

**PUBLIC RELATIONS
Issues Management**

Several issues management activities were conducted by the CBC addressing misleading media coverage about beef nutrition, beef safety and the cattle industry's impact on the environment. Additionally, the CBC conducted several activities focused specifically on the Hallmark/Westland Meat Packing Co. animal abuse allegations and the subsequent Class II beef recall. Outreach included addressing media calls, distributing producer advisories, sending a letter to California's meat packers outlining the issue, as well as outreach to California's dairy organizations. The CBC also reached out to the State Superintendent of Public Instruction and the California Department of Education Nutrition Services to address the beef recall and its affect on school districts throughout the state.

Beef Quality Assurance and Outreach

Two trainings were held in early November to give California feedlot employees, calf raisers, livestock haulers and auction markets an opportunity to certify or recertify their employees in Beef Quality Assurance (BQA) principles through the California Feedlot Quality Certification Program. The program was aimed at educating employees about proper animal handling, feed handling and livestock hauling practices. Participants received certification of attendance to verify their participation in these programs. More than 90 people participated in the sessions that were offered in both English and Spanish.

Other outreach activities included advertorials focused on BQA in dairy industry trade publications. The CBC also released the California Dairy Beef Quality Assurance Manual at an educational seminar hosted by the Tulare Sales Yard, Inc. in September. The manual was also mailed to 1,600 Grade A dairy producers.

Beef Education

Reaching out to the next generation of beef consumers continued to be a priority for the CBC in 2008. *Teach Beef*, a biannual newsletter that was first released in 2007, was e-mailed to more than 5,700 educators as part of the California Foundation for Agriculture in the Classroom's (CFAITC) online newsletter. The CBC

also mailed a print version of *Teach Beef* to nearly 400 California educators. The CBC sent out nearly 785 teacher packets in 2008. The packets included the *Teach Beef* newsletter, an order form for educational resources available through the CBC, several youth recipe and activity brochures, and beef nutrition information. As a result of these activities, the CBC sent more than 75,000 educational resources in 2008.



California Beef Backer Award

The Hitching Post restaurant in Casimalia, Calif. and sister restaurant, The Hitching Post II in Buellton, Calif. were recognized as the recipient of the 2008 California Beef Backer Award by the CBC. A media event was held in October at the Buellton location where the restaurants were honored with plaques and a monetary award to be used toward future beef purchases. The public relations campaign included a press release from the CBC, a national newswire press release, print advertising and a promotional campaign that included partnering with a hotel near one of the restaurants to encourage hotel patrons to dine at the restaurants.

**California Beef Council
2008 Fiscal Year Expenditures***

*Audited numbers

Promotion	\$888,200
Research	27,684
Consumer Information	107,408
Industry Information	139,087
Producer Communications	118,246
Program Development	92,787
USDA Oversight	21,734
Administrative	223,870

**California
Beef Council
2008 Annual Report**

**RETAIL MARKETING AND OUTREACH
Hispanic Marketing**

Increasing beef demand among California's Hispanic consumers continued to be one of the highest ranked priorities for the California Beef Council (CBC) in 2008. For the third year, the Oklahoma Beef Council (OBC) contributed \$50,000 to help offset the costs of a grilling season campaign. The OBC has identified marketing to California's large Hispanic population as an effective means of increasing beef demand on a broad scale.



The CBC partnered with seven Hispanic grocery chains in the greater Los Angeles area representing 99 store locations. From May to August, the "La Carne de Res, Que Buena Es!" (Beef, How Good It Is!) tagline was heard on the top three Hispanic radio stations and viewed on a popular television station in Los Angeles. In-store promotional advertising appeared in all stores as well. Five of the seven grocery chains had positive increases in beef pounds sold versus figures from the previous year during the grilling season.

General Retail Marketing Partnerships and Outreach

The CBC continued to work with both small and large general market retailers during 2008. Promotions were conducted with seven retail chains representing approximately 1,800 store locations. In most retail promotions, the CBC sponsored radio advertising and consumer prizes, while the stores increased their beef features and provided measurable sales results for program evaluation. The CBC partnered with Albertsons, Food4Less/FoodsCo, FoodMaxx Maximum Discount Supermarkets, Raley's/Bel Air Markets/Nob Hill, Ralphs, Safeway/Vons, and Stater Bros. Markets in 2008.

Retailers were encouraged to use *Beef Training Camp* as an educational course to provide their meat case staff with the information needed to accurately answer customers' questions at the meat case. In May, store meat managers from FoodMaxx Maximum Discount Supermarkets participated in three regional four-hour *Beef Training Camp* sessions. The sessions were conducted by the CBC, FoodMaxx corporate staff, and the National Cattlemen's Beef Association (NCBA) Retail Marketing Team.

Retailers represent the primary interface with consumers buying beef. The CBC communicated with all segments of the retail industry through the quarterly newsletter, *The Beef Case*. This newsletter provided retailers with current information about the beef industry, demand, trends, as well as available resources to its 1,180 subscribers.

In an effort to solely reach out to small chains and independent markets, the CBC developed a biannual direct mail piece, *Building Your Beef Business*, in 2008. This newsletter was developed to inform the 780 subscribers about retail topics such as merchandising tips, industry information (e.g. Country of Origin Labeling), as well as to inform them about the free retail resources that the CBC has to offer. The newsletter also included an order form for the retailer to order those resources.

**FOODSERVICE MARKETING AND OUTREACH
Foodservice Marketing Partnerships and Outreach**

The CBC completed a successful partnership with Chevys Fresh Mex's 48 restaurant locations in California as part of the company's "El Steak-a-Palooza" promotion that ran for ten weeks. The CBC logo was placed on all menus for the duration of the promotion. Restaurant wait staff and management competed for incentive prizes sponsored by the CBC. Every week, the unit that had the highest percentage increase in beef pounds sold versus 2007 received VISA gift cards, courtesy of the CBC, for the entire unit. In the first week alone, the top unit had a 215 percent increase in beef pounds sold over 2007 beef figures. For all 48 restaurant locations, the promotion had an increase of 32,000 beef pounds sold versus 2007 figures.



Foodservice training programs are a high level priority for the CBC. CBC staff held foodservice trainings with 184 sales staff from various small and large beef distributors throughout the state to increase beef knowledge among their staff. Training topics typically included: beef production, inspection and food safety, beef grading, aging, tenderness and flavor, cooking temperatures, diet and health aspects, becoming a successful seller, up-selling, suggestive selling and increasing sales.

CBC partnered with U.S. Foodservice San Francisco Division to hold a "Beef 101" training seminar with 30 of their top customers in attendance. This training day focused solely on increasing customer beef knowledge with sessions held by multiple beef suppliers, as well as the CBC. After the training, a six-week CBC promotion began that required participating restaurants to add two new beef or veal items to their menu. Restaurants were given VISA gift cards, provided by the CBC, as incentives to wait staff who were successful at promoting the new beef and veal menu items. Following the promotion, the three restaurants that sold the most pounds of beef and veal received additional VISA gift cards for their staff. The promotion had an increase of 40,000 beef and veal pounds sold versus 2007 figures.

The CBC held a new type of training, in the form of a Webinar conference, where each participant was connected to each other via the internet. This Webinar was completed with managers and wait staff from Cattlemens Restaurants. During the Webinar, employees learned about the beef industry and received tips for becoming a successful seller. This is a cost effective method of training for both the CBC and the restaurant partner, as it does not require staff travel for the training.

The CBC continued to feature resources and technical information to foodservice operators through the quarterly newsletter *Beef Briefs for Foodservice*. This newsletter is distributed to over 2,540 subscribers.

For more information about the CBC or information contained in the CBC Annual Report, please contact the CBC office at 916.925.BEEF (2333), e-mail askus@calbeef.org or visit www.calbeef.org.

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Your Beef Checkoff Program Fiscal Year 2008 in Review

ADVERTISING



The results of the checkoff's "Powerful Beefscapes" advertising campaign are in! The campaign successfully reached 89.7 percent of the consumer target an average of 16.3 times to help keep beef top of mind with consumers, to reinforce consumers' passion for beef and to promote beef's healthy qualities. The Consumer Beef Index Survey demonstrated exciting campaign results related to the way consumers perceive beef. The survey showed that beef is now more likely to be viewed as

a "smart choice" that provides a balance of taste and nutrition – a product that consumers can feel good about eating.

FOODSERVICE

Foodservice continues to be beef's primary channel to consumers. In 2007, more than 8.6 billion pounds of beef moved through foodservice, representing \$27.5 billion wholesale purchases by restaurants and institutions in the United States. In FY 2008, the BEEFlexible promotion and trade advertising campaign was redesigned to compliment the striking "Beefscapes" consumer ads. Trade advertising featured new beef cuts in trendsetting global cuisines, along with companion recipes available by request or through www.beeffoodservice.com. To reach potential menu influencers, the foodservice marketing team, working with state beef councils, hosted five culinary workshops aimed at providing 60 leading restaurant chefs with hands-on experiences in using new beef cuts.

RETAIL



In FY 2008, one checkoff-funded retail marketing strategy targeted Hispanic consumers. The retail team produced a Hispanic Marketing Toolkit that increased beef sales among participating retailers by an average 29 percent, which led to the retail program

being tapped for the prestigious Effie Award from the American Marketing Association. In other activity, the retail program continued its proactive partnerships with supermarkets and state beef councils. Summer grilling promotions sizzled with the help of partners Kraft A1, Anheuser Busch and Sutter Homes. Work also began on the innovative Beef Alternative Merchandising program, aimed at helping consumers save money while still enjoying great tasting steaks.

BEEF INNOVATIONS GROUP



It was a milestone year for the Beef Innovations Group (BIG). Technical work on the beef round resulted in five new product applications that will eventually be marketed commercially. BIG is also preparing to take business cases, along with samples of 10 new convenience-oriented

beef products, right to food manufacturers. Four new industry partnerships were formed with Hormel, Schwan's, Colorado Premium and American Foods Group. BIG also successfully launched its all-new beef innovations contest, which was won by Smithfield's "Texas Hold'um" sandwich. This product rolled out into the foodservice market in fall 2008.

VEAL

In FY 2008, the veal program focused on increasing demand through foodservice initiatives to introduce and promote the use of new veal cuts in the casual theme restaurant segment. To strengthen the marketing environment for veal, producers and allied industry leaders also emphasized veal quality assurance and issues management leadership. In FY 2009, new retail initiatives will expand partnerships with veal packers and state beef councils.

CULINARY CENTER



FY 2008 was another sizzling year at the Culinary Center. Recipes were developed for programs in retail, new products, foodservice, advertising, veal and nutrition. The new chuck roll cuts were photographed and assigned specific cook timings. The center's extensive recipe and photo database was revamped to support the all-new BeefItsWhatsForDinner Web site. Additionally, "Creating Grave" materials were redesigned and updated,

including new information from "The Chemistry of Flavor" checkoff-funded study.

NUTRITION

The checkoff's investment into research and planning an industry response to the release of the World Cancer Research Fund/American Institute for Cancer Research Second Expert Report on Cancer produced an invaluable ROI when red meat and its link to cancer turned out to be only part of the story, rather than the story. Consumer surveys conducted before and after the report

was released found a significant increase in people saying they had seen, heard or read something in the past month about food and chronic disease and, specifically, about red meat and cancer. However, despite these responses, consumer attitudes regarding cancer risks and their association of foods, including beef, and cancer did not change.

NUTRITION INFLUENCER EDUCATION

Based on the very successful 2007 Protein Summit, the Nutrition Influencer Education Program helped place a protein supplement in the May 2008 edition of American Journal of Clinical Nutrition, a leading publication for nutrition influencers. The nutrition team distributed a comprehensive electronic resource kit to key thought leaders that included a link to the supplement, along with additional protein information. Utilizing checkoff funding, the nutrition team also sponsored an educational meeting with the Washington State Beef Commission and the Florida Dietetic Association to relay the benefits of the protein in lean beef to key nutrition professionals.

SAFETY



Foodborne illness and recalls in FY 2008 supported the continued need for beef safety research, dissemination and outreach programs. Checkoff funded programs advanced the knowledge of pathogens with a focus on E. coli O157:H7 while tracking other E. coli species responsible for increased human illness. Training materials developed through the Beef Industry Food Safety Council continue to be utilized by all sectors of the beef industry to address safety threats.

ISSUES & REPUTATION MANAGEMENT

A May 2008 public opinion survey found that consumer confidence in beef safety rebounded from 86 percent in February 2008, following the Hallmark recall, to 91 percent, two points higher than the confidence measure in May 2007. That survey also found that 97 percent of Americans support raising cattle for food if farmers and ranchers provide good care and treat animals humanely. The work of Issues Management in protecting the marketing climate for beef from potentially damaging issues in food safety, nutrition, the environment and animal welfare has been an integral part of beef checkoff investments since the program began.

PUBLIC RELATIONS

In FY 2008, checkoff-funded public relations efforts generated over 5.5 billion media impressions from recipe distribution, as well as the promotion of beef nutrition and beef safety. Beef recipes, preparation and cookery techniques generated more than 5 billion media impressions in major consumer news media outlets. The Public Relations team also works with the news media to provide consumer information about beef and beef production. Additionally, the PR program also delivers information to consumers through several web sites, including BeefFromPasturetoPlate.org, BeefItsWhatsForDinner.com and BeefNutrition.org.

YOUTH EDUCATION

The Youth Education Program successfully piloted a School Wellness Seminar series in several states. Attendees learned from a third-party childhood nutrition expert about the need for good nutrition in the diets of young people. Attendees received toolkits to help them implement nutrition education programs in their own schools.

FOREIGN MARKETING

With the reopening of South Korea, U.S. beef has now regained access to almost all major global markets. In FY 2008, U.S. beef exports worldwide amounted to 950,000 metric tons (2.09 billion pounds) valued at \$3.4 billion – an increase of 29 percent in volume and 38 percent in value over FY 2007. Exports during August 2008 set an all-time monthly record in terms of value at \$416 million – surpassing the previous record of \$387 million set in June 2003.

CBB COMMUNICATIONS

CBB communications launched www.MyBeefCheckoff.com, a Web site for producers, as well as a corresponding producer communications print and radio campaign. The communications team also produced the 2007 CBB Annual Report; participated in 11 industry trade shows; produced checkoff brochures for dairy and beef producers; and prepared some 20 newsletters aimed at CBB members and other producers.

NATIONAL BEEF COOK-OFF®

The FY 2008 program public relations activities resulted in 1,175 media placements and over 162.8 million impressions, surpassing the 2006 actual impressions (127 million) by 28 percent. A key beef message – permissible passion – was delivered in 90 percent of event/post-event media placements. Since September 2007, some 416,000 cook-off recipe brochures have been distributed to consumers. Between Jan. 1, 2007 and Oct. 1, 2008, the www.beefcookoff.org web site had 142,459 sessions, while total page views grew 45 percent, to 354,117.

