

Texas Beef Council Annual Report

FISCAL YEAR 2013

A SUMMARY OF STATE AND NATIONAL BEEF EDUCATION, PROMOTION AND RESEARCH PROGRAMS FUNDED BY THE \$1 PER HEAD BEEF CHECKOFF PROGRAM.



"EVERY JOURNEY HAS A STARTING LINE."

AS A RUNNING COACH, I MOTIVATE OTHERS IN MY COMMUNITY TO FIND THEIR INNER ATHLETE.

AND TO LEAD BY EXAMPLE, I ALWAYS STRIVE TO DISCOVER MY OWN. THAT'S WHY I FUEL MY JOURNEY WITH DELICIOUS MEALS OF LEAN BEEF AND KEEP LOOKING FOR MY NEXT HORIZON.

I'M JACKIE DOBSON AND I'M PROUD TO PUT BEEF ON MY TABLE.



FITNESS ADVERTISING

Checkoff-funded print ads were featured in *Austin Fit Magazine*, *IDEA Fitness*, *Competitor*, *Austin Lifestyle Magazine* and *Texas Runner and Triathlete* reaching 254,000 fitness and health enthusiasts. The campaign included a rotation of six beef ads and two "Healthy People Eat Beef" ads featuring two Texas BEEF Team members.



For an audited financial statement, contact the Texas Beef Council at beef@txbeef.org or call 1-800-846-4113.

Visit us online at www.TexasBeef.org for more checkoff information or at www.TxBeef.org for beef recipe information.

Farm to Fork – TBC hosted two "Farm to Fork: Celebrate, Preserve, Strength" tours for 20 nutrition and health thought leaders and 20 BEEF Team members. The tours provided a unique opportunity to take a behind-the-scenes look into cattle ranching and modern beef production practices. The guided tour also allowed for time to interact with ranching families and other agriculture experts to answer pressing beef production questions.



BEEF Team – The Texas BEEF Team is a community of 800 runners, triathletes and cyclists who recognize the nutritional benefits of lean beef and the vital role high-quality protein plays in their training. More than 2,000 appearances were made by team members who participate in runs across the state in their "Beef. Fuel for the Finish" jerseys. TBC engages the team

utilizing a variety of communications tools including a monthly newsletter, Facebook group, pre-race beef dinners, events and educational webinars. In efforts to give back to the community and give beef more visibility at races, team members are required to participate in volunteer activities throughout the year. The team consists of elite athletes, retail partners, cattle ranchers, moms, dietitians, physicians, coaches, trainers and many others.

Export Teams and Promotions – Chefs from the Caribbean and Russian Region (CIS) visited Texas in FY13 to learn more about the beef industry. As guests of TBC and the U.S. Meat Export Federation, the chefs were educated on the advantages of U.S. beef and trained to cook and promote underutilized cuts at Texas Beef Festivals held in their own countries. TBC also conducted retail and foodservice promotions in Hong Kong, Central & South America, Russia, the Caribbean, Japan, the Middle East and Taiwan.



Beef Quality Training – The Texas Beef Quality Producer program, developed to train producers on the principles of beef quality assurance (BQA), directly trained 254 producers (representing 28,000 head of cattle). In addition, 3,000 producers were exposed to BQA practices at Beef Quality Assurance credit meetings. Another educational program, Beef 706, reached 155 producers (representing 57,000 head of cattle) with total quality management principles.

Issues Management

The crisis communications team continued working to protect the beef marketing climate from potentially damaging issues. TBC took a proactive approach with outreach to Texas FFA chapters, university agriculture classes and agriculture advocate groups, encouraging students to tell their story and become Masters of Beef advocacy graduates.

Health Influencers – More than 600 registered dietitians attended the Annual Texas Academy of Nutrition and Dietetic Association (TAND) Food and Nutrition Conference where TBC exhibited a beef booth sharing the latest beef nutrition science. TBC and the national checkoff program partnered to sponsor two concurrent sessions with speakers focusing on beef nutrition, modern beef production and sustainability. These programs help leading dietitians convey positive messages about beef to media, clients and other key audiences influenced by health professionals.

Culinary Education – TBC reaches influencers in the foodservice channel through promotions and education. Key events included Dallas Restaurant Week, reaching more than 110,000 diners in the Dallas area at more than 135 restaurants. The Annual Culinary Educators Training Conference trained more than 125 high school culinary instructors who influence more than 10,000 students. TBC also worked to provide beef resources and educational programs to five of the largest foodservice distributors and purveyors.

Heart-Healthy Partnership – Continuing with a long standing relationship, TBC partnered with the American Heart Association (AHA) Texas affiliate for the sixth consecutive year to share the many ways beef fits into a heart-healthy diet. Beginning in February with National Heart Month, lean beef was showcased on television cooking segments, at AHA luncheons and at nutrition and health influencer meetings across the state.



Retail Promotion – Working to promote beef products during key consumer holidays while also leveraging dollars, TBC partnered with several retail chains between Thanksgiving and the New Year to provide more than 30,000 holiday roast recipe brochures and 150,000 on-pack cooking labels and in-store signage to more than 200 grocery stores. In addition, TBC focused on summer grilling through partnerships with vendors and retailers for point-of-sale materials at more than 400 retail stores. TBC also participated in several cross promotional programs with various partners distributing 2.2 million coupons with partners investing on average \$3 for every \$1 invested by TBC.

Public Relations – TBC spokespeople appeared on television programs in ten of Texas' leading media markets. Promoting positive beef messages, these 45 food segments garnered nearly 1.2 million total audience impressions showcasing beef recipes, cooking techniques and nutrition information. The television segments were extended online 36 times throughout the year garnering more than 6.6 million audience impressions. TBC also facilitated a media tour with a registered dietitian promoting the importance of nutrient dense foods like lean beef during pregnancy. These segments aired in five markets and received more than 150,000 broadcast impressions and more than 1 million online impressions.

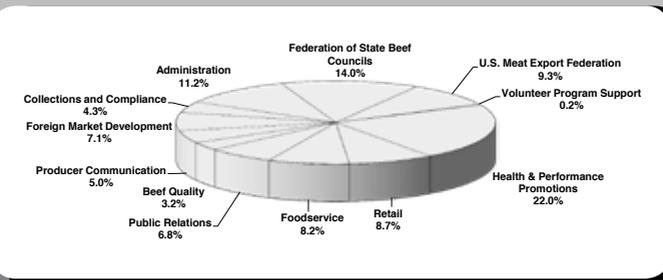
Producer Communications – In efforts to educate producers about the Beef Checkoff, TBC distributed press releases featuring checkoff-funded initiatives to media outlets resulting in a total

circulation of more than 2.6 million. The Texas Beef Checkoff was showcased in 15 feature articles as well as providing numerous interviews for ag radio. In addition, TBC attended 45 industry meetings directly interacting with 40,771 farmers and ranchers. The checkoff newsletter, Cattle Talk, was distributed every other month in addition to outreach efforts to feedyards and livestock markets.

Digital Marketing – TBC continued to expand its online presence by focusing on the social media outlets Facebook, Twitter, Instagram, Pinterest, YouTube, Google+, Vine and BEEF Loving Texans (BLT) blog that serve as a platform to engage consumers and facilitate a two-way dialogue. The BLT Facebook page has nearly 53,000 "likes" and garnered 1.8 million total impressions. TBC also partnered with mobile application company Food on the Table for a mobile advertising campaign that targeted older millennial parents who use the application to manage their weekly grocery lists.



Retail Education – In efforts to educate key retail partners, TBC continued the hands-on Beef Boot Camp series. TBC conducted eight Culinary Beef Boot Camps where retail meat market managers were trained on topics such as proper cooking techniques, meat science basics and beef nutrition. Four Production Beef Boot Camps were held giving participants a farm-to-fork educational session that covers modern beef production practices and showcases a live cattle demonstration. Four Consumer Engagement Boot Camps were also held to help participants learn the subtle nuances of consumer engagement in efforts to identify customer needs and find a solution for them.



TEXAS BEEF COUNCIL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2013

REVENUES	
Total checkoff assessments	\$11,156,557
Less: Remittances to the Beef Board	(5,144,466)
Remittances to state of origin	(867,625)
Texas checkoff revenue	5,144,466
Investment income	8,839
Other revenues	15,000
TOTAL TBC REVENUES	\$5,168,305
EXPENSES	
	\$4,659,428

Of every dollar collected in the state, by law, 50 cents is remitted to the Cattleman's Beef Board for funding of national and international checkoff programs. The pie chart above shows TBC's investment of the remaining 50 cents.

Dear Fellow Beef Producers,

Is the Federation of State Beef Councils still relevant after 50 years? In my opinion, it is. Beef producers today want as much input as possible into how their dollars are spent.

Thanks to forward-thinking producer leaders almost three decades ago, the mandatory Beef Checkoff Program had as part of its framework then-existing and to-be-created beef councils at the state level, which would collect the \$1-per-head mandatory checkoff and help populate important direction-establishing and funding committees.

Many of those states had already joined together as a Federation to share expenses for common needs, such as Information Technology, design services, planning guidance and communications. By not duplicating costs from state to state, and joining in a common vision and message, councils extend checkoff programs in the state and assure that producers throughout the country are getting the most for their checkoff dollar.

Relevant? Absolutely. The Federation of State Beef Councils is a mechanism for grassroots input and influence.

Yours truly,



Richard Gebhart, Chair, Federation of State Beef Councils
Beef Producer, Claremore, Okla.



Fresh Strategies for a Changing Beef Landscape

Because of grassroots producer leadership, the beef industry is positioned to capitalize on future changes in the beef marketplace. Committee restructuring, which parallels the industry's Long Range Plan, was completed this past year to provide the Cattlemen's Beef Board and the Federation of State Beef Councils a better focus on industry goals. Following are some national and international beef checkoff efforts that reflect that plan:

Solving the Millennial Dilemma

Through checkoff-funded research, we know consumers born in the 1980s and 1990s – sometimes called millennials – enjoy beef. But they have some concerns about preparation, nutrition and convenience. Now the question becomes, just how do we turn them into long term beef lovers?

Through a new checkoff-funded retail campaign, with additional support from the Federation and individual state beef councils, that question is being addressed.

The checkoff-funded Convenient Fresh Beef project explores a way to develop an easy-to-prepare fresh beef product at retail stores, make it appealing and create the education and training to make it successful.

Convenient Fresh Beef products include the beef, seasonings and instructions in an attractive sleeve-wrapped tray, prepared in the meat department at the grocery store or brought in as a case ready product. A photo of the finished dish is on the front of the sleeve; from 1-3 recipes are printed on the back.

The items are convenient and provide shoppers options. They address a millennial's lack of cooking skills and desire for a restaurant experience, and meet the needs of families looking

for shortcuts on busy week nights. In addition, they meet mature consumers' desire for easy home-made foods that feed two and provide leftovers.

The test program is being conducted in the Midwest at Price Cutter stores, which have the in-store capabilities to produce the kits and have provided significant support for testing. Additional support for implementation has been provided by individual state beef councils.

Consumer research, post implementation to document interest and sell the programs to other stores, as well as point-of-sale materials, demonstrations and training, and initial spice inventory were made possible through national beef checkoff funds.

Campaign Sizzles with New Voice



New "Beef. It's What's For Dinner." consumer advertising premiered in 2013, bringing the recognizable tagline to both older millennials and Gen-Xers. It features sizzling beef recipes, juicy details about essential nutrients and the voice of one of Hollywood's most promising new talents. The new "Above All Else" campaign reaches out

to those who care about food and nutrition.

While keeping many brand mainstays, such as Aaron Copeland's "Rodeo" music, the new beef campaign uses Garrett Hedlund's voice in radio spots. Garrett personally represents healthful living, and his strong, warm voice is perfect for provoking a new understanding about beef. Research has shown that 45 percent of the target demographic said they would choose beef more often if they knew about

how its nutrients compared to chicken. The new campaign helps set the record straight about beef's essential nutrients in an engaging and educational way.

In addition to traditional print placements, the campaign appears across a wide range of digital platforms, such as 22 tablet versions, online radio stations (e.g., Pandora), video websites (e.g., Hulu), social networking sites (e.g., Facebook) and popular recipe websites (e.g., AllRecipes.com).

State Beef Councils are extending the campaign through print, radio, digital, in-person promotions, sporting events, outdoor advertising and more.

Boosting Beef Internationally



The Beef Checkoff Program assisted as U.S. beef and beef variety meat exports performed very well in 2013. Through July, exports were 9 percent ahead of last year's record pace in terms

of value, at \$3.45 billion. This translates into great returns for producers, as export value equated to nearly \$235 per head of fed slaughter – an increase of 11 percent over last year. Through international marketing programs conducted by the U.S. Meat Export Federation, the Beef Checkoff Program is working aggressively to increase export opportunities for U.S. beef. For instance, with recently expanded access in Japan the checkoff helped attract new buyers to U.S. beef and expanded the range of cuts available, allowing Japan to reclaim its position as the No. 1 destination for U.S. beef exports. Other Asian markets performing well included Hong Kong and Taiwan. Exports are also significantly higher to Central and South America, as the checkoff helped the U.S. beef industry capitalize on recently implemented free trade agreements.

Program Builds Nutrition Relationships

With their local and state focus, state beef councils are instrumental in building relationships with state professional organizations dedicated to improving the health of Americans. The national Beef Checkoff Program is assisting those councils in strengthening those ties.

The Nutrition Seminar Program (NSP), coordinated by NCBA, a Beef Checkoff contractor, provides an opportunity for state beef councils to get closer to their state chapters of health professional groups by providing a nationally recognized expert to speak on a nutrition topic at that organization's annual meeting. The Beef Checkoff also provides free client education resource materials to all session attendees.

State councils coordinate and execute the NSP session, while the national Beef Checkoff covers the honoraria and travel expenses for each speaker. This past year, 36 speaking engagements were coordinated by numerous councils. There are 40 different speakers for states to choose from, covering 148 session topics.

Partners in Time

Throughout its 50-year history, the Federation of State Beef Councils has provided a platform for state beef council representation at the national level, while offering services needed by states to conduct their in-state promotion, education and research programs. The partnership is made possible three ways: through the 1985 Beef Promotion Act; by deliberate collaboration with national programs funded through the Beef Checkoff Program; and by voluntary contributions to the Federation by state beef council boards.

The voluntary investments by cattle-rich states helps make sure greater emphasis is placed on programs where the majority of consumers live and buy beef. It supports the teamwork necessary for building a successful state and national Beef Checkoff Program.

CATTLEMEN'S BEEF BOARD FISCAL YEAR 2013 EXPENDITURES

Category	Amount
Administration	\$1,536,829
USDA Oversight	\$279,075
Program Development	\$179,088
Program Evaluation	\$179,590
Producer Communications	\$1,529,824
Foreign Marketing	\$6,036,724
Industry Information	\$3,492,377
Consumer Information	\$3,390,267
Research	\$6,036,100
Promotion	\$15,528,767
Total expenses	\$38,188,641

*audited numbers