



2018

California Beef Council Annual Report

Building beef demand by inspiring, unifying and supporting an effective state and national checkoff partnership.

Dear fellow California beef and dairy producers,

As 2018 Chair of the California Beef Council (CBC), I am pleased to share with you some of the great work that has been done thanks to our beef checkoff investment.

One of the many things I appreciate about the beef checkoff and the CBC is the spirit of collaboration among all segments of the industry. Every sector is represented, from cow-calf ranchers, dairy producers, feedyard and packing plant operators, to any of the steps in between. We all benefit from continued growth in beef demand, and that's what the mission of the checkoff and CBC is all about.

In 2018, the CBC's innovative programs and efforts focused on three strategic priorities that were established by its producer-led board of directors. Those priorities included **growing consumer trust in beef and beef products**, **promoting and strengthening beef's value proposition**, and **sharing beef's sustainability story**. Working toward these priorities comes in many forms, from reaching consumers, educating influencers, engaging with leadership in industries key to our livelihood, and providing producers with tools and resources to help further amplify our messages.

This annual report of CBC activities is intended to provide you with a better glimpse into what your \$1 beef checkoff investment does in California to enhance beef demand. I know many of you will be pleasantly surprised with just how much is accomplished for our industry every year.

Sincerely,

Jack Hoekstra

2018 Chair, California Beef Council

Hoekstra Dairy, Oakdale

Growing Consumer Trust in Beef and Beef Products

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. In 2018 alone, the CBC's campaigns resulted in over 30 million impressions, over 40,000 redemptions of Ibotta rebates on beef cuts and products, and over 160,000 brand engagements through Ibotta.

Each year, the CBC also works to evolve and adapt its methods of reaching California consumers through innovative ways. For example, in 2018, the CBC produced an all-new branded podcast called Feed Me! – providing

tips and tutorials from renowned food and lifestyle bloggers and cooking experts.



Feed Me! was produced in partnership with iHeartMedia San Francisco and is hosted by popular radio morning show host Marcus D., an on-air personality who can also be heard on San Francisco iHeart radio station Star 101.3. In just its first few episodes, Feed Me! rose to be one of the top original podcasts in the San Francisco media market.

The first season of the series featured conversations with food blogger and cookbook author Whitney Bond about the best “One Pot Wonders” for the summer, tips from

Emmy-nominated blogger and food and lifestyle expert Parker Wallace about cooking with what's in season, how to tailgate like a pro with NFL Hall of Fame running back Eric Dickerson, and more.

Each episode incorporated some element of beef, from fun facts to easy and delicious recipe hacks. Learn more at www.calbeef.org/podcast.



Another key link to building consumer trust in beef is through producers themselves. In 2018, the CBC provided a number of learning opportunities for producers, including a California Top of the Class workshop which provided beef advocates and Masters of Beef Advocacy graduates with additional spokesperson and outreach training.

Additionally, the CBC partnered with other industry groups to provide a number of Beef Quality Assurance workshops to help continue bolstering consumer trust in the care and handling of cattle. To learn more about BQA certification, visit www.bqa.org.

Promoting and Strengthening Beef's Value Proposition

Continuing to promote beef's value proposition to multiple audiences and influencers is yet another priority for the CBC.

First, by capitalizing on new media technologies, the CBC has been able to provide content and information on beef's quality, safety and nutritional value directly to consumers and influencers through two mobile apps: BEEFabulous for consumers and BEEFlexible for foodservice professionals. These audience-specific apps provide all the information consumers and foodservice leaders might need about beef, right in the palm of their hands.

Reaching and collaborating with health and nutrition influencers is another avenue through which this strategic priority is achieved. In 2018 alone, the CBC engaged with nearly 5,000 dietitians, health and nutrition professionals, and strength and fitness professionals at a variety of events with messaging about beef's role in a healthy diet.

As one example of this outreach, the CBC conducted a series of media workshops for Dietetic Internship (DI) students at various California universities. These workshops provided DI students – who are in the final stages of their education before becoming Registered Dietitians and Nutritionists – with extensive training on beef nutrition, production practices, and research and data that support beef in a variety of diets and lifestyles. The goal is to help these future health and nutrition professionals better understand beef's full nutritional profile so they can provide accurate dietary advice as they embark on their careers.

Sharing Beef's Sustainability Story

Over the course of each year, the CBC holds a series of events designed to bring leaders and influencers from multiple industries to the beef community for educational and immersive experiences. In addition to learning about how beef is produced in California, these events increasingly share information about beef's sustainability and environmental footprint to help clear up misconceptions these audiences might have.



In 2018, leaders representing nearly 9,400 restaurants and 4,700 retail markets participated in the CBC's annual Pasture to Plate Beef Tour and Beef Leadership Summit. These events provided attendees with an immersive 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. At the 2018 Beef Leadership Summit, attendees also got to hear from renowned animal handling expert Dr. Temple Grandin and learn the truth behind meat substitutes as they compare to beef.

Retail and foodservice operators have a direct and increasing influence on consumers, so engaging with leaders in these industries is an important way for the CBC to ensure beef remains center-of-the-plate in restaurants, retail chains and foodservice companies throughout California.

In terms of reaching consumer audiences with beef's sustainability story, the CBC has produced online content featuring California ranchers sharing information about their production practices and operation history, with a focus on sustainability efforts. To learn more, visit www.calbeef.org.

California Beef Council Financial Report

For the fiscal year ended December 31, 2018

PROGRAMS

Consumer Information	\$889,324
Promotion	\$567,229
Producer Communications	\$196,902
General Program Development.....	\$27,897
National Program Investment.....	\$31,600
Industry Information.....	\$8,265
Total Programs	\$1,721,217

GENERAL AND ADMINISTRATIVE

Administration	\$186,926
Collections	\$45,534
USDA Oversight.....	\$22,585
Total Supporting Services	\$255,045
TOTAL EXPENSES.....	\$1,976,262



Dear Fellow Producers:

Surveys show beef consumers are interested in knowing more about the beef they eat. They still want it to be tasty, tender, convenient and provide value, of course. But today they also want to know that the animal was raised with care and in an environment that is wholesome and environmentally sound.

That desire led the Beef Checkoff Program to include a “Rethink the Ranch” element to its *Beef. It's What's For Dinner.* relaunch. The component gives consumers – the majority of whom have very little connection to agriculture, let alone the beef they buy – a chance to see how beef producers are combining good husbandry and production practices with new technology to assure the best possible results in terms of care and products.

The promotion's added direction compliments the broader messages within the *Beef. It's What's For Dinner.* brand and campaign. Those messages highlight the most critical aspects of what consumers expect from the beef they buy, taste being the most important. Recipes, nutrition and cut information and more is available on the industry's upgraded website and is being broadly promoted digitally. Let's face it: Beef will always be among the preferred meats because it tastes so good.

The relaunched national campaign features opportunities for state beef councils to join in outreach and messaging to consumers and marketers at the state level. This creates a state/national team with which our industry is having a real impact on demand for our products.

You can read all about it in this report. Thanks for your support and engagement in continuing to make beef what's for dinner.

Yours truly,

Dawn Caldwell

Dawn Caldwell
Edgar, Nebraska
Chairman, Federation of State Beef Councils



Rethinking the Ranch

In October 2017 the Beef Checkoff Program relaunched its iconic *Beef. It's What's For Dinner.* campaign, with exceptional results. The campaign sought to drive more consumers to the checkoff's BeefItsWhatsForDinner.com website, where information on all things beef could be obtained.

Created 25 years ago, *Beef. It's What's For Dinner.* was introduced with promotion that included television and print advertising that captured the imagination and taste buds of consumers. Times change, however, and while the concept is still strong, the ways consumers get their information is different than it was in the early 1990s. Social and digital media have become the key ways information is delivered to consumers today.

Through the refocused and strengthened campaign, visitors to the website over the past year have totaled more than 8 million – compared to about 3 million the year before. The primary purpose for visiting for many consumers are the recipes, cut information and nutrition advice found on the site. Increasingly, however, consumers want to know even more about how the beef they eat is raised. A new feature of the campaign called Rethink the Ranch is giving consumers an up-close-and-personal look at the people who make beef possible. The campaign features real ranchers and farmers and their real stories about how they produce beef.

Last summer a camera crew traveled 3,800 miles across the United States, visiting six different cattle operations in four states. They captured more than 100 hours of video, as well as

images and stories about the people who raise beef animals. The images and video they developed have become a big part of the checkoff's new consumer outreach.

Nationally, the videos have generated more than 765,000 video views, and reached more than 3.5 million consumers. State beef councils have downloaded Rethink the Ranch content for use on their own social media properties and other consumer and thought leader outreach.

It's the first time BeefItsWhatsForDinner.com has promoted both the product and the people who produce it, a story focused on promoting beef's greatest strengths: unbeatable taste, variety and ease of cooking, nutritional attributes that can't be matched and the people that make it all possible, caring for the animals and environment with appreciation and respect.

State beef councils are also extending the campaign, exciting their states' consumers about beef's many benefits. Of special interest has been the campaign's Rethink the Ranch anthem video and related video spots showcasing real farmers and ranchers from around the country.

It's important consumers understand how committed producers are to serving as faithful stewards of the valuable natural resources that have been entrusted to them. That's part of the Rethink the Ranch message. It's why the website provides consumer-friendly, easy-to-understand information on how beef producers are being effective stewards of the land and resources, from drones to help observe and manage cattle to solar technology to generate power and help operate water systems, cattle producers are using technology responsibly.

Good and Getting Better

Of course, cattle producers have always prided themselves in their dedication to animal welfare, beef quality, sustainability and community involvement. Recent research shows they are getting better in all four of these areas.

The checkoff-funded Cattlemen's Stewardship Review gathered data from an independent 2017 telephone survey of beef producers to deliver a comprehensive profile of the U.S. beef community today. The research showed improvements in all four areas, compared to a 2010 checkoff-funded benchmark survey.

It found that the well-being of cattle is the top priority for 95 percent of producers, that 97 percent of cattle farmers and ranchers believe producing safe beef is crucial to the future of the industry, and that 95 percent of producers believe conservation of land is extremely important to them.

Results of the research were shared with key national media.

More Foundation from Research

Checkoff-funded research providing answers to complex questions about beef production is helping create clarity to issues such as beef sustainability. The checkoff-funded sustainability research program has developed a series of 19 fact sheets that explain many benefits of U.S. beef production, such as how the global impact of beef production could likely be dramatically reduced if other countries could achieve the same productivity as U.S. beef – the most efficient beef production system in the world. To see these fact sheets, go to www.beefresearch.org.

BQA Certifications Add to Evidence

Further strengthening the case that cattle producers recognize their societal role is the fact that online certifications in the beef checkoff-funded Beef Quality Assurance program have surpassed 20,000. First available in early 2017, online BQA certifications join those conducted at in-person training events offered by state beef councils, cattlemen's affiliates, extension programs and other local efforts.

Both in-person and online certifications show how common-sense husbandry techniques can be coupled with accepted scientific knowledge to raise cattle under optimum management and environmental conditions, helping beef producers capture additional value from their market cattle and reflecting a positive public image for the beef industry.

Producers Telling Their Stories

The Raising Beef section of the new *Beef. It's What's For Dinner.* website has featured several graduates of the checkoff-funded Masters of Beef Advocacy program. MBA graduates – who now

number nearly 11,500 – are helping people rethink the ranch by sharing their personal stories on the site. The collaboration between programs is an example of how the beef checkoff-funded Beef Advocacy Training and Engagement program works to help members of the beef community leverage their advocacy and spokesperson skills, benefiting many checkoff programs.

Expanding International Beef Demand

Thanks in part to beef checkoff-funded efforts to promote to and educate our international customers, global beef demand was up in 2018, with markets outside of the United States buying a larger share of U.S. beef production at higher prices. According to USDA data compiled by the U.S. Meat Export Federation, through June, U.S. beef and beef variety meat exports set a record pace in both volume (662,875 metric tons) and value (\$4.03 billion). In previous years, export value had never topped the \$4 billion mark before August.

The same data suggests the U.S. has exported 13.5 percent of its total 2018 beef production, up from 12.8 percent last year. Export value per fed steer or heifer slaughtered averaged \$317 – up 18 percent from a year ago.

Noteworthy export markets in 2018's first half included Japan (\$1.02 billion – up 12 percent from last year's pace), South Korea (\$802.1 million, up 52 percent), China/Hong Kong (\$510.8 million, up 43 percent) and Taiwan (\$249.7 million, up 39 percent). Also showing strong demand for U.S. beef were Mexico (\$506.7 million, up 10 percent), Central America (\$38.8 million, up 26 percent) and South America (\$63.9 million, up 20 percent).

Cattlemen's Beef Board Fiscal Year 2018 Expenditures

Promotion	\$9,225,692
Research	\$8,042,093
Consumer Information	\$7,345,798
Industry Information	\$3,560,607
Foreign Marketing	\$7,640,567
Producer Communications	\$1,179,898
Evaluation	\$230,795
Program Development	\$295,075
USDA Oversight	\$601,681
Administration	\$1,811,956
TOTAL EXPENSES	\$39,934,162

Unaudited Numbers

An independent survey of beef producers has found 74 percent continue to approve of the Beef Checkoff Program. That's 5 percent higher than it was a year earlier. The survey found that the more producers know about the program, the more supportive they are.

Seventy eight percent said the checkoff has value, even when the economy is weak, and 71 percent say the checkoff represents their interests. The survey was conducted from December 2017 to mid-January, 2018.