

Beef Promotion and Research Council of Texas

COUNCIL MEETING

FEBRUARY 2023



Improve Texas producer profitability
by strengthening and expanding demand.

**BEEF & PROMOTION RESEARCH COUNCIL OF TEXAS
(BPRCT)
COUNCIL MEETING**

**Wednesday, February 15, 2023
9:00 A.M.**

AGENDA

- 1. Call to Order and Establish Quorum**
- 2. Approval of Minutes**
- 3. Public Comment**
- 4. Discussion and Possible Action Items**
 - A. Approve Reimbursements to Texas Beef Council Audit and Budget Committee Report
 - B. Audited Financial Statements – FY22
 - C. Financial Statements – FY23
 - D. Budget Amendment - FY22
 - E. Budget Amendment - FY23
 - Additional Action
 - F. Non-Compliance
- 5. Other Reports and Updates**
 - A. Collections / Refund Report
 - B. Quarterly Investment Report
- 6. Discussion of Other Business**

Acknowledgement and Placement on the Agenda for the Next Meeting
- 7. Discussion and Possible Action on Future Meeting Date**
 - A. June 1, 2023
- 8. Adjourn**

MINUTES

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

Council Meeting

Meeting Report

Chairman's Name: Pat McDowell

Meeting Time/Date: 10:45 AM, Wednesday, November 16, 2022

Meeting Place: Texas Beef Council, Austin, Texas

Roll Call

Directors:

Klazina de Boer, Mark Sustaire, Brian Malaer, Neil Dudley, Brandi Richards, Amy Kirkland, Richard Winter, Marsha Shoemaker, Pat McDowell, Sarah McKenzie, Dane Elliott, Brandon Cutrer, Fred Schuetze, Dan Gattis, Gilly Riojas, Leslie Kinsel, Pat Shields, Shannon Treichel

Guests:

Tracy Tomascik, Dan Hale, Rick Avery, Claudia Wright, Debbie Gill, David Henderson, Lisa Coombes, Megan Dailey

Staff:

Adriana Mora, Amber Elwood, Amy Foster, Hannah Fuerniss, Jason Bagley, Jennifer Matison, Jordan Manning, Lauren Provost, Layla Mays, Michael Loeffler, Molly McAdams, Rachel Chou, Robert Hale, Victoria Heller, Cheyenne Pierce

Decisions Made

Chairman called the meeting to order and established a quorum.

Approved the minutes of the August 17, 2022, Council meeting

Motion by Richard Winter Second by Mark Sustaire Motion Passed

Approved Action Item A – Approve Reimbursements to Texas Beef Council

Motion by Pat Shields Second by Richard Winter Motion Passed

Approved Action Item B – Accept Financial Statements

Motion by Mark Sustaire Second by Shannon Treichel Motion Passed

Approved Action Item C – Approve Budget Amendments FY22

Motion by Fred Schuetze Second by Brian Malear Motion Passed

Approved Action Item D – Accept 2022 Program Evaluations

Motion by Fred Schuetze Second by Shannon Treichel Motion Passed

Action Item E – Non-Compliance

No Action

Other Reports and Updates

Collection / Refund Report

Pat McDowell called on Michael Loeffler to review the collections report contained in the Council book. Loeffler noted that Checkoff collections through September 2022 were roughly 8% greater than the year-to-date budget and refunds were 5.2% of collections.

Quarterly Update on Investments

Pat McDowell requested Council members to note the quarterly investment report in the Council book.

Future Meeting Dates

The Council meeting dates for FY23 will be on:

February 15, 2023 (Virtual)

June 1, 2023 (Austin) - Moved from June 7, 2023

August 23, 2023 (Austin)

Future Agenda:

None

Adjourn

Approve Motion to Adjourn 11:15 AM

Motion by Mark Sustaire Second by Marsha Shoemaker Motion Passed

Report Submitted by:

Pat McDowell

Date Submitted: February 15, 2023
Distribution: Council Members

BPRCT ACTION ITEM: A

Approve Reimbursements to Texas Beef Council

Action Item:

Formally approve actions taken by the Treasurer to reimburse expenses incurred by the Texas Beef Council (TBC) for programs conducted in accordance with the BPRCT-TBC Memorandum of Agreement.

Background:

In accordance with the terms of the BPRCT-TBC Memorandum of Agreement, TBC provides administrative and collection services and conducts programs for the BPRCT in compliance with the BPRCT fiscal year 2023 Marketing Plan and Budget. TBC presents monthly invoices to the Treasurer reflecting the BPRCT's share of the cost to provide these services. Upon determining if the amounts presented in the invoice are in accordance with the Marketing Plan and Budget, the Treasurer will approve the payment of the invoice. At its next regular meeting, the BPRCT board shall consider and act upon any TBC invoices paid by action of the Treasurer.

Rationale:

Excerpts from Texas Agriculture Code:

Sec. 41.060. Depository Bank; Expenditure Of Funds.

(a) The secretary-treasurer shall deposit all money received by the board under this chapter, including assessments, donations from persons, and grants from governmental agencies, in a bank selected by the board.

(b) Money received by the board may be expended for any purpose under this chapter.

(c) Funds assessed and collected under this chapter may not be expended for use directly or indirectly to promote or oppose the election of any candidate for public office or to influence legislation.

Financial Impact:

FY23 - \$1,804,630.97 in reimbursements were invoiced for October through December 2022.

FY22 - Two year-end adjustments were made to FY22 expenses subsequent to the November 2022 Council meeting that resulted in a \$244,320.52 decrease in BPRCT's share of expenses for the year.

TBC INVOICE SUMMARY

Summary of Charges Through December 2022

	Staff Time (Hours)	Implementation			TOTAL
		Cost Allocation	Direct Cost		
Consumer Marketing	2,261.6	\$ 170,144.59	\$ 767,511.02	\$	937,655.61
Nutrition & Health	924.8	56,855.82	338,421.73		395,277.55
Channel Marketing	817.5	77,398.19	32,867.32		110,265.51
Issues & Reputation Management	162.1	12,940.87	1,873.07		14,813.94
Producer Communications	839.9	67,781.14	100,493.95		168,275.09
Beef Quality & Beef Safety	249.1	25,663.65	23,113.36		48,777.01
Export Market Development	26.6	2,364.20	93.96		2,458.16
Collections & Compliance	360.4	30,181.82	7,940.31		38,122.13
Administration & Accounting	795.6	88,985.97	-		88,985.97
	6,437.6	532,316.25	1,272,314.72		1,804,630.97

Year to Date Invoice Summary

	Amount Invoiced				FY23		Budget Remaining
	October	November	December	Prior Months	Total	Budget	
Consumer Marketing	\$ 127,468.40	\$ 270,158.92	\$ 540,028.29	\$ -	937,655.61	\$ 5,323,100.00	\$ 4,385,444.39
Nutrition & Health	151,262.23	114,848.01	129,167.31	-	395,277.55	1,832,500.00	1,437,222.45
Channel Marketing	33,731.31	38,449.72	38,084.48	-	110,265.51	1,118,200.00	1,007,934.49
Issues & Reputation Management	4,512.50	5,044.80	5,256.64	-	14,813.94	197,200.00	182,386.06
Producer Communications	32,443.07	68,135.63	67,696.39	-	168,275.09	714,600.00	546,324.91
Beef Quality & Beef Safety	10,984.35	16,797.05	20,995.61	-	48,777.01	264,700.00	215,922.99
Export Market Development	877.18	613.21	967.77	-	2,458.16	379,300.00	376,841.84
Collections & Compliance	8,464.75	9,998.42	19,658.96	-	38,122.13	183,900.00	145,777.87
Administration & Accounting	24,971.73	31,685.81	32,328.43	-	88,985.97	486,500.00	397,514.03
	394,715.52	555,731.57	854,183.88	-	1,804,630.97	10,500,000.00	8,695,369.03

Total - October 2022 through December 2022 **1,804,630.97**

TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH DECEMBER 31, 2022

Dept	Tactic	Tactic Description	Allocation Percentage			Direct Program Expenses			Program Implementation			Total		
			TBC	BPRCT		Total	TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT
2100	2197	TBC Administration	100.000%	0.000%	-	-	-	-	6,022.84	6,022.84	-	6,022.84	6,022.84	-
2100	2198	BPRCT Administration	0.000%	100.000%	-	-	-	-	756.36	-	756.36	756.36	-	756.36
2100	2199	Combined Administration	50.000%	50.000%	-	-	-	-	112,947.57	56,473.78	56,473.79	112,947.57	56,473.78	56,473.79
		Administration			-	-	-	-	119,726.77	62,496.62	57,230.15	119,726.77	62,496.62	57,230.15
2200	2297	TBC Accounting	100.000%	0.000%	-	-	-	-	3,425.56	3,425.56	-	3,425.56	3,425.56	-
2200	2298	BPRCT Accounting	0.000%	100.000%	-	-	-	-	2,046.64	-	2,046.64	2,046.64	-	2,046.64
2200	2299	Combined Accounting	50.000%	50.000%	-	-	-	-	59,418.36	29,709.18	29,709.18	59,418.36	29,709.18	29,709.18
		Accounting			-	-	-	-	64,890.56	33,134.74	31,755.82	64,890.56	33,134.74	31,755.82
2300	2311	Collection Activities	50.000%	50.000%	11,284.61	5,642.31	5,642.30		20,263.18	10,131.59	10,131.59	31,547.79	15,773.90	15,773.89
2300	2312	Compliance Activities	50.000%	50.000%	5.89	2.95	2.94		3,118.32	1,559.16	1,559.16	3,124.21	1,562.11	1,562.10
2300	2313	Field Staff Activities	50.000%	50.000%	3,642.53	1,821.27	1,821.26		7,919.12	3,959.56	3,959.56	11,561.65	5,780.83	5,780.82
2300	2314	Texas Checkoff Refunds	0.000%	100.000%	473.81	-	473.81		5,345.91	-	5,345.91	5,819.72	-	5,819.72
2300	2397	TBC Program Implementation	100.000%	0.000%	-	-	-	-	-	-	-	-	-	-
2300	2398	BPRCT Program Implementation	0.000%	100.000%	-	-	-	-	70.24	-	70.24	70.24	-	70.24
2300	2399	Combined Program Implementation	37.500%	62.500%	-	-	-	-	14,584.58	5,469.22	9,115.36	14,584.58	5,469.22	9,115.36
		Collections & Compliance			15,406.84	7,466.53	7,940.31		51,301.35	21,119.53	30,181.82	66,708.19	28,586.06	38,122.13
3100	3111	Retail Education	13.335%	86.665%	3,954.79	527.37	3,427.42		5,522.64	736.44	4,786.20	9,477.43	1,263.81	8,213.62
3100	3112	Industry Meetings & Planning	13.335%	86.665%	1,403.32	187.13	1,216.19		6,131.88	817.69	5,314.19	7,535.20	1,004.82	6,530.38
3100	3131	Retail Engagement	13.335%	86.665%	2,293.30	305.81	1,987.49		8,612.55	1,148.48	7,464.07	10,905.85	1,454.29	9,451.56
3100	3199	Combined Program Implementation	13.335%	86.665%	-	-	-	-	5,008.65	667.90	4,340.75	5,008.65	667.90	4,340.75
		Retail			7,651.41	1,020.31	6,631.10		25,275.72	3,370.51	21,905.21	32,927.13	4,390.82	28,536.31
3200	3211	Foodservice Education	13.335%	86.665%	28,190.51	3,759.20	24,431.31		62,310.06	8,309.04	54,001.02	90,500.57	12,068.24	78,432.33
3200	3212	Industry Meetings & Planning	13.335%	86.665%	1,755.78	234.13	1,521.65		-	-	-	1,755.78	234.13	1,521.65
3200	3222	Foodservice Outreach/Promotion	13.335%	86.665%	-	-	-	-	-	-	-	-	-	-
3200	3232	BLC Community Development	13.335%	86.665%	326.84	43.58	283.26		-	-	-	326.84	43.58	283.26
3200	3299	Combined Program Implementation	13.335%	86.665%	-	-	-	-	1,721.52	229.56	1,491.96	1,721.52	229.56	1,491.96
		Foodservice			30,273.13	4,036.91	26,236.22		64,031.58	8,538.60	55,492.98	94,304.71	12,575.51	81,729.20
4100	4111	Beef Loving Texans Store	100.000%	0.000%	519.92	519.92	-		8,926.84	8,926.84	-	9,446.76	9,446.76	-
4100	4112	Branding & Promotions	13.335%	86.665%	50,276.42	6,704.36	43,572.06		16,479.35	2,197.52	14,281.83	66,755.77	8,901.88	57,853.89
4100	4113	BLT Paid Advertising	13.335%	86.665%	537,364.76	71,657.56	465,707.20		3,010.13	401.40	2,608.73	540,374.89	72,058.96	468,315.93
4100	4116	Industry Meetings & Planning	13.335%	86.665%	4,342.86	579.12	3,763.74		8,133.09	1,084.55	7,048.54	12,475.95	1,663.67	10,812.28
4100	4121	BLT Earned Media	13.335%	86.665%	18,151.44	2,420.49	15,730.95		988.25	131.78	856.47	19,139.69	2,552.27	16,587.42
4100	4126	BLT Content	13.335%	86.665%	119,809.59	15,976.60	103,832.99		19,033.02	2,538.05	16,494.97	138,842.61	18,514.65	120,327.96
4100	4128	AgriLife Extension Engagement	13.335%	86.665%	-	-	-		40.05	5.34	34.71	40.05	5.34	34.71
4100	4131	BLT Brand Activation	13.335%	86.665%	116,278.97	15,505.79	100,773.18		30,628.03	4,084.25	26,543.78	146,907.00	19,590.04	127,316.96
4100	4132	BLT Social Media	13.335%	86.665%	9,555.63	1,274.24	8,281.39		12,635.91	1,685.00	10,950.91	22,191.54	2,959.24	19,232.30
4100	4133	Information Dissemination	13.335%	86.665%	29,826.93	3,977.42	25,849.51		1,157.43	154.34	1,003.09	30,984.36	4,131.76	26,852.60
4100	4199	Combined Program Implementation	13.335%	86.665%	-	-	-		104,219.18	13,897.62	90,321.56	104,219.18	13,897.62	90,321.56
		Consumer Marketing			886,126.52	118,615.50	767,511.02		205,251.28	35,106.69	170,144.59	1,091,377.80	153,722.19	937,655.61
4200	4216	Industry Meetings & Planning	13.335%	86.665%	1,532.20	204.32	1,327.88		1,192.35	159.00	1,033.35	2,724.55	363.32	2,361.23
4200	4222	Health Professional Outreach	13.335%	86.665%	50,182.63	6,691.85	43,490.78		28,930.55	3,857.89	25,072.66	79,113.18	10,549.74	68,563.44
4200	4224	Medical Office Outreach	13.335%	86.665%	304,850.81	40,651.84	264,198.97		7,251.84	967.03	6,284.81	312,102.65	41,618.87	270,483.78
4200	4225	Nutrition Content	13.335%	86.665%	5,153.37	687.20	4,466.17		9,996.97	1,333.10	8,663.87	15,150.34	2,020.30	13,130.04
4200	4234	Consumer Nutrition Education	13.335%	86.665%	28,775.09	3,837.16	24,937.93		8,062.98	1,075.20	6,987.78	36,838.07	4,912.36	31,925.71
4200	4299	Combined Program Implementation	13.335%	0.000%	-	-	-		10,169.44	1,356.09	8,813.35	10,169.44	1,356.09	8,813.35
		Nutrition & Health			390,494.10	52,072.37	338,421.73		65,604.13	8,748.31	56,855.82	456,098.23	60,820.68	395,277.55

TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH DECEMBER 31, 2022

Dept	Tactic	Tactic Description	Allocation Percentage		Direct Program Expenses			Program Implementation			Total		
			TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT
5100	5111	Crisis Communications	100.000%	0.000%	-	-	-	123.40	123.40	-	123.40	123.40	-
5100	5112	Industry Advocacy	13.335%	86.665%	496.41	66.20	430.21	1,523.18	203.12	1,320.06	2,019.59	269.32	1,750.27
5100	5113	Issues & Reputation Management	13.335%	86.665%	1,500.00	200.02	1,299.98	170.55	22.74	147.81	1,670.55	222.76	1,447.79
5100	5115	Production Content	13.335%	86.665%	164.86	21.98	142.88	2,341.04	312.18	2,028.86	2,505.90	334.16	2,171.74
5100	5199	Combined Program Implementation	13.335%	86.665%	-	-	-	10,897.29	1,453.15	9,444.14	10,897.29	1,453.15	9,444.14
		Issues & Reputation Management			2,161.27	288.20	1,873.07	15,055.46	2,114.59	12,940.87	17,216.73	2,402.79	14,813.94
6100	6111	Producer Direct Communications	13.335%	86.665%	25,083.97	3,344.95	21,739.02	47,454.76	6,328.09	41,126.67	72,538.73	9,673.04	62,865.69
6100	6112	Producer Assets	13.335%	86.665%	8,460.52	1,128.21	7,332.31	3,560.31	474.77	3,085.54	12,020.83	1,602.98	10,417.85
6100	6113	Producer Influencer Communications	13.335%	86.665%	26,818.96	3,576.31	23,242.65	6,992.09	932.39	6,059.70	33,811.05	4,508.70	29,302.35
6100	6115	Industry Meetings & Planning	13.335%	86.665%	2,145.48	286.10	1,859.38	9,077.96	1,210.55	7,867.41	11,223.44	1,496.65	9,726.79
6100	6116	Producer Earned Media	13.335%	86.665%	1,869.83	249.34	1,620.49	709.53	94.62	614.91	2,579.36	343.96	2,235.40
6100	6117	Producer Paid Media	13.335%	86.665%	32,865.56	4,382.62	28,482.94	-	-	-	32,865.56	4,382.62	28,482.94
6100	6118	Producer Strategy	13.335%	86.665%	18,712.47	2,495.31	16,217.16	5,829.18	777.32	5,051.86	24,541.65	3,272.63	21,269.02
6100	6199	Combined Program Implementation	13.335%	86.665%	-	-	-	4,586.68	611.63	3,975.05	4,586.68	611.63	3,975.05
		Producer Communications			115,956.79	15,462.84	100,493.95	78,210.51	10,429.37	67,781.14	194,167.30	25,892.21	168,275.09
7100	7111	Beef Quality Assurance	13.335%	86.665%	13,783.80	1,838.07	11,945.73	10,000.41	1,333.55	8,666.86	23,784.21	3,171.62	20,612.59
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	13.335%	86.665%	1,157.30	154.33	1,002.97	231.17	30.83	200.34	1,388.47	185.16	1,203.31
7100	7131	Beef Quality & Safety Research	13.335%	86.665%	190.00	25.34	164.66	923.81	123.19	800.62	1,113.81	148.53	965.28
7100	7199	Combined Program Implementation	10.001%	89.999%	-	-	-	17,773.39	1,777.56	15,995.83	17,773.39	1,777.56	15,995.83
		Beef Quality & Beef Safety			25,131.10	2,017.74	23,113.36	28,928.78	3,265.13	25,663.65	54,059.88	5,282.87	48,777.01
8100	8111	USMEF Programs	13.335%	86.665%	108.42	14.46	93.96	2,607.96	347.77	2,260.19	2,716.38	362.23	2,354.15
8100	8112	International Industry Meetings	100.000%	0.000%	1,548.92	1,548.92	-	3,926.23	3,926.23	-	5,475.15	5,475.15	-
8100	8199	Combined Program Implementation	56.667%	43.333%	-	-	-	240.02	136.01	104.01	240.02	136.01	104.01
		Export Market Development			1,657.34	1,563.38	93.96	6,774.21	4,410.01	2,364.20	8,431.55	5,973.39	2,458.16
Grand Total					1,474,858.50	202,543.78	1,272,314.72	725,050.35	192,734.10	532,316.25	2,199,908.85	395,277.88	1,804,630.97

YEAR-END ADJUSTMENT TO FY22 INVOICE

Dept	Tactic	Tactic Description	Previously Reported Balance	Adjustment to Estimated Accts Payable	Add'l A/P - Capitalized Website Cost	Revised Total for FY22
2100	2198	BPRCT Administration	11,029.20	-	-	11,029.20
2100	2199	Combined Administration	267,592.47	-	-	267,592.47
		Administration	278,621.67	-	-	278,621.67
2200	2298	BPRCT Accounting	12,181.21	-	-	12,181.21
2200	2299	Combined Accounting	117,056.91	-	-	117,056.91
		Accounting	129,238.12	-	-	129,238.12
2300	2311	Collection Activities	37,852.51	-	-	37,852.51
2300	2312	Compliance Activities	6,952.24	-	-	6,952.24
2300	2313	Field Staff Activities	74,140.27	-	-	74,140.27
2300	2314	Texas Checkoff Refunds	22,021.40	-	-	22,021.40
2300	2399	Combined Program Implementation	10,155.79	-	-	10,155.79
		Collections & Compliance	151,122.21	-	-	151,122.21
3100	3111	Retail Education	42,452.04	-	-	42,452.04
3100	3112	Industry Meetings & Planning	10,245.04	-	-	10,245.04
3100	3131	Retail Engagement	173,099.01	-	-	173,099.01
3100	3199	Combined Program Implementation	15,790.59	-	-	15,790.59
		Retail	241,586.68	-	-	241,586.68
3200	3211	Foodservice Education	627,000.64	-	-	627,000.64
3200	3212	Industry Meetings & Planning	3,677.67	-	-	3,677.67
3200	3222	Foodservice Outreach/Promotion	19,081.28	-	-	19,081.28
3200	3232	Foodservice Content Development	2,890.14	-	-	2,890.14
3200	3299	Combined Program Implementation	3,551.51	-	-	3,551.51
		Foodservice	656,201.24	-	-	656,201.24
4100	4112	Branding & Promotions	346,801.38	-	-	346,801.38
4100	4113	BLT Paid Advertising	2,531,320.60	(63,053.47)	-	2,468,267.13
4100	4116	Industry Meetings & Planning	22,062.05	-	-	22,062.05
4100	4121	BLT Earned Media	315,374.51	-	61,185.20	376,559.71
4100	4126	BLT Content	908,265.79	-	(164,491.24)	743,774.55
4100	4128	AgriLife Extension Engagement	389.87	-	-	389.87
4100	4131	Consumer Health Promotions	575,108.75	(4,170.53)	(97,380.31)	473,557.91
4100	4132	BLT Social Media	132,025.33	-	-	132,025.33
4100	4133	Information Dissemination	93,661.31	-	-	93,661.31
4100	4199	Combined Program Implementation	404,098.21	-	-	404,098.21
		Consumer Marketing	5,329,107.80	(67,224.00)	(200,686.35)	5,061,197.45
4200	4216	Industry Meetings & Planning	9,553.42	-	-	9,553.42
4200	4222	Health Professional Outreach	171,414.58	-	-	171,414.58
4200	4224	Medical Office Outreach	885,878.93	-	-	885,878.93
4200	4225	Nutrition Content	62,509.18	-	-	62,509.18
4200	4234	Consumer Nutrition Education	103,923.16	1,550.58	-	105,473.74
4200	4299	Combined Program Implementation	50,969.73	-	-	50,969.73
		Nutrition & Health	1,284,249.00	1,550.58	-	1,285,799.58
5100	5112	Industry Advocacy	61,677.67	-	-	61,677.67
5100	5113	Issues & Reputation Management	2,799.72	-	-	2,799.72
5100	5115	Production Content	72,528.44	-	22,039.25	94,567.69
5100	5199	Combined Program Implementation	29,893.41	-	-	29,893.41
		Issues & Reputation Management	166,899.24	-	22,039.25	188,938.49
6100	6111	Direct Communications	344,193.51	-	-	344,193.51
6100	6112	Producer Assets	90,427.22	-	-	90,427.22
6100	6113	Producer Influencer Communications	120,774.73	-	-	120,774.73
6100	6115	Industry Meetings & Planning	38,565.68	-	-	38,565.68
6100	6116	Producer Earned Media	21,306.43	-	-	21,306.43
6100	6117	Producer Paid Media	112,021.37	-	-	112,021.37
6100	6118	Producer Strategy	100,727.64	-	-	100,727.64
6100	6199	Combined Program Implementation	12,218.49	-	-	12,218.49
		Producer Communications	840,235.07	-	-	840,235.07
7100	7111	Beef Quality Assurance	114,625.86	-	-	114,625.86
7100	7112	AgriLife BQA Travel	11,847.56	-	-	11,847.56
7100	7113	Industry Meetings & Planning	15,328.92	-	-	15,328.92
7100	7131	Beef Quality & Safety Research	29,152.62	-	-	29,152.62
7100	7199	Combined Program Implementation	90,840.48	-	-	90,840.48
		Beef Quality & Beef Safety	261,795.44	-	-	261,795.44
8100	8111	USMEF Programs	480,087.51	-	-	480,087.51
8100	8199	Combined Program Implementation	369.75	-	-	369.75
		Export Market Development	480,457.26	-	-	480,457.26
Grand Total			9,819,513.73	(65,673.42)	(178,647.10)	9,575,193.21

BPRCT ACTION ITEM: B

Financial Statements

Action Item:

Accept the audited financial statements for the year ended September 30, 2022, as presented by the Audit & Budget Committee.

Background:

The September 30, 2022, audited financial statements are presented in accordance with generally accepted accounting principles.

Rationale:

Annual audited financial statements are required by the BPRCT Bylaws and Title 3, Chapter 41, Subchapter H of the Texas Agriculture Code.

Financial Impact:

\$11,000 - \$13,000

Staff Impact:

Approximately 40 hours to prepare the audited financial statements and provide supporting documentation to the auditors.

BPRCT ACTION ITEM: C

Financial Statements

Action Item:

Accept the financial statements for December 2022 as presented by the Audit & Budget Committee.

Background:

The December 2022 financial statements are presented using the modified cash basis.

Rationale:

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

Financial Impact:

None

Staff Impact:

Approximately 5 hours to prepare the monthly financial statements.



To: Council Members
From: Michael Loeffler
Re: December 2022 Financial Statements

Included in this packet are BPRCT's financial statements and related schedules prepared on the modified cash basis for December 2022. Items to note are as follows:

Statement of Activities – Comparative

Checkoff revenues in December 2022 are \$83,200 and \$27,100 less than the amount received in December 2021 and 2020, respectively. Year-to-date checkoff revenues through December 2022 are \$105,000 and \$122,900 less than year-to-date revenues through December 2021 and 2020, respectively.

Refunds in December 2022 are \$900 greater than refunds in December 2021 and \$12,200 less than refunds in December 2020. Year-to-date refunds through December 2022 are \$9,000 greater than year-to-date refunds through December 2021 and \$21,200 less than year-to-date refunds through December 2020.

Consumer Marketing expenses in December 2022 were greater than in December of the two previous years due to significant payments for advertising during December 2022. These payments include two months of advertising with Samba and Hulu and payments to two new advertising providers. The larger than normal expenses in Nutrition and Health in December 2022 are related to MD Outreach and a new rep for this program. Expenses in Producer Communications are larger in December 2022 than in prior years mainly due to payments for producer strategy research.

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS
Statements of Financial Position
(Modified Cash Basis)

	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 990,733	\$ 4,407,811	\$ 2,544,304
Investments	4,086,242	250,047	1,004,499
Receivable from Texas Beef Council	<u>942,360</u>	<u>1,025,513</u>	<u>969,439</u>
	<u>\$ 6,019,335</u>	<u>\$ 5,683,371</u>	<u>\$ 4,518,242</u>
 LIABILITIES & NET ASSETS			
Current Liabilities			
Payable to Texas Beef Council	\$ 675,537	\$ 535,906	\$ 1,037,677
 Net Assets			
Unrestricted Net Assets	<u>5,343,798</u>	<u>5,147,465</u>	<u>3,480,565</u>
	<u>\$ 6,019,335</u>	<u>\$ 5,683,371</u>	<u>\$ 4,518,242</u>

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS
Statements of Activities – Comparative
(Modified Cash Basis)

	One Month Period Ended			Year-to-Date Through		
	12/31/22	12/31/21	12/31/20	12/31/22	12/31/21	12/31/20
REVENUES						
Checkoff Revenues						
Texas Checkoff Revenues	\$ 942,275	\$ 1,024,518	\$ 969,081	\$ 2,752,532	\$ 2,857,972	\$ 2,876,426
Late Fees	85	995	358	2,105	1,682	1,085
	942,360	1,025,513	969,439	2,754,637	2,859,654	2,877,511
Less: Refunds	(43,324)	(42,426)	(55,498)	(98,074)	(89,051)	(119,302)
	899,036	983,087	913,941	2,656,563	2,770,603	2,758,209
Interest	11,603	95	524	32,835	226	1,786
	910,639	983,182	914,465	2,689,398	2,770,829	2,759,995
EXPENSES						
In-State Programs						
Marketing						
Consumer Marketing	540,028	293,742	286,551	937,656	737,871	697,206
Nutrition & Health	129,167	105,460	84,590	395,278	275,326	301,134
	669,195	399,202	371,141	1,332,934	1,013,197	998,340
Beef Resources						
Channel Marketing	38,085	35,479	40,689	110,266	135,549	106,954
Issues & Reputation Mgmt	5,257	4,826	5,481	14,814	10,968	14,573
Producer Communications	67,696	43,892	8,206	168,275	120,374	40,895
Beef Quality & Beef Safety	20,996	8,740	12,586	48,777	24,889	46,993
Export Market Development	968	197	271	2,458	1,335	3,068
	133,002	93,134	67,233	344,590	293,115	212,483
Collections & Compliance	19,653	11,262	10,381	38,107	27,018	29,639
Administration	32,669	35,230	43,854	90,058	89,382	99,383
	854,519	538,828	492,609	1,805,689	1,422,712	1,339,845
TOTAL INCREASE IN NET ASSETS	\$ 56,120	\$ 444,354	\$ 421,856	\$ 883,709	\$ 1,348,117	\$ 1,420,150

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS
Statement of Activities – Actual vs Budget
(Modified Cash Basis)

	Year-to-Date Through 12/31/22	Annual Budget
REVENUES		
Checkoff Revenues		
Texas Checkoff Revenues	\$ 2,752,532	\$ 9,650,000
Late Fees	2,105	-
	<u>2,754,637</u>	<u>9,650,000</u>
Less: Refunds	(98,074)	(675,500)
	<u>2,656,563</u>	<u>8,974,500</u>
Interest	<u>32,835</u>	<u>63,000</u>
	2,689,398	9,037,500
 EXPENSES		
In-State Programs		
Marketing		
Consumer Marketing	937,656	5,323,100
Nutrition & Health	395,278	1,832,500
	<u>1,332,934</u>	<u>7,155,600</u>
Beef Resources		
Channel Marketing	110,266	1,118,200
Issues & Reputation Management	14,814	197,200
Producer Communications	168,275	714,600
Beef Quality & Beef Safety	48,777	264,700
Export Market Development	2,458	379,300
	<u>344,590</u>	<u>2,674,000</u>
Collections & Compliance	38,107	183,900
Administration	90,058	501,500
	<u>1,805,689</u>	<u>10,515,000</u>
 TOTAL INCREASE IN NET ASSETS	 <u><u>\$ 883,709</u></u>	 <u><u>\$ (1,477,500)</u></u>

BPRCT ACTION ITEM: D

Budget Amendment - FY22

Action Item:

Approval of a budget amendment for the 2022 fiscal year.

Background:

Texas Department of Agriculture (TDA) representatives have requested that the budget be revised at the end of each fiscal year so that budgeted revenues and expenses approximate actual revenues and expenses for the year to permit a more cohesive flow of information from one year's budget approval document to the next year's budget approval document.

Rationale:

Each budget approval document submitted to TDA begins with estimated resources available at the beginning of the fiscal year and ends with estimated resources available at the end of the fiscal year. Amending the budget to match actual revenues and expenses at year end permits end-of-year balances for one year to match beginning of year balances for the following year.

Financial Impact:

FY22 – Increase in net budgeted revenues of \$891,800, decrease in total budgeted expenses of \$922,900.

Staff Impact:

None

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

FY22 Budget

		Previously Approved Amendments			
	Original Budget	Mid-Year Redirections	Year End Redirections	Proposed Amendment	Proposed Amended Budget
REVENUES					
Checkoff Assessments	\$ 10,000,000			\$ 757,200	\$ 10,757,200
Less: Refunds	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>128,100</u>	<u>(571,900)</u>
Checkoff Assessments, Net	9,300,000	-	-	885,300	10,185,300
Investment Revenues	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>6,500</u>	<u>8,000</u>
	<u>9,301,500</u>	<u>-</u>	<u>-</u>	<u>891,800</u>	<u>10,193,300</u>
EXPENSES					
Promotion	4,494,800	54,700	30,800	(306,700)	4,273,600
Research	156,400	-	(21,500)	(600)	134,300
Education	5,197,600	(54,700)	42,000	(576,400)	4,608,500
Administration	663,200	-	(51,300)	(39,200)	572,700
Other (Referendum)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>10,512,000</u>	<u>-</u>	<u>-</u>	<u>(922,900)</u>	<u>9,589,100</u>
EXPENSES IN EXCESS OF REVENUE	<u>(1,210,500)</u>	<u>-</u>	<u>-</u>	<u>1,814,700</u>	<u>604,200</u>

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

FY22 Budget Summary

	Original Budget	Previously Approved Amendments		Year End Redirections	Amended Budget
		Mid-Year Redirections	Year End Redirections		
REVENUES					
Checkoff Assessments	\$ 10,000,000			\$ 757,200	\$ 10,757,200
Less: Refunds	(700,000)	-	-	128,100	(571,900)
Checkoff Assessments, Net	9,300,000	-	-	885,300	10,185,300
Investment Revenues	1,500	-	-	6,500	8,000
	9,301,500	-	-	891,800	10,193,300
EXPENSES					
In-state TBC Contract Expenses					
Direct Program Expenses					
Marketing					
Consumer Marketing	4,861,500	(101,300)	(16,700)	(514,800)	4,228,700
Nutrition and Health	1,205,600	-	-	(167,300)	1,038,300
Beef Resources					
Channel Marketing	636,800	-	16,700	(147,000)	506,500
Issues & Reputation Management	131,400	-	(11,400)	(8,200)	111,800
Producer Communications	463,700	101,300	32,100	(5,700)	591,400
Beef Quality & Beef Safety	137,500	-	(20,700)	(12,300)	104,500
Export Market Development	462,800	-	-	(3,500)	459,300
Collections and Compliance	52,000	-	-	(25,400)	26,600
	7,951,300	-	-	(884,200)	7,067,100
Program Implementation	2,548,700	-	-	(40,400)	2,508,300
	10,500,000	-	-	(924,600)	9,575,400
Other					
Administration	12,000	-	-	1,700	13,700
	10,512,000	-	-	(922,900)	9,589,100
REVENUE IN EXCESS OF EXPENSES	(1,210,500)	-	-	1,814,700	604,200

BPRCT ACTION ITEM: D

Budget Amendment - FY23

Action Item:

Approval of a budget amendment for the 2023 fiscal year.

Background:

The drought conditions across Texas in 2022 caused increased marketings of cattle, which may lead to lower than expected revenues in FY23. Accordingly, the FY23 budget will be amended to reduce budgeted expenses for the year.

Rationale:

FY23 – Checkoff revenues in the years following the 2011 drought were significantly lower than pre-drought revenues. If Checkoff revenues following the 2022 drought follow this same pattern, it is prudent to decrease expenses in the current in order to maintain reserves in case they are needed in future years.

Financial Impact:

FY23 – Direct program expenses will be reduced by \$786,300.

Staff Impact:

None

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

FY23 Budget

	<u>Original Budget</u>	<u>Proposed Amendment</u>	<u>Proposed Amended Budget</u>
REVENUES			
Checkoff Assessments	\$ 9,650,000		\$ 9,650,000
Less: Refunds	<u>(675,500)</u>		<u>(675,500)</u>
Checkoff Assessments, Net	8,974,500	-	8,974,500
Investment Revenues	<u>63,000</u>	-	<u>63,000</u>
	<u>9,037,500</u>	-	<u>9,037,500</u>
EXPENSES			
Promotion	4,235,100	(214,600)	4,020,500
Research	113,600	(23,400)	90,200
Education	5,480,900	(548,300)	4,932,600
Administration	685,400	-	685,400
Other (Referendum)	-	-	-
	<u>10,515,000</u>	<u>(786,300)</u>	<u>9,728,700</u>
EXPENSES IN EXCESS OF REVENUE	<u>(1,477,500)</u>	<u>786,300</u>	<u>(691,200)</u>

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

FY23 Budget Summary

	<u>Original Budget</u>	<u>Proposed Amendment</u>	<u>Amended Budget</u>
REVENUES			
Checkoff Assessments	\$ 9,650,000		\$ 9,650,000
Less: Refunds	<u>(675,500)</u>	-	<u>(675,500)</u>
Checkoff Assessments, Net	8,974,500	-	8,974,500
Investment Revenues	<u>63,000</u>	-	<u>63,000</u>
	<u>9,037,500</u>	-	<u>9,037,500</u>
EXPENSES			
In-state TBC Contract Expenses			
Direct Program Expenses			
Marketing			
Consumer Marketing	4,427,800	(516,300)	3,911,500
Nutrition & Health	1,580,700	(86,700)	1,494,000
Beef Resources			
Channel Marketing	693,400	(94,000)	599,400
Issues & Reputation Management	130,000	(17,400)	112,600
Producer Communications	459,300	(49,400)	409,900
Beef Quality & Beef Safety	108,800	(22,500)	86,300
Export Market Development	369,600	-	369,600
Collections & Compliance	<u>49,500</u>	-	<u>49,500</u>
	7,819,100	(786,300)	7,032,800
Program Implementation	<u>2,680,900</u>	-	<u>2,680,900</u>
	<u>10,500,000</u>	<u>(786,300)</u>	<u>9,713,700</u>
Other			
Administration	<u>15,000</u>	-	<u>15,000</u>
	<u>10,515,000</u>	<u>(786,300)</u>	<u>9,728,700</u>
REVENUE IN EXCESS OF EXPENSES	<u>(1,477,500)</u>	<u>786,300</u>	<u>(691,200)</u>

BPRCT ACTION ITEM: F

Non-Compliance

Action Item:

Authorize actions to be taken, if any, in connection with non-compliance matters.

Background:

From time to time the Council must take action on matters concerning non-compliance.

Rationale:

Excerpts from Texas Agriculture Code:

Sec. 41.101. Failure to Remit Assessment.

(a) The board may investigate conditions that relate to the prompt remittance of the assessment by any producer or processor. If the board has probable cause to believe that a person has failed to collect an assessment or failed to remit to the board an assessment as required by this chapter, the board may:

(1) Independently institute proceedings for recovery of the amount due to the board or for injunctive or other appropriate relief;

(2) Request the attorney general, or the county or district attorney having jurisdiction, or both, to institute proceedings in the board's behalf; or

(3) Forward to the department for action under Section 41.1011 a complaint and any original evidence or other information establishing probable cause.

(b) Suit under this section may be brought in Travis County or a county in which the person who is alleged to have failed to collect or remit an assessment conducts business related to the commodity subject to the uncollected or unpaid assessment.

(c) The remedies provided by this section are cumulative of other remedies provided by law.

Financial Impact:

Unknown

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

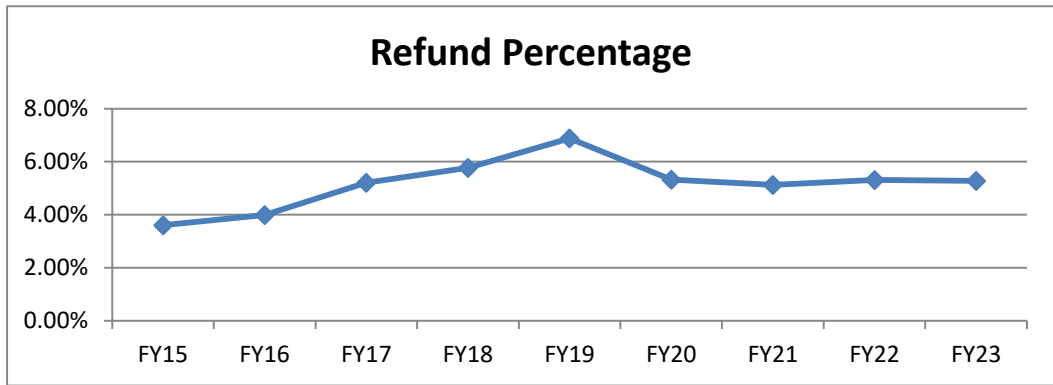
Collections Report December 31, 2022

	Actual		Budget	Budget Variance	Actual as a % of Budget
Texas Checkoff Collections, Net of Exemptions					
October	\$ 864,462		\$ 1,035,054	\$ (170,592)	83.52%
November	947,814		874,806	73,008	108.35%
December	942,360		884,873	57,487	106.50%
	<u>2,754,636</u>	100.0%	<u>2,794,733</u>	<u>(40,097)</u>	98.57%
Refunds Processed					
Refund requests received in October	54,741				
Refund requests received in November	43,318				
Refund requests received in December	47,534				
	<u>145,593</u>	5.3%			
Collections, Net of Refunds	<u>2,609,043</u>	94.7%			

Note: In the schedule above, the amount of refund requests received in a particular month is not comparable to the amount of checkoff collected in that same month because of the 60 day period to request a refund. As a result, the percentage of refunds shown above is not a true indicator of refunds as a percent of collections.

Refunds by Sector

Individuals	16,196	11.1%
Dairies	2,424	1.7%
Feedyards	124,727	85.7%
Out of State	2,246	1.5%
	<u>145,593</u>	100.0%



BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS
Quarterly Report of Public Funds Investments
For the Quarter Ended December 31, 2022

CERTIFICATES OF DEPOSIT

Issuing Institution	CUSIP	Interest Rate/Yield	Maturity Date	Days to Maturity	Fair Value		Cost Basis		Interest Receivable		
					Beginning Balance	Ending Balance	Beginning Balance	Ending Balance	Beginning Balance	Interest Earned	Interest Received
SAFRA National Bank	78658RFZ9	0.200%	17-Nov-22	-44	\$ 124,156	\$ 844	\$ 125,000	\$ (125,000)	\$ 217	\$ 33	\$ (250)
Goldman Sachs Bank	38149MP98	0.300%	15-Dec-22	-16	123,989	1,011	125,000	(125,000)	297	78	(375)
					248,146	1,854	250,000	(250,000)	514	111	(625)

DEBT SECURITIES

Issuing Institution	CUSIP	Interest Rate/Yield	Maturity Date	Days to Maturity	Fair Value		Face Value		Discount		
					Beginning Balance	Ending Balance	Beginning Balance	Ending Balance	Beginning Balance	Purchases	Accretion
U.S. Treasury	912796N96	0.407%	3-Nov-22	-58	\$ 124,714	\$ 286	\$ 125,000	\$ (125,000)	\$ (47)	\$ -	\$ 47
U.S. Treasury	912796P94	0.407%	1-Dec-22	-30	124,380	620	125,000	(125,000)	(86)	-	86
U.S. Treasury	912796S34	0.520%	26-Jan-23	26	247,305	2,075	250,000	-	(419)	-	327
U.S. Treasury	912796S34	0.754%	26-Jan-23	26	247,305	2,075	250,000	-	(606)	-	473
U.S. Treasury	912796U31	1.156%	23-Mar-23	82	245,569	1,993	250,000	-	(1,365)	-	722
U.S. Treasury	912796V63	1.152%	20-Oct-22	-72	249,668	332	250,000	(250,000)	(157)	-	157
U.S. Treasury	912796V48	1.850%	20-Apr-23	110	245,021	1,661	250,000	-	(2,525)	-	1,150
U.S. Treasury	912796W47	1.902%	18-May-23	138	244,458	1,200	250,000	-	(2,955)	-	1,182
U.S. Treasury	912796X53	2.852%	15-Jun-23	166	243,561	1,399	250,000	-	(4,596)	-	1,639
U.S. Treasury	912796XQ7	3.001%	13-Jul-23	194	242,743	1,316	250,000	-	(5,752)	-	1,850
U.S. Treasury	912796V71	2.254%	27-Oct-22	-65	299,457	543	300,000	(300,000)	(497)	-	497
U.S. Treasury	912796XV0	3.052%	10-Aug-23	222	242,115	1,065	250,000	-	(6,422)	-	1,881
U.S. Treasury	912796W70	2.501%	25-Nov-22	-36	298,710	1,290	300,000	(300,000)	(1,144)	-	1,144
U.S. Treasury	912796YH6	3.601%	7-Sep-23	250	240,975	1,457	250,000	-	(8,218)	-	2,211
U.S. Treasury	912796YZ6	3.056%	20-Dec-22	-11	297,983	2,017	300,000	(300,000)	(2,018)	-	2,018
U.S. Treasury	912796YJ2	4.253%	5-Oct-23	278	-	1,701	-	300,000	-	(11,871)	2,442
U.S. Treasury	912796S34	3.750%	26-Jan-23	26	-	297,251	-	300,000	-	(2,749)	1,955
U.S. Treasury	912796YT0	4.602%	2-Nov-23	306	-	383,152	-	400,000	-	(16,848)	1,904
U.S. Treasury	912796T33	4.003%	23-Feb-23	54	-	297,067	-	300,000	-	(2,933)	1,173
U.S. Treasury	912796ZD4	4.502%	30-Nov-23	334	-	287,632	(101)	300,000	-	(12,368)	-
U.S. Treasury	912796YL7	4.153%	16-Mar-23	75	-	296,959	425	300,000	-	(3,041)	-
					3,593,964	26,016	4,070,170	4,150,000	(36,806)	(49,810)	22,858
											(63,759)

As of 12/31/22:

Average Debt Security Portfolio Yield 2.762%
1 year U.S. Treasury Yield 4.730%

MONEY MARKET FUNDS

Fund	Symbol	Fair Value	
		Beginning Balance	Ending Balance
Invesco - Treasury Portfolio	TPFXX	1,356,140	730,138
Goldman Sachs - Government Fund	GCOXX	74,136	259,591
		1,430,276	989,729

