

# THE FACTS: IMPROVING NCBA'S GOVERNANCE

June 8, 2010

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- PURPOSE:** NCBA strives to be the trusted voice and definitive leader of the beef industry. In order to achieve this goal, the rules and process that govern this historic organization have to change.
- NCBA's improved governance structure will make NCBA the efficient and effective national organization producers deserve. It provides for greater producer input and quicker decision making, while ensuring strict adherence and accountability to the checkoff laws and procedures.
- PROGRESS:** The producer-led Governance Task Force has come before NCBA's Board of Directors three times since the restructuring process began in 2008. Each time, the Board approved important progress toward the ultimate goal of a simpler, more effective governance structure.
- The structure concept passed at the 2010 Annual Meeting in San Antonio with 94 percent of the vote. The final structure will be voted on by the Board of Directors in Denver, July 31.
- PROCESS:** Beef industry leaders are deciding what NCBA's new structure will look like. They agreed NCBA's governance process needed improvement. A representative Governance Task Force of beef producers, along with state cattlemen's association and beef council executives, are leading the charge. Three producer-run Working Groups also were formed after the new governance structure concept was approved in San Antonio.
- In addition, hundreds of folks have provided input that's helped shape the new structure. They include NCBA members, joint committee chairs and vice-chairs, state cattlemen's association and beef council leaders, and fellow agriculture industry association members as well as the U.S. Department of Agriculture.
- The Governance Task Force has held numerous update sessions and feedback forums in order to share milestones and gain valuable insight from the countryside. This spirit of collaboration continues as the Working Groups seek input on their proposed bylaws, investment schedule and timeline through regional calls and state meetings.
- A final proposal will be sent to NCBA's Board of Directors later in June to help them prepare for their meeting at the end of July.

## Some Things Change; Some Stay the Same

NCBA was founded to foster inclusive, holistic and visionary thinking for the industry. The improved governance reinforces this important principle. Bolded are changes made by producer leaders to address NCBA stakeholder requests. These changes have been provided to Secretary Vilsack today.

<b>TODAY</b>	<b>TOMORROW</b>
<ul style="list-style-type: none"> <li>Trusted and committed industry leaders apply their experience to making the best decisions for the industry based on significant input from grassroots producers.</li> </ul>	<ul style="list-style-type: none"> <li>Same</li> </ul>
<ul style="list-style-type: none"> <li>Cumbersome 274-member Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>Changes to a smaller, more nimble Board of Directors comprised of 29 members.</li> <li>New House of Delegates provides meaningful discussion and debate before forwarding recommendations to the Board.</li> </ul>
<ul style="list-style-type: none"> <li>Producer direction provided through committees that restrict voting and participation to appointed members.</li> </ul>	<ul style="list-style-type: none"> <li>Changes to allow greater input from all state affiliate and beef council members and industry participants through Industry Forums and Joint Committees.</li> </ul>
<ul style="list-style-type: none"> <li>A financial firewall ensures 100 percent of checkoff dollars are spent appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>Same</li> </ul>
<ul style="list-style-type: none"> <li>The Federation of State Beef Councils recommends and oversees state checkoff investments in the national checkoff plan implemented by NCBA.</li> </ul>	<ul style="list-style-type: none"> <li><b>Changes enable the Federation of State Beef Councils to vote on and approve its budget independently.</b> The Federation budget is created from voluntary investments made by state beef council producer boards.</li> </ul>
<ul style="list-style-type: none"> <li>The Federation of State Beef Councils elects its chair, vice chair and Beef Promotion Operating Committee members from a non-contested slate of nominees.</li> </ul>	<ul style="list-style-type: none"> <li><b>Nominations for the Federation of State Beef Councils chair, vice chair and Operating Committee members come only from State Beef Councils.</b></li> <li>The Nominating Committee interviews all candidates and proposes a chair, vice chair and a contested slate of candidates for the Operating Committee.</li> <li><b>The Federation of State Beef Councils, acting independently, elects its chair, vice chair and Operating Committee members from this pool, nominations from the floor or any other process the Federation chooses.</b></li> </ul>
<ul style="list-style-type: none"> <li>Producers discuss and vote on only those issues that are specific to their funding source (checkoff v. policy).</li> </ul>	<ul style="list-style-type: none"> <li>Allows all producers to come together and have smart discussion about the challenges and opportunities, regardless of funding.</li> <li><b>State beef council delegates to NCBA's House of Delegates will be prohibited from voting on matters whose purpose is to influence governmental policy or action.</b></li> </ul>