

# Beef Promotion and Research Council of Texas

## COUNCIL MEETING

AUGUST 2022



Improve Texas producer profitability  
by strengthening and expanding demand.

**BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS  
(BPRCT)**

**Council Meeting**

**Austin, Texas  
Wednesday, August 17, 2022  
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
- B. Accept Financial Statements
- C. Approve Assessment Rate for FY23  
Audit & Budget Committee Report
- D. Approve FY23 Plan & Budget  
Nominating Committee Report
- E. Elect Officers and Executive Committee  
Additional Action
- F. Approve FY23 Audit & Budget Committee
- G. Approve Memorandum of Agreement with Texas Beef Council

**5. Other Reports and Updates**

- A. Quarterly Update on Investments
- B. Collections/Refund 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**

Next Meeting Dates – FY23

- i. November 16, 2022 (November 15 – New Director Orientation)
- ii. February 15, 2023
- iii. June 7, 2023
- iv. August 23, 2023

**8. Adjourn**

# MINUTES

# **BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS**

## **Council Meeting**

## **Meeting Report**

**Chairman's Name:** Pat McDowell (Acting Chairman)

**Meeting Time/Date:** 11:01 a.m., Wednesday, June 1, 2022

**Meeting Place:** Texas Beef Council, Austin, Texas

### **Roll Call**

#### **Directors:**

Amy Kirkland, Brad Hastings, Brandon Cutrer, Brian Malaer, Fred Schuetze, Leslie Kinsel, Mark Sustaire, Marsha Shoemaker, Neil Dudley, Pat McDowell, Pat Shields, Richard Winter, Shannon Wilson, Zachary Yanta

#### **Guests:**

April Bonds, Bailey Rammel, Jess Kane, Miranda Robertazzi, Patrick Dudley, Tracy Tomascik

#### **Staff:**

Adriana Mora, Amber Elwood, Amy Foster, Hannah Fuerniss, Jason Bagley, Jennifer Matison, Kathleen Pickett, Laurel Kelley, Lauren Provost, Layla Mays, Lilia Beaman, Michael Loeffler, Mike McCravey, Molly McAdams, Rachel Chou, Russell Woodward, Victoria Heller

### **Decisions Made**

Chairman called the meeting to order and established a quorum.

#### **Approved the minutes of the February 9, 2022, Council meeting**

Motion by Mark Sustaire      Second by Zachary Yanta      Motion Passed

#### **Approved Action Item A – Ratification of FY23 Budget Guidelines**

Motion by Fred Schuetze      Second by Brad Hastings      Motion Passed

#### **Approved Action Item B – Approve Reimbursements to Texas Beef Council**

Motion by Mark Sustaire      Second by Pat Shields      Motion Passed

#### **Approved Action Item C – Amendment to FY22 Budget**

Motion by Brian Malaer      Second by Fred Schuetze      Motion Passed

#### **Action Item D – Accept Financial Statements**

Motion by Zachary Yanta      Second by Pat Shields      Motion Passed

#### **Action Item E – Appointment of Nominating Committee**

Motion by Fred Schuetze      Second by Mark Sustaire      Motion Passed

#### **Action Item F – Non-Compliance Issue**

No Action

## **Committee Reports**

### ***Audit and Budget Committee Report***

Pat McDowell reported that the Committee met on April 12, 2022, to establish budget guidelines for FY23. After reviewing the projected amount of reserves at the end of FY22 in excess of the established minimum, the Committee approved guidelines containing \$9.65 million in checkoff revenues and \$10.5 million in funding for in-state programs and administration conducted by TBC. The guidelines contain expenses in excess of revenues in FY23 in order to spend down excess reserves.

## **Other Reports and Updates**

### ***Quarterly Update on Investments***

Pat McDowell noted that the quarterly investment report is in the Council meeting booklet for the Council's information.

### ***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 April 2022 were 7.4% greater than the year-to-date budget, and refunds were 5.3% of collections.

## **Future Meeting Dates**

The next Council meeting date will be on August 17, 2022.

## **Adjourn**

Approve Motion to Adjourn

Motion by Fred Schuetze      Second by Richard Winter      Motion Passed

Report Submitted by:

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Dan Gattis

Date Submitted:      August 17, 2022

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 FY22 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 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:**

\$ 1,634,394.95



## TBC INVOICE SUMMARY

### Summary of Charges Through June 2022

	Staff Time (Hours)	Implementation Cost Allocation	Direct Cost	TOTAL
Consumer Marketing	7,714.5	\$ 570,485.02	\$ 2,600,649.38	\$ 3,171,134.40
Nutrition & Health	2,758.4	162,578.38	825,377.78	987,956.16
Channel Marketing	3,507.5	264,091.37	273,153.87	537,245.24
Issues & Reputation Management	617.8	40,803.95	22,366.98	63,170.93
Producer Communications	2,565.1	170,662.88	429,491.29	600,154.17
Beef Quality & Beef Safety	1,102.7	101,533.35	65,781.54	167,314.89
Export Market Development	69.2	6,113.55	59.50	6,173.05
Collections & Compliance	1,180.2	84,583.58	21,430.64	106,014.22
Administration & Accounting	2,596.4	284,079.24	-	284,079.24
	22,111.9	1,684,931.32	4,238,310.98	5,923,242.30

### Year-to-Date Invoice Summary

	Amount Invoiced			Budget	
	May	June	Prior Months	FY22 Budget	Remaining
Consumer Marketing	\$ 493,612.49	\$ 444,577.82	\$ 2,232,944.09	\$ 5,584,700.00	\$ 2,413,565.60
Nutrition & Health	129,230.00	119,119.59	739,606.57	1,429,600.00	441,643.84
Channel Marketing	98,890.14	62,029.10	376,326.00	1,085,500.00	548,254.76
Issues & Reputation Management	8,832.83	12,981.39	41,356.71	230,200.00	167,029.07
Producer Communications	65,409.61	71,277.22	463,467.34	600,154.17	166,645.83
Beef Quality & Beef Safety	20,963.66	17,655.23	128,696.00	280,700.00	113,385.11
Export Market Development	791.33	1,994.91	3,386.81	471,300.00	465,126.95
Collections & Compliance	11,389.55	11,164.48	83,460.19	176,300.00	70,285.78
Administration & Accounting	29,941.12	34,534.48	219,603.64	474,900.00	190,820.76
	859,060.73	775,334.22	4,288,847.35	10,500,000.00	4,576,757.70

**Total - May 2022 through June 2022** **1,634,394.95**

## TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH JUNE 30, 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%		-	-	-	30,953.25	30,953.25	-	30,953.25	30,953.25	-
2100	2198	BPRCT Administration	0.000%	100.000%		-	-	-	8,078.16	-	8,078.16	8,078.16	-	8,078.16
2100	2199	Combined Administration	50.000%	50.000%		-	-	-	373,485.44	186,742.72	186,742.72	373,485.44	186,742.72	186,742.72
2200	2297	Administration	100.000%	0.000%		-	-	-	412,516.85	217,695.97	194,820.88	412,516.85	217,695.97	194,820.88
2200	2298	TBC Accounting	100.000%	0.000%		-	-	-	13,760.47	13,760.47	-	13,760.47	13,760.47	-
2200	2298	BPRCT Accounting	0.000%	100.000%		-	-	-	9,311.70	-	9,311.70	9,311.70	-	9,311.70
2200	2299	Combined Accounting	50.000%	50.000%		-	-	-	159,893.31	79,946.65	79,946.66	159,893.31	79,946.65	79,946.66
2300	2311	Accounting	50.000%	50.000%		-	-	-	182,965.48	93,707.12	89,258.36	182,965.48	93,707.12	89,258.36
2300	2312	Collection Activities	50.000%	50.000%		20,723.99	10,362.00	10,361.99	22,065.33	11,032.66	11,032.67	42,789.32	21,394.66	21,394.66
2300	2312	Compliance Activities	50.000%	50.000%		632.17	316.09	316.08	8,449.62	4,224.81	4,224.81	9,081.79	4,540.90	4,540.89
2300	2313	Field Staff Activities	50.000%	50.000%		18,230.26	9,115.13	9,115.13	95,936.37	47,968.18	47,968.19	114,166.63	57,083.31	57,083.32
2300	2314	Texas Checkoff Refunds	0.000%	100.000%		1,637.44	-	1,637.44	14,121.64	-	14,121.64	15,759.08	-	15,759.08
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%	62.500%		-	-	-	11,578.03	4,341.76	7,236.27	11,578.03	4,341.76	7,236.27
3100	3111	Collections & Compliance	11.843%	88.157%		41,223.86	19,793.22	21,430.64	152,150.99	67,567.41	84,583.58	193,374.85	87,360.63	106,014.22
3100	3112	Retail Education	11.843%	88.157%		12,379.84	1,466.14	10,913.70	19,680.63	2,330.78	17,349.85	32,060.47	3,796.92	28,263.55
3100	3131	Industry Meetings & Planning	11.843%	88.157%		3,697.61	437.91	3,259.70	7,574.96	897.10	6,677.86	11,272.57	1,335.01	9,937.56
3100	3131	Retail Engagement	11.843%	88.157%		42,050.57	4,980.05	37,070.52	54,390.76	6,441.49	47,949.27	96,441.33	11,421.54	85,019.79
3100	3199	Combined Program Implementation	11.843%	88.157%		-	-	-	14,353.53	1,699.89	12,653.64	14,353.53	1,699.89	12,653.64
3200	3211	Retail	11.843%	88.157%		58,128.02	6,884.10	51,243.92	95,999.88	11,369.26	84,630.62	154,127.90	18,253.36	135,874.54
3200	3211	Foodservice Education	11.843%	88.157%		238,297.49	28,221.56	210,075.93	203,488.08	24,099.08	179,389.00	441,785.57	52,320.64	389,464.93
3200	3212	Industry Meetings & Planning	11.843%	88.157%		2,180.15	258.20	1,921.95	-	-	-	2,180.15	258.20	1,921.95
3200	3222	Foodservice Outreach/Promotion	11.843%	88.157%		11,075.03	1,311.62	9,763.41	-	-	-	11,075.03	1,311.62	9,763.41
3200	3232	Foodservice Content Development	11.843%	88.157%		168.63	19.97	148.66	255.07	30.21	224.86	423.70	50.18	373.52
3200	3299	Combined Program Implementation	11.843%	88.157%		-	-	-	(173.68)	(20.57)	(153.11)	(173.68)	(20.57)	(153.11)
4100	4111	Foodservice	100.000%	0.000%		251,721.30	29,811.35	221,909.95	203,569.47	24,108.72	179,460.75	455,290.77	53,920.07	401,370.70
4100	4111	Beef Loving Texans Store	100.000%	0.000%		560.66	560.66	-	18,517.43	18,517.43	-	19,078.09	19,078.09	-
4100	4112	Branding & Promotions	11.843%	88.157%		143,020.93	16,937.96	126,082.97	50,860.73	6,023.43	44,837.30	193,881.66	22,961.39	170,920.27
4100	4113	BLT Paid Advertising	11.843%	88.157%		1,591,125.24	188,436.87	1,402,688.37	17,308.27	2,049.82	15,258.45	1,608,433.51	190,486.69	1,417,946.82
4100	4116	Industry Meetings & Planning	11.843%	88.157%		8,912.40	1,055.50	7,856.90	13,720.71	1,624.94	12,095.77	22,633.11	2,680.44	19,952.67
4100	4121	BLT Earned Media	11.843%	88.157%		128,118.26	15,173.04	112,945.22	2,622.24	310.55	2,311.69	130,740.50	15,483.59	115,256.91
4100	4126	BLT Content	11.843%	88.157%		617,979.43	73,187.27	544,792.16	111,137.87	13,162.05	97,975.82	729,117.30	86,349.32	642,767.98
4100	4128	AgriLife Extension Engagement	11.843%	88.157%		(12.50)	(1.48)	(11.02)	120.79	14.31	106.48	108.29	12.83	95.46
4100	4131	Consumer Health Promotions	11.843%	88.157%		354,040.03	41,928.94	312,111.09	100,061.82	11,850.32	88,211.50	454,101.85	53,779.26	400,322.59
4100	4132	BLT Social Media	11.843%	88.157%		34,943.09	4,138.31	30,804.78	38,784.98	4,593.30	34,191.68	73,728.07	8,731.61	64,996.46
4100	4133	Information Dissemination	11.843%	88.157%		71,893.22	8,514.31	63,378.91	1,987.31	235.36	1,751.95	73,880.53	8,749.67	65,130.86
4100	4199	Combined Program Implementation	11.843%	88.157%		-	-	-	310,519.15	36,774.77	273,744.38	310,519.15	36,774.77	273,744.38
4200	4216	Consumer Marketing	11.843%	88.157%		2,950,580.76	349,931.38	2,600,649.38	665,641.30	95,156.28	570,485.02	3,616,222.06	445,087.66	3,171,134.40
4200	4222	Industry Meetings & Planning	11.843%	88.157%		3,414.49	404.38	3,010.11	4,533.92	536.95	3,996.97	7,948.41	941.33	7,007.08
4200	4224	Health Professional Outreach	11.843%	88.157%		107,974.14	12,787.37	95,186.77	43,111.73	5,105.72	38,006.01	151,085.87	17,893.09	133,192.78
4200	4225	Medical Office Outreach	11.843%	88.157%		773,125.70	91,561.23	681,564.47	38,764.41	4,590.87	34,173.54	811,890.11	96,152.10	715,738.01
4200	4225	Nutrition Content	11.843%	88.157%		32,984.62	3,906.37	29,078.25	15,714.04	1,861.01	13,853.03	48,698.66	5,767.38	42,931.28
4200	4234	Consumer Nutrition Education	11.843%	88.157%		18,759.92	2,221.74	16,538.18	40,352.05	4,778.89	35,573.16	59,111.97	7,000.63	52,111.34
4200	4299	Combined Program Implementation	11.843%	0.000%		-	-	-	41,942.97	4,967.30	36,975.67	41,942.97	4,967.30	36,975.67
4200	4299	Nutrition & Health	11.843%	0.000%		936,258.87	110,881.09	825,377.78	184,419.12	21,840.74	162,578.38	1,120,677.99	132,721.83	987,956.16

## TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH JUNE 30, 2022

Dept	Tactic	Tactic Description	Allocation Percentage		Direct Program Expenses			Program Implementation			Total	
			TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT	Total	TBC
5100	5111	Crisis Management	100.000%	0.000%	(16.69)	(16.69)	-	-	-	-	(16.69)	(16.69)
5100	5112	Industry Advocacy	11.843%	88.157%	13,490.97	1,597.73	11,893.24	9,562.03	1,132.43	8,429.60	23,053.00	2,730.16
5100	5113	Issues & Reputation Management	11.843%	88.157%	1,500.00	177.64	1,322.36	873.29	103.42	769.87	2,373.29	281.06
5100	5115	Production Content	11.843%	88.157%	10,380.77	1,229.39	9,151.38	13,414.45	1,588.67	11,825.78	23,795.22	2,818.06
5100	5199	Combined Program Implementation	11.843%	88.157%	-	-	-	22,435.77	2,657.07	19,778.70	22,435.77	2,657.07
		Issues & Reputation Management			25,355.05	2,988.07	22,366.98	46,285.54	5,481.59	40,803.95	71,640.59	8,469.66
6100	6111	Direct Communications	11.843%	88.157%	155,273.31	18,389.01	136,884.30	126,437.74	14,974.01	111,463.73	281,711.05	33,363.02
6100	6112	Producer Assets	11.843%	88.157%	68,142.38	8,070.10	60,072.28	8,070.47	955.79	7,114.68	76,212.85	9,025.89
6100	6113	Producer Influencer Communications	11.843%	88.157%	88,792.11	10,515.64	78,276.47	14,175.99	1,678.86	12,497.13	102,968.10	12,194.50
6100	6115	Industry Meetings & Planning	11.843%	88.157%	8,309.41	984.08	7,325.33	24,843.88	2,942.26	21,901.62	33,153.29	3,926.34
6100	6116	Producer Earned Media	11.843%	88.157%	12,717.68	1,506.15	11,211.53	2,183.24	258.56	1,924.68	14,900.92	1,764.71
6100	6117	Producer Paid Media	11.843%	88.157%	85,224.24	10,093.10	75,131.14	1,136.46	134.59	1,001.87	86,360.70	10,227.69
6100	6118	Producer Strategy	11.843%	88.157%	68,729.92	8,139.68	60,590.24	8,590.92	1,017.42	7,573.50	77,320.84	9,157.10
6100	6199	Combined Program Implementation	11.843%	88.157%	-	-	-	8,150.99	965.32	7,185.67	8,150.99	965.32
		Producer Communications			487,189.05	57,697.76	429,491.29	193,589.69	22,926.81	170,662.88	680,778.74	80,624.57
7100	7111	Beef Quality Assurance	11.843%	88.157%	28,000.97	3,316.15	24,684.82	32,930.98	3,900.01	29,030.97	60,931.95	7,216.16
7100	7112	AgriLife BQA Travel	0.000%	100.000%	11,369.60	-	11,369.60	-	-	-	11,369.60	-
7100	7113	Industry Meetings & Planning	11.843%	88.157%	3,720.66	440.64	3,280.02	5,380.20	637.18	4,743.02	9,100.86	1,077.82
7100	7131	Beef Quality & Safety Research	11.843%	88.157%	30,000.00	3,552.90	26,447.10	2,785.60	329.90	2,455.70	32,785.60	3,882.80
7100	7199	Combined Program Implementation	8.882%	91.118%	-	-	-	71,669.52	6,365.86	65,303.66	71,669.52	6,365.86
		Beef Quality & Beef Safety			73,091.23	7,309.69	65,781.54	112,766.30	11,232.95	101,533.35	185,857.53	18,542.64
8100	8111	USMEF Programs	11.843%	88.157%	67.49	7.99	59.50	6,705.49	794.13	5,911.36	6,772.98	802.12
8100	8112	International Industry Meetings	100.000%	0.000%	3,579.00	3,579.00	-	-	-	-	3,579.00	3,579.00
8100	8199	Combined Program Implementation	55.921%	44.079%	-	-	-	458.71	256.52	202.19	458.71	256.52
		Export Market Development			3,646.49	3,586.99	59.50	7,164.20	1,050.65	6,113.55	10,810.69	4,637.64
Grand Total					4,827,194.63	588,883.65	4,238,310.98	2,257,068.82	572,137.50	1,684,931.32	7,084,263.45	1,161,021.15
												5,923,242.30

## **BPRCT ACTION ITEM: B**

### **Financial Statements**

**Action Item:**

**Review and accept the year-to-date financial statements presented through June 2022 using the modified cash basis of accounting.**

**Background:**

The attached financial reports present year-to-date revenues and expenses compared to the budget.

**Rationale:**

Council members routinely review, understand, and approve the financial reports of BPRCT.

**Financial Impact:**

None.



**To: Council Members**  
**From: Michael Loeffler**  
**Re: June 2022 Financial Statements**

Included in this packet are the BPRCT financial statements and related schedules prepared on the modified cash basis for June 2022. Please note the following:

**Statement of Activities – Comparative**

Checkoff revenues in June 2022 are \$32,800 and \$117,000 greater than the amount received in June 2021 and 2020, respectively. Year-to-date checkoff revenues through June 2022 are \$182,700 and \$480,400 greater than year-to-date revenues through June 2021 and 2020, respectively.

Refunds in June 2022 are \$3,600 and \$26,300 greater than refunds in June 2021 and 2020, respectively. Year-to-date refunds through June 2022 are \$29,200 and \$18,500 greater than year-to-date refunds through June 2021 and 2020, respectively.

Expenses in Consumer Marketing in June 2022 are larger than in the prior years due to additional payments for advertising in 2022. Nutrition & Health expenses in June 2021 were unusually high because two payments for MD Office Outreach were made during that month.

Channel Marketing expenses in June 2021 were unusually high because Foodservice expenses included the payment of a sponsorship fee to the Texas Restaurant Association for a program later that year and the expenses of a chef training conducted at West Texas A&M earlier that year.

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

	<u>6/30/22</u>	<u>6/30/21</u>	<u>6/30/20</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 1,584,753	\$ 3,578,752	\$ 948,507
Investments	3,579,279	400,447	1,408,761
Receivable from Texas Beef Council	<u>955,657</u>	<u>922,825</u>	<u>838,599</u>
	<u><u>\$ 6,119,689</u></u>	<u><u>\$ 4,902,024</u></u>	<u><u>\$ 3,195,867</u></u>
 <b>LIABILITIES &amp; NET ASSETS</b>			
<b>Current Liabilities</b>			
Payable to Texas Beef Council	\$ 775,334	\$ 708,417	\$ 651,299
 <b>Net Assets</b>			
Unrestricted Net Assets	<u>5,344,355</u>	<u>4,193,607</u>	<u>2,544,568</u>
	<u><u>\$ 6,119,689</u></u>	<u><u>\$ 4,902,024</u></u>	<u><u>\$ 3,195,867</u></u>

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

	One Month Period Ended			Year-to-Date Through		
	6/30/22	6/30/21	6/30/20	6/30/22	6/30/21	6/30/20
<b>REVENUES</b>						
<b>Checkoff Revenues</b>						
Texas Checkoff Revenues	\$ 955,469	\$ 921,861	\$ 838,552	\$ 7,839,736	\$ 7,660,259	\$ 7,363,716
Late Fees	188	963	47	6,793	3,545	2,414
	955,657	922,824	838,599	7,846,529	7,663,804	7,366,130
Less: Refunds	(51,098)	(47,457)	(24,800)	(369,120)	(339,905)	(350,573)
	904,559	875,367	813,799	7,477,409	7,323,899	7,015,557
<b>Interest</b>	2,905	92	1,404	7,746	3,320	24,895
	907,464	875,459	815,203	7,485,155	7,327,219	7,040,452
<b>EXPENSES</b>						
<b>In-State Programs</b>						
Marketing						
Consumer Marketing	444,578	336,521		3,171,134	2,571,550	
Nutrition & Health	119,120	172,167		987,956	951,261	
	563,698	508,688	484,808	4,159,090	3,522,811	4,059,090
Beef Resources						
Channel Marketing	62,029	91,596	34,678	537,245	586,298	475,719
Issues & Reputation Mgmt	12,981	12,173	5,221	63,171	56,194	46,965
Producer Communications	71,277	40,688	45,218	600,154	445,492	322,230
Beef Quality & Beef Safety	17,655	12,553	9,083	167,315	115,750	96,314
Export Market Development	1,995	302	28,238	6,173	48,070	98,109
	165,937	157,312	122,438	1,374,058	1,251,804	1,039,337
Collections & Compliance	11,163	12,608	10,801	106,006	96,046	93,904
Administration	34,785	30,066	33,525	300,994	323,366	276,625
	775,583	708,674	651,572	5,940,148	5,194,027	5,468,956
<b>TOTAL INCREASE IN NET ASSETS</b>	<b>\$ 131,881</b>	<b>\$ 166,785</b>	<b>\$ 163,631</b>	<b>\$ 1,545,007</b>	<b>\$ 2,133,192</b>	<b>\$ 1,571,496</b>

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

	<b>Year-to-Date Through 6/30/22</b>	<b>Annual Budget</b>
<b>REVENUES</b>		
<b>Checkoff Revenues</b>		
Texas Checkoff Revenues	\$ 7,839,736	\$ 10,000,000
Late Fees	6,793	-
	7,846,529	10,000,000
Less: Refunds	(369,120)	(700,000)
	7,477,409	9,300,000
<b>Interest</b>	7,746	1,500
	7,485,155	9,301,500
 <b>EXPENSES</b>		
<b>In-State Programs</b>		
Marketing		
Consumer Marketing	3,171,134	5,584,700
Nutrition & Health	987,956	1,429,600
	4,159,090	7,014,300
Beef Resources		
Channel Marketing	537,245	1,085,500
Issues & Reputation Management	63,171	230,200
Producer Communications	600,154	766,800
Beef Quality & Beef Safety	167,315	280,700
Export Market Development	6,173	471,300
	1,374,058	2,834,500
Collections & Compliance	106,006	176,300
Administration	300,994	486,900
	5,940,148	10,512,000
 <b>TOTAL INCREASE IN NET ASSETS</b>	 <b>\$ 1,545,007</b>	 <b>\$ (1,210,500)</b>



## **BPRCT ACTION ITEM: C**

### **Assessment Rate for FY23**

#### **Action Item:**

**Set the assessment rate for FY23 at the maximum rate of \$1.00 per head approved by referendum vote in June 2014.**

#### **Background:**

Excerpts from Texas Agriculture Code:

Sec. 41.058. Powers and Duties.

*(d) The board shall set the rate of the assessment. The rate may not exceed the maximum established in the election authorizing the assessment or a subsequent election establishing a maximum rate.*

#### **Rationale:**

Excerpt from referendum ballot:

*If approved, a refundable maximum assessment of \$1.00 per head will be collected by the Beef Promotion and Research Council of Texas (BPRCT). The BPRCT will set the assessment rate each year. The assessment will be used for promotion, marketing, research and educational efforts regarding beef and beef products.*

*"A non-producer is not subject to this assessment and not eligible to vote in this referendum. A non-producer is defined as (a) the person's only share in the proceeds of a sale of cattle or beef is a sales commission, handling fee, or other service fee; or (b) the person: (i) acquired ownership of cattle to facilitate the transfer of ownership of such cattle from the seller to a third party; (ii) resold such cattle no later than ten days from the date on which the person acquired ownership."*

#### **Financial Impact:**

\$9.65 Million annually, before refunds.

## **BPRCT ACTION ITEM: D**

### **FY23 Plan & Budget**

#### **Action Item:**

The Audit & Budget Committee (A&BC) recommends approval of the FY23 Plan and Budget for the Beef Promotion and Research Council of Texas as summarized below:

#### **REVENUE**

Checkoff Assessments	\$9,650,000
Allowance for Refunds (7.0%)	(675,500)
Investment Income	<u>63,000</u>
Total Revenue	9,037,500

#### **EXPENSES**

Marketing	7,155,600
Beef Resources	2,674,000
Collections & Compliance	183,900
Administration & Accounting	<u>501,500</u>
Total Expenses	10,515,000

<b>REVENUES IN EXCESS OF EXPENSES</b>	<u>(1,477,500)</u>
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#### **Background:**

The A&BC met on April 12, 2022, to establish a revenue budget and set preliminary budget guidelines. The A&BC met again on August 12, 2022, to review the proposed budget for FY23 and the related marketing plan proposed by the Texas Beef Council. BPRCT is projected to end FY22 with net assets well in excess of the minimum required amount. Accordingly, the proposed budget for FY23 contains expenses in excess of revenues in order to decrease the amount of net assets.

#### **Rationale:**

Excerpt from BPRCT Bylaws:  
Article VII, Section 2. Audit and Budget Committee  
*(c) recommend to the Council a budget for the fiscal year.*

Excerpts from Texas Agriculture Code:  
Sec. 41.161. Financial Oversight  
*(a) The commissioner shall annually review and approve the council's operating budget for the funds collected under this subchapter.*

#### **Financial Impact:**

Budgeted net revenue of \$9,037,500 and \$10,515,000 in expenses for the year will result in expenses in excess of revenues of \$1,477,500.

## **BPRCT ACTION ITEM: E**

### **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 FY23:**

**Chairman:** Pat McDowell

**Vice-Chairman:** Fred Schuetze

**Immediate Past Chairman:** Dan Gattis

**Executive Committee:** Brian Malaer

**Executive Committee:** Shannon Wilson

**Background:**

The Nominating Committee appointed by the Chairman and approved by the Board on June 1, 2022, consists of Chairman Brad Hastings, Chloe Wilson, and Zachary Yanta. The committee met on August 4, 2022, to consider candidates for Chairman, Vice Chairman / Secretary-Treasurer and the Executive Committee.

**Rationale:**

Excerpt from BPRCT Bylaws:

Article VI, Officers and Administration

Sec 1. Qualification and Election

*Officers shall assume office at the end of the meeting at which they are elected.*

Sec 2. Chairman of the Council

*The Chairman of the Council shall: (a) preside at meetings of the Council and the Executive Committee; (b) serve as an ex-officio member on all Council committees, except the Nominating Committee; and (c) perform other duties as are necessarily incident to the office of Chairman or as may be prescribed by the Council.*

Sec 3. Vice-Chairman / Secretary-Treasurer

*The Vice-Chairman shall also serve as Secretary-Treasurer and shall (a) preside at any meeting in the absence of the Chairman; (b) serve as Chairman of the Audit and Budget committee; (c) ensure a clear and accurate accounting of all financial accounts and records; (d) keep a record of the proceedings of the meetings of the Council, Executive Committee, and Audit and Budget Committee; and perform other duties assigned by the Chairman or the Council. The Vice-Chairman/Secretary-Treasurer, with approval of the Executive Committee, may delegate certain of these responsibilities to an agent of the council.*

Article VII, Committees

Sec 1. Executive Committee

*The Council shall elect an Executive Committee from nominations by the Nominating Committee. The Executive Committee may act for and on behalf of the Council, to the extent authorized during open meetings of the Council. The Executive Committee shall be composed of five members, including the Chairman, Vice-Chairman/Secretary-Treasurer, immediate Past Chairman of the Council and two additional Council members.*

Excerpts from Texas Agriculture Code:

Sec. 41.054. Officers; Bond

*(a) The board shall elect from its number a chairman, a secretary-treasurer, and other officers that it considers necessary.*

**Financial Impact:**

None.

## **BPRCT ACTION ITEM: F**

### **Approve FY23 Audit & Budget Committee**

**Action Item:**

**The Chairman recommends approval of the appointment of the following directors to serve on the Audit & Budget Committee for FY23:**

Fred Schuetze, Chairman  
Richard Winter  
Pat Shields

**Background:**

The BPRCT Bylaws call for 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 documents.

**Rationale:**

Excerpt from BPRCT Bylaws:

Article VII. Committees

Section 2. Audit and Budget Committee

*The Council shall elect an Audit and Budget Committee from nominations by the Chairman. The Audit and Budget Committee shall: (a) cause and oversee an annual audit by an independent auditor; (b) assure accountability by reviewing and reporting to the Council on end-of-year activities, evaluations and finances; (c) recommend to the Council a budget for the fiscal year; and (d) recommend changes in independent auditors, as necessary. The Audit and Budget Committee shall consist of three Council members, including the Vice-Chairman / Secretary-Treasurer, who shall serve as chairman and sign major financial documents.*

**Financial Impact:**

None.

**BPRCT ACTION ITEM: G**  
**Memorandum of Agreement with the Texas Beef Council**

**Action Item:**

**A motion to approve a Memorandum of Agreement between the Beef Promotion and Research Council of Texas and the Texas Beef Council for FY23.**

**Background:**

Excerpt from Texas Agriculture Code:  
Chapter 41 Commodity Producers Boards  
Subchapter H. Texas Beef Marketing, Education, Research, and Promotion  
Sec. 41.157. General Powers of Council.

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

**Rationale:**

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

**Financial Impact:**

\$10,500,000

**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, 2022, 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, 2022, and shall remain in effect until September 30, 2023, 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 \_\_\_\_\_







**BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS**  
**Quarterly Report of Public Funds Investments**  
**For the Quarter Ended June 30, 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	Ending Balance
SAFRA National Bank	78658RFZ9	0.200%	17-Nov-22	140	\$ 124,441	\$ 124,156	\$ 125,000	\$ 125,000	\$ 92	\$ 62	\$ 154
Goldman Sachs Bank	38149MP98	0.300%	15-Dec-22	168	124,429	123,989	125,000	125,000	108	94	202
					248,870	248,146	250,000	250,000	200	156	356

**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	Ending Balance
U.S. Treasury	912796S42	0.305%	21-Jul-22	21	\$ 249,481	\$ 249,851	\$ 250,000	\$ 250,000	\$ (233)	\$ -	\$ (44)
U.S. Treasury	912796L64	0.305%	11-Aug-22	42	249,225	249,625	250,000	250,000	(277)	-	(88)
U.S. Treasury	912796N96	0.407%	3-Nov-22	126	124,228	124,118	125,000	125,000	(301)	-	(175)
U.S. Treasury	912796P94	0.407%	1-Dec-22	154	124,052	123,809	125,000	125,000	(340)	-	(214)
U.S. Treasury	912796S34	0.520%	26-Jan-23	210	247,161	246,496	250,000	250,000	(1,068)	-	(745)
U.S. Treasury	912796S34	0.754%	26-Jan-23	210	247,161	246,496	250,000	250,000	(1,547)	-	(1,079)
U.S. Treasury	912796J42	0.325%	16-Jun-22	0	249,772	-	250,000	(250,000)	(171)	-	-
U.S. Treasury	912796U49	0.671%	15-Sep-22	77	248,941	249,144	250,000	250,000	(770)	-	(353)
U.S. Treasury	912796U31	1.156%	23-Mar-22	266	246,037	245,589	250,000	250,000	(2,801)	-	(2,087)
U.S. Treasury	912796V63	1.152%	20-Oct-22	112	-	248,580	-	250,000	-	(1,420)	(879)
U.S. Treasury	912796V48	1.850%	20-Apr-23	294	-	245,463	-	250,000	-	(4,538)	(3,675)
U.S. Treasury	912796W47	1.902%	18-May-23	322	-	245,426	-	250,000	-	(4,574)	(4,137)
U.S. Treasury	912796XN4	0.950%	23-Aug-22	54	-	299,314	-	300,000	-	(686)	(421)
U.S. Treasury	912796X53	2.652%	15-Jun-23	350	-	243,534	-	250,000	-	(6,466)	(6,234)
U.S. Treasury	912796U49	0.950%	15-Sep-22	77	-	298,894	-	300,000	-	(1,106)	(946)
					1,986,058	3,314,142	2,000,000	1,350,000	(7,510)	(18,789)	(21,077)

**As of 6/30/22:**

Average CD Portfolio Yield	0.250%
Average Debt Security Portfolio Yield	1.010%
1 year U.S. Treasury Yield	2.800%

**MONEY MARKET FUNDS**

Fund	Symbol	Fair Value	
		Beginning Balance	Ending Balance
Invesco - Treasury Portfolio	TPFXX	2,777,566	1,537,309
Goldman Sachs - Government Fund	GCCXX	39,911	46,438
		2,817,477	1,583,748

# BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

## Collections Report

June 30, 2022

	<u>Actual</u>		<u>Budget</u>	<u>Budget Variance</u>	<u>Actual as a % of Budget</u>
Texas Checkoff Collections, Net of Exemptions					
October	\$ 914,008		\$ 899,123	\$ 14,885	101.66%
November	920,133		882,211	37,922	104.30%
December	1,025,513		963,047	62,466	106.49%
January	723,183		705,832	17,351	102.46%
February	850,392		747,521	102,871	113.76%
March	753,627		697,676	55,951	108.02%
April	872,716		744,549	128,167	117.21%
May	831,300		842,935	(11,635)	98.62%
June	955,657		927,190	28,467	103.07%
	<u>7,846,529</u>	100.0%	<u>7,410,084</u>	<u>436,445</u>	105.89%

### Refunds Processed

Refund requests received in October	46,624	
Refund requests received in November	42,427	
Refund requests received in December	55,161	
Refund requests received in January	49,859	
Refund requests received in February	51,926	
Refund requests received in March	34,805	
Refund requests received in April	41,532	
Refund requests received in May	51,097	
Refund requests received in June	33,589	
	<u>407,020</u>	5.2%

Collections, Net of Refunds 7,439,509 94.8%

*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	33,699	8.3%
Dairies	6,389	1.6%
Feedyards	359,145	88.2%
Out of State	7,787	1.9%
	<u>407,020</u>	100.0%



