



April 7, 2008

To: State Affiliate and State Beef Council Executives

From: Terry Stokes – CEO

RE: Organizational Update

Over the last few weeks we made organizational adjustment changes to better position us for the uncertain times we face in our industry. Doing so will allow us to clarify roles for staff, foster more integration and teamwork, and enhance accountability.

The Long Range Plan vision is still the great prize and our mission the purpose. Our goals are the destination and our objectives quantify our success. These goals include:

- Serve as the definitive industry voice on cattle and beef issues
- Provide services valued by members
- Protect cattle and beef producers' rights and freedoms
- Defend and market beef domestically and globally
- Achieve financial strength
- Maintain strong producer leadership

To achieve these goals, together we must have a strong state-national partnership. We often segment this partnership between funding sources – the checkoff and the association. Organizationally, this partnership must be holistic with our relationships transcending funding sources and programs. As we look to changes in the beef checkoff program, state beef councils, state affiliates, and NCBA must work seamlessly. As we look at addressing issues such as animal welfare, food safety, nutrition, and trade, state beef councils, state affiliates and NCBA must work seamlessly.

The recent changes in our organizational structure will foster an even stronger state-national partnership, which is imperative to successfully serve and deliver results to our shared stakeholders. Its aim will be to integrate the Federation into a true state-national plan for checkoff programs and to enhance our services to and coordination with our state affiliates.

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As we look to the future, on the political front, we see a very different environment – more polarity between parties, less understanding of agricultural issues, and more influence from activist groups with an anti-beef agenda. This changing environment requires us to execute differently whether you are working a policy or defending beef in the marketplace.

I have received many questions about our DC office and what the priorities will be moving forward, so let me address those here. Going forward, there are four key focus areas for our government affairs team:

- ❖ A bi-partisan approach to addressing policy issues; some would call it “moving it to the middle.”
 - No presidential endorsements
 - A more formalized relationship with the Executive branch of government
 - A solutions approach to policy implementation
 - Pro-actively educating congressional staff
 - Engaging in non-traditional coalitions
- ❖ A strong state-national partnership to lobby our positions on Capitol Hill
 - Grassroots mobilization on critical issues
 - Fly-ins at critical times on critical issues
 - State participation in strategic planning
- ❖ Develop a strategic plan to grow our PAC and enhance influence
 - Grow contributions
 - Local distributions to members and candidates
- ❖ Fiscal management in FY 2008 for growth in 2009
 - Prepare to add bench strength in Washington DC with additional staff
 - Pursue value added services in such areas as process verified programs and environmental regulation

I am beginning the search for the Senior Vice President for Government Affairs. The job description is posted on our website, www.beefusa.org. This individual will be responsible for leading NCBA forward in these four key areas. I intend to do a very thorough and expedient search to fill this position and hope to have this person in place by Summer Conference. I will continue to spend a majority of my time in Washington DC, and my priority will be to fill this key position with an experienced and respected government affairs leader.

To our state lobbying partners, I cannot emphasize enough the importance of your involvement in addressing our issues in DC. With uncertainty surrounding completion of the Farm Bill, continual trade issues, and environmental regulatory pressures, it is critical that we work seamlessly together. We need your insight and participation. Over the next few weeks, I will seek your input on how we can more effectively achieve our collective outcomes.

For the Federation, we want to engage you in developing ways to better execute our demand-building programs and plan for fiscal year 2009. We will be involving Federation staff, for the first time, as we begin to build our strategic plans for 2009. This is just the first of many initiatives that I expect will pull our teams closer together and achieve my dream of a seamless state-national demand-building plan.

We all are seeing less checkoff resources for our programs now and in the foreseeable future challenging us to do more with less. Our challenge is to focus the diminishing checkoff resources in those areas that will have the greatest impact on beef demand in the U.S. and in the global market. There is no better time for us to show the value of the Federation than now and we need your involvement.

Personally, I understand that change is hard, but I also believe it is necessary to deliver successes for our industry into the future. I ask for your involvement and to give the changes we have made a chance by supporting our staff. As I stated previously, a strong state – national partnership is critical to our success. A strong NCBA is dependent upon our partnership.

I know you have questions and concerns and I want to hear them. I am never too busy to take your call. Please don't hesitate to reach out if you have something on your mind and want to talk it through. My direct line is 303-850-3310 or my cell is 720-987-9689.