



~ **2015 RESULTS AT-A-GLANCE** ~

- ✻ 7,000+ downloads of, and 28,744 separate sessions on BEEFlexible, the popular mobile app for foodservice professionals
- ✻ 1,007 retail locations throughout California engaged in beef promotions with the California Beef Council
- ✻ 20 million+ media impressions earned through Hispanic retail promotions in the Los Angeles area
- ✻ 3.82 million+ radio impressions earned through various beef promotions throughout the state
- ✻ 22,818 additional beef pounds moved through a six-week sales incentive contest with partner company Del Monte Meat Company
- ✻ 18% growth in beef sales through beef sales incentive contest with partner company ProPacific Fresh
- ✻ 500 foodservice training resources provided to chefs, culinary students and foodservice professionals throughout the state
- ✻ 1,500 school nutrition directors provided with beef nutrition information at annual California School Nutrition Association conference
- ✻ 200,000+ consumer materials and brochures about beef distributed throughout the state
- ✻ 400+ beef and dairy producers engaged in Beef Quality Assurance and Stockmanship & Stewardship training sessions



~ **CBC BOARD: PRODUCERS REPRESENTING PRODUCERS** ~

The California Beef Council is represented by every sector of the industry, with 21 members and 21 alternates representing the cow-calf (range), dairy, feeding and packing sectors of the industry, as well as two members representing the general public.

2015 Executive Committee Members

- Chair, Mike Smith (Packer)
- Vice-Chair, Bill Sanguinetti (Range)
- Wayne Lamb (Range)
- Bill Brandenburg (Feeder)
- Troy Murray (Feeder)
- Manuel Rodrigues (Dairy)
- Jack Hoekstra (Dairy)
- Rich Silacci, Immediate Past Chair (Dairy)
- Rob von der Lieth, Federation Representative (Range)

For a full list of board members, visit www.calbeef.org.

2015	
CALIFORNIA BEEF COUNCIL	
FINANCIAL REPORT	
<i>For the fiscal year ended December 31, 2015</i>	
Programs	
Promotion	\$806,278
Consumer Information	\$528,917
Producer Education	\$161,248
General Program Development.....	\$92,751
National Program Investment	\$31,600
Industry Information.....	\$5,585
Total Programs.....	\$1,626,379
General and Administrative	
Administration	\$183,128
Collections.....	\$67,932
USDA Oversight.....	\$26,389
Total Supporting Services	\$277,449
Total Expenses	\$1,903,828

~ ENHANCING RETAIL PROMOTIONS ~

Some things just go hand-in-hand. Like slow-cooking beef in a Crock Pot® on a chilly fall day. Or tailgating with delicious grilled steak and quick-and-easy side dishes like Reser's deli salads. And of course, you can't go wrong with beef tacos or fajitas, and Tortillas Guerrero is a great option to accompany these favorite dishes. These brand partners are just a few that the CBC worked with in 2015 to bring unique promotions that tied beef with a seasonal favorite to retailers throughout the state, and helped your checkoff dollars go further thanks to additional funding from our partners.

The beef and Crock Pot® partnership, for example, encouraged shoppers to pick up their favorite cuts of beef perfect for slow-cooking. Shoppers were able to save money on slow-cooking beef cuts, and had a chance to win a high-end Crock-Pot® through a Facebook contest. This promotion featured a four-week comprehensive radio, digital and social media campaign.



Similarly, a partnership with Reser's Fine Foods took place during football season, and encouraged consumers to purchase beef with a Reser's pre-made deli salad for a quick, convenient and delicious dinner done right. The promotion

provided on-pack coupons for savings at over 500 retail stores, with a six-week social media, broadcast and digital campaign.

~ SHOWCASING BEEF PRODUCTION ~



The CBC's annual Pasture-to-Plate Beef Tours have become popular educational experiences for top-level foodservice and retail professionals. The three-day tour immerses attendees in the beef lifecycle production process, providing opportunity for an

open and transparent conversation about every aspect of the beef industry. Here's what they got to see on the 2015 tour:

• A behind-the-scenes look at a cow-calf operation at Rancho del Rio in Sanger, where ranchers Steve and Michelle McDonald shared insight about everything that goes into raising healthy cattle.

• A visit to Tulare County Stockyard for a look at how livestock markets operate, with a presentation by Fresno State University Animal Science Professor, Dr. Randy Perry, about some of the challenges that exist for the beef industry.



• A stop at Medeiros & Son Dairy in Hanford, where Brian Medeiros discussed the importance of animal care.

• A tour of Grimmus Cattle Co., where attendees learned the ins and outs of calf ranches and the care and effort that go into ensuring the safety, health and comfort of the calves.

• A look at the feeding sector with a tour of Harris Feeding Company, which covered everything from the painstaking work put into cattle nutrition and health management.

• A visit to Cargill Meat Solutions in Fresno, showcasing the practices/procedures and food safety measures of a packing plant.

For a full video about the 2015 tour visit www.youtube.com/calibeef.

~ REACHING THE INFLUENCERS ~

Influencer outreach is one of our many tactics in continuously improving beef's image and helping educate broad audiences about the healthful, delicious product California beef producers provide. Here are just a few ways we accomplished that in 2015:



• Teaming up with the national beef checkoff team to share beef's story with foodservice influencers at the 2015 Western Foodservice & Hospitality Expo in Los Angeles. With over 11,000 foodservice professionals in attendance, the

Expo gave the CBC the opportunity to share educational resources with those involved in making buying and menuing decisions for foodservice operators and distributors.

• Holding beef nutrition seminars for dietetic students at California State University, Sacramento; University of California, Davis; and California State University, Fresno, giving future Registered Dietitians and nutritionists intensive trainings about ranching, beef nutrition, and how to effectively answer questions about beef's healthy attributes.

• Providing Registered Dietitians from throughout the nation with a tour of a local ranch and an overview of beef nutrition during the 2015 Food & Culinary Professionals workshop in Napa.

• Sharing beef's nutritional story and answering beef-related questions with over 1,500 school nutrition directors at the California School Nutrition Association's annual meeting.

~ PROGRAMS FOR PRODUCERS ~



The CBC's primary goal will always be to reach consumers and influencers with positive messages about beef, but producers are at the heart of what we do. The CBC is proud to partner with a number of organizations to recognize other beef promotion efforts throughout the state, educate future producers about

beef messaging, and provide educational opportunities for producers on things like Beef Quality Assurance (BQA) training. In 2015, the CBC:

• Recognized 19 California CattleWomen units for their beef promotion and outreach efforts through the annual Walt Rodman Award contest.

• Helped dozens of state Beef Ambassador competitors learn more about representing the beef community in the public and in front of the camera.

• Partnered with the California Cattlemen's Association, University of California Cooperative Extension, and local producer groups to conduct several BQA certification events, and a variety of Stockmanship & Stewardship clinics throughout the state.

• Communicated the efforts of the CBC back to checkoff-paying producers through articles in trade publications, direct e-mail communications, and in-person presentations throughout the state.

~ LEARN MORE ABOUT THE CBC ~

For more about our programs, like us on Facebook, follow us on Twitter, visit www.calbeef.org, or sign up for the CBC's producer e-newsletter by e-mailing jill@calbeef.org.

DEAR FELLOW BEEF PRODUCERS,



Many Americans have become afraid of the food they eat. It's no wonder. Headlines admonish them to avoid fat. Newscasters gravely announce the latest study about one food ingredient or another. Bloggers rant about pesticides, hormones, antibiotics and/or their pet dietary restrictions. Every neighbor, it seems, touts his or her favorite diet regimen.

Meanwhile, beef and other good, basic foods have often fallen from the discussions, at least the ones that present our products – and our industries – accurately.

Without a bottomless funding source, it would be impossible to counter all of the swirling, often internet-based negative information. However, through your Beef Checkoff Program a tremendous amount of work is being done to increase understanding of beef, and present positive impressions of beef producers.

The information in this report isn't the whole story of those efforts, but it will give you an overview of the progress being made on your behalf with consumers. Through the partnership between your state beef council and the national Beef Checkoff Program, we are having success in building more demand for what we produce and trust in how we produce it.

For more information on beef checkoff efforts, please contact your state beef council. I want you to know that I and other beef producers on voluntary boards helping direct these efforts always have your interests – our interests – at heart.

Yours truly,

Jennifer Houston

Chairman, Federation of State Beef Councils



Funded by the Beef Checkoff.

PROTEIN STAGES A COMEBACK



After decades of taking a back seat to publicity about carbohydrates and fat, protein is making a comeback. Today, the macronutrient is the focus of both research and positive information, and reasserting itself as a key component of a healthful diet.

It makes sense. Protein is essential to the diet, while protein from animal foods is more rapidly and readily absorbed than plant protein in our diets. A 3-ounce serving of lean beef provides 25 grams of protein – as well as 10 essential nutrients – in just 154 calories.

The beef industry has been promoting the message of protein and its value for years, but the Beef Checkoff Program took it to a new level in 2015 by helping coordinate the Protein Challenge, a 30-day step-by-step way for consumers to understand how protein intake could be balanced to optimize good health through the diet. The idea was for consumers to work their way up to eating 30 grams of protein at every meal, giving them the chance to feel the difference in their everyday lives.

Studies show doing this would not only improve health, but control food cravings at critical times during the day. It will help consumers take control of their appetites and kick-start benefits of balancing protein consumption.

During a national program introduction in April 2015 more than 10,500 consumers were actively participating in the program by subscribing to a daily inspirational email, which helped them succeed in keeping to their protein intake goals. The program's website landing page had become the most visited page on the www.beefitswhatsfordinner.com website, with more than 70,000 visits over the first month, thanks to state and national efforts to promote it.

A SHARPENED TOOL FOR DEFENDING THE INDUSTRY



Having producers trained and able to defend their product and their practices is an important element of a successful “on the ground” strategy. The Beef Checkoff Program's Masters of Beef Advocacy (MBA) program, with about 6,000 graduates to date nationwide, is an effort to properly arm producers with the facts they need when in contact with consumers.

A new version of the MBA program called MBA 2.0 was launched this past year, allowing beef and dairy producers to step up and be true “advocates” for their industry. Building on the success of the original MBA program, MBA has new content based on consumer research that tackles current questions about the beef industry and its end product. The new elements of MBA 2.0 take about an hour to complete.

Those who complete the MBA program say it allowed them to gain a clear and useful understanding of beef industry issues that are important to consumers, and as a result are important for producers to share. To sign up for the MBA program go to www.beef.org/mba.

FIVE KEY FINDINGS OF THE CONSUMER BEEF INDEX

- An overwhelming majority of millennials (79 percent) believe the positives of beef outweigh the negatives.
- Among the beef industry's core audience (millennial parents) more than four of five (82 percent) think the positives either strongly or somewhat outweigh the negatives.
- For the first time, when asked “which do you prefer to eat for dinner,” an equal proportion of consumers (34 percent) prefer beef as prefer chicken. (As recently as 2012, 38 percent preferred chicken, while 29 percent preferred beef).

- After nearly a decade of recession, lower supply and higher beef prices, the decline in beef consumption appears to have stabilized at an average of two servings per week.
- More Americans intend to increase beef consumption in the future as intend to decrease it (18 percent versus 15 percent).

The Consumer Beef Index is a semi-annual national survey completed with more than a thousand U.S. consumers ages 13-65. Initially developed in 2006, it is used by the Beef Checkoff Program to track changes in consumer perception of beef, assess the impact of the industry's communications efforts, monitor areas of relative strength and potential vulnerability for beef and provide input for national checkoff strategies.

DIGITAL ADVERTISING CONTINUES TO BUILD

This past summer the Beef Checkoff Program made the biggest push yet for its “Beef. It’s What’s For Dinner” digital campaign, reaching consumers in a variety of ways, across different platforms:

- The BeefItsWhatsForDinner.com website, which serves as the go-to resource for recipes and meal inspirations, cooking tips and techniques, and nutrition information. A new landing page supporting the grilling season was launched;



- New videos, with three new “No-Recipe Recipe” advertising spots created to inspire new meal ideas and cooking techniques, while showing how beef can help bring a delicious and nutritious meal to life;

- Social, Banners, Search Advertising, used throughout the summer to drive traffic to the website and various content assets throughout the year, such as recipe collections, videos and the grilling season landing page; and

- The Protein Challenge, launched in April 2015, which was the most popular page on the website. Search and Facebook advertising efforts motivated more than 10,500 consumers to subscribe to daily Protein Challenge e-mails.

SUPPORT GROWS AS KNOWLEDGE IMPROVES

Research shows three of four producers support the Beef Checkoff Program, and that the more they know about the program the more supportive they are. That same research shows the number of producers who say they do not support the program is the lowest ever found – 10 percent.

The survey of beef and dairy producers nationwide was conducted by an independent research firm in June and July. It found a vast majority of beef and dairy producers continue to say their beef checkoff has value for them by contributing to a positive trend in beef demand, contributing to the profitability of their operations, representing their interests and being well-managed.

BEEF EXPORTS DELIVER STRONG VALUE FOR PRODUCERS

Beef exports continue to deliver excellent returns for producers, as the value per head of fed slaughter was nearly \$292 in 2015. While the tightening of U.S. beef supplies has constrained overall export volume growth for the past three years, international demand has remained strong as customers have paid higher prices, supporting record export values.

With USDA forecasting a 4.5 percent increase in U.S. beef production next year, there will be greater availability of U.S. beef cuts that command a premium overseas, including short ribs, short plate, skirts, chuck rolls and tongues. Checkoff-funded efforts conducted by the U.S. Meat Export Federation around the world are focused on those markets that maximize potential for U.S. beef exports.

CATTLEMEN'S BEEF BOARD FISCAL YEAR 2015 EXPENDITURES

Administration	\$1,541,927	
USDA Oversight*	\$246,888	
Program Development	\$315,491	
Program Evaluation	\$202,093	
Producer Communications	\$1,555,711	
Foreign Marketing	\$7,661,823	
Industry Information	\$1,781,595	
Consumer Information	\$10,660,349	
Research	\$9,776,601	
Promotion	\$8,092,825	
Total expenses	\$41,835,303	

Audited numbers

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