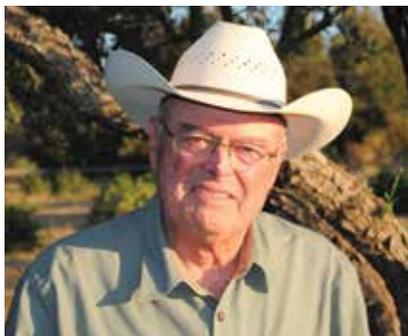




# California Beef Council 2019 Annual Report



## Dear fellow California beef producers,

I've been a proud member of the California Beef Council board of directors for a number of years. As chair of the council in 2019, I was fortunate to see first-hand how our programs achieved results and reached consumers with positive, proactive messaging about beef, cattle production, and beef's nutrients. I'd like to share some of those highlights with you in this annual report.

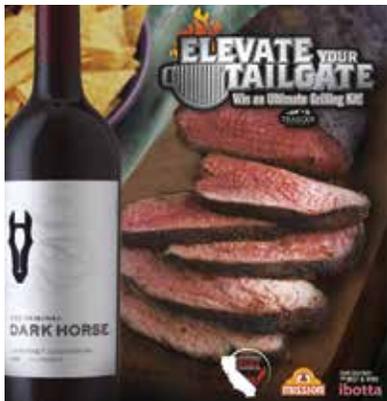
Over the years, the CBC's approach has of course shifted to adapt to changing consumer behaviors and preferences, but our mission has remained solid – to position the California beef industry for sustained beef demand growth through promotion, research and education. In 2019, the CBC's programs and efforts continued to focus on three strategic priorities that were established by its producer-led board of directors. Those priorities include growing consumer trust in beef and beef products, promoting and strengthening beef's value proposition, and sharing beef's sustainability story.

Because the CBC is funded by producers, the producer guidance and input that is provided is a crucial part of its operation. The voluntary leadership who makes up the board represents every aspect of California's beef industry. It is robust and diverse, and opinions don't always align. But I find it refreshing that so many members of our industry – whether they be cow-calf ranchers, dairy producers, feedlot operators or packers – are passionate about making a difference in terms of beef promotion and demand.

I hope this look at some of our successes from 2019 gives you a few reasons to be proud of the work being done on your behalf, just like it does for me.

Sincerely,  
Wayne Lamb  
2019 Chair, California Beef Council

## Beef – It's Still What's For Dinner



For the past several years, the CBC has deployed a series of integrated marketing campaigns that involve various digital and broadcast advertising elements, cost-sharing partnerships with complementary brands, in-store signage and promotions, and cash-back rebates on beef through the popular mobile shopping app Ibotta. These campaigns all have one focus – reaching consumers on the pathway-to-purchase to encourage them to add beef to their market basket.

In 2019 alone, these campaigns resulted in nearly 97 million cumulative impressions, nearly 55,000 redemptions of Ibotta rebates on beef cuts and products, and nearly 170,000 brand engagements through Ibotta. And these results are a significant year-over-year increase from our 2018 campaigns, which resulted in approximately 30 million cumulative impressions, making for a more than 200% increase in the reach of our campaigns in 2019!

## Sharing California's Beef Story



Over the course of each year, the CBC embarks on a variety of efforts to share California's beef production story with multiple audiences, whether they be consumers or key industry influencers.

Among important influencers we engage with are the foodservice and retail industry leaders who have a direct and increasing influence

on our consumers, with a series of CBC-led events held each year to bring these leaders and influencers together with the beef community for educational and immersive experiences. In addition to learning how beef is produced in California, these events increasingly share information about beef's sustainability and environmental footprint to help clear up any misconceptions these audiences have.

In 2019, leaders representing nearly 8,530 restaurants, foodservice companies and retail markets participated in the CBC's annual Pasture to Plate Beef Tour and Beef Leadership Summit. These events provided attendees with a deep dive into the beef industry, supplying information on all aspects of beef production, information about hot topics such as beef's environmental footprint and nutrition profile, and more.

The 2019 Beef Leadership Summit was held on California's Central Coast, and kicked off with a powerful presentation by Dr. Frank Mitloehner of UC Davis, who shared his research on agricultural emissions, helping to clear the air on some of the negative misperceptions that exist on this topic. Other highlights of the tour included a carcass fabrication demonstration at Cal Poly's Meat Processing

Center, a tour of Hearst Ranch, and discussions with experts about various aspects of the beef industry and its correlation to the business of attendees in the audience.

On the consumer side of things, the CBC produces a vast library of enlightening content each year, featuring California ranchers and beef producers sharing information about their production practices, operation history, and land stewardship efforts. In addition to a library of video content featuring California producers, the CBC launched a series of online stories in 2019 that garnered over 30 million impressions and were featured on major news and media sites. The stories helped shed additional light on animal care, use of technology on the ranch, sustainability practices, and more.

## Opportunities for Producers



While the focus of many of the CBC programs is consumers, California's beef producers are at the heart of everything we do. Whether it's providing key learning and development opportunities through our California Top of the Class advocacy training program, or providing opportunities for producers to become Beef Quality Assurance certified to help continue to bolster trust in our care and handling of cattle, there are

a variety of ways for producers to get involved in CBC programs each year.

But it's also important to the CBC that we provide opportunities for producers to know just how their \$1-per head Beef Checkoff dollars are being invested to benefit the industry as a whole. That is why we've developed a number of ways to share those messages and results with the producer community. Two campaigns targeting California beef producers in 2019 – one a digital campaign launched across a variety of online and social media platforms, and one a radio campaign targeting producers in California's Central Valley – resulted in over 4.7 million impressions and 15,000 visits to the CBC producer resources web page to learn more about the CBC's efforts.

A monthly e-newsletter also provides regular updates to producers, and in late 2019, we introduced a producer-focused webinar series that provides CBC and checkoff information and results. To sign up for the e-newsletter or access webinar recordings, visit the [CalBeef.org/resources/producer-resources](http://CalBeef.org/resources/producer-resources) website.



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## 2019 California Beef Council Financial Report

For the fiscal year ended December 31, 2019

### PROGRAMS

Consumer Information .....	\$865,020
Promotion .....	\$604,994
Producer Communications .....	\$219,675
General Program Development .....	\$19,395
National Program Investment .....	\$31,600
<b>Total Programs .....</b>	<b>\$1,740,684</b>

### GENERAL AND ADMINISTRATIVE

Administration .....	\$185,088
Collections .....	\$45,268
USDA Oversight .....	\$30,308
<b>Total Supporting Services .....</b>	<b>\$260,664</b>

**TOTAL EXPENSES .....** **\$2,001,348**



## Dear Fellow Producers,

Cattle producers have their feet firmly planted in two worlds: The world of tradition, using knowledge and skills handed down through the years that help result in vibrant, healthy animals producing the best beef in the world, and the world of technology, using the most up-to-date information to help us manage our businesses, market our animals and stay abreast of our situations.

Truth be told, most of us are probably more comfortable in the first world. After all, knowing and caring for animals comes naturally. Technology can be intimidating and moves so quickly these days that it's just difficult to stay current.

Stay current we must, however, especially when it comes to marketing beef. Consumers no longer get their information about beef from friends or the sales flyer in the weekly newspaper. The internet, social media, smart phones, artificial intelligence and other emerging technologies are influencing how we must talk with and educate those who buy our products.

Our Beef Checkoff is staying abreast of new technologies, using them effectively to reach both current and potential beef buyers. Thanks to your checkoff investments, we're able to keep beef front-and-center with those who consume our product and those who market it.

Research suggests we're on the right track. A recent independent evaluation of the national Beef Checkoff found that for every dollar invested, \$11.91 is returned to the beef communities' profitability. That's technology we can take to the bank.

Yours truly,

Laurie Munns  
Hansel Valley, Utah  
Chairman, Federation of State Beef Councils



Funded by Beef Farmers and Ranchers

## Riding Technology Into the Future

Twenty-five years ago, having a website meant you were on the cutting edge of technology. No longer. Today a website is merely the foundation. In 2018 there were more than 1.8 billion websites globally, competing for the attention of consumers.

The Beef Checkoff's *Beef. It's What's For Dinner.* brand has successfully attracted a following of consumers through many channels, including an updated [www.BeefttsWhatsForDinner.com](http://www.BeefttsWhatsForDinner.com) digital website, which answers questions consumers have about beef from pasture to plate. Since its relaunch more than 15 million people have visited the new website. But that's just the beginning of the Beef Checkoff's technological footprint.



To keep up with the evolving marketing landscape a new tool called Chuck Knows Beef was introduced in 2019. Powered by Google Artificial Intelligence, Chuck Knows Beef is a guide to all things beef – recipes, cooking tips, cut information, production background – helping source its customized responses from content found on the [BeefttsWhatsForDinner.com](http://BeefttsWhatsForDinner.com) website.

Chuck Knows Beef is based on the emerging trend toward smart speakers, such as the Google Home and Amazon Alexa. It can help the 70 percent of consumers who say technical support would help them when shopping for beef. Like the [BeefttsWhatsForDinner.com](http://BeefttsWhatsForDinner.com) website, Chuck Knows Beef represents a prime opportunity for the beef industry to utilize technology to help increase consumer demand, giving consumers confidence in selecting and preparing beef.

## Maximizing Millennial Reach



In 2014, Beef Checkoff advertising went 100 percent digital primarily to reach older millennial parents, who are more digitally connected. A new "Keep Sizzlin'" collection of online beef advertising, for instance, shows beef being cooked by grilling, smoking,

stir-fry, sous vide and cast iron. In addition to providing consumers with drool-worthy content, the ads lead consumers [BeefttsWhatsForDinner.com](http://BeefttsWhatsForDinner.com), where they learn to prepare the perfect beef meal.

New videos utilize the "Nicely done, beef" slogan and highlight the attribute consumers say distinguishes beef from other protein options: its great taste. Appearing on popular websites and social media platforms, Nicely Done advertising uses tongue-in-cheek humor and beef's swagger to help position beef as the top protein. Nicely Done through social media, search or display ads have had more than 98 million video views, creating more than 4 million engagements, and resulted in more than 500 million consumer impressions.



*Beef. It's What's For Dinner.* has also made a significant impact on Facebook and Instagram. Thirteen Facebook Live videos, featuring recipes and cooking tips from checkoff culinary

experts were produced and posted over the past year, with almost 65,000 views. These videos continue to live on the *Beef. It's What's For Dinner.* Facebook page. In addition, six Instagram TV videos were posted in 2019, reaching thousands more consumers.

Technology also influences how the Beef Checkoff educates and motivates those who market beef. A test last year with Instacart, an online delivery service available to more than 80 percent of American households, demonstrated that *Beef. It's What's For Dinner.* ads at digital point-of sale increased beef purchases among users and proving to retailers the program's greater-than-average return on investment.

Partnering with other third-party content sites can also be useful in addressing complex beef issues. For instance, the Beef Checkoff has worked with Quartz, Greenbiz and Nativo to ensure consumers see balanced information about how beef is both nutritious and sustainable. Articles with these groups have garnered almost 8.5 million impressions.

Technology is also helping improve international marketing. To share beef farming and ranching with audiences across the globe, *Beef. It's What's For Dinner.* is making its virtual ranch tours available in Korean, Japanese, and Spanish. The 360-degree videos virtually transport the viewer to a U.S. ranch to show how cattle are raised and cared for. Originally created by NCBA as part of checkoff-funded Beef. It's What's For Dinner. Rethink the Ranch outreach, the videos are giving audiences around the world a chance to experience U.S. beef production practices.



The Beef Checkoff-funded Beef Quality Assurance program has utilized technology to enhance success with cattle producers. More than 50,000 individuals have gone online to obtain BQA certification since 2017. Free online training and certification is accessible 24/7, making it a convenient

option for busy farmers and ranchers. BQA certifications are also available at in-person training events. An estimated 80 percent of the U.S. fed beef supply is touched by BQA-certified operations.

## Boosting International Demand



Of course, current technology will not be a component of all Beef Checkoff programs, such as international programs that boost international beef demand. U.S. beef exports, in fact, reached a record-shattering \$8.3 billion in 2018, a year-over-year increase of 15 percent. While Japan solidified its position as the leading international destination for U.S. beef, much of the year's growth was driven by South

Korea and Taiwan. 2019 has seen continued momentum for these two markets, with both achieving double-digit growth through the first half of the year.

The U.S. Meat Export Federation, a subcontractor to the Beef Checkoff, uses checkoff support to promote the unique attributes of U.S. beef worldwide, including to key buyers in the Korean and Taiwanese foodservice sectors, where dry-aged U.S. beef is increasingly popular.

In the United States, many other efforts not requiring enhanced technology – including personal and face-to-face interactions – reach both consumers and those who influence them, such as farm-to-fork tours for influencers, discussions with dietitians and health professionals, farm-to-fork tours for chefs and other influencers and dozens of other outreach efforts.

Being on the front line in today's marketplace, however, requires the beef industry to keep pace with the needs of consumers who buy its products. Thanks to beef producer investments in the Beef Checkoff, technology and beef can go hand-in-hand.

## Cattlemen's Beef Board Fiscal Year 2019 Expenditures

Promotion .....	\$10,580,409
Research .....	\$9,891,043
Consumer Information.....	\$7,571,245
Industry Information.....	\$3,357,876
Foreign Marketing .....	\$8,347,484
Producer Communications.....	\$1,637,234
Evaluation .....	\$158,875
Program Development .....	\$435,772
USDA Oversight*.....	\$596,367
Administration.....	\$1,729,852
<b>TOTAL EXPENSES .....</b>	<b>\$44,306,157</b>

\* Included in the USDA Oversight amount is approximately \$404,000 paid by the Cattlemen's Beef Board to USDA for oversight fees during the year. The remaining \$192,000 is related to cost incurred by Cattlemen's Beef Board for litigation, meetings with USDA, freedom of information act requests, settlement requests, and authorization requests.

*Audited Numbers*