American Brahman Breeders Association

Finance Committee Meeting Agenda

December 9, 2025, 3:00 PM CST
ABBA Headquarters
Bryan, TX

Present
Carolyn Falgout
David Domsch
Kelvin Moreno
Hatch Smith
Scott Satterfield

Staff
Paul Maulsby
Iridiana Ibarra

Guests
David Miller
Catherine Neumayr
Billy Badilla
Gary Buchholz
Craig Fontenot
Sallye Fontenot
Dakota Smith
Pasquale Swaner
Charli Vernon
Tyler Vernon

Carolyn Falgout called the meeting to order at 3:00 PM.

Hatch Smith moved to approve the minutes from the Finance Committee meeting held on September 25, 2025. The motion was seconded by Scott Satterfield. Motion carried. The minutes were approved as presented.

The committee reviewed the Association's current financial position, projected budget outlook, and ongoing financial obligations.

Discussion centered around the Association's tightening financial position, including declining revenue in traditional income streams and significant outstanding legal expenses. It was reported that approximately $76,800 in legal expenses remain outstanding and must be paid within the current fiscal period.

The committee reviewed the Association's operating cash position and acknowledged that the contingency reserve established in the prior year has been exhausted. Due to current cash flow limitations, funds from the Association's investment account will be utilized to satisfy outstanding legal obligations, with the understanding that the committee intends to replenish those funds as operating conditions improve.

Committee members emphasized that investment reserves should not become a recurring source for operational expenses and reaffirmed the importance of maintaining financial discipline moving forward.

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Hatch Smith made a motion to authorize the temporary use of investment account funds to satisfy outstanding legal obligations, with the intent to replenish those funds through future operating revenues. Seconded by Kelvin Moreno. Motion carried.

The proposed 2026 budget was then reviewed in detail. Leadership presented a conservative financial outlook reflecting reduced registrations, declining transfer activity, and realistic market projections. It was noted that projected revenue from the Association's primary registration and transfer business has declined significantly compared to prior years, requiring expense reductions and revised assumptions.

The committee reviewed staffing-related budget adjustments, expense reductions, and continued efforts to maintain member services without reducing operational capacity.

Discussion acknowledged that prior budgets may have relied on overly optimistic revenue projections and that the 2026 budget reflects a more realistic and disciplined planning approach.

Hatch Smith made a motion to approve the 2026 operating budget as presented. Seconded by Kelvin Moreno. Motion carried.

The committee reviewed revenue trends related to registrations, transfers, F1 activity, and DNA testing.

It was reported that registrations and transfers have declined approximately 25% compared to recent historical highs, largely due to market conditions and changes in breeder behavior. Leadership noted that while F1 participation has increased, lower fee structures have limited revenue growth from that segment.

DNA testing revenue continues to provide meaningful support to the Association's financial performance; however, leadership cautioned that current profitability is partially influenced by temporary factors and should not be relied upon as a permanent offset.
Discussion emphasized the need to strengthen core revenue sources while diversifying income opportunities.

The committee reviewed recommendations regarding updated fees and membership pricing. Discussion focused on aligning fee structures with current market realities, rising costs, and long-term financial sustainability while maintaining competitiveness within the industry.
The proposed fee adjustments included:

- F1 Membership Fees (new and renewal): increase from $50 to $100
- Ear Tags: standardized at $10 each
- Ranch Signs: increase from $850 to $950
- Lifetime AJBA Membership: increase from $75 to $250
- Annual AJBA Membership Renewal: set at $35

It was noted that existing lifetime memberships would be honored without retroactive impact.

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Hatch Smith made a motion to approve the proposed fee structure adjustments effective January 1, 2026, with the exception of previously issued renewals already in process. Seconded by Scott Satterfield. Motion carried unanimously.

The committee reviewed planned operational improvements intended to improve efficiency, reduce costs, and modernize member services.

Leadership presented plans to transition to a paperless registration process beginning in 2026. Under the new system, members will have the option to print registration papers electronically at no charge, while printed documents mailed by the Association will remain available for an additional fee.

The committee discussed anticipated administrative savings, reduced printing costs, and improved member convenience associated with the transition.

The committee also discussed the importance of continued improvements within Digital Beef to better manage credits, receivables, and reporting functionality.

Leadership discussed the broader strategic outlook for the Association.

Committee members acknowledged the challenges posed by declining traditional revenue streams, increased operating costs, legal expenses, and changing breeder behavior. Despite these challenges, leadership expressed cautious optimism regarding the Association's ability to stabilize finances through conservative budgeting, operational discipline, and diversified revenue efforts.

Discussion also included opportunities for growth through increased membership engagement, restored breeder participation, commercial market expansion, and continued innovation in research and data integration.

Transparency with membership regarding financial realities and organizational priorities was emphasized as a critical component of maintaining trust and credibility.

Additional discussion included continued evaluation of vendor relationships, lab partnerships, and opportunities to improve service delivery while maintaining sound financial controls.

The committee entered executive session.

During executive session, the committee voted to lock the accounts of members with outstanding balance.

There being no further business, Hatch Smith moved to adjourn the meeting, seconded by David Domsch, meeting adjourned.

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