



**BEEF**

# CALIFORNIA BEEF COUNCIL 2014 ANNUAL REPORT

## Dear Fellow Beef Producers,

California beef producers are passionate, committed, and caring people. After all, these characteristics are necessary for anyone who produces a safe, healthy, delicious product that meets the desires of our consumer, all while playing the hand Mother Nature deals us and responding to the demands of an inquisitive (and yes, sometimes critical) public.

We shouldn't have to face any of these challenges alone – we as an industry have the opportunity to work together to share our story with consumers and influencers alike. That's why I am proud to represent California's beef producers as Chairman of the California Beef Council (CBC).

Along with the other members of our board, who represent every sector of California beef production, I am honored to help provide guidance and producer feedback for the important programs and campaigns the CBC deploys every year on your behalf. I hope you'll enjoy reading about some of the highlights from 2014 – and take comfort in knowing that the CBC team is working hard, every day, to ensure beef remains center-of-the-plate in California.

Sincerely,  
*Mike Smith*  
Chair, California Beef Council



## PROMOTING YOUR PRODUCT

Building consumer trust and demand for beef requires thoughtful planning using the latest market research, an integrated approach to reach the right audiences, and delivering messages through the most effective channels and methods. And that's just what the CBC strives to do with your Beef Checkoff investment, by carrying out programs and campaigns designed to promote beef, educate consumers and influencers, share important nutrition messaging, and provide meaningful opportunities for producers. Here are some of the highlights from 2014.

### Beefing Up Social Media

Communicating and engaging with the influential millennial generation – those born roughly between 1980 and 2000 – is done through a variety of programs. One way the CBC engages with this audience on a daily basis is through social media, and growth in this area was significant in 2014. The CBC's Facebook audience alone grew by over 100 percent to almost 17,000 fans by the end of 2014, and counting. This audience figure is augmented when you consider the additional reach of likes, shares, and comments that occur through CBC social media properties, making the impact of such communication tools all the more impressive.

### Integrated Campaigns that Achieve Results



In 2014, growth of existing partnerships and the forging of new ones helped launch several meaningful integrated marketing campaigns. A fall promotion involving Crock-Pot®, Raley's Supermarkets, Ralphs grocery stores, Entercom Communications, and additional media outreach through

CBS and iHeartMedia garnered significant results, both in consumers reached and in beef pounds moved. Designed to address the millennial generation's desire for convenience, the program involved an online contest that helped drive traffic to social media, and promotional elements that helped drive consumers to participating stores to purchase beef products. Another partnership with Reser's Fine Foods, Save Mart and Lucky Stores, and Entercom highlighted messaging with a tailgating element. The effort combined an online contest for consumers with significant broadcast, digital and online advertising, as well as in-store promotions.

These and other collaborations not only helped sell more beef at the retail level, but garnered millions of media impressions, significant activity on social media, and hundreds of thousands of e-mails sent to consumers – all with the goal of encouraging consumers to add beef to their plates.

### Results at the Retail Level

Working with retailers provides an effective way for the CBC to promote beef to consumers as they're making in-store purchasing decisions at the meat case. In 2014 alone, the CBC conducted promotional partnerships with 1,083 major retail locations statewide and 178 Hispanic markets in the Los Angeles area, and provided consumer outreach materials to dozens of small chain and independent grocers. Take a look at a few of the results achieved through these partnerships.

- Over the course of a five-week tailgating promotion with Save Mart and Lucky Stores and Reser's Fine Foods in early fall, total beef pounds moved increased by 12% when compared to the five weeks pre-promotion.
- During another fall promotion focusing on slow cooking beef, Raley's Supermarkets, Bel Air and Nob Hill Foods saw a 25.8% increase in three popular slow cooker beef roasts (brisket, chuck and

round) on feature, and Ralphs had a 44.6% increase in their featured beef cuts for the four weeks of the promotion.

- Over the Thanksgiving holiday and into December, a promotional partnership with Stater Bros. Markets helped the chain see a 20% increase in their featured beef cuts for the two weeks of the promotion, and an impressive 89.7% increase in total beef movement during the promotion as compared with the same time period in 2013, despite higher beef prices in 2014.
- And finally, during a two-week promotion in December 2014, Albertsons grocery stores saw an impressive 344% increase in their front-page feature, London Broil.

## Public Relations

Working with the media to serve as a voice for California's beef producers is a priority for the CBC – especially when there is an urgent issue facing the industry. In 2014, the CBC worked with its media partners to both proactively share news and stories and respond to requests for information. Our work with the *LA Times*, *Telemundo*, *Reuters*, *Healthline News* and various other news outlets helped position beef messaging in sometimes-controversial articles.

To supplement its work with traditional media outlets, the CBC also placed key stories focusing on issues about which consumers have questions or concerns – such as environmental impact, animal welfare, nutrition, among others – through content marketing efforts. This strategy allowed the CBC to control the message and share the full story with consumers, and was amplified digitally through the CBC's social media properties, online, and also linked to key news sites and web sites such as *Huffington Post*, *Forbes*, *Time*, and many others. All content marketing was geo-targeted to California, and returned impressions numbering in the millions.

## MEANINGFUL EDUCATION OPPORTUNITIES



Beef education, both for consumers and influential decision makers in key industries, has been one of the CBC's main tenets since its inception over 60 years ago. In 2014, the CBC carried out a number of educational programs to spark

dialogue and prompt new thinking about beef among influential health and nutrition practitioners, retail industry leaders, and key foodservice professionals.

### Nutrition Education

In June 2014, CBC staff held a one-day media workshop for students enrolled in the dietetic internship program at California State University, Sacramento, and University of California, Davis. Joined by California rancher Tim Koopmann and Daren Williams, executive director of communication for the National Cattlemen's Beef Association, the CBC gave the students an intensive training on beef nutrition, beef production, and how to effectively answer questions about beef in a healthy diet. The workshop included a variety of activities that allowed the students to put into practice the new information they learned, including on-camera interviews and cooking demonstrations.

The CBC also partnered with groups such as the American Heart Association, California Dietetic Association, and various other health-oriented organizations to participate in or sponsor various health- and nutrition-related events, conferences and workshops, providing opportunities to engage health influencers in discussions about beef nutrition and its role in a healthy lifestyle.

### Foodservice Training Tools

Continuing to foster relationships with the foodservice industry, and helping provide this important audience with the tools and resources to increase their beef knowledge, was another highlight of 2014. CBC staff conducted dozens of trainings for foodservice operators; held two ranch tours specifically for chefs, foodservice industry leaders, and culinary students; and conducted key foodservice promotions with partners like Del Monte Meat Company and Cattlemens Restaurant that helped increase beef pounds moved by over 30,000, collectively.



The CBC also continued enhancement of its popular foodservice mobile application, "BEEFlexible." Launched in 2013, the app now has more than 4,000 downloads and has helped the foodservice industry navigate all things related to beef. From facts about beef production to information on various cuts and yields, BEEFlexible has become a staple for many of the CBC's foodservice partners, some of whom now require it as a training tool for all new employees. As an added bonus to California checkoff investors, continued enhancement of the app was made possible through funds provided by the Federation of State Beef Councils, helping your dollars go further.

### LEARN MORE!

For more on how the CBC is working for you, visit [www.calbeef.org](http://www.calbeef.org), or sign up for our monthly producer e-newsletter by e-mailing [jill@calbeef.org](mailto:jill@calbeef.org).

## CALIFORNIA BEEF COUNCIL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

### PROGRAMS

Promotion	\$891,772
Consumer Information	\$540,376
Producer Communications	\$167,481
General Program Development	\$54,886
National Program Investment	\$31,600
Industry Information	\$3,007
<b>Total Programs</b>	<b>\$1,689,122</b>

### GENERAL AND ADMINISTRATIVE

Administration	\$184,921
Collections	\$27,446
CDFA Oversight	\$32,015
<b>Total Supporting Services</b>	<b>\$244,382</b>

**TOTAL EXPENSES** **\$1,933,504**

# CATTLEMEN'S BEEF BOARD FISCAL YEAR 2014 EXPENDITURES

Administration	\$1,609,050	
USDA Oversight*	\$289,631	
Program Development	\$238,943	
Program Evaluation	\$175,274	
Producer Communications	\$1,478,324	
Foreign Marketing	\$7,355,729	
Industry Information	\$1,817,768	
Consumer Information	\$8,366,182	
Research	\$7,927,598	
Promotion	\$9,438,367	
<b>Total expenses</b>	<b>\$38,696,866</b>	

Audited numbers

\* This total also includes CBB's costs associated with Freedom of Information Act requests and legal fees associated with lawsuits.

## NUTRITION RESEARCH HAS VALUE

More research now shows that a heart-healthy diet that includes lean beef can reduce risk factors for heart disease. A study funded by the beef checkoff and the national Institutes of Health-supported Penn State General Clinical Research Center and published in the June 19, 2014 issue of *Journal of Human Hypertension* found that a dietary pattern rich in fruits, vegetables and low-fat dairy that includes lean beef – even daily – can reduce risk factors for heart disease, including elevated cholesterol and blood pressure.

According to lead researcher Penny M. Kris-Etherton, “this research adds to the significant evidence, including work previously done in our lab, supporting lean beef’s role in a heart-healthy diet.” Researchers suggested the evidence supports the idea that it’s the total protein intake – not the type of protein – that is instrumental in reducing blood pressure.

## A NEW PRODUCT WITH OLD ROOTS



It looks, acts and smells like bacon – but it’s beef. Schmacon™ is one of the latest checkoff-funded development projects that provides beef producers with extra alternatives for beef cuts.

The smoked and cured glazed beef slices received the prestigious 2014

Food and Beverage Innovations (FABI) Award by the National Restaurant Association at their restaurant, hotel and motel show.

Schmacon has less fat and sodium than bacon, and as a pre-cooked product ready for crisping in an oven cooks in a fraction of the time. In winning the FABI award, it was heralded as a product with “bold imagination” and “great potential to help operators capitalize on consumer trends and drive operator success.” The product not only fits into healthy lifestyle trends, it also meets dietary needs of those religious or ethnic groups prohibited from eating pork products.

## BEEF EXPORT VALUE ON RECORD PACE



Checkoff-funded efforts in the international arena are focused on some of the world’s most promising markets for U.S. beef, and exports to those markets are growing rapidly. For instance, strong

performances in key Asian markets are putting U.S. beef export value on a record pace in calendar year 2014. Through July, exports totaled \$3.89 billion, up 13 percent from a year ago. Export volume was up 4 percent to 687,752 metric tons.

In 2013, Japan reclaimed its position as the No. 1 international destination for U.S. beef when an increase in the age limit for eligible cattle fueled a large increase in exports. U.S. exports to Japan have been mostly steady this year, while Japan’s imports from other major suppliers such as Australia, New Zealand and Canada have declined.

Hong Kong, South Korea and Taiwan have also been strong growth markets for U.S. beef in 2014. In June, Hong Kong granted full access for U.S. beef for the first time since the December 2003 BSE case.

These results translate into remarkable returns for U.S. cattle producers. Export value per head of fed slaughter was nearly \$300 in June and July, and averaged \$273 for the first seven months of this calendar year. Per-head export value is up 13 percent from a year ago and has more than doubled in the past five years.

Whether promoting beef internationally or providing marketing support for the product in the United States, the Beef Checkoff Program has been committed to programs that build beef demand since 1986. The recent research showing a return of \$11.20 for every dollar invested is a strong validation of that work.



## DEAR FELLOW BEEF PRODUCERS,

There's only one measurement that really matters when it comes to your Beef Checkoff Program: Do you get more out of it than the \$1-per-head you put in?

Recent independent research shows you do, with a return of \$11.20 for every \$1 invested in the national program. Although not part of the national study, the programs conducted at the state level can only add to the overall effectiveness of our efforts. Obviously, the efforts we're making as cattle producers are worth it.

Even more exciting, though, is how it was accomplished. Direction of state and national checkoff programs are in the hands of producers themselves, not just purchased "off the shelf." While the return on investment is significant, the success comes about because of producers and importers participation in checkoff-directing boards and committees.

When you combine the return on investment with the process, it's a very impressive result. With increasing sophistication of the process and even more producer input, I hope to see even better returns in the future. Let's keep up the good work.

Yours truly,

Cevin Jones

Chairman, Federation of State Beef Councils



Funded by  
the Beef Checkoff.

## NUMBERS DO THE TALKING



Nowhere do the numbers speak more clearly than in the new Beef. It's What's For Dinner digital campaign. Beginning in the spring of 2014, the campaign

differed significantly from mass media, reaching people who aren't immediately seeking beef information using an "under-the-radar" approach. It's a one-on-one communication through a consumer's computer, and aims to direct consumers to the BeefIt'sWhatsForDinner.com website, which contains recipes, tips, nutrition, safety and other information consumers want and need. Digital elements that drive consumers to the site include:

- **Banner Ads** on sites like AllRecipes.com and MensFitness.com, which inspire consumers to think about tonight's dinner with beef photos, recipes and information;
- **Search Advertising** on engines such as Bing and Google for people proactively searching for information on food;
- **A Beef. It's What's For Dinner Facebook page**, with almost 900,000 fans who receive recipe posts with photos on a regular basis;
- **Collaboration with other established recipe and nutrition-related websites**, such as Martha Stewart.com;
- **Videos** that run before online television shows; and
- **Other "cutting edge" elements in digital marketing** that allow the industry to target millennial consumers.

In just the first four months of the marketing campaign significant results were generated. More than 1.7 million consumers were reached through the campaign's website, and the "no-recipe recipe" videos were viewed more than 5 million times on YouTube and other video online channels.

Furthermore, associated social media sites hosted more than 1 million engagements, such as likes, comments, shares, re-tweets and click-thrus to checkoff resources, such as recipes. Because it's

available 24/7, the digital/social media tool is providing continual contact with consumers who are looking for meal solutions.

Unlike other kinds of outreach, almost all of that contact is positive in nature. Research shows that 97 percent of consumers have positive opinions about beef after visiting the Beef. It's What's For Dinner website.

## RETAILERS GET IN THE ACT



A new "Go Tasty, Go Lean" toolkit for supermarket retailers was developed to help on-staff dietitians make their stores a health and wellness destination for consumers – and to help sell more beef in the process. Part of a multi-phase research project conducted through the Beef

Checkoff Program, the toolkit helped show that beef can provide a significant sales lift for retailers.

In fact, 84 to 94 percent of shoppers expressed purchase intent in the lean beef items they sampled during the test portion of the research, and significant increases in specific beef cut sales during the test were also generated.



The toolkit communicates beef's nutrient benefits at the same time as it generates these bottom-line benefits. The toolkit, developed in partnership with registered dietitians, demonstrates that promoting beef's positive attributes – nutrition, taste and ease of preparation – not only results in higher sales, but enables supermarket dietitians to be able to talk knowledgeably and confidently about beef.