	99.84%
4216	Industry Meetings & Planning	650		650	1,000			1,000	350	65.00%
4222	Health Professional Outreach	219,229		219,229	231,300	(11,600)		219,700	471	99.79%
4224	Medical Office Outreach	1,419,619		1,419,619	1,408,500	11,600		1,420,100	481	99.97%
4225	Nutrition Content	10,500		10,500	10,500			10,500	-	100.00%
4234	Consumer Nutrition Education	77,091	200,000	277,091	86,500		192,000	278,500	1,409	27.68%
	Nutrition & Health - 4200	1,727,089	200,000	1,927,089	1,737,800	-	192,000	1,929,800	2,711	89.50%
5111	Crisis Communications	1,000		1,000	1,000			1,000	-	100.00%
5112	Industry Advocacy	40,704		40,704	40,800			40,800	96	99.76%
5113	Issues & Reputation Management	4,925		4,925	5,000			5,000	75	98.50%
5115	Production Content	64,898		64,898	65,000			65,000	102	99.84%
5116	AgriLife Extension Engagement	29,156		29,156	29,200			29,200	44	99.85%
	Issues & Reputation Mgmt - 5100	140,683	-	140,683	141,000	-	-	141,000	317	99.78%
6111	Producer Direct Communications	109,273		109,273	116,800		(6,500)	110,300	1,027	99.07%
6112	Producer Assets	61,037		61,037	61,100			61,100	63	99.90%
6113	Producer Influencer Communications	24,378		24,378	40,000		(14,500)	25,500	1,122	95.60%
6115	Industry Meetings & Planning	3,372		3,372	3,900			3,900	528	86.46%
6116	Producer Earned Media	29,496		29,496	29,500			29,500	4	99.99%
6117	Producer Paid Media	125,934		125,934	126,000			126,000	66	99.95%
6118	Producer Strategy	103,678		103,678	105,200			105,200	1,522	98.55%
	Producer Communications - 6100	457,168	-	457,168	482,500	-	(21,000)	461,500	4,332	99.06%
7111	Beef Quality Assurance	67,343		67,343	85,000		(17,000)	68,000	657	99.03%
7112	AgriLife BQA Travel	10,000		10,000	10,000			10,000	-	100.00%
7113	Industry Meetings & Planning	2,990		2,990	3,000			3,000	10	99.67%
7131	Beef Quality & Safety Research	1,549		1,549	3,000			3,000	1,451	51.63%
	Beef Quality/Safety - 7100	81,882	-	81,882	101,000	-	(17,000)	84,000	2,118	97.48%

**TEXAS BEEF COUNCIL**  
**Direct Program Expense Budget Redirections**

Tactic/Description	FY 24 Expenses			FY 24 Budget				Budget Variance	Percent of Budget Spent
	Projected Expenses	Proposed Enhancement	Total Expenses	Current Budget	Proposed Redirections	Proposed Enhancement	Amended Budget		
8111 USMEF Programs	424,205		424,205	425,000			425,000	795	99.81%
8112 International Industry Meetings	4,859		4,859	5,000			5,000	141	97.18%
Export Mkt Development - 8100	429,064	-	429,064	430,000	-	-	430,000	936	99.78%
2311 Collection Activities	79,335		79,335	79,400			79,400	65	99.92%
2312 Compliance Activities	14,845		14,845	10,400	4,500		14,900	55	99.63%
2313 Field Staff Activities	39,608		39,608	44,200	(4,500)		39,700	92	99.77%
2314 Texas Checkoff Refunds	1,511		1,511	2,000			2,000	489	75.55%
Total Collections - 2300	135,299	-	135,299	136,000	-	-	136,000	701	99.48%
	7,781,091	200,000	7,981,091	8,003,000	-	-	8,003,000	21,909	97.23%

## **TBC ACTION ITEM: B**

### **Financial Reports**

**Action Item:**

**Accept the financial statements for June 2024 as presented by the Audit & Budget Committee.**

**Background:**

The unaudited monthly financial statements are presented using the modified cash basis of accounting. The financial reports present direct program and implementation expenses.

**Rationale:**

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

**Financial Impact:**

None.

**Staff Impact:**

Approximately 16 hours per month to prepare financial statements and management reports.



## TEXAS BEEF COUNCIL

**To: Board of Directors**

**From: Michael Loeffler**

**Re: June 2024 Financial Statements**

The TBC financial statements and related schedules for June 2024 are included in this booklet.

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

- Checkoff revenues in June 2024 are roughly \$27,000 and \$46,000 less than Checkoff revenues in June 2023 and 2022, respectively.
- Year-to-date Checkoff revenues for FY24 are \$173,000 and \$305,000 less than year-to-date revenues in FY23 and FY22, respectively.
- Consumer Marketing expenses in June 2024 are significantly lower than prior year amounts primarily due to lower than normal advertising expenses in June 2024 and greater than normal advertising expenses in June 2023. In June 2024, the delayed receipt of invoices resulted in them being submitted too late in the month to be paid by month end. In June 2023, two months of certain advertising invoices were paid during the month.

### **Monthly Collection Summary**

Checkoff revenues for June 2024 are \$4,780 less than the amount budgeted for the month. Year-to-date revenues are now \$33,417 or 0.9% less than the year-to-date budget.

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

	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 1,414,516	\$ 1,132,436	\$ 1,694,004
Investments	2,597,726	1,961,386	1,369,515
Accounts Receivable			
Beef Promotion & Research Council of Texas	504,304	816,134	775,334
Other	5,917	6,137	3,701
Prepaid Expenses	140,962	104,849	56,815
Inventory	326,603	328,222	381,529
<b>Total Current Assets</b>	4,990,028	4,349,164	4,280,898
<b>Fixed Assets</b>			
Furniture & Fixtures	219,493	214,490	205,024
Equipment & Supplies	437,397	402,758	336,922
Automobiles	422,030	422,030	431,800
Website Development	546,237	482,986	-
Building, Land, & Improvements	2,059,883	2,044,884	2,009,694
	3,685,040	3,567,148	2,983,440
Less Accumulated Depreciation	(2,460,453)	(2,292,475)	(2,172,794)
	1,224,587	1,274,673	810,646
	<u>\$ 6,214,615</u>	<u>\$ 5,623,837</u>	<u>\$ 5,091,544</u>
<b>LIABILITIES &amp; NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts Payable			
Trade	\$ 177,354	\$ 188,498	\$ 160,397
Beef Promotion & Research Council of Texas	909,410	971,337	955,657
Other States	61,514	80,886	90,764
Cattlemen's Beef Board	443,445	480,967	491,297
National Program Investments	-	-	-
Deferred Revenue	5,822	15,366	12,299
<b>Total Current Liabilities</b>	1,597,545	1,737,054	1,710,414
<b>Net Assets</b>			
Unrestricted net assets	4,617,070	3,886,783	3,381,130
	<u>\$ 6,214,615</u>	<u>\$ 5,623,837</u>	<u>\$ 5,091,544</u>

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

	One Month Period Ended			Year-to-Date Through		
	6/30/24	6/30/23	6/30/22	6/30/24	6/30/23	6/30/22
<b>REVENUES</b>						
<b>Checkoff Revenues</b>						
Texas Checkoff Revenues	\$ 382,780	\$ 398,327	\$ 420,941	\$ 3,159,170	\$ 3,296,863	\$ 3,471,603
Out-of-State Checkoff Revenues	61,810	72,845	65,052	561,679	597,672	548,455
Late Fee Income	22	29	4,587	4,015	3,690	10,123
	444,612	471,201	490,580	3,724,864	3,898,225	4,030,181
<b>BPRCT Contract Revenues</b>						
BPRCT Contract Revenues	504,304	816,134	775,334	6,031,615	6,249,231	5,923,242
<b>Other Revenues</b>						
Interest Revenues	15,227	12,110	1,416	143,806	96,165	3,885
Other Revenues	-	-	-	1,649	5,150	(363)
	15,227	12,110	1,416	145,455	101,315	3,522
<b>BLT Store</b>						
Sales, Net of Discounts	172	858	2,070	28,277	31,019	21,946
Cost of Sales and Direct Expenses	(7,283)	(4,784)	(3,411)	(51,998)	(47,453)	(30,595)
	(7,111)	(3,926)	(1,341)	(23,721)	(16,434)	(8,649)
	957,032	1,295,519	1,265,989	9,878,213	10,232,337	9,948,296
<b>EXPENSES</b>						
<b>National &amp; State Program Investments</b>						
Federation of State Beef Councils	-	-	-	567,000	720,000	700,000
U.S. Meat Export Federation	-	-	-	648,000	800,000	800,000
Texas CattleWomen	-	-	-	1,133	594	1,203
	-	-	-	1,216,133	1,520,594	1,501,203
<b>Marketing</b>						
Consumer Marketing	158,899	536,026	434,084	2,814,067	3,191,722	2,950,580
Nutrition & Health	108,888	119,857	110,698	1,145,787	1,109,540	936,258
Program Implementation	85,535	84,143	96,347	823,142	837,660	850,064
	353,322	740,026	641,129	4,782,996	5,138,922	4,736,902
<b>Beef Resources</b>						
Channel Marketing						
Retail	6,690	888	22,809	47,742	71,023	58,128
Foodservice	5,104	13,975	18,872	190,488	260,086	251,722
Issues & Reputation Management	8,644	7,281	5,499	46,688	17,977	25,353
Producer Communications	40,184	29,833	59,462	317,249	377,677	487,191
Beef Quality & Beef Safety	404	7,241	6,050	23,132	34,990	73,092
Export Market Development	14,480	23,283	1,335	138,397	61,660	3,646
Program Implementation	79,775	61,236	75,289	681,660	737,922	659,377
	155,281	143,737	189,316	1,445,356	1,561,335	1,558,509
<b>Collections &amp; Compliance</b>						
Collection & Compliance Activities	4,561	6,718	2,414	54,948	59,598	41,224
Program Implementation	19,357	20,559	18,104	175,214	205,791	152,149
	23,918	27,277	20,518	230,162	265,389	193,373
<b>Administration</b>						
Administration	82,457	70,007	73,238	774,159	640,189	595,479
	614,978	981,047	924,201	8,448,806	9,126,429	8,585,466
<b>TOTAL INCREASE IN NET ASSETS</b>	<b>\$ 342,054</b>	<b>\$ 314,472</b>	<b>\$ 341,788</b>	<b>\$ 1,429,407</b>	<b>\$ 1,105,908</b>	<b>\$ 1,362,830</b>

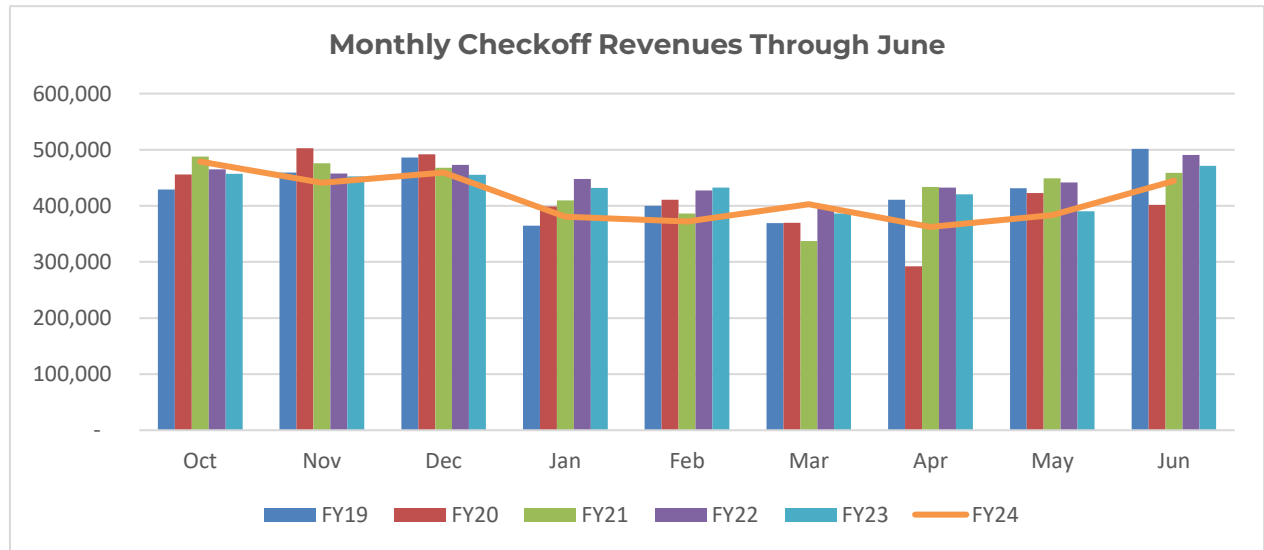
**TEXAS BEEF COUNCIL**  
**Statement of Activities – Actual vs Budget**  
**(Modified Cash Basis)**

	<b>% Rev</b>	<b>Year-to-Date 6/30/24</b>	<b>Annual Budget</b>	<b>% Budget</b>
<i>Percent of year expired</i>				<i>75.00%</i>
<b>REVENUES</b>				
<b>Checkoff Revenues</b>				
Texas Checkoff Revenues	31.98%	\$ 3,159,170	\$ 4,393,110	71.91%
Out-of-State Checkoff Revenues	5.69%	561,679	706,890	79.46%
Late Fee Income	0.04%	4,015	-	0.00%
	37.71%	3,724,864	5,100,000	73.04%
<b>BPRCT Contract Revenues</b>				
BPRCT Contract Revenues	61.06%	6,031,615	9,800,000	61.55%
<b>Other Revenues</b>				
Interest Revenues	1.46%	143,806	155,000	92.78%
Other Revenues	0.02%	1,649	2,000	0.00%
	1.47%	145,455	157,000	92.65%
<b>BLT Store</b>				
Sales, Net of Discounts	0.29%	28,277	-	0.00%
Cost of Goods Sold & Direct Expense	-0.53%	(51,998)	-	0.00%
	-0.24%	(23,721)	(20,000)	0.00%
	100.00%	9,878,213	15,037,000	65.69%
<b>EXPENSES</b>				
<b>National &amp; State Program Investments</b>				
Federation of State Beef Councils	5.74%	567,000	1,134,000	50.00%
U.S. Meat Export Federation	6.56%	648,000	1,296,000	50.00%
Texas CattleWomen	0.01%	1,133	20,000	5.67%
	12.31%	1,216,133	2,450,000	49.64%
<b>Direct Program Expenses</b>				
Marketing				
Consumer Marketing	28.49%	2,814,067	4,402,700	63.92%
Nutrition & Health	11.60%	1,145,787	1,737,800	65.93%
	40.09%	3,959,854	6,140,500	64.49%
Beef Resources				
Channel Marketing				
Retail	0.48%	47,742	203,000	23.52%
Foodservice	1.93%	190,488	369,000	51.62%
Issues & Reputation Management	0.47%	46,688	141,000	33.11%
Producer Communications	3.21%	317,249	482,500	65.75%
Beef Quality & Beef Safety	0.23%	23,132	101,000	22.90%
Export Market Development	1.40%	138,397	430,000	32.19%
	7.73%	763,696	1,726,500	44.23%
Collection & Compliance Activities	0.56%	54,948	136,000	40.40%
	48.37%	4,778,498	8,003,000	59.71%
<b>Program Implementation</b>	24.84%	2,454,175	3,751,000	65.43%
	85.53%	8,448,806	14,204,000	59.48%
<b>TOTAL INCREASE IN NET ASSETS</b>	<b>14.47%</b>	<b>\$ 1,429,407</b>	<b>\$ 833,000</b>	<b>171.60%</b>

# TEXAS BEEF COUNCIL

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

Item Description	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY24 Total	Pct.
Dealers	61,060	50,045	49,187	38,007	35,513	40,012	64,211	53,745	107,484	499,264	6.7%
Feedyards	51,375	39,844	153,377	38,663	41,582	36,798	51,988	33,535	44,407	491,569	6.6%
Individuals	5,482	10,280	3,524	4,978	5,703	5,416	5,748	5,416	2,941	49,488	0.7%
Markets	406,440	339,480	333,221	170,431	234,280	288,235	228,768	275,981	243,687	2,520,523	33.8%
Packers	312,173	308,993	229,601	315,068	327,178	381,241	212,889	306,487	364,706	2,758,336	37.0%
	836,530	748,642	768,910	567,147	644,256	751,702	563,604	675,164	763,225	6,319,180	84.8%
Late Fees	807	239	5,020	748	185	381	525	80	45	8,030	0.1%
State of Origin In	135,771	133,406	188,476	133,388	108,018	93,519	109,269	97,892	123,620	1,123,359	15.1%
<b>Collections for Texas</b>	<b>973,108</b>	<b>882,287</b>	<b>962,406</b>	<b>701,283</b>	<b>752,459</b>	<b>845,602</b>	<b>673,398</b>	<b>773,136</b>	<b>886,890</b>	<b>7,450,569</b>	<b>100%</b>
Less Payable to CBB	(486,554)	(441,144)	(481,203)	(350,641)	(376,230)	(422,801)	(336,699)	(386,568)	(443,445)	(3,725,285)	50.0%
<b>TBC Collections</b>	<b>486,554</b>	<b>441,143</b>	<b>481,203</b>	<b>350,642</b>	<b>376,229</b>	<b>422,801</b>	<b>336,699</b>	<b>386,568</b>	<b>443,445</b>	<b>3,725,284</b>	
Deferred Revenue Adjustment	(7,726)	(36)	(22,058)	29,818	(4,383)	(19,921)	25,705	(2,986)	1,167	(420)	
<b>Revenue Recognized</b>	<b>478,828</b>	<b>441,107</b>	<b>459,145</b>	<b>380,460</b>	<b>371,846</b>	<b>402,880</b>	<b>362,404</b>	<b>383,582</b>	<b>444,612</b>	<b>3,724,864</b>	
<b>Budget</b>	<b>443,771</b>	<b>454,117</b>	<b>459,234</b>	<b>397,011</b>	<b>397,795</b>	<b>359,284</b>	<b>384,792</b>	<b>412,885</b>	<b>449,391</b>	<b>3,758,280</b>	
<b>Budget Variance</b>	<b>35,057</b>	<b>(13,010)</b>	<b>(89)</b>	<b>(16,551)</b>	<b>(25,949)</b>	<b>43,596</b>	<b>(22,388)</b>	<b>(29,303)</b>	<b>(4,780)</b>	<b>(33,417)</b>	<b>-0.9%</b>
State of Origin Out	61,258	59,521	62,896	60,272	58,938	71,917	59,950	68,208	61,514	564,474	8%



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

**Year-to-date collections through June**

<b>FY24 vs FY23</b>							
<b>Item Description</b>	<b>Amount</b>			<b>Percentage</b>			<b>Percent Increase (Decrease)</b>
	<b>FY24</b>	<b>FY23</b>	<b>Difference</b>	<b>FY24</b>	<b>FY23</b>	<b>Difference</b>	
Dealers	499,264	547,369	(48,106)	6.70%	7.01%	-0.3%	-8.79%
Feedyards	491,569	457,188	34,381	6.60%	5.86%	0.7%	7.52%
Individuals	49,488	54,308	(4,820)	0.66%	0.70%	0.0%	-8.88%
Markets	2,520,523	2,610,111	(89,588)	33.83%	33.44%	0.4%	-3.43%
Packers	2,758,336	2,933,189	(174,853)	37.02%	37.58%	-0.6%	-5.96%
	6,319,180	6,602,165	(282,986)	84.81%	84.59%	0.2%	-4.29%
Late Payment Fees	8,030	7,382	648	0.11%	0.09%	0.0%	8.78%
State of Origin In	1,123,359	1,195,344	(71,985)	15.08%	15.32%	-0.2%	-6.02%
<b>Collections for Texas</b>	7,450,569	7,804,891	(354,323)	100.00%	100.00%	0.0%	-4.54%
Less Payable to CBB	(3,725,285)	(3,902,446)	177,161				
<b>TBC Collections</b>	3,725,284	3,902,445	(177,161)				
Deferred Revenue Adjustment	(420)	(4,220)					
<b>Revenue Recognized</b>	<b>3,724,864</b>	<b>3,898,225</b>					
<b>Budgeted Amount</b>	<b>3,758,280</b>	<b>3,655,293</b>					
<b>Budget Variance</b>	<b>(33,417)</b>	<b>242,932</b>					
State of Origin Out	564,474	607,623					

<b>FY24 vs 5 Year Average</b>							
<b>Item Description</b>	<b>Amount</b>			<b>Percentage</b>			<b>Percent Increase (Decrease)</b>
	<b>FY24</b>	<b>5 Yr Avg</b>	<b>Difference</b>	<b>FY24</b>	<b>5 Yr Avg</b>	<b>Difference</b>	
Dealers	499,264	580,087	(80,824)	6.70%	7.47%	-0.8%	-16.19%
Feedyards	491,569	455,501	36,068	6.60%	5.86%	0.7%	7.34%
Individuals	49,488	56,556	(7,068)	0.66%	0.73%	-0.1%	-14.28%
Markets	2,520,523	2,590,435	(69,912)	33.83%	33.35%	0.5%	-2.77%
Packers	2,758,336	3,038,094	(279,758)	37.02%	39.11%	-2.1%	-10.14%
	6,319,180	6,720,673	(401,494)	84.81%	86.52%	-1.7%	-6.35%
Late Payment Fees	8,030	12,301	(4,271)	0.11%	0.16%	-0.1%	-53.19%
State of Origin In	1,123,359	1,034,538	88,821	15.08%	13.32%	1.8%	7.91%
<b>Collections for Texas</b>	7,450,569	7,767,512	(316,944)	100.00%	100.00%	0.0%	-4.25%
Less Payable to CBB	(3,725,285)	(3,883,757)	158,472				
<b>TBC Collections</b>	3,725,284	3,883,755	(158,472)				
Deferred Revenue Adjustment	(420)	2,725					
<b>Revenue Recognized</b>	<b>3,724,864</b>	<b>3,886,480</b>					
<b>Budgeted Amount</b>	<b>3,758,280</b>	<b>3,848,941</b>					
<b>Budget Variance</b>	<b>(33,417)</b>	<b>37,539</b>					
State of Origin Out	564,474	684,307					

## TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH JUNE 30, 2024

Dept	Tactic	Tactic Description	Allocation Percentage			Direct Program Expenses			Program Implementation			Total		
			TBC	BPRCT		Total	TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT
2100	2197	TBC Administration	100.000%	0.000%		-	-	-	29,001.85	29,001.85	-	29,001.85	29,001.85	-
2100	2198	BPRCT Administration	0.000%	100.000%		-	-	-	3,726.15	-	3,726.15	3,726.15	-	3,726.15
2100	2199	Combined Administration	50.000%	50.000%		-	-	-	371,129.99	185,564.99	185,565.00	371,129.99	185,564.99	185,565.00
2200	2297	Administration				-	-	-	403,857.99	214,566.84	189,291.15	403,857.99	214,566.84	189,291.15
2200	2297	TBC Accounting	100.000%	0.000%		-	-	-	17,898.53	17,898.53	-	17,898.53	17,898.53	-
2200	2298	BPRCT Accounting	0.000%	100.000%		-	-	-	5,363.81	-	5,363.81	5,363.81	-	5,363.81
2200	2299	Combined Accounting	50.000%	50.000%		-	-	-	347,041.21	173,520.60	173,520.61	347,041.21	173,520.60	173,520.61
2300	2311	Accounting				-	-	-	370,303.55	191,419.13	178,884.42	370,303.55	191,419.13	178,884.42
2300	2311	Collection Activities	50.000%	50.000%		39,355.47	19,677.74	19,677.73	28,214.87	14,107.43	14,107.44	67,570.34	33,785.17	33,785.17
2300	2312	Compliance Activities	50.000%	50.000%		1,773.02	886.51	886.51	13,805.89	6,902.95	6,902.95	15,578.91	7,789.45	7,789.46
2300	2313	Field Staff Activities	50.000%	50.000%		12,908.15	6,454.08	6,454.07	15,688.92	7,844.46	7,844.46	28,537.07	14,298.54	14,298.53
2300	2314	Texas Checkoff Refunds	0.000%	100.000%		911.68	-	911.68	13,915.89	-	13,915.89	14,827.57	-	14,827.57
2300	2397	TBC Program Implementation	100.000%	0.000%		-	-	-	-	-	-	-	-	-
2300	2398	BPRCT Program Implementation	0.000%	100.000%		-	-	-	0.16	-	0.16	0.16	-	0.16
2300	2399	Combined Program Implementation	37.500%	62.500%		-	-	-	103,586.93	38,845.10	64,741.83	103,586.93	38,845.10	64,741.83
3100	3111	Collections & Compliance				54,948.32	27,018.33	27,929.99	175,212.66	67,699.93	107,512.73	230,160.98	94,718.26	135,442.72
3100	3111	Retail Engagement	10.624%	89.376%		43,657.63	4,638.31	39,019.32	86,285.53	9,167.21	77,118.32	129,943.16	13,805.52	116,137.64
3100	3112	Industry Meetings & Planning	10.624%	89.376%		4,084.34	433.93	3,650.41	3,406.55	361.92	3,044.63	7,490.89	795.85	6,695.04
3100	3199	Combined Program Implementation	11.182%	88.818%		-	-	-	22,530.87	3,019.94	19,510.93	22,530.87	3,019.94	19,510.93
3200	3211	Retail				47,741.97	5,072.24	42,669.73	112,222.95	12,549.07	99,673.88	159,964.92	17,621.31	142,343.61
3200	3211	Foodservice Education	10.624%	89.376%		190,488.22	20,237.99	170,250.23	134,823.14	14,323.98	120,499.16	325,311.36	34,561.97	290,749.39
3200	3299	Combined Program Implementation	11.182%	88.818%		-	-	-	7,208.24	1,558.36	5,649.88	7,208.24	1,558.36	5,649.88
4100	4111	Foodservice				190,488.22	20,237.99	170,250.23	142,031.38	15,882.34	126,149.04	332,519.60	36,120.33	296,399.27
4100	4111	Beef Loving Texans Store	100.000%	0.000%		691.36	691.36	-	16,969.41	16,969.41	-	17,660.77	17,660.77	-
4100	4112	BLT Branding & Promotions	10.624%	89.376%		261,197.87	27,750.37	233,447.50	106,731.53	11,339.45	95,392.08	367,929.40	39,089.82	328,839.58
4100	4113	BLT Paid Advertising	10.624%	89.376%		1,273,236.90	135,272.15	1,137,964.75	4,090.47	434.58	3,655.89	1,277,327.37	135,706.73	1,141,620.64
4100	4116	Industry Meetings & Planning	10.624%	89.376%		2,491.86	264.74	2,227.12	9,119.65	968.90	8,150.75	11,611.51	1,233.64	10,377.87
4100	4121	BLT Earned Media	10.624%	89.376%		240,382.92	25,538.94	214,843.98	2,045.47	217.32	1,828.15	242,428.39	25,756.26	216,672.13
4100	4126	BLT Content	10.624%	89.376%		251,738.10	26,745.34	224,992.76	105,499.00	11,208.50	94,290.50	357,237.10	37,953.84	319,283.26
4100	4131	BLT Brand Activation	10.624%	89.376%		605,275.65	64,306.13	540,969.52	166,060.49	17,642.72	148,417.77	771,336.14	81,948.85	689,387.29
4100	4132	Brand Partnerships	10.624%	89.376%		468.31	49.75	418.56	1,937.18	205.81	1,731.37	2,405.49	255.56	2,149.93
4100	4133	Information Dissemination	10.624%	89.376%		178,584.14	18,973.26	159,610.88	3,050.89	324.13	2,726.76	181,635.03	19,297.39	162,337.64
4100	4199	Combined Program Implementation	11.182%	88.818%		-	-	-	208,536.77	25,542.98	182,993.79	208,536.77	25,542.98	182,993.79
4200	4216	Consumer Marketing				2,814,067.11	299,592.04	2,514,475.07	624,040.86	84,853.80	539,187.06	3,438,107.97	384,445.84	3,053,662.13
4200	4216	Industry Meetings & Planning	10.624%	89.376%		649.35	68.99	580.36	2,486.29	264.15	2,222.14	3,135.64	333.14	2,802.50
4200	4222	Health Professional Outreach	10.624%	89.376%		74,281.50	7,891.87	66,389.63	35,941.52	3,818.52	32,123.00	110,223.02	11,710.39	98,512.63
4200	4224	Medical Office Outreach	10.624%	89.376%		1,024,973.85	108,896.01	916,077.84	10,623.37	1,128.66	9,494.71	1,035,597.22	110,024.67	925,572.55
4200	4225	Nutrition Content	10.624%	89.376%		2,271.93	241.38	2,030.55	13,703.78	1,455.93	12,247.85	15,975.71	1,697.31	14,278.40
4200	4234	Consumer Nutrition Education	10.624%	89.376%		43,611.27	4,633.38	38,977.89	36,834.22	3,913.37	32,920.85	80,445.49	8,546.75	71,898.74
4200	4299	Combined Program Implementation	11.182%	0.000%		-	-	-	99,511.45	11,683.33	87,828.12	99,511.45	11,683.33	87,828.12
5100	5111	Nutrition & Health				1,145,787.90	121,731.63	1,024,056.27	199,100.63	22,263.96	176,836.67	1,344,888.53	143,995.59	1,200,892.94
5100	5111	Crisis Communications	100.000%	0.000%		-	-	-	1,564.28	1,564.28	-	1,564.28	1,564.28	-
5100	5112	Industry Advocacy	10.624%	89.376%		17,579.44	1,867.69	15,711.75	34,765.56	3,693.59	31,071.97	52,345.00	5,561.28	46,783.72
5100	5113	Issues & Reputation Management	10.624%	89.376%		1,625.00	172.64	1,452.36	12,722.93	1,351.72	11,371.21	14,347.93	1,524.36	12,823.57
5100	5115	Production Content	10.624%	89.376%		5,327.55	566.01	4,761.54	22,523.79	2,392.99	20,130.80	27,851.34	2,959.00	24,892.34
5100	5116	AgriLife Extension Engagement	10.624%	89.376%		22,156.23	2,353.94	19,802.29	7,470.13	793.65	6,676.48	29,626.36	3,147.59	26,478.77

## TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH JUNE 30, 2024

Dept	Tactic	Tactic Description	Allocation Percentage		Direct Program Expenses		Program Implementation		Total	
			TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT
5100	5199	Combined Program Implementation	11.182%	88.818%	-	-	-	55,182.98	6,603.05	48,579.93
		Issues & Reputation Management			46,688.22	4,960.28	41,727.94	134,229.67	16,399.28	117,830.39
6100	6111	Producer Direct Communications	10.624%	89.376%	75,345.98	8,004.96	67,341.02	147,113.99	15,629.79	131,484.20
6100	6112	Producer Assets	10.624%	89.376%	26,934.91	2,861.84	24,073.27	5,322.13	555.44	4,766.69
6100	6113	Producer Influencer Communications	10.624%	89.376%	22,838.97	2,426.47	20,412.50	4,174.97	443.56	3,731.41
6100	6115	Industry Meetings & Planning	10.624%	89.376%	1,884.57	200.22	1,684.35	16,979.46	1,803.94	15,175.52
6100	6116	Producer Earned Media	10.624%	89.376%	20,406.06	2,168.00	18,238.06	5,166.46	548.90	4,617.56
6100	6117	Producer Paid Media	10.624%	89.376%	102,633.28	10,904.04	91,729.24	-	-	-
6100	6118	Producer Strategy	10.624%	89.376%	67,204.32	7,139.97	60,064.35	8,231.53	874.54	7,356.99
6100	6199	Combined Program Implementation	11.182%	88.818%	-	-	-	21,700.23	3,469.99	18,230.24
		Producer Communications			317,248.09	33,705.30	283,542.79	208,688.77	23,336.16	185,352.61
7100	7111	Beef Quality Assurance	10.624%	89.376%	10,343.28	1,098.90	9,244.38	33,986.85	3,610.86	30,375.99
7100	7112	AgriLife BQA Travel	0.000%	100.000%	10,000.00	-	10,000.00	-	-	-
7100	7113	Industry Meetings & Planning	10.624%	89.376%	1,239.73	131.71	1,108.02	4,804.44	510.44	4,294.00
7100	7131	Beef Quality & Safety Research	10.624%	89.376%	1,547.97	164.46	1,383.51	14,281.54	1,517.31	12,764.23
7100	7199	Combined Program Implementation	8.387%	91.613%	-	-	-	9,337.17	1,079.22	8,257.95
		Beef Quality & Beef Safety			23,130.98	1,395.07	21,735.91	62,410.00	6,717.83	55,692.17
8100	8111	USMEF Programs	10.624%	89.376%	133,538.17	14,187.46	119,350.71	6,855.82	728.38	6,127.44
8100	8112	International Industry Meetings	100.000%	0.000%	4,859.13	4,859.13	-	7,617.04	7,617.04	-
8100	8199	Combined Program Implementation	55.591%	44.409%	-	-	-	7,603.69	4,265.24	3,338.45
		Export Market Development			138,397.30	19,046.59	119,350.71	22,076.55	12,610.66	9,465.89
<b>Grand Total</b>					<b>4,778,498.11</b>	<b>532,759.47</b>	<b>4,245,738.64</b>	<b>2,454,175.01</b>	<b>668,299.00</b>	<b>1,785,876.01</b>
								<b>7,232,673.12</b>	<b>1,201,058.47</b>	<b>6,031,614.65</b>

## TBC ACTION ITEM: C

### FY25 Plan and Budget

#### Action Item:

**The Audit & Budget Committee recommends approval of the FY25 Plan and Budget for TBC. (See attached budget book for detail.)**

	National Checkoff	State Checkoff	Total Budget
<b>REVENUE</b>			
Texas National Checkoff, net	\$4,701,000	\$ -	\$ 4,701,000
BPRCT Contract Revenue	-	9,506,000	9,506,000
Interest Revenue	135,000	-	135,000
BLT Store	( 22,000)	-	( 22,000)
Other Revenue	2,000	-	2,000
Total Revenue	4,816,000	9,506,000	14,322,000
<b>EXPENSES</b>			
Federation Investment	1,100,000	-	1,100,000
U.S. Meat Export Federation	1,257,000	-	1,257,000
Texas CattleWomen	20,000	-	20,000
Marketing	882,400	5,315,600	6,198,000
Beef Resources	230,000	1,378,000	1,608,000
Collections & Compliance	67,500	69,500	137,000
Program Implementation	1,065,100	2,742,900	3,808,000
Total Expenses	4,622,000	9,506,000	14,128,000
<b>REVENUES IN EXCESS OF EXPENSES</b>	194,000	-	194,000
<b>CAPITAL EXPENDITURES</b>			\$37,500

#### Background:

The Marketing Plan and Budget for FY25 were developed to meet the stated goals and objectives of the TBC Long Range Plan and the strategic initiatives. Advisory committees have reviewed and approved the Marketing Plan.

The Audit & Budget Committee met on August 2, 2024, to review the proposed plan and budget for FY25. The budget includes a \$1,100,000 national investment with the Federation and a \$1,257,000 national investment with the U.S. Meat Export Federation.

#### Rationale:

In accordance with the requirements for a Qualified State Beef Council and the TBC Bylaws, the Board of Directors must approve the annual plan and budget.

#### Financial Impact:

See budget booklet.

#### Staff Impact:

19 Full-Time Employees.

## **TBC ACTION ITEM: D**

### **Election of Directors**

#### **Action Item:**

**The qualified organizations nominate individuals to represent their respective organizations on the TBC Board of Directors for FY25.**

The list of nominated individuals will be distributed at the meeting.

#### **Background:**

TBC Directors are eligible to serve six consecutive one-year terms and are elected annually by the Board. An extension may be made if a Director is serving in the officer rotation during their sixth term. The nine qualified Texas cattle producers and allied beef industry organizations, as outlined in Article III, Section 6. Qualified Organizations of the TBC Bylaws submit their nominees in writing.

#### **Rationale:**

Article III, Section 5. Qualification of Directors of the TBC Bylaws states that *"A Director must be a bona fide producer of cattle in Texas, i.e. pay assessments through the checkoff program, and be nominated by a qualified organization. Proposed directors for the coming year shall be approved and elected by current directors at the last regular meeting of the fiscal year prior to assuming office. Newly elected directors shall assume office at the end of the meeting at which they are elected."*

#### **Financial Impact:**

None.

#### **Staff Impact:**

None.

## **TBC ACTION ITEM: E**

### **Elect At-Large Board Members**

**Action Item:**

**The Chairman nominates the following individuals to serve as At-Large members of the TBC Board of Directors for FY25:**

Director Name	Term
Pat Shields	5
Shannon Treichel	4

**Background:**

*Article III, Section 5.5. Qualified Organizations of the TBC Bylaws states that "In addition, the Board may elect two directors at large, without nomination by a qualified organization, to round out the Board with equitable geographic and sector representation."*

**Rationale:**

The TBC Board seeks to round out its representation by geographic area and industry sector by electing two Directors-at-large.

Pat Shields is a Manager at Capital Farm Credit and has a Stocker Steer operation in Bryan, Texas.

Shannon Treichel is an ag marketing expert with experience in animal health and agricultural business strategy.

**Financial Impact:**

None.

**Staff Impact:**

None.

## **TBC ACTION ITEM: F**

### **Elect Officers and Executive Committee**

**Action Item:**

**The Nominating Committee recommends the following individuals to serve as officers and members of the Executive Committee for FY25:**

**Chairman:** Pat Shields

**Vice-Chairman:** Brandi Richards

**Immediate Past Chairman:** Fred Schuetze

**Executive Committee:** Brian Malaer

**Executive Committee:** Marsha Shoemaker

**Background:**

The Nominating Committee, appointed by the Chairman and approved by the Board on June 5, 2024, consists of Immediate Past Chairman Pat McDowell, Leslie Kinsel, and Richard Winter. The Committee met on July 16, 2024, to consider candidates for Chairman, Vice Chairman, and the Executive Committee.

**Rationale:**

Article V, Officers and Administration, Section 3. Qualification and Election of the TBC Bylaws states that *"Officers shall be elected by the Directors, from the current Board, and shall assume office at the end of the meeting at which they are elected."*

The Nominating Committee shall offer a slate of officers at the last meeting of the fiscal year, typically in August; therefore, it is expedient that the Committee be appointed at the June meeting.

Article VI, Committees, Section 1. Executive Committee of the TBC Bylaws states that *"The Board of Directors shall elect an Executive Committee, which 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. The Executive Committee shall employ and determine the remuneration of the Executive Vice President. The Executive Committee shall be composed of five directors, including the Chairman, Vice Chairman, immediate Past Chairman and two directors elected by the Board. The Executive Vice President shall attend all meetings of the Executive Committee, unless excused, in an advisory capacity."*

**Financial Impact:**

None.

**Staff Impact:**

None.

## **TBC ACTION ITEM: G**

### **Approve FY25 Audit & Budget Committee**

**Action Item:**

**The Chairman recommends approval of the appointment of the following directors to serve on the Audit & Budget Committee for FY25:**

Brandi Richards, Chairman  
Richard Winter  
Gilly Riojas

**Background:**

Article VI, Committees, Section 2. Audit and Budget Committee of the TBC Bylaws *"calls the Chairman to appoint an Audit and Budget Committee, with approval of the Board. The Committee is to consist of three directors, including the Vice-Chairman, who shall serve as chairman of the Committee and sign major financial reports."*

**Rationale:**

Article VI, Committees, Section 2. Audit and Budget Committee of the TBC Bylaws charges the committee with the following responsibilities:

- (a) cause an audit by an independent CPA firm at least once a year;*
- (b) assure accountability by reviewing and reporting to the Board on end-of-year activities, evaluations and finances; and*
- (c) recommend to the Board a budget for the new year.*

**Financial Impact:**

None.

**Staff Impact:**

None.

## **TBC ACTION ITEM: H**

### **Nominate TBC Directors to BPRCT**

**Action Item:**

**Petition Sid Miller, Commissioner, Texas Department of Agriculture, to appoint producers to BPRCT, submitting the names of the producers elected to the TBC Board of Directors for FY25.**

**Background:**

In accordance with Texas Agriculture Code, Subchapter H. Texas Beef Marketing, Education, Research, and Promotion, Section 41.156, Council Members:

*(a) A member of the council must be:*

- (1) nominated by the entity qualified to collect the proceeds of and administer the Beef Checkoff program established by federal law in this state or, in the entity's absence, the certified organizations that composed the entity; and*
- (2) appointed by the commissioner.*

**Rationale:**

Article IV. Council Powers, Authority and Duties, Section 3. Term of Office of the BPRCT Bylaws states that *"The term of each Council member shall be one year, or until his/her successor is qualified and appointed. Each member shall serve no more than six consecutive terms; provided that, if a member has been elected to serve as an officer during his/her final year, he/she may serve up to two additional years as Chairman and/or past Chairman."*

**Financial Impact:**

None.

**Staff Impact:**

None.

## **TBC ACTION ITEM: I**

### **Memorandum of Agreement with BPRCT**

**Action Item:**

**Approve a Memorandum of Agreement between BPRCT and TBC for FY25.**

**Background:**

Excerpt from the Texas Agriculture Code:  
Chapter 41 Commodity Producers Boards

Subchapter H. Texas Beef Marketing, Education, Research, and Promotion  
Sec. 41.157. General Powers of Council

*The council may take action or exercise other authority as necessary to execute any act authorized by this chapter or the Texas Nonprofit Corporation Law as described by Section 1.008, Business Organizations Code. The council may contract or enter into agreements with the entity qualified to collect the proceeds of and administer the Beef Checkoff program established by federal law in this state.*

**Rationale:**

This agreement contains the parameters for Texas Beef Council in carrying out the administrative and collections responsibilities, as well as the marketing, education, research, and promotion efforts of the Texas State Beef Checkoff.

**Financial Impact:**

\$9,506,000.

**Staff Impact:**

None.

**MEMORANDUM OF AGREEMENT  
BETWEEN  
THE BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS  
AND  
THE TEXAS BEEF COUNCIL**

This is an agreement made as of October 1, 2024, between the Beef Promotion and Research Council of Texas (BPRCT), a Texas state board, and the Texas Beef Council (TBC), a Texas non-profit corporation.

**Background**

Pursuant to the federal Beef Promotion and Research Act of 1985 (the Act) (codified at 7 U.S.C. §§ 2901-2911), and the Beef Promotion and Research Order (the Order) (found at 7 C.F.R. Part 1260, § 1260.101 et seq.), a federal beef checkoff program was established to promote the marketing and consumption of beef and beef products in both domestic and international markets through research, education, marketing, and promotional activities. Section 1260.315 of the Order designates the Texas Beef Council as the qualified state beef council (QSBC) in the state of Texas. As the QSBC in Texas, TBC is responsible for collecting the federal beef checkoff funds authorized to be collected by the Act and the Order on cattle sold in Texas. The Act and the Order further authorize a QSBC, such as TBC, to conduct promotion, research, consumer information and industry information programs designed to maintain and expand domestic and foreign markets for beef and beef products.

In 2013, the Texas Beef Promotion and Research Council of Texas was authorized to establish a state beef checkoff program. Texas Agriculture Code, Chapter 41, Subchapter H, § 41.1571. Ag Code Section 41.152 designated BPRCT as the organization to collect the state beef checkoff funds and to administer a state beef checkoff program. Ag Code Section 41.157 further authorized BPRCT to contract or enter into agreements with the Texas Beef Council, the QSBC for the federal beef checkoff, wherein TBC would serve to execute, implement, and operate a state beef checkoff program.

**The referendum authorizing the collection of the state beef checkoff was conducted June 2, 2014 through June 6, 2014. The Texas Department of Agriculture certified the results of the election July 2, 2014 as follows: 7060 valid votes cast, 4718 (67%) in favor of the state beef checkoff; 2362 (33%) against the proposition. The Department certified that the required number of votes to approve the checkoff was achieved in the referendum.**

Therefore, because a statewide beef checkoff has been approved under Ag Code § 41.162, BPRCT desires to enter into this contract with TBC, the federal QSBC, setting forth the terms by which TBC shall assist in carrying out Texas beef checkoff programs relating to the marketing, education, research and promotion of beef and beef

products in Texas, the United States and international markets, including administrative costs.

## **I. General:**

### **A. Definitions**

The following terms are to be used throughout this Agreement, and shall be defined as follows.

1. *BPRCT Activities* “BPRCT Activities” means such individual projects relating to research, education, promotion, or marketing of beef or beef products that the BPRCT approves and directs TBC to implement and administer. BPRCT will provide TBC with guidelines regarding the amount of BPRCT resources to devote to particular BPRCT activities, as appropriate.
2. *Approved subcontractor* BPRCT acknowledges that for certain BPRCT Activities, TBC may need to hire third-party subcontractors to perform certain functions and to fully implement the BPRCT Activities.
3. *Research* “Research” means studies relative to the effectiveness of market development and promotion efforts, studies relating to the nutritional value of beef and beef products, other related food science research, and new product development.
4. *Education* “Education” means educational programs for beef consumers and beef producers including the following:
  - a. Consumer education means nutritional data and other information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation and use of beef and beef products.
  - b. Producer education means information and programs that will lead to the development of new markets, marketing strategies, increased efficiency, activities to enhance the image of the cattle industry, and educating and informing producers about the results of checkoff programs.
5. *Promotion* “Promotion” means any action, including paid advertising, to advance the image and desirability of beef and beef products with the express intent of improving the competitive position and stimulating sales of beef and beef products in the marketplace.
6. *Marketing* “Marketing” means all actions taken, including research, education and promotional activities, intended to increase the demand for and sales of beef and beef products.

### **B. Term and Termination**

1. This agreement shall become effective as of October 1, 2024, and shall remain in effect until September 30, 2025, unless terminated or renewed earlier pursuant to the terms set out below. This agreement may be renewed for additional one-year terms ("Renewal Term(s)"), upon the mutual written consent of both parties to this agreement. It is the intent of the parties that renewal of this agreement shall be considered at the parties' respective August board meetings.
2. This agreement may be terminated prior to the ending date of the then-current term as set forth below:
  - a. Upon a material breach by either party, the non-breaching party shall provide written notice of the breach to the breaching party, and shall provide the breaching party 30 days' notice to cure said breach. In the event the breaching party fails to cure the breach within the 30-day time period, this agreement will be terminated, and the non-breaching party may pursue all available legal remedies.
  - b. Either party may terminate this Agreement prior to the end of the current term for any reason, upon 90 days' written notice to the other party of its intent to terminate the Agreement early.
  - c. The parties acknowledge that BPRCT is an organization authorized by and created pursuant to state statute. In the event state law governing the structure, funding, existence, and authority of the BPRCT is altered and BPRCT is unable to continue to abide by the terms of this agreement, BPRCT's inability to act will not be considered a breach by BPRCT. In such event, TBC's sole remedy shall be to cancel this agreement. BPRCT will deliver notice of any such change in state law to TBC within (30) days following the final enactment of such change to state law.
3. Both parties shall continue their performance under this agreement during any notice period.
4. In the event this Agreement is terminated prior to the end of the current term:
  - a. BPRCT shall continue to pay TBC for all performance rendered or obligations incurred under this agreement up to the effective date of termination.
  - b. TBC shall execute all documentation necessary to give BPRCT the authority to cancel, to continue, or to assign any sub-contracts that TBC has entered into with any approved subcontractors under the terms of this Agreement.

C. Compensation/Reimbursement for Services

In consideration for providing the services discussed below, the BPRCT will reimburse the actual costs incurred by TBC as discussed below:

1. *Reimbursement of Staff Salaries and Benefits* In connection with staff salaries and benefits (compensation), the BPRCT will reimburse TBC for the actual cost of staff compensation based on the actual percentage of TBC staff time expended on BPRCT Activities. The percentage of TBC staff time expended will be based upon the actual time spent by the TBC staff, as supported by daily time records kept for all activities conducted by all TBC staff. TBC employees will keep time reports every day of the year. Such reports will be available for BPRCT inspection and review upon request.
2. *Out-of-Pocket Costs* The BPRCT will reimburse TBC for all actual out-of-pocket expenses incurred by TBC that are directly attributable to carrying out approved activities of the BPRCT. These out-of-pocket expenses include, but are not limited to, travel, postage, shipping, messengers, copies, telephone, and other reasonable and necessary expenses to perform the services under this Agreement. In addition, TBC will be reimbursed for the services of outside consultants and suppliers, which TBC deems necessary to assist in carrying out the activities of the BPRCT.
3. *Overhead Expenses* The BPRCT will reimburse TBC for its ratable share of eligible overhead costs that indirectly support BPRCT Activities (e.g., office supplies, office equipment, occupancy costs, etc.). Overhead costs will be allocated according to the percentage of time spent by all TBC staff working on BPRCT activities versus other assigned activities.
4. *Terms of Payment* TBC will bill the BPRCT on a monthly basis for costs incurred by TBC in performance of BPRCT Activities, as defined herein. Monthly invoices will include a summary of direct expenses incurred by program areas each month, TBC staff time summaries showing the actual percentage of staff time expended on all assigned activities to support staff compensation charges, and a summary of overhead costs allocated to BPRCT Activities during the month. Actual invoices paid and other supporting documentation shall be available for BPRCT inspection and review upon request.

TBC shall submit each monthly invoice and supporting schedules to the BPRCT Treasurer or the Chairman if the Treasurer is not available. The Treasurer or Chairman shall review and determine whether to approve payment of the TBC invoice. The Treasurer or Chairman may pay the invoice if such is for amounts and projects set out in the approved Marketing Plan & Budget. Upon BPRCT's decision to pay the TBC invoice in full or in part, the BPRCT agrees to pay TBC the approved amount within fifteen (15) days after the BPRCT Decision. At the next regular board meeting of the BPRCT, the board shall consider and act upon any TBC invoices paid by action of the Treasurer or Chairman since the previous BPRCT board meeting and either ratify or reject same, in whole or in part. A rejection of some or all of a TBC invoice previously paid by BPRCT shall result in a credit on the next regularly issued TBC invoice.

**II. TBC Duties/Responsibilities:** TBC agrees to perform the following tasks, as they relate to planning, implementing and operating the research, education, promotion, and marketing programs for the Texas beef checkoff, authorized by the Texas Ag Code, Chapter 41, Subchapter H.

A. Budgeting and Management of Program Activities

The TBC shall coordinate and implement an annual budget and planning process for the BPRCT. The Audit and Budget Committee will meet before May and establish budget guidelines for the upcoming fiscal year. The TBC staff will develop the Marketing Plan & Budget based on these guidelines and present it to the Audit and Budget Committee for its review and approval prior to the last board meeting of the fiscal year. The Marketing Plan & Budget will be considered by the BPRCT board at their last meeting of the fiscal year.

The Marketing Plan & Budget shall contain, at a minimum, an income projection and an expense budget, categorized by program area. The Marketing Plan & Budget may provide additional detail, but shall at a minimum contain budgeted expense limits for Research, Education, Promotion, and Marketing Activities (collectively the “Program Activities”).

For all Program Activities, the Marketing Plan & Budget may provide that the allocated BPRCT funds be appropriated among research projects as selected and funded by TBC, so long as such appropriations are approved by the appropriate TBC board committee. Additionally, for some or all areas of Program Activities, the Marketing Plan & Budget may provide that BPRCT conduct and fund activities other than activities undertaken by the TBC.

TBC shall provide the staffing resources necessary to ensure the reasonable completion of all BPRCT Activities. In addition, TBC will provide the BPRCT with periodic program updates, as requested by the BPRCT.

In selecting contractors or other partners to conduct Program Activities, the BPRCT by this agreement expressly authorizes the TBC to cooperate with state, national, and international partners, so long as the individual projects have potential to increase the demand for beef and/or enhance the profitability of beef production.

B. Administrative Services

In addition to the Program Activities described above, TBC will also provide certain administrative services to BPRCT as listed below. The budget for these administrative services will be included in the Marketing Plan & Budget.

1. *Accounting Services* TBC shall maintain accounts payable, make deposits of BPRCT funds, assist with BPRCT budgeting, ensure sound internal controls over BPRCT financial records, prepare audit working papers, perform all day to day accounting functions, and prepare monthly financial reports.

TBC shall keep all supporting documentation relating to performance of its duties under this Agreement on file and available for inspection and audit by BPRCT at any time under this Agreement, and for a period of three years following termination of this Agreement.

2. *Collections* TBC shall conduct collection activities for the BPRCT in a manner that complies with the collection policies and procedures established by the Texas Agriculture Code, Title 3, Chapter 41 and the related rules (the “Code” and “Rules”), including, but not limited to, appropriately processing all collections, communicating with collection points, processing and fulfilling refund requests, monitoring collection points for compliance, and performing compliance audits.
3. *Meetings and travel administration* TBC shall be responsible for performing all meeting and travel planning, program development activities, on-site program inspections and additional support activities for BPRCT, as requested by BPRCT.
4. *Administration and general services* TBC shall be responsible for paying all of the BPRCT’s administrative overhead expenses, contract obligations, and other expenses necessary to run the state beef checkoff program in a timely manner.

C. Reporting

1. *Annual Report* Within 30 days of the fiscal year end, TBC will provide BPRCT with a cash basis annual report itemizing all income and expenditures during the preceding year.
2. *Program Evaluations* Within 30 days of the fiscal year end, TBC shall prepare and submit to BPRCT evaluations of programs conducted during the preceding year.
3. *Additional Reports* In addition to the reports outlined above, TBC shall report to the BPRCT significant developments and publications resulting from Program Activities. Additionally, TBC staff shall provide monthly financial reports to the BPRCT Audit and Budget Committee.

Upon BPRCT request, TBC shall also provide BPRCT with other information regarding the implementation of projects approved by the BPRCT. Such information includes, but is not limited to, reports, agendas and related information requested by BPRCT for mailings, notebooks, office records or other purposes. TBC shall be given at least 15 days notification of the due date of such information.

4. *Annual Financial Statements* It is understood that BPRCT’s financial activities shall undergo an annual audit by an outside, third party, independent certified public accountant. TBC shall prepare the BPRCT’s financial statements for the preceding year in accordance with generally

accepted accounting principles and shall make all records available to the CPA for the conduct of the BPRCT's annual audit.

D. General

1. *Direction* TBC agrees to direct and conduct the services described above within policies established by the BPRCT, to assign the necessary personnel and to furnish essential equipment, facilities and supplies.
2. *Acknowledgement of Funding* TBC agrees to acknowledge Texas beef checkoff funding on all materials produced that are funded in whole or in part with Texas beef checkoff funds, in accordance with the guidelines established by BPRCT.

**III. BPRCT Duties/Responsibilities:**

- A. Engagement By way of this Agreement, BPRCT requests TBC to perform BPRCT Activities and related services for BPRCT in accordance with Texas law establishing a Texas beef checkoff program.
- B. Program Development BPRCT may provide regular input into TBC's development of the research, education, promotion, marketing, and administrative activities, including program planning, creative strategy and implementation, and media strategy and implementation.
- C. Evaluations BPRCT may evaluate the effectiveness of the programs implemented by TBC and propose future performance improvements.

**IV. Miscellaneous:**

- A. Relationship of Parties The parties hereto agree that TBC and any agents or employees of TBC in the performance of this Agreement shall act as independent contractors and not as officers or employees or agents of BPRCT. Further, all liabilities, obligations and duties imposed upon TBC pursuant to this Agreement are imposed upon TBC as agent for a disclosed principal and not as principal.
- B. Ownership, Copyrights/Trademarks of Others, Sponsorship, Indemnity, Term and Termination, Conflicts of Interest, Confidentiality, Certain Insurance
  1. *Ownership* Ownership of property (other than property previously owned by TBC) created or acquired in whole or part with funds from the BPRCT under this agreement shall be in proportion to the share of production costs (i.e. costs to develop, create and produce property in finished form) paid by each contributor. Ownership resulting from funds from the BPRCT shall be in the BPRCT, and any revenue, royalties, or other income derived from such ownership shall enure to the BPRCT; TBC shall take reasonable steps to protect said ownership. The BPRCT and TBC shall have the right and authority to utilize jointly-owned property within their respective programs, without cost to the other, provided that neither shall jeopardize the rights

of the other to use jointly owned property. Neither party shall license use of jointly-owned property outside its respective programs without the prior consent of the other.

2. *Copyrights/Trademarks of Others* TBC shall obtain all permissions required for use of copyrights or trademarks of others in projects performed under this agreement.
3. *Sponsorship* TBC shall include appropriate sponsor signature, copyright and trade or service mark on all materials produced with funds from the BPRCT under this agreement.

#### C. Indemnification and Insurance

1. TBC shall indemnify and hold harmless the BPRCT, its members, officers, directors, agents and employees against all losses, damages, liabilities, costs or expenses, including reasonable attorneys' fees (collectively, Losses), resulting from all claims, proceedings, investigations or actions (collectively, Claims) arising out of or in connection with (i) TBC's or its subcontractor's services under this Agreement to the extent that TBC or its subcontractor are negligent or engage in willful misconduct, (ii) any promotion materials created pursuant to this agreement by TBC or its subcontractor (except to the extent that BPRCT's acts or omissions caused the Losses) and (iii) any breach of TBC's obligations, warranties or representations under this Agreement.
2. The BPRCT shall indemnify and hold harmless TBC and its members, officers, directors, managers, agents and employees from and against any and all Losses incurred by TBC resulting from Claims arising out of or in connection with (i) BPRCT supplied products or materials, or representations concerning those products or materials, the BPRCT, to the extent furnished or prepared by or at the BPRCT's request for use by TBC (except to the extent TBC alters such products, materials or representations without BPRCT's knowledge) and (ii) any breach of BPRCT's obligations, warranties or representations under this Agreement.
3. Each party shall promptly notify the other party and provide a copy of any Claim for which indemnity may be due under this Agreement. The indemnifying party shall defend, compromise or otherwise dispose of the claim at its expense and, pending such disposition, the indemnified party shall refrain from paying the claim. The indemnified party shall cooperate with the indemnifying party in disposing of claims but shall not be obligated to participate in a disposition (other than by way of payment of money) that would affect business activities that are different from the products or services involved in the claim.
4. TBC, and its approved subcontractors, shall maintain a commercial general liability insurance policy having minimum liability coverage limits of \$500,000 per occurrence and \$1,000,000 in the aggregate and shall furnish a copy of a certificate of coverage or other evidence of coverage to BPRCT

upon request. Should this policy be terminated or reduced below such amounts, TBC shall provide BPRCT 10 days' prior notice of such action.

- D. Confidentiality TBC, its officers, directors, employees and agents, shall maintain the confidentiality of confidential information the BPRCT has disclosed to them in those capacities, and TBC shall indemnify the BPRCT from damages to BPRCT resulting from their misuse of such information.
- E. Related Party and Gift Policy TBC shall implement procedures relating to disclosure of relationships between TBC employees and approved subcontractors or potential subcontractors of TBC and the disclosure and acceptance of gifts and other items of value.
- F. Projects Approved in Previous Years. To the extent this Agreement is extended for additional Renewal Terms, TBC agrees, as directed by BPRCT, to continue administering projects which were approved by BPRCT in previous fiscal years but which have not yet been completed.
- G. Restrictions on Use of Funds No Texas checkoff funds advanced or paid by the BPRCT to the TBC shall be used in any manner for the purposes of influencing governmental policy or action.
- H. Entire Agreement This Agreement contains the entire understanding of the parties and supersedes all prior understandings with respect to its subject matter, but shall not affect obligations of the parties arising from other contracts between them.
- I. Assignability This Agreement is not assignable by TBC, either in whole or in part.
- J. Headings The headings contained in this Agreement have been inserted for the convenience of reference only and shall not be deemed to be a part of this Agreement and shall in no way affect the interpretation of this Agreement.
- K. Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Approved: BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

By \_\_\_\_\_

Approved: TEXAS BEEF COUNCIL

By \_\_\_\_\_

