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March 28, 2011

To: CBB Members

From: Wesley Grau, Executive Committee Chairman
Tom Jones, CBB Chairman

Subject: **Recommended Changes to CBB's Policies and Procedures**

As many of you will remember, in March 2010 the Beef Board's chairman appointed the Roles and Responsibilities Committee and charged the group with reviewing the Board's policies and procedures. The purpose of this review was to ensure the Board is fulfilling its responsibilities under the Beef Promotion and Research Act and Order as well as the expectations of the USDA's Agricultural Marketing Service. The Roles and Responsibilities Committee submitted its report to the 2010 CBB Executive Committee and the Executive Committee approved the committee's recommendations. The committee's recommendations were forwarded to the Board for its consideration in July 2010, but the Board was not asked to take action on the recommendations.

In February and March 2011, CBB's Executive Committee updated the Roles and Responsibilities Committee report to reflect recent changes to the Board's guidelines, policies and procedures, and prepared a revised set of recommendations which it now submits to the Beef Board for approval.

The following summarizes changes the Executive Committee recommends to ensure the Board is properly discharging its responsibilities. The recommendations are presented in relation to the Board's responsibilities as specified by USDA/AMS and only those responsibilities for which changes are recommended are included in this summary. The complete listing of the 20 Board responsibilities and the eleven recommendations are presented in the attached recommendations report.

BEEF BOARD RESPONSIBILITIES WITH RECOMMENDED CHANGES:

2. **Beef Board Responsibility** – Develop and implement plans, projects, and budgets.

Recommendation – CBB shall develop its own strategic and annual plans, including the Board's priorities for funding. QSBCs and contractors shall have input on the Board's plans and priorities. CBB's budget shall be developed by a CBB-only budget committee with QSBC input. QSBCs may fund individual programs by sending funds directly to CBB. CBB shall also review the Federation of State Beef Council's budget to ensure compliance with the Act, Order and guidelines.

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3. **Beef Board Responsibility** – Design committee structure.

Recommendation – CBB should design a committee structure for its members and implement the new committee structure prior to the 2011 summer conference. CBB members shall serve as chair and vice-chair of each committee. CBB shall encourage QSBC involvement and industry participation in its committees as an integral part of the process. If QSBCs are represented on a committee, the QSBC boards shall determine whether a board member or the staff executive of a QSBC serves on a CBB committee.

6. **Beef Board Responsibility** – Recommend approval of plans, projects, and budgets to the Secretary of Agriculture.

Recommendation – The full Board should review all programs funded by the Operating Committee, along with the plans and budgets, and express any concerns to the Operating Committee.

7. **Beef Board Responsibility** – Align programs and funding in accordance with the Board's strategic plan.

Recommendation – CBB shall develop the long-range and annual strategic plans/priorities for CBB and the checkoff, and ensure that all programs funded align with the Board's strategic plans/priorities. QSBCs and contractors shall be solicited for input during the planning process.

- 10c. **Beef Board Responsibility** – Ensure funds collected under the program are only used for activities authorized under the Act and Order (specific to checkoff funds expended by Qualified State Beef Councils).

Recommendation – CBB shall update and distribute CBB's *Guidelines for Approval of Programs under the Beef Promotion and Research Act*. The Board shall improve its outreach to Qualified State Beef Councils to foster a closer working relationship and educate QSBCs about such items as the opportunity to send checkoff dollars directly to CBB for funding specific national programs.

11. **Beef Board Responsibility** – Ensure funds are not used to influence government policy or action-- NO LOBBYING with checkoff dollars.

Recommendation – CBB shall (a) reiterate its position against any person acting as a checkoff representative being engaged in, or voting on, legislative or membership issues in any industry association, and (b) clarify that checkoff dollars may not be used to fund travel or other expenses to meetings that involve legislative policy development, regardless of origin of checkoff dollars (QSBC, Federation or CBB).

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12. **Beef Board Responsibility** – Appointed by the Secretary of Agriculture and a representative of USDA.

Recommendation – CBB shall develop and implement a policy indicating that CBB takes non-compliance with the Act, Order and guidelines seriously. If non-compliance is reported, CBB shall follow up and take action. CBB shall also require each CBB member to sign a conflict-of-interest form annually.

13. **Beef Board Responsibility** – Take responsibilities seriously and perform them to the best of Board members' abilities.

Recommendation – CBB shall remind Board members regularly of the responsibility to perform to the best of their ability and in the best interest of the industry.

14. **Beef Board Responsibility** – Make decisions based on what will have a positive impact on the entire industry.

Recommendation – Refer to 2 and 7 above. A CBB strategic plan to direct funding decisions, and a strong evaluation program, will help CBB be more directed and successful. A strategic plan will help guide decision making, and help leadership set and achieve goals.

17. **Beef Board Responsibility** – Create industry unity by communicating and supporting Board programs and projects to QSBCs.

Recommendation – CBB shall review state marketing plans carefully not only to determine compliance with the Act and Order, but also to encourage cooperation between state and national programs.

18. **Beef Board Responsibility** – Evaluate the effectiveness of the checkoff programs.

Recommendation – The Evaluation Committee shall be comprised of CBB members and shall evaluate all CBB and joint programs. Federation members will be included on the committee if all Federation-funded activities are included in the evaluation process. The Evaluation Committee shall also review current program evaluations at QSBCs and compare QSBC marketing plans and budgets to evaluations to ensure all programs are evaluated. If an evaluation identifies deficiencies in a program, CBB shall assure that such deficiencies are remedied.

Given that the Board is about to begin its annual planning and budgeting process, the Executive Committee requests that Beef Board members approve these recommendations as soon as possible. Therefore, please call Charlotte Coates at (800) 388-2333 or send an email to Charlotte Coates at cocoates@beefboard.org no later than Monday, April 4 at 5:00 pm central time stating whether or not you approve the Executive Committee's recommendations. If you have any questions about the recommendations, please contact a member of the Executive Committee.

cc: USDA/AMS