

# California Beef Council

## 2011 Annual Report

### Retail Marketing & Outreach Hispanic Marketing Campaign

Increasing beef demand among California's Hispanic consumers continued to be one of the highest ranked priorities for the California Beef Council (CBC) in 2011. Over eight million of California's 14 million Hispanics live in the greater Los Angeles area, designating this region as the target market for the CBC's aggressive Hispanic marketing campaign. The CBC conducted Hispanic promotions that ran during the summer and fall months with seven Hispanic retail chains (Cardenas Markets, El Tapatio Markets, Gonzalez Northgate Markets, Payless Foods, Superior Grocers, Super A Foods and Vallarta Supermarkets) representing 149 retail locations. The promotions included radio and television advertising in the Los Angeles area and in-store signage and promotional events in select stores where beef-themed prize packs were awarded to winning customers. McCormick's Montreal Steak Seasoning contributed \$35,000 and Shasta soft drinks contributed \$10,000 towards the CBC's Hispanic campaign.

### Large Retail Chain Promotion



Northern California Raley's, Bel Air and Nob Hill Foods stores returned this year as promotional partners with the CBC. During the month of October, 129 stores participated in a

multi-faceted campaign aimed at driving beef sales. The foundation of the campaign was a two-week radio buy in the major media markets in Northern California encouraging shoppers to go to their local Raley's/Bel Air/Nob Hill Foods for their beef purchases and to check in on Facebook for a consumer contest with beef-themed prizes. The Facebook contest called for consumers to make a beef purchase at one of the participating stores, make their favorite beef dish and then post a photo of that dish on Facebook to make the contest entry official. Twenty prize packs consisting of a \$50 Raley's gift card, a "Beef. It's What's For Dinner" apron, a spice packet and beef recipes were given out to contest winners. In addition, Raley's/Bel Air/Nob Hill Foods offered a \$5-off beef coupon, with a purchase of \$20 or more, to their customers. Raley's/Bel Air/Nob Hill Foods funded over \$8,600 in coupon redemptions during the promotion. The promotion resulted in an increase in sales of 64 percent of Porterhouse Steaks, 60 percent of T-Bone Steaks, 33 percent of Tri-Tip Steaks, 24 percent of Tri-Tip Roasts and 4 percent of Top Sirloin Roasts.

### Mid-Size Retail Chain Promotion

The CBC partnered with FoodMaxx Maximum Discount Supermarkets, a 46-store warehouse-format, discount supermarket chain in central California, in a promotion that ran for a month during the summer. The promotion featured \$2-off, on-pack coupons on all family "Maxx Packs"



for the radio advertising, FoodMaxx also funded the coupon printing costs. The beef promotion saw a 75 percent redemption rate on the \$2-off on-pack coupons and a significant increase in pounds moved of their Tri-Tips and whole beef bottom rounds compared to the previous year's figures.

### Foodservice Marketing & Outreach Foodservice Distributor Promotion

The CBC partnered with Del Monte Meat Company, a Northern California foodservice distributor, for a six-week beef promotion. In order to participate, 35 Del Monte Meat Company restaurant customers had to include two new beef or veal items on their menu for six weeks without taking any permanent beef or veal items off of their menu. Wait staff competed for weekly incentive prizes, earned by selling beef or veal dishes. The top three restaurants with the greatest increase in beef and veal pounds sold throughout the six-week period received Visa® gift cards for their management and wait staff, compliments of the CBC. The promotion generated an increase of more than 35,771 pounds of beef and veal sold versus pre-promotion sales figures.

### Restaurant Partnership



The CBC participated in a promotional partnership with Sizzler restaurants in 110 California locations. Sizzler's *Steakfest* featured special pricing on USDA Choice Tri-Tip Steaks. Sizzler invested over \$1.15 million in television commercials

alone. Additional components funded by Sizzler included point-of-sale materials and an extensive on-line marketing campaign which included a "Free Steak for a Year" contest. The CBC added other components, such as in-store table tents that included Quick Response (QR) codes; QR codes can be used by smartphone users to access websites and videos, in this case positive beef industry messaging on stewardship and animal care. Over 1,500 Sizzler patrons downloaded and watched a beef production video produced by the CBC while dining at Sizzler. The council also funded a Thursday spadea wrap ad in the *Los Angeles Times* that reached more than 723,100 consumers with promotional information. Sizzler reported that the

of beef. Consumers heard radio advertising, funded by FoodMaxx, in 14 different media markets on both English and Spanish-language radio stations. The radio ads acknowledged the CBC and encouraged shoppers to visit the FoodMaxx beef case. In addition to paying



promotion increased their beef sales in California by 20 percent when compared to the same time period in 2010.

### Public realtions Educator Tour

The CBC held a Cattle Ranch and Wildflower Tour in Sunol, Calif. for Bay area educators. Education professionals toured a working cattle ranch and learned about daily resource management and the sustainability efforts of the operation. The day also included an industry panel discussion with cattle farmers and ranchers and a chef's demonstration and cooking in the classroom lesson. In addition, beef educational resources aligned to California content standards were discussed and a beef lunch was served while attendees were entertained with cowboy poetry. Teaching today's youth and their influencers about the importance of agriculture has been a continuing priority for the CBC. Tours such as this one help improve educators' overall knowledge of agriculture and the beef industry, and foster a positive image of beef and beef producers. In addition, educators earned professional continuing education units for attending the tour.

### Pasture to Plate Tour

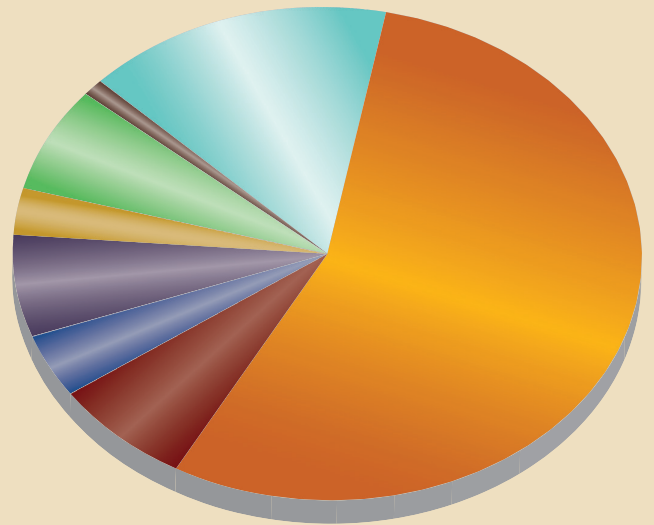


The CBC held a Beef Industry Pasture to Plate Tour for chefs, foodservice and retail stakeholders.

The objective of the tour was to put a face on the beef industry and to give these industry influencers a better understanding of production practices that are used every day to raise cattle and produce safe and nutritious beef. The tour attendees visited a ranch, feedlot and processing facility while mingling with ranchers, industry experts and CBC staff. Attendees were able to gain a better understanding of how all sectors of the beef industry are interrelated and how beef moves from pasture to plate. Education professionals earned American Culinary Federation Continuing Education Hours for attending the tour.

## California Beef Council

Audited Financial Statement of the Year Ended December 31, 2011



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# Your 2011 National Beef Checkoff Program in Review

No matter the business, it's important to review what's getting done. In that spirit, this annual report summarizes some of what national checkoff-funded programs accomplished in FY 2011.

They reached out with positive messages and actions to this industry's diverse populations, from retailers and chefs, to dietitians, beef producers and environmental advocates. And states and national programs worked in partnership to implement and multiply the impact of producer dollars.

In FY 2011, beef councils also voluntarily re-invested funds from their 50-cent share of the checkoff to the Federation of State Beef Councils to augment national programs. By uniting messages and monies, the partnership works where it's needed most to drive consumer demand for beef.

Here's a look at your investments at work.

## Advertising



In FY 2011, consumer advertising appeared in print, radio, online, in social media and on mobile phones to promote cuts such as the T-Bone and Top Sirloin as a delicious, lean protein. These messages were shared across other program areas, such as retail marketing and food communications, and through state beef council extension. Advertising put the producer's face on the beef brand via special ads that featured beef ranchers and farmers telling consumers about

their way of life, in their own words. These full-page advertorials were negotiated free-of-charge to the checkoff, and reached millions of consumers through nationally distributed publications.

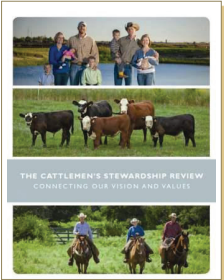
## Foodservice Marketing



Last year, about 135 articles about beef in foodservice trade outlets reached 18 million professionals, helping to showcase beef as the leading center-of-the plate entrée. This level of visibility through paid

advertising would have cost more than \$1 million. In addition, the checkoff's new Pricing Resource Center on [beeffoodservice.com](http://beeffoodservice.com) provided operators with strategies and tips to address increasing costs while driving beef sales. And checkoff dollars helped create a brochure of all-day beef menu ideas, and a *10 Tips in 10 Minutes* guide featuring new beef cuts and cooking methods.

## Issues Management



In FY 2011, the checkoff released the first-ever *Cattlemen's Stewardship Review: Connecting Our Vision and Values*, offering a comprehensive look at the industry's influence on communities, the economy, public health and the environment. Materials were shared on [ExploreBeef.org](http://ExploreBeef.org), and related interviews appeared in the *L.A. Times*, *Reuters*, *Dow Jones* and the *Associated Press*, among others.

## Foreign Marketing

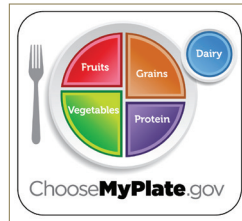
U.S. beef exports set a blistering pace through the first 10 months of FY 2011, totaling 1.04 million metric tons, valued at \$4.23 billion. This marks a 26-percent increase in volume and a 41-percent increase in value year-on-year. Exports to nearly every major market grew significantly, resulting in a new all-time monthly value record in July 2011 of \$513.1 million. Growth remained strong in key Asian

markets: Japan was up 52 percent; South Korea was up 53 percent; and Hong Kong was up 82 percent. Export growth was up 65 percent in the Middle East; and up 73 percent in Central/South America.

## Producer Communications

Producer communications provided more than 28 million paid media opportunities for producers and importers to get to know their checkoff. This effort was supported through more than 125 mailings to ag media; producing more than 5,000 news articles; video news releases that aired on more than 600 stations; more than 160,000 online newsletters and other communications; and participation in a dozen industry trade shows. About 70,000 unique viewers accessed more than 265,000 pages during about 105,000 visits to [MyBeefCheckoff.com](http://MyBeefCheckoff.com) and engaged with thousands of producers through checkoff social-media sites.

## Nutrition Influencers



The Nutrition Influencer program capitalized on the launch of the 2010 Dietary Guidelines for Americans and MyPlate with e-newsletters and new educational materials showcasing lean beef. The popular Nutrition Seminar Program continued, in partnership with state beef councils, and the Interactive Meat Case on [www.BeefitsWhatsForDinner.com](http://www.BeefitsWhatsForDinner.com) was featured as a resource to health professionals in the spring 2011 issue of *ADA Times*, received by some 59,000 American Dietetic Association members.

## Public Relations

PR efforts utilized media pitches, fact sheets, recipes, cooking tips, social media and printed pieces to share positive beef information nationwide. The PR program generated more than 2.3 billion media impressions, with stories appearing in *Real Simple*, *Cooking Light*, *USA Today* and on *CNN*, in addition to numerous summer grilling articles in national consumer magazines. Media and spokesperson development efforts prepared farmers and ranchers to share their stories and worked to train third-party spokespeople. The Masters of Beef Advocacy (MBA) program now has more than 2,500 graduates in 47 states engaging in discussions with consumers and thought influencers.

## Veal Marketing



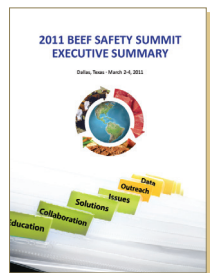
Veal's "Go-to-Market Strategy" combined retail and foodservice activities, communications, issues management and quality assurance programs. In FY 2011, veal was featured in more than 7,000 retail stores nationwide through promotions that centered on diet and health, summer grilling and Columbus Day.

## Research, Education and Innovation

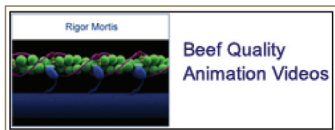
The Research, Education and Innovation (REI) program covers beef safety research; product enhancement; human nutrition research; the Beef Innovations Group (BIG); Culinary Innovations; and Beef Quality Assurance (BQA).

### Beef Safety Research

Efforts focused on filling the knowledge gaps about pathogens and non-pathogenic threats to beef safety. The 2011 Beef Industry Safety Summit drew a record 240 participants, representing professionals in every segment of the production chain. Six regional safety meetings helped spread critical safety information to even more stakeholder audiences.



### Product Enhancement



Last year, the checkoff created a new web-based educational tool that illustrates the technical processes involved in beef quality development. Staff

conducted numerous cutting demonstrations, including a "Roaming Around the Round" demo at the 2011 NAMP Meat Industry Management Conference.

### Human Nutrition Research

This program has a multi-year focus and helps validate the positive contributions beef makes to good health. One state/national study, begun several years ago, revealed the value of quality protein in the diet of patients with Type 2 diabetes. By the end of 2010, this article in the *Diabetes Journal* had been downloaded about 35,000 times, underscoring the long-term payoff of the checkoff investment in research.

## Beef and Culinary Innovations



The Convenient Fresh Beef (CFB) program, created in FY 2011, provided consumers with a variety of fresh, convenient beef products through an array of beef cuts and appliance applications. The Culinary Innovations team continued to revise applied cookery information, developing

scientific cooking times and generating checkoff-funded test data on skillet cooking that had not been updated since the mid-1990s.

### Beef Quality Assurance

BQA launched a social media campaign in FY 2011, as well as new video education modules to supplement the online and print materials available to state coordinators and BQA trainers. The program also held its 21st annual BQA State Coordinators' Conference, focusing on creating a BQA value system, improving youth, livestock and veterinarian outreach, and expanding the trainer community.

### Retail Marketing



One retail promotional partnership introduced shoppers to the Slice 'n Save program in 47 corporate stores in eight states, with beef councils providing additional support in local communities. The promotion helped persuade an additional 233 independent retailers in 11 states to feature the Slice 'n Save program. In addition, beef had a strong presence in a nationwide summer grilling BBQ tour that included 18 events in 17 states and attracted thousands of participants. In FY 2011, checkoff representatives were also featured as experts in some 30 stories in national outlets, such as *CNN Money*, *Bloomberg*, *Fast Company*, *Supermarket News* and *Progressive Grocer*.

## Cattlemen's Beef Board Fiscal Year 2011 Expenditures

Promotion.....	\$17,782,309
Research.....	\$5,732,492
Consumer Information.....	\$4,333,552
Industry Information.....	\$3,582,286
Foreign Marketing.....	\$5,929,362
Producer Communications.....	\$1,726,265
Program Evaluation.....	\$156,700
Program Development.....	\$204,923
<b>Total Program Expenses.....</b>	<b>\$39,447,889</b>
USDA Oversight.....	\$255,941
Administration.....	\$1,970,479
<b>Total Expenses.....</b>	<b>\$41,674,309</b>

\*Chart shows 2011 audited numbers.