

# Nevada Beef Council

## STATE ANNUAL REPORT



### Nevada Beef Council Sponsors Inaugural Jr. Iron Chef Competition in Las Vegas

"Students...light your fires!" The Jr. Iron Chef, Las Vegas competition on June 2 didn't start exactly like that, but it very well could have. With the Nevada Beef Council (NBC) as presenting sponsor for this inaugural event, beef was center of the plate not just for the entrée, but for the student-created appetizer as well.

Held at the Las Vegas Culinary Arts and Design School at The Art Institute of Las Vegas, the competition brought together students from four magnet schools and gave them the opportunity to compete in a hands-on cooking contest. Two teams of four competed: the West Side team (made up of students from the Southwest and Northwest Career and Technical Academies) and the East Side team (comprised of students from the East and Southeast Career Technical Academies). The teams, working in a full kitchen, were supplied with a mystery basket of ingredients from which to prepare an appetizer and a main course. Two cuts of beef—Top Sirloin and Flat Iron—were the main items in the mystery baskets. The team of five judges for the event included Dave Zino, Executive Chef for the National Cattlemen's Beef Association, a contractor to the Beef Checkoff Program, Chef Paul Zdanis of the Bellagio, Chef Heinz Lauer of Le Cordon Bleu College of Culinary Arts, Chef Raymond Bard of the Art Institute and American Culinary Federation and Katherine Jacobi, President and CEO of the Nevada Restaurant Association. The East Side team won this year's competition.

The event was produced by Clear Channel Media, Las Vegas radio stations KSNE Sunny 106.5 and KPLV, and iHeartRadio. In addition to the more than 100 people who attended the event, the competition was broadcast live over Sunny 106.5 and streamed online at iHeartRadio. The NBC was also named as presenting sponsor in all event press releases, was part of 25 on-air promotional commercials on radio stations KSNE, KPLV and iHeartRadio which aired a "Beef: It's What's for Dinner" commercial schedule of 44 30-second radio spots, and was included in three different click-through banner ads on the radio station's website. The online banner ads took radio station website visitors to the NBC's website. The NBC also provided talking points to the radio station about the 29 lean cuts of beef and the nutritional value of beef. These talking points were used by radio station personality Tom Chase, who hosted the live broadcast. ▼

# Established 1971

## TWENTY TWELVE

### FRESH AND EASY NEIGHBORHOOD MARKETS AND ALBERTSONS PARTNERED WITH THE NBC IN SPRING PROMOTIONS

The NBC conducted two retail promotions in the Las Vegas area during the month of May. From May 2-15, 2012 the NBC partnered with Fresh & Easy Neighborhood Markets to promote beef through a two-week radio promotion in the Las Vegas media market. The NBC also ran a radio promotion with Albertsons the last two weeks of May. Both promotions included two radio station store-level remotes where beef-themed prize packages were given away to ten lucky customers. Prize packages included a "Beef. It's What's For Dinner." apron, beef recipe brochures and a \$50 gift card for beef. ▼

### Father's Day with Raley's

The NBC conducted a two-week Father's Day grilling promotion in 14 Raley's stores in the Reno area. The promotion included a radio campaign in the Reno market, increased beef featuring in all store locations, and "The Grill Master" Facebook page beef promotion customer contest. Raley's customers were invited to post a picture of their "favorite grill master in action" at Facebook.com/raleys. Five lucky Nevada customers won a beef-inspired prize pack filled with grilling essentials and a \$50 gift card for Raley's beef.

In addition to increased in-store beef featuring and the Facebook contest, an eBlast beef coupon for \$5 off a beef purchase of \$20 or more was sent to customers. ▼



# Food and Nutrition Outreach

Each year the Nevada Dietetic Association (NDA) holds an annual meeting in the form of a two-day conference and exhibition. The 2012 meeting was held in Las Vegas on April 27-28. Over 200 nutrition professionals were in attendance. These registered dietitians and diet technicians are the key influencers of the health-conscious consumers in this state, thus making them a target audience for learning about the nutritional benefits of beef.

The NBC sponsored the keynote speaker, Mary Lee Chin, MS, RD, who is on the advisory board for the Center for Human Nutrition at the University of Colorado, Health Sciences Center. She spoke on behalf of the NBC and presented on "The Sustainable American Dinner Plate," with an



emphasis on how beef fits into a healthy diet. In her talk, Chin discussed what the beef community is currently doing to produce healthy, affordable food for consumers. She also compared the claims versus the realities of today's food production methods, both locally and globally. The information she provided to the attendees was well-received and helpful in dispelling some of the myths of food availability and sustainability. ▼

## SLICE 'N SAVE PROMOTION TRANSLATED TO SALES BOOST FOR LAS VEGAS AREA SMART AND FINAL STORES

The NBC partnered with Smart & Final, a warehouse-format store based in Los Angeles, CA that serves both the foodservice and household markets, for a seven-store promotion designed to entice consumers to purchase more beef. The promotion ran from June 15-28, 2012.

The NBC funded radio in the Las Vegas area, and beef-themed prize packs were awarded to winning customers at select store locations. In addition to increased beef featuring, Smart & Final also conducted an online consumer contest called "Cattleman's Finest Grill Up Your Summer Sweepstakes."

As part of the overall campaign, the beef checkoff-funded Slice 'n Save program was incorporated with the Smart & Final promotion. The Slice 'n Save program provides consumers with knowledge they can use to buy boneless subprimals and cut the meat at home into steaks and roasts; allowing consumers to purchase bulk beef cuts at a lower price per pound. Also included is information on how to properly freeze these cuts. The national beef checkoff funded placement of Slice 'n Save brochures in all store locations.

The two-week promotion resulted in a 25 percent increase in total beef pounds sold versus the previous year's figures. ▼

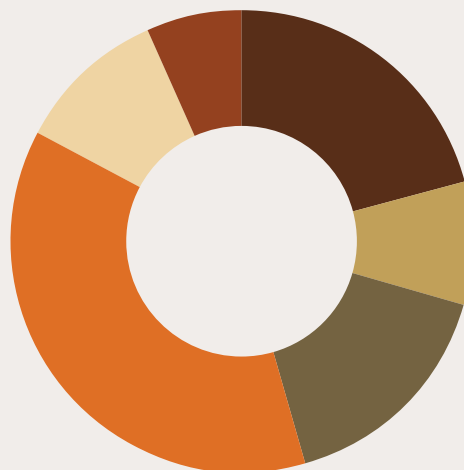
## Protecting the Image of Beef for School Lunch Programs

In concert with the national outreach efforts of the National Cattlemen's Beef Association (NCBA), the NBC was proactive in monitoring and responding to traditional and social media reports about lean finely textured beef (LFTB). A letter was developed and sent to the Director of the Nutrition Services Division of the Nevada Department of Education encouraging her to contact the NBC for assistance in discerning the facts from the misinformation with regard to LFTB. Additional resources were also offered about the nutritional value and safety of beef.

In response to the letter, the Nutrition Services Director reported that no Nevada school districts called the Nevada Department of Education expressing concern about LFTB. The NBC continued to monitor and address media coverage of this issue as well as other issues that might negatively affect beef demand. ▼

## NEVADA BEEF COUNCIL Fiscal Year 2012 Expenditures

Consumer Information .....	\$10,269
Producer Communications.....	\$15,812
Promotions .....	\$56,105
Collections and Compliance .....	\$24,050
National Program Investment.....	\$12,954
Administration .....	\$30,999
<b>Total .....</b>	<b>\$150,189</b>



# HISTORY CREATES BASE

## for Proven Checkoff Program

When we learn from the past, we build a foundation for the future. Take the national Beef Checkoff Program, for example.

The current mandatory checkoff has its roots in demand-building efforts by the beef industry that began back in 1922, when agriculture's first checkoff effort was created in the National Live Stock and Meat Board. Adding to that foundation are state beef councils around the country, which were started as far back as the mid-1950s.

The first checkoffs were voluntary and collected at processing facilities. The assessments on producers were 5 cents per train carload, and a matching 5 cents a train carload from packers on cattle, hogs and sheep – an amount that was matched

by progressive processing companies that participated in the program.

In 1963, the Meat Board created species divisions that would help provide focus to individual meats. That's when the Beef Industry Council (BIC) was formed, with guidance and support from state beef councils from around the country.

When the mandatory \$1-per-head Beef Checkoff Program was instituted in 1986, the BIC was identified in the Beef Promotion Order as the Federation of State Beef Councils, which would help identify programs to fund and represent Qualified State Beef Councils at the national level. When the National Cattlemen's Association merged with the Meat Board in 1996, a Federation Division was created, making the new Fed-

eration of State Beef Councils the successor to the BIC.

While improvements have been made along the way, many of the concepts established back in 1922, with additional focus in 1963, are intact in 2012. Today, the Federation remains dedicated to supporting the work of both state beef councils and the national Beef Checkoff Program through its work in beef research, information and promotion.



## What's In a Name?

Why do some state promotion governing bodies have boards, while others have councils or commissions?

The answer is that the bodies are controlled by grassroots producers in each state, who establish all aspects of how beef promoting efforts will be run.

Regardless of their name, beef promotion entities in 45 states are considered Qualified State Beef Councils, and authorized by the USDA to collect the full \$1-per-head national checkoff assessment. They remit half to the Cattlemen's Beef Board for national and international promotions, research and information programs. The other 50 cents remains under the control of the state's board of directors for investment in qualified demand-building programs.

Individual producers who get involved in all aspects of the decision-making process at both the state and national level assure grassroots control – something all beef producers can support.

## Did You Know...

- Because of its independent nature, the Meat Board was asked in the late 1920s to help develop criteria for a national beef grading system, and the U.S. Department of Agriculture would base its grading program on those standards;
- In the 1970s it was found that consumers were confused by different names for the same cut of meat, therefore a Uniform Retail Meat Identity Standards program was created by the Meat Board that helped make cut names more uniform nationally;
- In the 1960s and 70s, the BIC worked every year with the American National CowBelles (now the American National CattleWomen) on a "Beef For Father's Day" promotion across the country. Millions of consumers were reached through the campaigns;
- A consumer boycott of red meat in the Spring of 1973 highlighted the value of a checkoff-based industry response to societal issues (and underscored the need for more resources). The industry joined forces in a "Beef Steak Strategy" through the BIC to reach out to consumers, helping educate them through media outlets such as *The New York Times*, *The Wall Street Journal*, *Time*, *Newsweek*, and NBC-TV's *The Today Show*.



## Third Time is a Checkoff Charm

The Beef Checkoff Program passed by producers in a 1988 referendum by an almost 4-1 margin wasn't the first beef industry effort to create a uniform national checkoff. In 1977, a program was proposed that would have assessed 2/10<sup>th</sup> of one percent of an animal's value at slaughter to fund a top-down organization – with a minimal role for state beef councils. It was voted down by producers.

In 1980, a similar proposal was overwhelmingly defeated. After that defeat, the industry went back to the drawing board to determine what kind of program producers really wanted.

An extensive survey found that producers sought a program that was jointly controlled by a state and national effort; utilized existing organizations (like the BIC and United States Meat Export Federation) to conduct programs, without creating new promotion organizations; and a program that used a method of collecting a set amount at the time of sale.

The \$1-per-head assessment and the Beef Checkoff Program were the result. Surveys conducted on a regular basis by an independent research firm show that producers remain supportive of this effort. In the last survey conducted in July 2012, 74 percent of producers supported the beef checkoff, and eight of 10 said they thought the checkoff had helped contribute to a positive trend in beef demand.



# GETTING A GRIP ON THE FUTURE

It doesn't take a crystal ball to know the beef industry has plenty of marketing changes in store over the next 50 years. If the decreasing cattle herd and changing weather patterns aren't good enough indicators, technology and the mercurial consumer should suggest that we're in for quite a ride.

Consumer demographic and behavioral trends suggest the beef industry can expect many changes. Based on current developments we would not be surprised to see:

## New merchandising options.

Households comprised of one or two persons now represent 62 percent of the total U.S. households. Retailers are going to need plenty of merchandising options as they reach out to these consumers.

## Technology driving decision-making.

Millennials – those 80 million consumers who were born between about 1980 and 2000 – use social media to make many of their decisions, as well as increase their knowledge base. What kind of instant messaging will drive millennial decisions and knowledge tomorrow?

## Ethnic shifts change the marketing landscape.

Hispanics will grow from 16 to 30 percent of U.S. households from 2010 to 2050. Not only will culinary tastes shift, but the beef industry must be able to meet the needs of increasingly diverse consumer palates.

## More new beef cuts for the budget-conscious.

The beef industry has developed several new beef cuts (Denver Cut, Flat Iron Steak) that have helped make steak-eating more affordable, and increased the value of the carcass. Today, about half of U.S. households are at low to moderate income levels. Innovation is needed to find affordable beef options for all income levels.

## More convenient beef products.

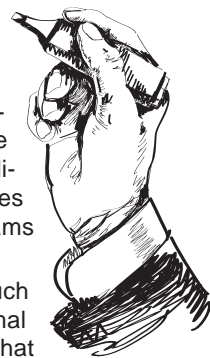
Nearly one-third of consumers think that 40 minutes from start to table is too long to wait for their meals, 70 percent say that an hour is too long. In addition, 70 percent of women are now working, so convenience is paramount. While ground beef has been the “fall-back” product for the time-conscious, more convenient whole muscle cuts could boost demand.

## Summary

As we look down the road, these and other trends stand out as particularly relevant to beef producers. Obviously, no one can predict the future; however, it makes sense for the beef industry to be prepared for one. 🐄

# THE CHECKOFF

## IN 2012



Today, aggressive check-off-funded programs are reaching their target audiences with positive messages about beef. These programs include:

**NUTRITION RESEARCH**, such as the Beef in an Optimal Lean Diet (BOLD) study that demonstrates eating lean beef every day can be good for heart health;

**SAFETY RESEARCH**, which searches for solutions to safety challenges to further enhance the industry's safety record;

**HEALTH PROFESSIONAL EDUCATION**, which extends scientific research about beef nutrition to the country's leading health professionals through organizations like the Academy of Nutrition and Dietetics;

**ADVERTISING**, which takes advantage of consumer recognition of the checkoff's “Beef. It's What's For Dinner” campaign through print, radio and online video advertising;

**FOODSERVICE AND RETAIL PROMOTIONS**, such as a new BEEFlexible for Foodservice campaign to promote the value and versatility of steak, and a refreshed version of the BeefRetail.org website;

**ISSUES MANAGEMENT**, which helps protect the industry against unfounded attacks and provides accurate information about beef issues. To help debunk beef myths, a FactsAboutBeef.com website was created to address animal care, the environment, nutrition and safety;

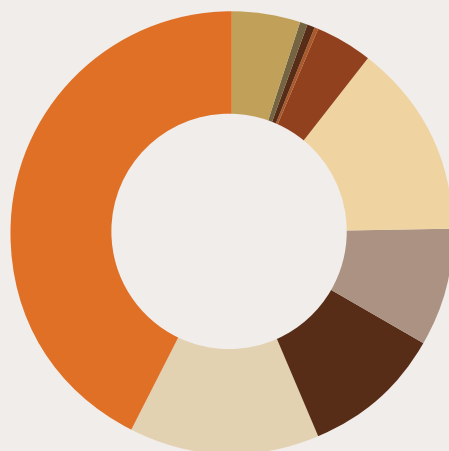
**BEEF QUALITY ASSURANCE**, where producers are encouraged to follow guidelines that encourage better beef production. Released in 2012, the 2011 National Beef Quality Audit provided industry guideposts for improving the U.S. beef supply;

**INFORMATION**, with booklets like Basics About Beef, a full color, 24-page booklet designed to help consumers get optimal value when buying beef;

**VEAL PROMOTION**, with a Facebook summer grilling photo contest generating awareness of veal and a Twitter handle posting local veal specials at retail and in restaurants; and

**INTERNATIONAL PROMOTIONS**, which are helping raise awareness of beef's value in dozens of countries around the world. 🐄

## CATTLEMEN'S BEEF BOARD Fiscal Year 2012 Expenditures



### Expenditures

#### Program Expenses:

Promotion .....	\$18,497,850
Research .....	\$5,719,714
Consumer Information .....	\$4,513,478
Industry Information .....	\$3,866,592
Foreign Marketing .....	\$6,129,529
Producer Communications .....	\$1,745,326
Producer Evaluation.....	\$131,674
Program Development .....	\$198,498
<b>Total Program Expenses: .....</b>	<b>\$40,802,661</b>
USDA Oversight .....	\$211,064
Administration .....	\$1,632,467
<b>Total Expenses: .....</b>	<b>\$42,646,192</b>

\*Chart shows 2012 audited numbers