

Your Beef Checkoff Program Fiscal Year 2008 in Review

ADVERTISING



The results of the checkoff's "Powerful Beefscapes" advertising campaign are in! The campaign successfully reached 89.7 percent of the consumer target an average of 16.3 times to help keep beef top of mind with consumers, to reinforce consumers' passion for beef and to promote beef's healthy qualities. The Consumer Beef Index Survey demonstrated exciting campaign

results related to the way consumers perceive beef. The survey showed that beef is now more likely to be viewed as a "smart choice" that provides a balance of taste and nutrition – a product that consumers can feel good about eating.

FOODSERVICE

Foodservice continues to be beef's primary channel to consumers. In 2007, more than 8.6 billion pounds of beef moved through foodservice, representing \$27.5 billion wholesale purchases by restaurants and institutions in the United States. In FY 2008, the BEEflexible promotion and trade advertising campaign was redesigned to compliment the striking "Beefscapes" consumer ads. Trade advertising featured new beef cuts in trendsetting global cuisines, along with companion recipes available by request or through www.beeffoodservice.com. To reach potential menu influencers, the foodservice marketing team, working with state beef councils, hosted five culinary workshops aimed at providing 60 leading restaurant chefs with hands-on experiences in using new beef cuts.

RETAIL



In FY 2008, one checkoff-funded retail marketing strategy targeted Hispanic consumers. The retail team produced a Hispanic Marketing Toolkit that increased beef sales among participating retailers by an

average 29 percent, which led to the retail program being tapped for the prestigious Effie Award from the American Marketing Association. In other activity, the retail program continued its proactive partnerships with supermarkets and state beef councils. Summer grilling promotions sizzled with the help of partners Kraft A1, Anheuser Busch and Sutter Homes. Work also began on the innovative Beef Alternative Merchandising program, aimed at helping consumers save money while still enjoying great tasting steaks.

BEEF INNOVATIONS GROUP



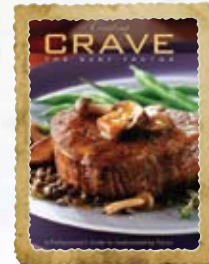
It was a milestone year for the Beef Innovations Group (BIG). Technical work on the beef round resulted in five new product applications that will eventually be marketed commercially. BIG is also preparing to take business cases, along with samples of 10 new convenience-

oriented beef products, right to food manufacturers. Four new industry partnerships were formed with Hormel, Schwan's, Colorado Premium and American Foods Group. BIG also successfully launched its all-new beef innovations contest, which was won by Smithfield's "Texas Hold'um" sandwich. This product will roll into the foodservice market in fall 2008.

VEAL

In FY 2008, the veal program focused on increasing demand through foodservice initiatives to introduce and promote the use of new veal cuts in the casual theme restaurant segment. To strengthen the marketing environment for veal, producers and allied industry leaders also emphasized veal quality assurance and issues management leadership. In FY 2009, new retail initiatives will expand partnerships with veal packers and state beef councils.

CULINARY CENTER



FY 2008 was another sizzling year at the Culinary Center. Recipes were developed for programs in retail, new products, foodservice, advertising, veal and nutrition. The new chuck roll cuts were photographed and assigned specific cook timings. The center's extensive recipe and photo database was revamped to support the all-new BeefItsWhatsForDinner Web site. Additionally, "Creating Crave" materials were redesigned and updated, including new information from "The Chemistry of Flavor" checkoff-funded study.

NUTRITION

The checkoff's investment into research and planning an industry response to the release of the World Cancer Research Fund/American Institute for Cancer Research Second Expert Report on Cancer produced an invaluable ROI when red meat and its link to cancer turned out to be only part of the story, rather than the story. Consumer surveys conducted before and after the report was released found a significant increase in people saying they had seen, heard or read something in the past month about food and chronic disease and, specifically, about red meat and cancer. However, despite these responses, consumer attitudes regarding cancer risks and their association of foods, including beef, and cancer did not change.

NUTRITION INFLUENCER EDUCATION

Based on the very successful 2007 Protein Summit, the Nutrition Influencer Education Program helped place a protein supplement in the May 2008 edition of *American Journal of Clinical Nutrition*, a leading publication for nutrition influencers. The nutrition team distributed a comprehensive electronic resource kit to

key thought leaders that included a link to the supplement, along with additional protein information. Utilizing checkoff funding, the nutrition team also sponsored an educational meeting with the Washington State Beef Commission and the Florida Dietetic Association to relay the benefits of the protein in lean beef to key nutrition professionals.

SAFETY



Foodborne illness and recalls in FY 2008 supported the continued need for beef safety research, dissemination and outreach programs. Checkoff funded programs advanced the knowledge of pathogens with a focus on *E. coli* O157:H7 while tracking other *E. coli* species responsible for increased human illness. Training materials developed through the Beef Industry Food Safety Council continue to be utilized by all sectors of the beef industry to address safety threats.

ISSUES & REPUTATION MANAGEMENT

A May 2008 public opinion survey found that consumer confidence in beef safety rebounded from 86 percent in February 2008, following the Hallmark recall, to 91 percent, two points higher than the confidence measure in May 2007. That survey also found that 97 percent of Americans support raising cattle for food if farmers and ranchers provide good care and treat animals humanely. The work of Issues Management in protecting the marketing climate for beef from potentially damaging issues in food safety, nutrition, the environment and animal welfare has been an integral part of beef checkoff investments since the program began.

PUBLIC RELATIONS

In FY 2008, checkoff-funded public relations efforts generated over 5.5 billion media impressions from recipe distribution, as well as the promotion of beef nutrition and beef safety. Beef recipes, preparation and cookery techniques generated more than 5 billion media impressions in major consumer news media outlets. The Public Relations team also works with the news media to provide consumer information about beef and beef production. Additionally, the PR program also delivers information to consumers through several web sites, including BeefFromPasturetoPlate.org, BeefItsWhatsForDinner.com and BeefNutrition.org.

YOUTH EDUCATION

The Youth Education Program successfully piloted a School Wellness Seminar series in several states. Attendees learned from a third-party childhood nutrition expert about the need for good nutrition in the diets of young people. Attendees received toolkits to help them implement nutrition education programs in their own schools.

FOREIGN MARKETING

With the reopening of South Korea, U.S. beef has now regained access to almost all major global markets. In FY 2008, U.S. beef exports worldwide amounted to 950,000 metric tons (2.09 billion pounds) valued at \$3.4 billion – an increase of 29 percent in volume

and 38 percent in value over FY 2007. Exports during August 2008 set an all-time monthly record in terms of value at \$416 million – surpassing the previous record of \$387 million set in June 2003.

CBB COMMUNICATIONS

CBB communications launched www.MyBeefCheckoff.com, a Web site for producers, as well as a corresponding producer communications print and radio campaign. The communications team also produced the 2007 CBB Annual Report; participated in 11 industry trade shows; produced checkoff brochures for dairy and beef producers; and prepared some 20 newsletters aimed at CBB members and other producers.

NATIONAL BEEF COOK-OFF®

The FY 2008 program public relations activities resulted in 1,175 media placements and over 162.8 million impressions, surpassing the 2006 actual impressions (127 million) by 28 percent. A key beef message – permissible passion – was delivered in 90 percent of event/post-event media placements. Since September 2007, some 416,000 cook-off recipe brochures have been distributed to consumers. Between Jan. 1, 2007 and Oct. 1, 2008, the www.beefcookoff.org web site had 142,459 sessions, while total page views grew 45 percent, to 354,117.

