

**BEEF**

# NEVADA BEEF COUNCIL 2014 ANNUAL REPORT

## REPRESENTING NEVADA'S BEEF PRODUCERS



The Nevada Beef Council (NBC) works hard on behalf of producers to implement promotions, campaigns, and events that keep beef top-of-mind for consumers. In all that it does, the NBC is guided by a board of Nevada ranchers and beef producers, all of whom take the role of investing checkoff dollars into meaningful programs very seriously. With limited resources, it's critical to the NBC's long-term success that its efforts make the greatest possible impact.

This annual report offers a glimpse of the NBC's activities for the 2013/2014 fiscal year. As you read through, we hope you enjoy learning how much the NBC does to share beef's story with consumers and influencers throughout the state.



## Your Nevada Beef Council Members

From left to right:

Jay Dalton, Vice Chair (Cow/Calf, Wells)

Lucy Rechel, Chair (Feeder, Yerington)

John Jackson, (Cow/Calf, Tuscarora)

Gary Ward (Cow/Calf, Gardnerville)

Susan Agee (Cow/Calf, Alamo)

Ray Callahan (Cow/Calf, Reno)

Note: The council's dairy seat is currently vacant.

## PROMPTING NEW THINKING ABOUT BEEF

Every year, the NBC executes a number of programs and campaigns designed to get consumers thinking about, and ultimately buying, beef. Ensuring the programs are on-target and effectively reaching the right audiences with messages that resonate is critical to long-term success.

For the NBC, reaching the millennial audience – and more specifically, the older millennial audience ranging in age from

roughly 18 to 34 years old – is a priority. This demographic includes young parents who are establishing their own homes and who have young children, as well as those who are just out of high school and establishing patterns of independence. Based on consumer data, reaching this audience with messaging that focuses on the ease of cooking beef, meals using fewer ingredients, new recipes, and information on beef cuts helps address areas that consumers are eager to explore and learn more about.

But the NBC goes beyond just sharing information. Through an integrated approach that engages consumers directly, we are striving to not just communicate our messages, but prompt new thinking about beef.

Whether it is through collaborating with a variety of promotional partners to tout beef's convenience and flavor, working with retailers to implement multi-faceted beef promotions, or sharing with consumers that beef is not only healthy but versatile for families, the NBC constantly strives to carry out effective communication campaigns that hit home.

## Case Study: Tailgating with 92.1 The Wolf



During the 2013 football season, the NBC launched a new and exciting partnership that integrated beef into the University of Nevada, Reno (UNR) tailgating season. Joining forces with Reno country music radio station 92.1 The Wolf, the NBC aired six weeks of commercials, which played on-air as well as streamed online.

The sixty-second commercial linked beef and its unsurpassed taste, aroma and sizzle with two other basic elements: fire and someone to cook for. The ad played off the fact that beef is one of the few foods that's actually fun to watch cook, which is why people tend to gather around the grill.

The NBC team also joined 92.1 The Wolf for several 2013 home games at UNR, giving an opportunity for direct interaction with consumers to answer questions about beef, and engage in conversations about preparation tips, recipes and beef cuts.





## A BEEF FOCUS AT ULTIMATE JUNIOR CHEF COMPETITION



In 2014, the NBC was once again a proud partner of the Ultimate Junior Chef Competition, held May 10 at The Art Institute of Las Vegas in Henderson. This fun-filled cooking competition involved dozens of high school and college students from Clark County School District, as well as Las Vegas-area Art Institute high school and college programs. All came with different backgrounds and goals, but on competition day, one thing brought them together: beef.

The NBC partnered with the competition organizers to ensure that beef was at the center of the plate for the cooking competition. Contestants were able to choose between Flat Iron and Top Sirloin, along with produce and other side ingredients, to use in their cooking.



Being involved in this event offers more than just a chance to allow future foodservice experts to explore cooking options with beef. It also gives the friends and family of the competitors an expanded view of just how versatile beef can be on a menu.

## GIVING CONSUMERS MORE REASONS TO BUY BEEF



For the past several years, the NBC's partnerships with retail chains have provided consumers with more incentives to buy beef, which has been increasingly important in a climate of rising food costs. These partnerships often include broad marketing and promotion elements that keep beef top-of-mind for many consumers throughout Nevada.

To offer a glimpse of how far-reaching these programs are, consider the results of our retail partnerships in the 2013/2014 fiscal year alone:

- The NBC conducted retail radio promotions to promote beef with 68 retail stores in Northern and Southern Nevada.
- Retail radio promotions on both Spanish-language and general market broadcasts resulted in over 1.22 million media impressions.
- Coupon promotions with 17 stores took place throughout the year in both the Reno and Las Vegas markets.
- In-store beef demos were held at six Nevada stores with a total of 12 demos, 72 hours of face-to-face consumer demo time of Tri-Tip and resulted in an 8% increase in Tri-Tip sales.



## SHARING BEEF'S NUTRITIONAL BENEFITS

When it comes to nutrition, there are few proteins that carry the punch that beef does. With 10 essential nutrients, more lean options than ever before, and the ability to leave a person more satiated and satisfied, beef has proven to be not only delicious, but an important fuel for healthy bodies.

Communicating these important benefits to influencers in the health and dietetic world is a high priority for the NBC. For that very reason the NBC has a Registered Dietitian Nutritionist on staff, and partners with a variety of dietetic associations and health-focused organizations to share beef's nutritional story.

One such partnership in early 2014 was with the American Heart Association's "Go Red for Women" annual luncheon in Reno. Several hundred attendees—many of them women in their mid-twenties to early thirties—were on hand for the event, which was held to raise awareness of heart disease among women.

The NBC was also on hand to share helpful information and the latest research about beef and its positive role in a healthy lifestyle. What's more, the NBC partnered with Reno-area radio stations KLCA and KRNO to air ads helping to further communicate the role of lean beef in a heart-healthy diet. The radio campaign, targeting women between the ages of 25 and 54, reached an estimated 33,000 listeners in the Reno market.

For more about beef nutrition, visit [www.beefnutrition.org](http://www.beefnutrition.org).

## KEEP UP WITH THE NBC

Want to keep up-to-speed with what the Nevada Beef Council is doing all year long? Like us on Facebook, follow us on Twitter, or visit [www.nevadabeef.org](http://www.nevadabeef.org).

## FY2014 NEVADA BEEF COUNCIL FINANCIAL REPORT

For the fiscal year ended June 30, 2014

### PROGRAMS

Consumer Information	\$23,598
Promotions	\$22,554
Producer Communications	\$10,839
<b>Total Programs</b>	<b>\$56,991</b>

### SUPPORTING SERVICES

Collection and Compliance	\$24,205
Administrative Expenses*	\$30,827
National Program Investment**	\$12,804
<b>Total Supporting Services</b>	<b>\$67,836</b>

\* Includes all costs and overhead expenses associated with contracting with the California Beef Council for full-service staffing and support, as well as audit fees, bookkeeping fees, and insurance.

\*\* Investment in national programs through the Federation of State Beef Councils, which also assures Nevada representation on the Federation.

<b>Total Expenses</b>	<b>\$124,827</b>
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## DEAR FELLOW BEEF PRODUCERS,

There's only one measurement that really matters when it comes to your Beef Checkoff Program: Do you get more out of it than the \$1-per-head you put in?

Recent independent research shows you do, with a return of \$11.20 for every \$1 invested in the national program. Although not part of the national study, the programs conducted at the state level can only add to the overall effectiveness of our efforts. Obviously, the efforts we're making as cattle producers are worth it.

Even more exciting, though, is how it was accomplished. Direction of state and national checkoff programs are in the hands of producers themselves, not just purchased "off the shelf." While the return on investment is significant, the success comes about because of producers and importers participation in checkoff-directing boards and committees.

When you combine the return on investment with the process, it's a very impressive result. With increasing sophistication of the process and even more producer input, I hope to see even better returns in the future. Let's keep up the good work.

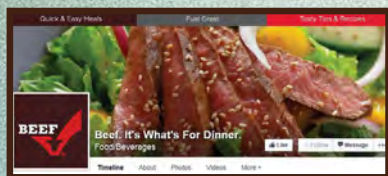
Yours truly,

Cevin Jones

Chairman, Federation of State Beef Councils



## NUMBERS DO THE TALKING



Nowhere do the numbers speak more clearly than in the new Beef. It's What's For Dinner digital campaign. Beginning in the spring of 2014, the campaign

differed significantly from mass media, reaching people who aren't immediately seeking beef information using an "under-the-radar" approach. It's a one-on-one communication through a consumer's computer, and aims to direct consumers to the BeefIt'sWhatsForDinner.com website, which contains recipes, tips, nutrition, safety and other information consumers want and need. Digital elements that drive consumers to the site include:

- **Banner Ads** on sites like AllRecipes.com and MensFitness.com, which inspire consumers to think about tonight's dinner with beef photos, recipes and information;
- **Search Advertising** on engines such as Bing and Google for people proactively searching for information on food;
- **A Beef. It's What's For Dinner Facebook page**, with almost 900,000 fans who receive recipe posts with photos on a regular basis;
- **Collaboration with other established recipe and nutrition-related websites**, such as Martha Stewart.com;
- **Videos** that run before online television shows; and
- **Other "cutting edge" elements in digital marketing** that allow the industry to target millennial consumers.

In just the first four months of the marketing campaign significant results were generated. More than 1.7 million consumers were reached through the campaign's website, and the "no-recipe recipe" videos were viewed more than 5 million times on YouTube and other video online channels.

Furthermore, associated social media sites hosted more than 1 million engagements, such as likes, comments, shares, re-tweets and click-thrus to checkoff resources, such as recipes. Because it's

available 24/7, the digital/social media tool is providing continual contact with consumers who are looking for meal solutions.

Unlike other kinds of outreach, almost all of that contact is positive in nature. Research shows that 97 percent of consumers have positive opinions about beef after visiting the Beef. It's What's For Dinner website.

## RETAILERS GET IN THE ACT



Checkoff Program, the toolkit helped show that beef can provide a significant sales lift for retailers.

In fact, 84 to 94 percent of shoppers expressed purchase intent in the lean beef items they sampled during the test portion of the research, and significant increases in specific beef cut sales during the test were also generated.

The toolkit communicates beef's nutrient benefits at the same time as it generates these bottom-line benefits. The toolkit, developed in partnership with registered dietitians, demonstrates that promoting beef's positive attributes – nutrition, taste and ease of preparation – not only results in higher sales, but enables supermarket dietitians to be able to talk knowledgeably and confidently about beef.





## CATTLEMEN'S BEEF BOARD FISCAL YEAR 2013 EXPENDITURES

Administration	\$1,536,829
USDA Oversight*	\$279,075
Program Development	\$179,088
Program Evaluation	\$179,590
Producer Communications	\$1,529,824
Foreign Marketing	\$6,036,724
Industry Information	\$3,492,377
Consumer Information	\$3,390,267
Research	\$6,036,100
Promotion	\$15,528,767
<b>Total expenses</b>	<b>\$38,188,641</b>

Audited numbers

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

### NUTRITION RESEARCH HAS VALUE

More research now shows that a heart-healthy diet that includes lean beef can reduce risk factors for heart disease. A study funded by the beef checkoff and the national Institutes of Health-supported Penn State General Clinical Research Center and published in the June 19, 2014 issue of Journal of Human Hypertension found that a dietary pattern rich in fruits, vegetables and low-fat dairy that includes lean beef – even daily – can reduce risk factors for heart disease, including elevated cholesterol and blood pressure.

According to lead researcher Penny M. Kris-Etherton, “this research adds to the significant evidence, including work previously done in our lab, supporting lean beef’s role in a heart-healthy diet.” Researchers suggested the evidence supports the idea that it’s the total protein intake – not the type of protein – that is instrumental in reducing blood pressure.

### A NEW PRODUCT WITH OLD ROOTS



It looks, acts and smells like bacon – but it’s beef. Schmacon™ is one of the latest checkoff-funded development projects that provides beef producers with extra alternatives for beef cuts. The smoked and cured glazed beef slices received the prestigious 2014 Food and Beverage Innovations

(FABI) Award by the National Restaurant Association at their restaurant, hotel and motel show.

Schmacon has less fat and sodium than bacon, and as a pre-cooked product ready for crisping in an oven cooks in a fraction of the time. In winning the FABI award, it was heralded as a product with “bold imagination” and “great potential to help operators capitalize on consumer trends and drive operator success.” The product not only fits into healthy lifestyle trends, it also meets dietary needs of those religious or ethnic groups prohibited from eating pork products.

### BEEF EXPORT VALUE ON RECORD PACE



Checkoff-funded efforts in the international arena are focused on some of the world’s most promising markets for U.S. beef, and exports to those markets are growing rapidly. For instance, strong

performances in key Asian markets are putting U.S. beef export value on a record pace in calendar year 2014. Through July, exports totaled \$3.89 billion, up 13 percent from a year ago. Export volume was up 4 percent to 687,752 metric tons.

In 2013, Japan reclaimed its position as the No. 1 international destination for U.S. beef when an increase in the age limit for eligible cattle fueled a large increase in exports. U.S. exports to Japan have been mostly steady this year, while Japan’s imports from other major suppliers such as Australia, New Zealand and Canada have declined.

Hong Kong, South Korea and Taiwan have also been strong growth markets for U.S. beef in 2014. In June, Hong Kong granted full access for U.S. beef for the first time since the December 2003 BSE case.

These results translate into remarkable returns for U.S. cattle producers. Export value per head of fed slaughter was nearly \$300 in June and July, and averaged \$273 for the first seven months of this calendar year. Per-head export value is up 13 percent from a year ago and has more than doubled in the past five years.

Whether promoting beef internationally or providing marketing support for the product in the United States, the Beef Checkoff Program has been committed to programs that build beef demand since 1986. The recent research showing a return of \$11.20 for every dollar invested is a strong validation of that work.