

# Texas Beef Council

## BOARD OF DIRECTORS MEETING

AUGUST 2026



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

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

**Austin, Texas  
Thursday, August 20, 2026  
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 Statements
- C. Approve FY27 Plan & Budget

FY27 Directors

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

Nominating Committee Report

- F. Elect Officers and Executive Committee

Additional Action

- G. Approve FY27 Audit & Budget Committee
- H. Nominate Directors to Beef Promotion and Research Council of Texas (BPRCT)
- I. Approve Memorandum of Agreement with BPRCT for FY27

**5. Discussion Items Not Requiring Action**

- A. Federation of State Beef Councils (Federation) Director Report
- B. Litigation Update
- C. Next Board Meeting Dates – FY27
  - i. November 19, 2026 (November 18 – New Director Orientation)
  - ii. February 11, 2027 (Virtual)
  - iii. June 3, 2027
  - iv. August 19, 2027
- D. Recognition of Retiring Directors

**6. Adjourn**

# MINUTES

# **TEXAS BEEF COUNCIL**

## **Board of Directors**

### **Meeting Report**

**Chairman's Name:** Brandalyn Richards  
**Meeting Time/Date:** 9:24 AM, Thursday, June 4, 2026  
**Meeting Place:** Texas Beef Council, Austin, Texas

#### **Roll Call**

##### **Directors:**

Amy Kirkland, Brandalyn Richards, Brandon Cutrer, Dane Elliott, David Baumann, George Harrison, Jan Elliott, James Uhl, John Connaway, John Van de Pol, Kara Dudley, Kerry Wiggins, Klazina de Boer, Lauren Lyssy, Leslie Callahan, Pat Shields, Sarah McKenzie, Shannon Treichel

##### **Guests:**

Dan Hale, JoJo Carrales, Seth Denbow, Ben Weinheimer, Darren Turley, Cheyenne Pierce, Terrel Platt, Kinley Hartman

##### **Staff:**

Adrian Barajas, Amy Foster, Brooke Kaiser, Caitlyn Warren, Elise Stovall, Jason Bagley, Jennifer Matison, Jerry McPherson, Kaleb McLaurin, Kathleen Pickett, Kaylee Greiner, Kelley Wirtz, Larsha Flowers, Lauren Black, Lina Warren, Molly McAdams, Nancy Allender, Rachel Chou

#### **Decisions Made**

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

##### **Approved a change to the meeting agenda**

Motion Passed by unanimous consent

##### **Approved the minutes of the February 12, 2026, Board Meeting**

Motion by George Harrison Second by Dane Elliott Motion Passed

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

Motion by Brandalyn Richards Second by Leslie Callahan Motion Passed

##### **Approved Action Item B – Approve Long Range Plan**

Motion by Kerry Wiggins Second by Shannon Treichel Motion Passed

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

Motion by Shannon Treichel Second by George Harrison Motion Passed

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

Motion by John Connaway Second by Kara Dudley Motion Passed

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

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

Dane Elliott reported on the May 22, 2026, Joint Advisory Committee meeting. Elliott highlighted that TBC Staff shared trends and current events impacting the cattle

industry and beef supply, as well as consumer trends in retail, foodservice, and nutrition.

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

The Executive Committee met on May 11, 2026, and June 1, 2026, to review the FY26 mid-year budget redirections presented by Nancy Allender. Following their review and discussion, the Committee unanimously approved the proposed redirections. Additionally, the Committee reviewed the proposed National and State investments for FY27. The approved FY27 budget guidelines allocate \$1,095,000 to the Federation, \$1,095,000 to USMEF, and \$20,000 to the Texas Cattlewomen.

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

Shannon Treichel reported on the May 8, 2026 and June 1, 2026 Audit & Budget Committee meetings. The Committee reviewed the FY26 Checkoff revenue estimates provided by CattleFax and Dr. David Anderson and approved the revenue budget and overall budget guidelines for FY27. The Committee also reviewed and accepted the April 2026 financial statements as presented and recommended that the Board accept them.

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

Molly McAdams welcomed new TBC staff. McAdams reported on the New World Screwworm updates.

### ***Texas Beef Council Long Range Plan***

Molly McAdams shared the TBC Long Range Plan for 2026-2031, which highlights focus areas of Public Engagement and Building Confidence, Stakeholder Engagement, Innovation, Science, Research, and Continuous Improvement.

### ***CattleFax Report***

CattleFax Analyst Terrel Platt reported on projections for beef cow inventory, slaughter rates, price changes, and drought monitoring for 2026 into the next few years.

### **Discussion Items**

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

Kara Dudley reported on her recent travel to the USMEF Spring Conference in Oklahoma City, OK.

#### ***Federation Director Report***

Shannon Treichel discussed the upcoming Summer Business Meeting and Regional Meetings.

### ***Litigation Update***

Molly McAdams shared an update on the case of Ranchers Rights Initiative vs North Dakota Beef Commission (NDBC) / Governor of North Dakota. The case is still active.

### **Future Meeting Dates**

The next Board meeting will be on August 20, 2026.

**Adjourn**

Meeting Adjourned at 11:13 AM  
Report Submitted by:

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Brandalyn Richards

Date Submitted: August 20, 2026  
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 19, 2026, regarding the following:

- Review the TBC Form 990 for the year ended September 30, 2025.
- Conduct the annual evaluation of the Executive Vice President.

**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.

## **TBC ACTION ITEM: B**

### **Financial Reports**

**Action Item:**

**Accept the financial statements for June 2026 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 TBC's financial reports.

**Financial Impact:**

None.

**Staff Impact:**

Approximately 10 hours per month to prepare financial statements and management reports.



## TEXAS BEEF COUNCIL

**To: Board of Directors**

**From: Nancy Allender**

**Re: June 2026 Financial Statements**

Included in this packet are the Texas Beef Council (TBC) financial statements and related schedules, prepared on the modified cash basis, for the period ended June 30, 2026.

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With only three months left before we close out our fiscal year on September 30, TBC remains in a very strong financial position. Tighter cattle numbers across Texas continue to affect our total collection volumes, yet actual revenue remains ahead of our budget targets. Overall spending is running a bit behind our normal pace for this time of year, but that is intentional, as we are deploying our biggest marketing and promotional pushes during the busy summer months.

### Balance Sheet & Cash Position

TBC's core balance sheet continues to show a steady upward trend compared with the same period in the last two fiscal years.

- **Total Assets:** TBC's total asset base stands at \$6,960,427, representing a minor reduction of 1.2% against June 2025's \$7,042,174, but a healthy 12.0% gain over June 2024.
- **Cash & Short-Term Investments:** Together, our cash and investment balances total \$4,612,045 (\$1,698,668 in cash and \$2,913,377 in investments). This keeps us in a strong liquid position compared to the \$4,674,190 we held at this time last year.
- **Unrestricted Net Assets:** \$5,656,857, compared to \$5,439,496 in June 2025.

### Revenue Performance

Our revenue continues to pace ahead of budget expectations.

- **YTD Revenue:** We have recognized \$3,332,774 against a budget of \$3,203,849, a favorable variance of \$128,925 (or 4%).
- **TBC Net Collections:** Year-to-date, our net collections stand at \$3,328,117. Because we are navigating tighter cattle inventories across the state, this net total is tracking 7.5% behind last year's \$3,597,347 and 13.2% below our historical 5-year average of \$3,832,479.
- **Market Snapshot:** Volume drops across the state continue to come from Packers (down 14.2% YTD) and Dealers (down 10.5% YTD). Auction markets are tracking 1.1% ahead of last year.

### Expense Management

Our program spending reflects standard campaign timing rather than any operational delays.

- **Budget Status:** Year-to-date expenses total \$7,559,507, using 55% of our annual \$13.84M budget.

- Summer Campaign Timing: With 75% of the year behind us, our direct program spending is sitting at 52%. As we've done in past years, our heaviest program spending typically occurs during the summer months, so expect these numbers to climb over the next few months.
- Program vs Overhead: So far, we have invested \$3,904,925 into our Consumer Marketing and Nutrition & Health efforts, which accounts for the bulk of the \$4,277,398 spent across our entire direct program area. At the same time, our implementation costs are tracking \$234,663 under budget at \$2,186,358.

### **Investment Update**

Our main focus continues with managing liquidity through a staggered maturity calendar.

- Portfolio Value: The portfolio value is \$2,913,377 as of June 30, following a scheduled \$300,000 U.S. Treasury maturity during the month.
- The Mix: Our current mix is split between \$1,684,000 in Certificates of Deposit (CDs) and \$1,191,493 in U.S. Treasury Securities (reflecting the purchase cost net of premium/discount adjustments).
- Interest Earned: YTD interest income equals \$133,518, with our average portfolio yield at 3.670%.

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If you have any questions regarding these statements or require further details, please contact me at 512-799-4838 or [nancy@txbeef.org](mailto:nancy@txbeef.org).

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

|                                            | <u>6/30/26</u>             | <u>6/30/25</u>             | <u>6/30/24</u>             |
|--------------------------------------------|----------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                              |                            |                            |                            |
| <b>Current Assets</b>                      |                            |                            |                            |
| Cash and Cash Equivalents                  | \$ 1,698,668               | \$ 1,673,126               | \$ 1,414,516               |
| Investments                                | 2,913,377                  | 3,001,064                  | 2,597,727                  |
| Accounts Receivable                        |                            |                            |                            |
| Beef Promotion & Research Council of Texas | 832,185                    | 658,760                    | 504,303                    |
| Other                                      | 10,267                     | 8,214                      | 5,917                      |
| Prepaid Expenses                           | 326,033                    | 349,534                    | 140,961                    |
| Inventory                                  | 184,721                    | 219,890                    | 326,603                    |
| <b>Total Current Assets</b>                | <u>5,965,251</u>           | <u>5,910,588</u>           | <u>4,990,027</u>           |
| <b>Fixed Assets</b>                        |                            |                            |                            |
| Furniture & Fixtures                       | 219,591                    | 227,092                    | 219,493                    |
| Equipment & Supplies                       | 455,782                    | 442,885                    | 437,397                    |
| Automobiles                                | 453,068                    | 422,031                    | 422,031                    |
| Website Development                        | 704,978                    | 645,620                    | 546,237                    |
| Building, Land, & Improvements             | 2,098,749                  | 2,088,496                  | 2,059,882                  |
|                                            | <u>3,932,168</u>           | <u>3,826,124</u>           | <u>3,685,040</u>           |
| Less Accumulated Depreciation              | (2,936,992)                | (2,694,538)                | (2,460,453)                |
|                                            | <u>995,176</u>             | <u>1,131,587</u>           | <u>1,224,587</u>           |
|                                            | <u><u>\$ 6,960,427</u></u> | <u><u>\$ 7,042,174</u></u> | <u><u>\$ 6,214,614</u></u> |
| <b>LIABILITIES &amp; NET ASSETS</b>        |                            |                            |                            |
| <b>Current Liabilities</b>                 |                            |                            |                            |
| Accounts Payable                           |                            |                            |                            |
| Trade                                      | \$ 132,671                 | \$ 174,774                 | \$ 177,354                 |
| Beef Promotion & Research Council of Texas | 706,527                    | 874,804                    | 909,410                    |
| Other States                               | 82,134                     | 88,729                     | 61,514                     |
| Cattlemen's Beef Board                     | 378,091                    | 451,134                    | 443,445                    |
| National Program Investments               | -                          | -                          | -                          |
| Deferred Revenue                           | 4,147                      | 13,237                     | 5,821                      |
| <b>Total Current Liabilities</b>           | <u>1,303,570</u>           | <u>1,602,678</u>           | <u>1,597,544</u>           |
| <b>Net Assets</b>                          |                            |                            |                            |
| Unrestricted net assets                    | <u>5,656,857</u>           | <u>5,439,496</u>           | <u>4,617,070</u>           |
|                                            | <u><u>\$ 6,960,427</u></u> | <u><u>\$ 7,042,174</u></u> | <u><u>\$ 6,214,614</u></u> |

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

|                                                 | One Month Period Ended   |                          |                          | Year-to-Date Through     |                            |                            |
|-------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
|                                                 | 6/30/2026                | 6/30/2025                | 6/30/2024                | 6/30/2026                | 6/30/2025                  | 6/30/2024                  |
| <b>REVENUES</b>                                 |                          |                          |                          |                          |                            |                            |
| <b>Checkoff Revenues</b>                        |                          |                          |                          |                          |                            |                            |
| Texas Checkoff Revenues                         | \$ 313,849               | \$ 372,571               | \$ 382,780               | \$ 2,838,375             | \$ 3,058,236               | \$ 3,159,170               |
| Out-of-State Checkoff Revenues                  | 62,880                   | 67,632                   | 61,810                   | 492,837                  | 534,428                    | 561,679                    |
| Late Fee Income                                 | (7)                      | 298                      | 22                       | 1,562                    | 3,502                      | 4,015                      |
|                                                 | <u>376,722</u>           | <u>440,501</u>           | <u>444,612</u>           | <u>3,332,774</u>         | <u>3,596,166</u>           | <u>3,724,864</u>           |
| <b>BPRCT Contract Revenues</b>                  |                          |                          |                          |                          |                            |                            |
| BPRCT Contract Revenues                         | 832,184                  | 658,232                  | 504,304                  | 5,081,452                | 4,962,898                  | 6,031,615                  |
| <b>Other Revenues</b>                           |                          |                          |                          |                          |                            |                            |
| Interest Revenues                               | 14,055                   | 15,935                   | 15,228                   | 133,518                  | 147,488                    | 143,806                    |
| Other Revenues                                  | 4,070                    | 2,766                    | -                        | 17,640                   | 12,036                     | 1,649                      |
|                                                 | <u>18,125</u>            | <u>18,701</u>            | <u>15,228</u>            | <u>151,158</u>           | <u>159,524</u>             | <u>145,455</u>             |
| <b>BLT Store</b>                                |                          |                          |                          |                          |                            |                            |
| Sales, Net of Discounts & Cost of Sale          | (2,571)                  | (7,771)                  | (7,111)                  | (26,831)                 | (19,662)                   | (23,721)                   |
|                                                 | <u>1,224,460</u>         | <u>1,109,663</u>         | <u>957,033</u>           | <u>8,538,553</u>         | <u>8,698,926</u>           | <u>9,878,213</u>           |
| <b>EXPENSES</b>                                 |                          |                          |                          |                          |                            |                            |
| <b>National &amp; State Program Investments</b> |                          |                          |                          |                          |                            |                            |
| Federation of State Beef Councils               | -                        | -                        | -                        | 547,500                  | 560,000                    | 567,000                    |
| U.S. Meat Export Federation                     | -                        | -                        | -                        | 547,500                  | 628,500                    | 648,000                    |
| Texas CattleWomen                               | -                        | -                        | -                        | 750                      | 1,090                      | 1,133                      |
| National Support                                | 20,295                   | 3,039                    | -                        | 73,572                   | 12,270                     | -                          |
|                                                 | <u>20,295</u>            | <u>3,039</u>             | <u>-</u>                 | <u>1,169,322</u>         | <u>1,201,860</u>           | <u>1,216,133</u>           |
| <b>Marketing</b>                                |                          |                          |                          |                          |                            |                            |
| Consumer Marketing                              | 631,759                  | 316,489                  | 158,896                  | 2,853,185                | 2,141,652                  | 2,814,067                  |
| Nutrition & Health                              | 124,699                  | 136,451                  | 108,888                  | 1,051,740                | 1,031,732                  | 1,145,788                  |
| Program Implementation                          | 87,384                   | 77,003                   | 85,538                   | 828,600                  | 830,391                    | 823,142                    |
|                                                 | <u>843,842</u>           | <u>529,943</u>           | <u>353,322</u>           | <u>4,733,525</u>         | <u>4,003,775</u>           | <u>4,782,997</u>           |
| <b>Beef Resources</b>                           |                          |                          |                          |                          |                            |                            |
| Channel Marketing                               |                          |                          |                          |                          |                            |                            |
| Retail                                          | 6,310                    | 4,407                    | 6,690                    | 30,724                   | 83,692                     | 47,742                     |
| Foodservice                                     | 5,544                    | 8,687                    | 5,104                    | 35,584                   | 46,671                     | 190,488                    |
| Issues & Reputation Management                  | 6,002                    | 14,417                   | 8,644                    | 21,552                   | 86,218                     | 46,688                     |
| Producer Communications                         | 21,797                   | 58,720                   | 40,184                   | 235,366                  | 279,279                    | 317,248                    |
| Beef Quality & Beef Safety                      | 11,402                   | 3,731                    | 404                      | (6,276)                  | (2,287)                    | 23,131                     |
| Export Market Development                       | 411                      | 4,218                    | 14,480                   | 10,611                   | 55,211                     | 138,397                    |
| Program Implementation                          | 74,017                   | 85,328                   | 79,772                   | 610,031                  | 708,308                    | 681,660                    |
|                                                 | <u>125,483</u>           | <u>179,508</u>           | <u>155,278</u>           | <u>937,592</u>           | <u>1,257,092</u>           | <u>1,445,354</u>           |
| <b>Collections &amp; Compliance</b>             |                          |                          |                          |                          |                            |                            |
| Collection & Compliance Activities              | 2,437                    | 2,995                    | 4,562                    | 44,912                   | 38,164                     | 54,948                     |
| Program Implementation                          | 17,260                   | 16,251                   | 19,357                   | 147,394                  | 147,634                    | 175,213                    |
|                                                 | <u>19,697</u>            | <u>19,246</u>            | <u>23,919</u>            | <u>192,306</u>           | <u>185,798</u>             | <u>230,161</u>             |
| <b>Administration</b>                           |                          |                          |                          |                          |                            |                            |
| Administration                                  | 26,912                   | 74,349                   | 82,460                   | 526,762                  | 717,136                    | 774,161                    |
|                                                 | <u>1,036,229</u>         | <u>806,085</u>           | <u>614,979</u>           | <u>7,559,507</u>         | <u>7,365,661</u>           | <u>8,448,806</u>           |
| <b>TOTAL INCREASE IN NET ASSETS</b>             | <u><b>\$ 188,231</b></u> | <u><b>\$ 303,578</b></u> | <u><b>\$ 342,054</b></u> | <u><b>\$ 979,046</b></u> | <u><b>\$ 1,333,267</b></u> | <u><b>\$ 1,429,407</b></u> |

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

|                                                 | <b>% Rev</b>  | <b>Year-to-Date<br/>6/30/26</b> | <b>Annual<br/>Budget</b> | <b>% Budget</b> |
|-------------------------------------------------|---------------|---------------------------------|--------------------------|-----------------|
| <i>Percent of year expired</i>                  |               |                                 |                          | 75%             |
| <b>REVENUES</b>                                 |               |                                 |                          |                 |
| <b>Checkoff Revenues</b>                        |               |                                 |                          |                 |
| Texas Checkoff Revenues                         | 33.24%        | \$ 2,838,375                    | \$ 3,615,126             |                 |
| Out-of-State Checkoff Revenues                  | 5.77%         | 492,837                         | 619,874                  |                 |
| Late Fee Income                                 | 0.02%         | 1,562                           |                          |                 |
|                                                 | 39.03%        | 3,332,774                       | 4,235,000                | 78.70%          |
| <b>BPRCT Contract Revenues</b>                  |               |                                 |                          |                 |
| BPRCT Contract Revenues                         | 59.51%        | 5,081,452                       | 9,192,000                | 55%             |
| <b>Other Revenues</b>                           |               |                                 |                          |                 |
| Interest Revenues                               | 1.56%         | 133,518                         | 153,000                  | 87%             |
| Other Revenues                                  | 0.21%         | 17,640                          | 2,000                    | 0%              |
|                                                 | 1.77%         | 151,158                         | 155,000                  | 98%             |
| <b>BLT Store</b>                                |               |                                 |                          |                 |
| Sales, Net of Discounts & Cost of Sales         | -0.31%        | (26,831)                        | (22,000)                 | 122%            |
|                                                 | 100.00%       | 8,538,553                       | 13,560,000               | 63%             |
| <b>EXPENSES</b>                                 |               |                                 |                          |                 |
| <b>National &amp; State Program Investments</b> |               |                                 |                          |                 |
| Federation of State Beef Councils               | 6.41%         | 547,500                         | 1,095,000                | 50%             |
| U.S. Meat Export Federation                     | 6.41%         | 547,500                         | 1,095,000                | 50%             |
| Texas CattleWomen                               | 0.01%         | 750                             | 20,000                   | 4%              |
| National Support                                | 0.86%         | 73,572                          | 100,000                  | 74%             |
|                                                 | 13.69%        | 1,169,322                       | 2,310,000                | 51%             |
| <b>Direct Program Expenses</b>                  |               |                                 |                          |                 |
| Marketing                                       |               |                                 |                          |                 |
| Consumer Marketing                              | 33.42%        | 2,853,185                       | 5,407,000                | 53%             |
| Nutrition & Health                              | 12.32%        | 1,051,740                       | 1,937,000                | 54%             |
|                                                 | 45.73%        | 3,904,925                       | 7,344,000                | 53%             |
| Beef Resources                                  |               |                                 |                          |                 |
| Channel Marketing                               |               |                                 |                          |                 |
| Retail                                          | 0.36%         | 30,724                          | 61,000                   | 50%             |
| Foodservice                                     | 0.42%         | 35,585                          | 90,000                   | 40%             |
| Issues & Reputation Management                  | 0.25%         | 21,550                          | 54,000                   | 40%             |
| Producer Communications                         | 2.76%         | 235,367                         | 365,000                  | 64%             |
| Beef Quality & Beef Safety                      | -0.07%        | (6,277)                         | 77,000                   | -8%             |
| Export Market Development                       | 0.12%         | 10,613                          | 180,000                  | 6%              |
|                                                 | 3.84%         | 327,562                         | 827,000                  | 40%             |
| Collection & Compliance Activities              | 0.53%         | 44,912                          | 105,000                  | 43%             |
|                                                 | 50.10%        | 4,277,398                       | 8,276,000                | 52%             |
| <b>Program Implementation</b>                   | 24.74%        | 2,112,786                       | 3,249,000                | 65%             |
|                                                 | 88.53%        | 7,559,506                       | 13,835,000               | 55%             |
| <b>TOTAL INCREASE IN NET ASSETS</b>             | <b>11.47%</b> | <b>\$ 979,046</b>               | <b>\$ (275,000)</b>      | <b>-356%</b>    |

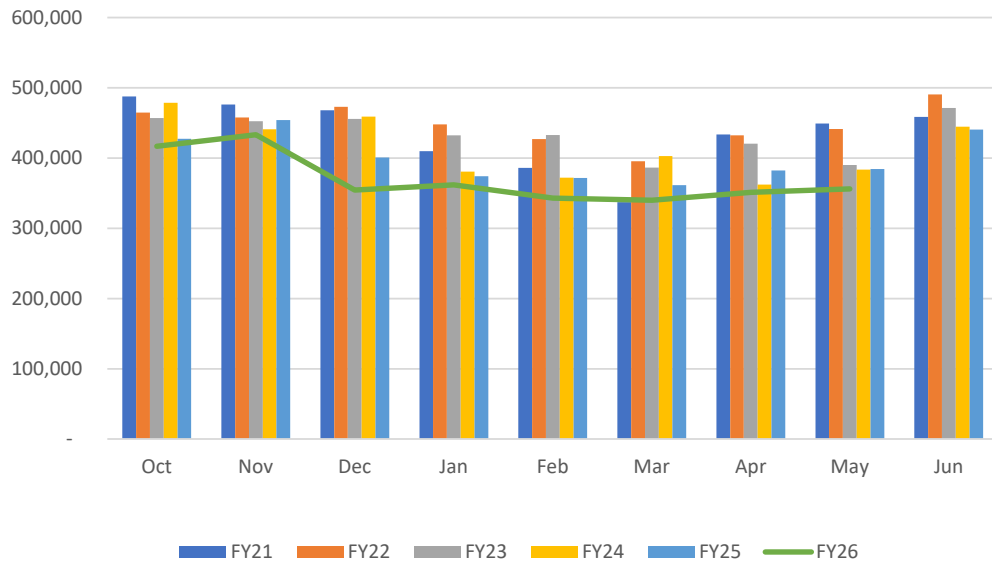
# TEXAS BEEF COUNCIL

## Monthly Federal Checkoff Summary by Producer Type

(Modified Cash Basis)

| Item Description             | Oct            | Nov            | Dec             | Jan            | Feb            | Mar            | Apr            | May            | Jun            | FY26 Total       | Pct.        |
|------------------------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|-------------|
| Dealers                      | 52,525         | 62,520         | 46,633          | 45,074         | 36,660         | 26,002         | 60,573         | 49,882         | 70,186         | 450,055          | 6.8%        |
| Feedyards                    | 35,226         | 38,271         | 31,206          | 39,600         | 38,924         | 40,590         | 43,830         | 36,364         | 34,201         | 338,212          | 5.1%        |
| Individuals                  | 5,439          | 5,576          | 3,423           | 3,407          | 4,030          | 3,896          | 5,713          | 5,537          | 3,571          | 40,592           | 0.6%        |
| Markets                      | 361,631        | 356,519        | 278,718         | 202,891        | 227,967        | 262,063        | 261,046        | 247,543        | 245,063        | 2,443,441        | 36.7%       |
| Packers                      | 274,822        | 288,328        | 280,138         | 279,148        | 257,159        | 255,512        | 233,761        | 248,849        | 277,416        | 2,395,133        | 36.0%       |
|                              | 729,643        | 751,214        | 640,118         | 570,120        | 564,740        | 588,063        | 604,923        | 588,175        | 630,437        | 5,667,433        | 85.1%       |
| Late Fees                    | 74             | 29             | 581             | 904            | 394            | 310            | 378            | 468            | (16)           | 3,122            | 0.0%        |
| State of Origin In           | 109,787        | 121,382        | 105,434         | 106,160        | 105,175        | 96,606         | 100,790        | 114,580        | 125,760        | 985,674          | 14.8%       |
| <b>Collections for Texas</b> | <b>839,504</b> | <b>872,625</b> | <b>746,133</b>  | <b>677,184</b> | <b>670,309</b> | <b>684,979</b> | <b>706,091</b> | <b>703,223</b> | <b>756,181</b> | <b>6,656,229</b> | <b>100%</b> |
| Less Payable to CBB          | (419,752)      | (436,313)      | (373,067)       | (338,592)      | (335,155)      | (342,490)      | (353,046)      | (351,612)      | (378,091)      | (3,328,118)      | 50.0%       |
| <b>TBC Collections</b>       | <b>419,752</b> | <b>436,312</b> | <b>373,066</b>  | <b>338,592</b> | <b>335,154</b> | <b>342,489</b> | <b>353,045</b> | <b>351,611</b> | <b>378,090</b> | <b>3,328,117</b> |             |
| Deferred Revenue Adjustment  | (2,886)        | (3,136)        | (18,615)        | 23,094         | 7,690          | (2,573)        | (1,924)        | 4,377          | (1,369)        | 4,658            |             |
| <b>Revenue Recognized</b>    | <b>416,866</b> | <b>433,176</b> | <b>354,451</b>  | <b>361,686</b> | <b>342,844</b> | <b>339,916</b> | <b>351,121</b> | <b>355,988</b> | <b>376,721</b> | <b>3,332,774</b> |             |
| <b>Budget</b>                | <b>418,062</b> | <b>411,778</b> | <b>407,250</b>  | <b>352,193</b> | <b>310,141</b> | <b>309,003</b> | <b>316,667</b> | <b>319,369</b> | <b>359,386</b> | <b>3,203,849</b> |             |
| <b>Budget Variance</b>       | <b>(1,196)</b> | <b>21,398</b>  | <b>(52,799)</b> | <b>9,493</b>   | <b>32,703</b>  | <b>30,913</b>  | <b>34,454</b>  | <b>36,619</b>  | <b>17,335</b>  | <b>128,925</b>   | <b>4.0%</b> |
| State of Origin Out          | 83,711         | 85,931         | 81,909          | 75,495         | 149,481        | 92,113         | 84,579         | 79,362         | 82,135         | 814,716          | 12%         |

Monthly Checkoff Revenues Through June



## TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH JUNE 30, 2026

| Dept | Tactic | Tactic Description              | Allocation Percentage |          | Direct Program Expenses |            |              | Program Implementation |            |            | Total        |            |              |
|------|--------|---------------------------------|-----------------------|----------|-------------------------|------------|--------------|------------------------|------------|------------|--------------|------------|--------------|
|      |        |                                 | TBC                   | BPRCT    | Total                   | TBC        | BPRCT        | Total                  | TBC        | BPRCT      | Total        | TBC        | BPRCT        |
| 1200 | 1299   | National Support                | 100.000%              | 0.000%   | -                       | -          | -            | 73,572.49              | 73,572.49  | -          | 73,572.49    | 73,572.49  | -            |
|      |        | National Support                |                       |          | -                       | -          | -            | 73,572.49              | 73,572.49  | -          | 73,572.49    | 73,572.49  | -            |
| 2100 | 2197   | TBC Administration              | 100.000%              | 0.000%   | -                       | -          | -            | 13,996.58              | 13,996.58  | -          | 13,996.58    | 13,996.58  | -            |
| 2100 | 2198   | BPRCT Administration            | 0.000%                | 100.000% | -                       | -          | -            | 2,793.32               | -          | 2,793.32   | 2,793.32     | -          | 2,793.32     |
| 2100 | 2199   | Combined Administration         | 50.000%               | 50.000%  | -                       | -          | -            | 255,797.01             | 127,898.50 | 127,898.51 | 255,797.01   | 127,898.50 | 127,898.51   |
|      |        | Administration                  |                       |          | -                       | -          | -            | 272,586.91             | 141,895.08 | 130,691.83 | 272,586.91   | 141,895.08 | 130,691.83   |
| 2200 | 2297   | TBC Accounting                  | 100.000%              | 0.000%   | -                       | -          | -            | 5,940.20               | 5,940.20   | -          | 5,940.20     | 5,940.20   | -            |
| 2200 | 2298   | BPRCT Accounting                | 0.000%                | 100.000% | -                       | -          | -            | 1,918.39               | -          | 1,918.39   | 1,918.39     | -          | 1,918.39     |
| 2200 | 2299   | Combined Accounting             | 50.000%               | 50.000%  | -                       | -          | -            | 246,316.57             | 123,158.28 | 123,158.29 | 246,316.57   | 123,158.28 | 123,158.29   |
|      |        | Accounting                      |                       |          | -                       | -          | -            | 254,175.16             | 129,098.48 | 125,076.68 | 254,175.16   | 129,098.48 | 125,076.68   |
| 2300 | 2311   | Collection Activities           | 50.000%               | 50.000%  | 29,505.84               | 14,752.92  | 14,752.92    | 45,356.08              | 22,678.04  | 22,678.04  | 74,861.92    | 37,430.96  | 37,430.96    |
| 2300 | 2312   | Compliance Activities           | 50.000%               | 50.000%  | 127.37                  | 63.69      | 63.68        | 27,565.84              | 13,782.92  | 13,782.92  | 27,693.21    | 13,846.61  | 13,846.60    |
| 2300 | 2313   | Field Staff Activities          | 50.000%               | 50.000%  | 13,725.65               | 6,862.83   | 6,862.82     | 22,305.54              | 11,152.77  | 11,152.77  | 36,031.19    | 18,015.60  | 18,015.59    |
| 2300 | 2314   | Texas Checkoff Refunds          | 0.000%                | 100.000% | 1,553.12                | -          | 1,553.12     | 15,207.03              | -          | 15,207.03  | 16,760.15    | -          | 16,760.15    |
| 2300 | 2397   | TBC Program Implementation      | 100.000%              | 0.000%   | -                       | -          | -            | -                      | -          | -          | -            | -          | -            |
| 2300 | 2398   | BPRCT Program Implementation    | 0.000%                | 100.000% | -                       | -          | -            | -                      | -          | -          | -            | -          | -            |
| 2300 | 2399   | Combined Program Implementation | 37.500%               | 50.800%  | -                       | -          | -            | 36,959.87              | 18,184.26  | 18,775.61  | 36,959.87    | 18,184.26  | 18,775.61    |
|      |        | Collections & Compliance        |                       |          | 44,911.98               | 21,679.44  | 23,232.54    | 147,394.36             | 65,797.99  | 81,596.37  | 192,306.34   | 87,477.43  | 104,828.91   |
| 3100 | 3111   | Retail Engagement               | 16.396%               | 83.604%  | 21,940.29               | 3,597.40   | 18,342.89    | 52,920.18              | 8,676.97   | 44,243.21  | 74,860.47    | 12,274.37  | 62,586.10    |
| 3100 | 3112   | Industry Meetings & Planning    | 16.396%               | 83.604%  | 8,783.86                | 1,440.23   | 7,343.63     | 15,571.76              | 2,553.20   | 13,018.56  | 24,355.62    | 3,993.43   | 20,362.19    |
| 3100 | 3199   | Combined Program Implementation | 16.396%               | 83.604%  | -                       | -          | -            | 22,116.42              | 3,626.28   | 18,490.14  | 22,116.42    | 3,626.28   | 18,490.14    |
|      |        | Retail                          |                       |          | 30,724.15               | 5,037.63   | 25,686.52    | 90,608.36              | 14,856.45  | 75,751.91  | 121,332.51   | 19,894.08  | 101,438.43   |
| 3200 | 3211   | Foodservice Education           | 16.396%               | 83.604%  | 35,584.43               | 5,834.54   | 29,749.89    | 62,805.27              | 10,297.76  | 52,507.51  | 98,389.70    | 16,132.30  | 82,257.40    |
| 3200 | 3299   | Combined Program Implementation | 16.396%               | 83.604%  | -                       | -          | -            | 9,073.10               | 1,487.66   | 7,585.44   | 9,073.10     | 1,487.66   | 7,585.44     |
|      |        | Foodservice                     |                       |          | 35,584.43               | 5,834.54   | 29,749.89    | 71,878.37              | 11,785.42  | 60,092.95  | 107,462.80   | 17,619.96  | 89,842.84    |
| 4100 | 4111   | Beef Loving Texans Store        | 100.000%              | 0.000%   | 8,432.73                | 8,432.73   | -            | 7,091.55               | 7,091.55   | -          | 15,524.28    | 15,524.28  | -            |
| 4100 | 4112   | BLT Branding & Promotions       | 16.396%               | 83.604%  | 491,032.16              | 80,511.26  | 410,520.90   | 158,233.44             | 25,944.48  | 132,288.96 | 649,265.60   | 106,455.74 | 542,809.86   |
| 4100 | 4113   | BLT Paid Advertising            | 16.396%               | 83.604%  | 1,480,643.00            | 242,771.15 | 1,237,871.85 | 2,402.66               | 393.95     | 2,008.71   | 1,483,045.66 | 243,165.10 | 1,239,880.56 |
| 4100 | 4116   | Industry Meetings & Planning    | 16.396%               | 83.604%  | 11,324.23               | 1,856.76   | 9,467.47     | 20,841.91              | 3,417.31   | 17,424.60  | 32,166.14    | 5,274.07   | 26,892.07    |
| 4100 | 4121   | BLT Earned Media                | 16.396%               | 83.604%  | 84,848.23               | 13,912.00  | 70,936.23    | 1,320.90               | 216.58     | 1,104.32   | 86,169.13    | 14,128.58  | 72,040.55    |
| 4100 | 4126   | BLT Content                     | 16.396%               | 83.604%  | 127,440.91              | 20,895.64  | 106,545.27   | 87,179.98              | 14,294.32  | 72,885.66  | 214,620.89   | 35,189.96  | 179,430.93   |
| 4100 | 4131   | BLT Brand Activation            | 16.396%               | 83.604%  | 472,269.14              | 77,434.82  | 394,834.32   | 124,905.26             | 20,479.88  | 104,425.38 | 597,174.40   | 97,914.70  | 499,259.70   |
| 4100 | 4132   | Brand Partnerships              | 16.396%               | 83.604%  | 66,598.20               | 10,919.66  | 55,678.54    | 5,467.29               | 896.44     | 4,570.85   | 72,065.49    | 11,816.10  | 60,249.39    |
| 4100 | 4133   | Information Dissemination       | 16.396%               | 83.604%  | 110,595.65              | 18,133.63  | 92,462.02    | 15,720.01              | 2,577.51   | 13,142.50  | 126,315.66   | 20,711.14  | 105,604.52   |
| 4100 | 4199   | Combined Program Implementation | 16.396%               | 83.563%  | -                       | -          | -            | 143,007.30             | 23,506.05  | 119,501.25 | 143,007.30   | 23,506.05  | 119,501.25   |
|      |        | Consumer Marketing              |                       |          | 2,853,184.25            | 474,867.65 | 2,378,316.60 | 566,170.30             | 98,818.07  | 467,352.23 | 3,419,354.55 | 573,685.72 | 2,845,668.83 |
| 4200 | 4216   | Industry Meetings & Planning    | 16.396%               | 83.604%  | 4,422.11                | 725.06     | 3,697.05     | 7,151.89               | 1,172.65   | 5,979.24   | 11,574.00    | 1,897.71   | 9,676.29     |
| 4200 | 4222   | Health Professional Outreach    | 16.396%               | 83.604%  | 121,524.09              | 19,925.49  | 101,598.60   | 88,071.92              | 14,440.56  | 73,631.36  | 209,596.01   | 34,366.05  | 175,229.96   |
| 4200 | 4224   | Medical Office Outreach         | 16.396%               | 83.604%  | 913,320.65              | 149,751.09 | 763,569.56   | 21,516.31              | 3,527.89   | 17,988.42  | 934,836.96   | 153,278.98 | 781,557.98   |
| 4200 | 4225   | Nutrition Content               | 16.396%               | 83.604%  | 993.59                  | 162.91     | 830.68       | 13,719.06              | 2,249.42   | 11,469.64  | 14,712.65    | 2,412.33   | 12,300.32    |
| 4200 | 4234   | Consumer Nutrition Education    | 16.396%               | 83.604%  | 11,479.86               | 1,882.28   | 9,597.58     | 44,790.67              | 7,344.03   | 37,446.64  | 56,270.53    | 9,226.31   | 47,044.22    |
| 4200 | 4299   | Combined Program Implementation | 16.396%               | 83.604%  | -                       | -          | -            | 87,179.41              | 14,294.23  | 72,885.18  | 87,179.41    | 14,294.23  | 72,885.18    |
|      |        | Nutrition & Health              |                       |          | 1,051,740.30            | 172,446.83 | 879,293.47   | 262,429.26             | 43,028.78  | 219,400.48 | 1,314,169.56 | 215,475.61 | 1,098,693.95 |
| 5100 | 5111   | Crisis Communications           | 100.000%              | 0.000%   | 42.30                   | 42.30      | -            | 482.28                 | 482.28     | -          | 524.58       | 524.58     | -            |
| 5100 | 5112   | Industry Advocacy               | 16.396%               | 83.604%  | 14,322.93               | 2,348.44   | 11,974.49    | 28,884.25              | 4,735.96   | 24,148.29  | 43,207.18    | 7,084.40   | 36,122.78    |
| 5100 | 5113   | Issues & Reputation Management  | 16.396%               | 83.604%  | 1,500.00                | 245.94     | 1,254.06     | 28,883.40              | 4,735.82   | 24,147.58  | 30,383.40    | 4,981.76   | 25,401.64    |
| 5100 | 5115   | Production Content              | 16.396%               | 83.604%  | -                       | -          | -            | 6,011.98               | 985.74     | 5,026.24   | 6,011.98     | 985.74     | 5,026.24     |
| 5100 | 5116   | AgriLife Extension Engagement   | 16.396%               | 83.604%  | 5,686.55                | 932.39     | 4,754.16     | 21,077.68              | 3,455.97   | 17,621.71  | 26,764.23    | 4,388.36   | 22,375.87    |
| 5100 | 5199   | Combined Program Implementation | 16.396%               | 82.327%  | -                       | -          | -            | 21,752.18              | 3,844.20   | 17,907.98  | 21,752.18    | 3,844.20   | 17,907.98    |
|      |        | Issues & Reputation Management  |                       |          | 21,551.78               | 3,569.07   | 17,982.71    | 107,091.77             | 18,239.97  | 88,851.80  | 128,643.55   | 21,809.04  | 106,834.51   |
| 6100 | 6111   | Producer Direct Communications  | 16.396%               | 83.604%  | 69,092.08               | 11,328.57  | 57,763.51    | 167,413.30             | 27,449.64  | 139,963.66 | 236,505.38   | 38,778.21  | 197,727.17   |
| 6100 | 6112   | Producer Assets                 | 16.396%               | 83.604%  | 15,232.66               | 2,497.60   | 12,735.06    | 4,541.01               | 744.56     | 3,796.45   | 19,773.67    | 3,242.16   | 16,531.51    |

## TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH JUNE 30, 2026

| Dept               | Tactic | Tactic Description                 | Allocation Percentage |          | Direct Program Expenses |                   |                     | Program Implementation |                   |                     | Total               |                     |                     |
|--------------------|--------|------------------------------------|-----------------------|----------|-------------------------|-------------------|---------------------|------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|                    |        |                                    | TBC                   | BPRCT    | Total                   | TBC               | BPRCT               | Total                  | TBC               | BPRCT               | Total               | TBC                 | BPRCT               |
| 6100               | 6113   | Producer Influencer Communications | 16.396%               | 83.604%  | 31,517.84               | 5,167.77          | 26,350.07           | 9,336.50               | 1,530.84          | 7,805.66            | 40,854.34           | 6,698.61            | 34,155.73           |
| 6100               | 6115   | Industry Meetings & Planning       | 16.396%               | 83.604%  | 437.25                  | 71.69             | 365.56              | 10,810.61              | 1,772.54          | 9,038.07            | 11,247.86           | 1,844.23            | 9,403.63            |
| 6100               | 6116   | Producer Earned Media              | 16.396%               | 83.604%  | 4,206.64                | 689.73            | 3,516.91            | 470.23                 | 77.10             | 393.13              | 4,676.87            | 766.83              | 3,910.04            |
| 6100               | 6117   | Producer Paid Media                | 16.396%               | 83.604%  | 68,144.68               | 11,173.23         | 56,971.45           | -                      | -                 | -                   | 68,144.68           | 11,173.23           | 56,971.45           |
| 6100               | 6118   | Producer Strategy                  | 16.396%               | 83.604%  | 46,734.63               | 7,662.77          | 39,071.86           | 4,530.23               | 742.79            | 3,787.44            | 51,264.86           | 8,405.56            | 42,859.30           |
| 6100               | 6199   | Combined Program Implementation    | 16.396%               | 83.604%  | -                       | -                 | -                   | 50,786.08              | 8,327.05          | 42,459.03           | 50,786.08           | 8,327.05            | 42,459.03           |
|                    |        | Producer Communications            |                       |          | 235,365.78              | 38,591.36         | 196,774.42          | 247,887.96             | 40,644.52         | 207,243.44          | 483,253.74          | 79,235.88           | 404,017.86          |
| 7100               | 7111   | Beef Quality Assurance             | 16.396%               | 83.604%  | (23,039.28)             | (3,777.60)        | (19,261.68)         | 30,571.92              | 5,012.67          | 25,559.25           | 7,532.64            | 1,235.07            | 6,297.57            |
| 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       | 16.396%               | 83.604%  | 6,763.16                | 1,108.91          | 5,654.25            | 5,302.12               | 869.35            | 4,432.77            | 12,065.28           | 1,978.26            | 10,087.02           |
| 7100               | 7131   | Beef Quality & Safety Research     | 16.396%               | 83.604%  | -                       | -                 | -                   | 10,241.79              | 1,679.28          | 8,562.51            | 10,241.79           | 1,679.28            | 8,562.51            |
| 7100               | 7199   | Combined Program Implementation    | 12.297%               | 85.488%  | -                       | -                 | -                   | 6,981.65               | 1,013.16          | 5,968.49            | 6,981.65            | 1,013.16            | 5,968.49            |
|                    |        | Beef Quality & Beef Safety         |                       |          | (6,276.12)              | (2,668.69)        | (3,607.43)          | 53,097.48              | 8,574.46          | 44,523.02           | 46,821.36           | 5,905.77            | 40,915.59           |
| 8100               | 8111   | USMEF Programs                     | 16.396%               | 83.604%  | 6,029.93                | 988.69            | 5,041.24            | 27,229.95              | 4,464.71          | 22,765.24           | 33,259.88           | 5,453.40            | 27,806.48           |
| 8100               | 8112   | International Industry Meetings    | 100.000%              | 0.000%   | 4,581.71                | 4,581.71          | -                   | 5,302.12               | 5,302.12          | -                   | 9,883.83            | 9,883.83            | -                   |
| 8100               | 8199   | Combined Program Implementation    | 58.198%               | 81.281%  | -                       | -                 | -                   | 6,934.25               | 1,298.00          | 5,636.25            | 6,934.25            | 1,298.00            | 5,636.25            |
|                    |        | Export Market Development          |                       |          | 10,611.64               | 5,570.40          | 5,041.24            | 39,466.32              | 11,064.83         | 28,401.49           | 50,077.96           | 16,635.23           | 33,442.73           |
| <b>Grand Total</b> |        |                                    |                       |          | <b>4,277,398.19</b>     | <b>724,928.23</b> | <b>3,552,469.96</b> | <b>2,186,358.74</b>    | <b>657,376.54</b> | <b>1,528,982.20</b> | <b>6,463,756.93</b> | <b>1,382,304.77</b> | <b>5,081,452.16</b> |

## Investment Summary

|                              | Debt Securities |               |                    |               |              | Certificates of Deposit |               |              |                     |               |            |              | Total        |
|------------------------------|-----------------|---------------|--------------------|---------------|--------------|-------------------------|---------------|--------------|---------------------|---------------|------------|--------------|--------------|
|                              | Investment Cost |               | Premium (Discount) |               | Total        | Principal Amount        |               |              | Interest Receivable |               |            | Total        |              |
|                              | Regular         | 1 Yr - Ladder | Regular            | 1 Yr - Ladder |              | Purchases               | 1 Yr - Ladder | Short-term   | Various             | 1 Yr - Ladder | Short-term |              |              |
| Investments - 5/31/2026      | 0.00            | 1,500,000.00  | 0.00               | (11,929.75)   | 1,488,070.25 | 1,684,000.00            | 0.00          | 0.00         | 32,615.92           | 0.00          | 0.00       | 1,716,615.92 | 3,204,686.17 |
| Current month interest/amort |                 |               | 0.00               | 3,422.72      | 3,422.72     |                         |               |              | 5,268.69            | 0.00          | 0.00       | 5,268.69     | 8,691.41     |
| Interest payment received    |                 |               |                    |               | 0.00         |                         |               |              | 0.00                | 0.00          | 0.00       | 0.00         | 0.00         |
| Accrued interest purchased   |                 |               |                    |               | 0.00         |                         |               |              | 0.00                | 0.00          | 0.00       | 0.00         | 0.00         |
| Purchased                    | 0.00            | -             | -                  | -             | 0.00         | 0.00                    | 0.00          | 0.00         |                     |               |            | 0.00         | 0.00         |
| Redeemed                     | 0.00            | (300,000.00)  |                    |               | (300,000.00) | 0.00                    | 0.00          | 0.00         |                     |               |            | 0.00         | (300,000.00) |
| Investments - 6/30/2026      | 0.00            | 1,200,000.00  | 0.00               | (8,507.03)    | 1,191,492.97 | 1,684,000.00            | 0.00          | 0.00         | 37,884.61           | 0.00          | 0.00       | 1,721,884.61 | 2,913,377.58 |
|                              |                 |               |                    |               |              |                         |               | 1,684,000.00 |                     |               | 37,884.61  |              |              |

## Investment Income Summary

Average Yield 3.670%

|                           | Current Month | Year to Date |
|---------------------------|---------------|--------------|
| Debt Securities           | 3,422.72      | 30,115.06    |
| Certificates of Deposit   | 5,268.69      | 50,243.08    |
| Invesco Fund Interest     | 3,316.25      | 32,854.10    |
| Goldman Sachs Fund Intere | 2,046.96      | 20,305.45    |
|                           | 14,054.62     | 133,517.69   |

## Debt Securities

| Issuing Agency            | U.S. Treasury | U.S. Treasury | U.S. Treasury | U.S. Treasury |      |      |      |      |      |      |      |      | Total        |
|---------------------------|---------------|---------------|---------------|---------------|------|------|------|------|------|------|------|------|--------------|
| Identification Number     | 912797TU1     | 912797TF4     | 912797RG4     | 912797TV9     |      |      |      |      |      |      |      |      |              |
| Face Value                | 300,000.00    | 300,000.00    | 600,000.00    | 300,000.00    |      |      |      |      |      |      |      |      |              |
| Discounted Purchase Price |               | 295,774.08    | 589,595.78    | 290,639.98    |      |      |      |      |      |      |      |      |              |
| Yield                     | 3.500%        | 3.500%        | 3.500%        | 3.400%        |      |      |      |      |      |      |      |      |              |
| Maturity Date             | 2-Jun-26      | 2-Jul-26      | 6-Aug-26      | 18-Feb-27     |      |      |      |      |      |      |      |      |              |
| Income to Recognize       | 3,384.67      | 4,225.92      | 10,404.22     | 9,630.02      |      |      |      |      |      |      |      |      | 27,644.83    |
| Investment                |               |               |               |               |      |      |      |      |      |      |      |      |              |
| Beginning of Period       | 300,000.00    | 300,000.00    | 600,000.00    | 300,000.00    | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,500,000.00 |
| Purchases                 |               |               |               |               |      |      |      |      |      |      |      |      | 0.00         |
| Amount Redeemed           | (300,000.00)  |               |               |               |      |      |      |      |      |      |      |      | (300,000.00) |
| End of Period             | 0.00          | 300,000.00    | 600,000.00    | 300,000.00    | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,200,000.00 |
| Premium (Discount)        |               |               |               |               |      |      |      |      |      |      |      |      |              |
| Beginning of Period       | (56.84)       | (907.57)      | (3,788.44)    | (7,176.90)    | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (11,929.75)  |
| Accretion                 | 56.84         | 850.86        | 1,696.35      | 818.67        |      |      |      |      |      |      |      |      | 3,422.72     |
| Purchased                 |               |               |               |               |      |      |      |      |      |      |      |      | 0.00         |
| End of Period             | (0.00)        | (56.71)       | (2,092.09)    | (6,358.23)    | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (8,507.03)   |

## Certificates of Deposit

| Issuing Bank          | Apple Bank for Savings | Parkway Bank & Trust | Toyota Financial Savings Bank | Southstate Bank | Cross Bank | Old National Bank | Goldman Sachs Bank |      |      |      |      |      | Total        |
|-----------------------|------------------------|----------------------|-------------------------------|-----------------|------------|-------------------|--------------------|------|------|------|------|------|--------------|
| Identification Number | 03784JTS3              | 70153RNQ7            | 89235MTP6                     | 84476JCV7       | 227438AJ7  | 680061RH3         | 38151PLL3          |      |      |      |      |      |              |
| Principal Amount      | 240,000.00             | 240,000.00           | 240,000.00                    | 240,000.00      | 244,000.00 | 240,000.00        | 240,000.00         |      |      |      |      |      |              |
| Coupon Rate           | 4.000%                 | 4.000%               | 3.750%                        | 3.750%          | 3.550%     | 3.700%            | 3.900%             |      |      |      |      |      |              |
| Maturity Date         | 17-Jul-26              | 24-Jul-26            | 26-Oct-26                     | 25-Nov-26       | 22-Sep-26  | 18-Feb-27         | 7-Apr-26           |      |      |      |      |      |              |
| Income to Recognize   | 9,573.70               | 9,573.70             | 8,260.27                      | 8,975.34        | 5,766.76   | 8,880.00          | 9,360.00           |      |      |      |      |      | 60,389.77    |
| Investment            |                        |                      |                               |                 |            |                   |                    |      |      |      |      |      |              |
| Beginning of Period   | 240,000.00             | 240,000.00           | 240,000.00                    | 240,000.00      | 244,000.00 | 240,000.00        | 240,000.00         | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,684,000.00 |
| Purchases             |                        |                      |                               |                 |            |                   |                    |      |      |      |      |      | 0.00         |
| Amount Redeemed       |                        |                      |                               |                 |            |                   |                    |      |      |      |      |      | 0.00         |
| End of Period         | 240,000.00             | 240,000.00           | 240,000.00                    | 240,000.00      | 244,000.00 | 240,000.00        | 240,000.00         | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,684,000.00 |
| Interest Receivable   |                        |                      |                               |                 |            |                   |                    |      |      |      |      |      |              |
| Beginning of Period   | 8,337.41               | 8,153.31             | 4,611.05                      | 4,586.39        | 3,061.43   | 2,481.56          | 1,384.77           | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 32,615.92    |
| Interest Earned       | 789.03                 | 789.03               | 739.74                        | 739.74          | 711.96     | 729.87            | 769.32             |      |      |      |      |      | 5,268.69     |
| Interest Received     |                        |                      |                               |                 |            |                   |                    |      |      |      |      |      | 0.00         |
| End of Period         | 9,126.44               | 8,942.34             | 5,350.79                      | 5,326.13        | 3,773.39   | 3,211.43          | 2,154.09           | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 37,884.61    |

## **TBC ACTION ITEM: C**

### **FY27 Plan and Budget**

#### **Action Item:**

**The Audit & Budget Committee recommends approval of the FY27 Plan and Budget for TBC. (See budget book for details.)**

#### **REVENUE**

|                        |                   |
|------------------------|-------------------|
| Checkoff Assessments   | \$4,200,000       |
| BPRCT Contract Revenue | 8,778,000         |
| Interest Revenue       | 118,000           |
| BLT Store              | (22,000)          |
| Other Revenue          | 13,000            |
| Total Revenue          | <u>13,087,000</u> |

#### **EXPENSES**

|                             |                   |
|-----------------------------|-------------------|
| Federation Investment       | 1,095,000         |
| U.S. Meat Export Federation | 1,095,000         |
| Texas CattleWomen           | 20,000            |
| Direct Program              | 8,175,000         |
| Program Implementation      | 3,338,000         |
| Total Expenses              | <u>13,723,000</u> |

**EXPENSES IN EXCESS OF REVENUES** (636,000)

**CAPITAL EXPENDITURES** 89,000

#### **Background:**

The Marketing Plan and Budget for FY27 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 17, 2026, to review the proposed plan and budget for FY27. The budget includes a \$1,095,000 national investment with the Federation and a \$1,095,000 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:**

18 Full-Time Employees.

## TBC ACTION ITEM: D

### Election of Directors

**Action Item:**

**Cattle producer organizations and allied organizations nominate the following individuals to represent their respective groups on the TBC Board of Directors for FY27.**

| Organization                                                     | Director Nominee   | Term |
|------------------------------------------------------------------|--------------------|------|
| Texas Cattle Feeders Association                                 | Amy Kirkland       | 6    |
|                                                                  | Brandalyn Richards | 5    |
|                                                                  | David Baumann      | 2    |
| Texas Farm Bureau                                                | Sarah McKenzie     | 6    |
|                                                                  | Dane Elliott       | 5    |
|                                                                  | John Connaway      | 3    |
| Texas & Southwestern<br>Cattle Raisers Association               | Kara Dudley        | 4    |
|                                                                  | George Harrison    | 3    |
|                                                                  | James Uhl          | 2    |
| Purebred Cattle Associations<br>(Texas Purebred Cattle Alliance) | Brandon Cutrer     | 5    |
|                                                                  | Lauren Lyssy       | 2    |
| Independent Cattlemen's<br>Association of Texas                  | Brian Malaer       | 6    |
|                                                                  | Kerry Wiggins      | 4    |
| Dairy Associations<br>(Texas Association of Dairymen)            | Klazina de Boer    | 5    |
|                                                                  | John Van de Pol    | 3    |
| Texas CattleWomen                                                | Jan Elliott        | 2    |
| Packer/Exporter Associations<br>(Southwest Meat Association)     | Karrie Menz        | 2    |
| Livestock Markets<br>(Livestock Marketing Association of Texas)  | Leslie Callahan    | 3    |

**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 FY27:**

| Director Name    | Term |
|------------------|------|
| Shannon Treichel | 6    |
| Seth Denbow      | 1    |

**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.

Seth Denbow serves as President and CEO of National Finance Credit Corporation of Texas (NFCC) and the Texas Livestock Marketing Association (TLMA). Additionally, Seth is involved in a cow-calf and yearling operation with his two brothers in Moran and Cranfills Gap, Texas.

Shannon Treichel is an ag marketing expert with experience in animal health and agricultural business strategy. She also runs cattle on her ranch in Canyon, TX.

**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 FY27:**

**Chairman:** Shannon Treichel

**Vice-Chairman:** Kara Dudley

**Immediate Past Chairman:** Brandalyn Richards

**Executive Committee:** Brian Malaer

**Executive Committee:** David Baumann

**Background:**

The Nominating Committee, appointed by the Chairman and approved by the Board on June 4, 2026, consists of Immediate Past Chairman Pat Shields, Amy Kirkland, and Sarah McKenzie. The Committee met on July 24, 2026, 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 Audit & Budget Committee**

**Action Item:**

**The Chairman recommends approval of the appointment of the following directors to serve on the Audit & Budget Committee for FY27:**

Kara Dudley, Chairman  
Leslie Callahan  
George Harrison

**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 FY27.**

**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 FY27.**

**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 sets forth the parameters for the Texas Beef Council in carrying out the administrative and collection responsibilities, as well as the marketing, education, research, and promotion efforts of the Texas State Beef Checkoff.

**Financial Impact:**

\$8,778,000

**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, 2026, 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, 2026, and shall remain in effect until September 30, 2027, 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 \_\_\_\_\_

