

Texas Beef Council Annual Report

FISCAL YEAR 2010

A SUMMARY OF STATE AND NATIONAL BEEF EDUCATION, PROMOTION AND RESEARCH PROGRAMS FUNDED BY THE \$1 PER HEAD BEEF CHECKOFF PROGRAM.



BUILDING BEEF DEMAND

The Texas checkoff continues to help build beef demand abroad. TBC partnered with the U.S. Meat Export Federation to conduct multiple U.S. beef trainings with chefs in hotels and restaurants from Taiwan (picture above), Hong Kong, Mexico, Europe, Russia and the Caribbean. Groups from Russia and the Caribbean also visited Texas to learn more about the beef industry. As guests of TBC, the chefs were educated on the advantages of U.S. beef and trained to cook and promote underutilized cuts at Texas Beef Festivals held in their own countries.



For an audited financial statement, contact the Texas Beef Council at beef@txbeef.org or call 1-800-846-4113.

Visit us on the internet at www.TexasBeef.org for more checkoff information or at www.TxBeef.org for beef recipes, cooking tips and other beef information.

CONSUMER EVENTS – The state checkoff participated in several events across Texas. The TBC mobile marketing unit, the Ultimate Backyard, was showcased at three large events while the Tailgate Trailer was featured throughout the Texas A&M and University of Texas football seasons, at Mission Tortillas retail events and health fairs around the state. TBC also promoted beef at the Fort Worth Rodeo and American Heart Association events as well as Girls Gone Grilling classes and Kids in the Kitchen events. In total, TBC attended 20 events, served over 118,000 beef samples, disseminated over 581,000 brochures and promotional prizes and generated more than 2.8 million impressions including public relations outreach and paid media.



CULINARY EDUCATION – TBC reaches influencers in the foodservice channel through promotions and education. Key events included Dallas Restaurant Week, reaching chefs and foodservice operators at more than 135 restaurants in the Dallas-area, and the Annual Culinary Educators Conference which trained over 125 high school culinary instructors who influence more than 10,000 culinary and/or food nutrition students. TBC also worked to provide beef resources to distributors conducting educational programs with five of the largest foodservice distributors.

RETAIL PROMOTION – Working to promote beef products during key consumer holidays while also leveraging dollars, TBC partnered with several retail chains between Thanksgiving and the New Year to provide more than 45,000 holiday roast recipe brochures, 250,000 on-pack cooking labels and in-store signage to more than 600 grocery stores. In addition, TBC focused on summer grilling through partnerships with vendors and retailers for point-of-sale materials at more than 600 retail stores. TBC also worked with partners for a tailgate promotion generating over 75,000 impressions during Texas A&M home football games.

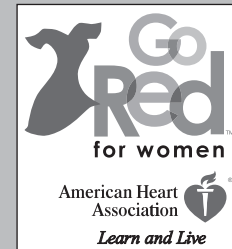
HISPANIC CAMPAIGN – TBC continued outreach efforts to Hispanic consumers through the “Mejor Provecho” campaign. In 2010, the Texas checkoff reached Hispanics through the Spanish-language website MejorProvecho.com and print, radio, online and television outreach. TBC partnered with a registered dietitian and diabetes educator to deliver beef nutrition information through multiple Spanish-language mediums. The overall combination of efforts garnered more than five million impressions in Texas.

BEEF RUNNING TEAM

TBC continued the Texas BEEF Running Team program nearly doubling the membership to 450 fitness advocates. A true grassroots campaign, the team has run more than 13,000 miles appearing in 40 races around the state wearing “Fueled by Beef” shirts. Many BEEF Running Team members are influencers who lead healthy, active lifestyles and recognize the vital role high-quality proteins, like lean beef, play in their training.

AMERICAN DIABETES OUTREACH – To further educate health influencers and consumers about beef nutrition, TBC once again partnered with the American Diabetes Association (ADA). TBC participated in ADA Tour de Cure events in three major markets reaching more than 7,000 riders and volunteers. Utilizing checkoff-funded beef and diabetes health information, TBC was also involved in two ADA health fairs as part of the Speaker’s Bureau.

HEART-HEALTHY PARTNERSHIP – Building on a long standing relationship, TBC partnered with the American Heart Association (AHA) for the third consecutive year to share the many ways beef fits into a heart-healthy diet. Beginning with National Heart Month in February, lean beef and heart-health was featured during AHA luncheons, on television cooking segments, radio interviews, at nutrition and health influencer meetings, through in-store promotions and at consumer events across the state. Leveraging partnership dollars, TBC showcased the AHA logo alongside heart-healthy lean beef information to more than three million consumers.



PRODUCER COMMUNICATIONS – In efforts to educate producers about the Beef Checkoff, TBC distributed 26 press releases featuring checkoff-funded initiatives to media outlets resulting in a total circulation of more than 1.5 million. TBC generated two feature articles and contributed to five feature articles as well as providing numerous interviews for ag radio. In addition, TBC attended 43 industry meetings directly interacting with more than 23,000 producers, reached out to livestock markets and feedyards and distributed the producer newsletter, *CattleTalk*, once a month.

ISSUES MANAGEMENT – In 2010, the crisis communications team continued working to protect the beef marketing climate from potentially damaging issues. TBC took a proactive approach through a letters-to-the-editor campaign surrounding Earth Day. Letters were distributed to 28 newspapers throughout the state with seven being published. In addition, TBC continued utilizing the *Beef Story Video* in efforts to educate consumers about the beef production process.

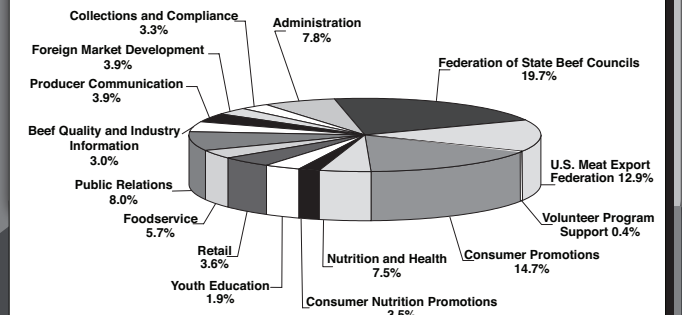
PUBLIC RELATIONS – TBC spokespeople appeared on television programs in 12 of Texas’ leading media markets. Promoting positive beef messages, these 63 food segments reached more than 1.7 million viewers showcasing beef recipes and beef cooking techniques. In addition, TBC conducted Firehouse Grill-Off events at The Houston Livestock Show and Rodeo and the State Fair of Texas in Dallas. The events garnered coverage on major television networks, one local radio station and online totaling a reach of more than 850,000 consumers.



TBC ONLINE – The TBC consumer website, TxBeef.org, recorded nearly 255,000 visitors this fiscal year averaging almost 700 per day with over one million page views. In addition, TBC continued efforts to reach food and health involved audiences through social media outlets. Hosting the first ever Appetite for Inspiration blog event, TBC interacted directly with 21 influential Dallas-area mom bloggers providing information about lean beef, family mealtime nutrition and beef recipe ideas resulting in sixteen blog posts.



BEEF QUALITY TRAINING – The Texas Beef Quality Producers program, developed to train producers and workers on the principles of beef quality assurance (BQA), directly trained over 675 producers, as well as an additional 7,100 exposed to BQA practices in Beef Quality Credit meetings in 2010. A similar online training, BQAOnline.com, educated over 360 producers on BQA principles. Other educational programs – Beef 706 and Market Cow Management – reached over 240 producers with their gate-to-plate messages.



TEXAS BEEF COUNCIL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2010

FY 2009 EXPENDITURES

TOTAL TBC EXPENSES = \$ 6,154,033

FY 2009 REVENUES:

Total checkoff assessments	12,505,696
LESS: Less remittance to Cattlemen's Beef Board	(5,802,548)
Less remittance to state of origin	(900,600)
	5,802,548
Investment and other revenues	32,761
TOTAL TBC REVENUES	5,835,309

Of every dollar collected in the state, by law, 50 cents is remitted to the Cattlemen's Beef Board for funding of national and international checkoff programs. The pie chart above shows TBC's investment of the remaining 50 cents.

ADVERTISING

A RECIPE FROM MY FAMILY TO YOURS
 "We're excited that we get to help address important issues for our industry. We can't thank you enough for the support and advice you've given us. We hope you enjoy the recipe and the photos. We'll be sure to share the recipe with our family and friends. We'll be sure to share the recipe with our family and friends. We'll be sure to share the recipe with our family and friends."



Photo: Melissa (mother) and family, © Curtis (father), Hope (son), Kaitlyn (daughter)

FILET WITH HORSE RADISH CREAM

INGREDIENTS: 2 lbs. beef tenderloin, 1/2 cup horse radish, 1/2 cup cream, 1/2 cup butter, 1/2 cup flour, 1/2 cup salt, 1/2 cup pepper, 1/2 cup onion, 1/2 cup garlic, 1/2 cup mushrooms, 1/2 cup carrots, 1/2 cup celery, 1/2 cup tomatoes, 1/2 cup olives, 1/2 cup capers, 1/2 cup anchovies, 1/2 cup capers, 1/2 cup anchovies, 1/2 cup capers, 1/2 cup anchovies.

In FY 2010, the beef checkoff advertising campaign reached 80 percent of the consumer target an average of eight times to help keep beef top of mind with consumers. The checkoff's new *Profiles* campaign launched in 23 national magazines, including *Every Day with Rachel Ray*, *Parenting*, *Food Network Magazine* and *Men's Health*. Radio ads aired on more than 5,000 U.S. radio stations, and online advertising appeared on a variety of popular online food-focused websites, such as *MixingBowl.com*, *Taste of Home.com*, *Recipe.com* and *Better Homes & Gardens.com*. The campaign's new *From My Family to Yours* print ads showcased real beef ranchers in 10 national publications, reaching some 25 million consumers with pro-family-farm, positive beef industry messages.

FOREIGN MARKETING



During the first nine months of FY 2010, U.S. beef exports (including variety meat) worldwide totaled 732,371 metric tons valued at \$2.63 billion – an increase of 9.5 percent in volume and 12 percent in value year-on-year. Perhaps the most important turnaround of all was the resurgence of U.S. beef in South Korea. In the first six months following the launch of a major comprehensive imaging campaign

funded by the beef checkoff, exports to Korea were up 96 percent in volume and 129 percent in value compared to the prior year.

FOODSERVICE MARKETING

With about half of all beef sold in the U.S. moving through the foodservice channel, the checkoff's award-winning BEEFlexible trade advertising campaign kept beef top-of-mind as restaurants struggled through the economic recession. With reports of renewed optimism, the 2010 campaign opened with a focus on traditional middle meats. Steaks were featured at major industry events, such as the Multi-Unit FoodService Operators conference (MUFSSO) and during the National Restaurant Association's annual convention. Strong relationships with media yielded beef editorial features that netted a return on investment of more than \$2 million in ad equivalency, and partnership promotions with three national restaurant chains involved 2,137 units in 43 states.

PRODUCER COMMUNICATIONS

Producer communications provided more than 25 million paid media opportunities for producers and importers to get to know their checkoff. This effort was supported through more than 5,000 news articles; video news releases aired on more than 600 stations; delivery of more than 100,000 newsletters; and participation in 15 industry trade shows. Online, viewers accessed more than 240,000 pages during 90,000 visits to www.MyBeefCheckoff.com and participated in more than 5,000 interactions on checkoff social-media sites.

VEAL MARKETING



The beef checkoff's veal "Go to Market Strategy" integrates consumer marketing and communications programs to help build demand for veal.

By integrating veal promotions, increased sales were reported in retail and foodservice channels in FY 2010. The checkoff also shared the positive veal production story through veal issues management and quality assurance programs. The checkoff and state beef councils, along with veal partners, helped implement vealfoodservice.com; a veal Columbus Day promotion; and a veal farm tour program.

PUBLIC RELATIONS



The checkoff's state-national public relations partnership helped spread the good news about beef nationally, through

materials including monthly media pitches and consumer and media fact sheets. The *I Heart Beef* program generated more than 96 million media impressions, and the checkoff's overall public relations program achieved more than 1.8 billion media impressions in FY 2010, including placements with *Larry King Live*, *CBS Early Show* and *Parade*. Through media relations and spokesperson training, beef producers had a voice in media dialogue about U.S. beef production practices. The Masters of Beef Advocacy (MBA) grassroots network has grown to some 1,500 graduates in 43 states and the District of Columbia.

NUTRITION INFLUENCERS

The nutrition influencer education program communicated the "power of protein" to health professionals in 2010 through a series of interactive webinars, in partnership with 17 state beef councils. During the last six months of FY 2010, more than 1,000 registered dietitians participated in discussions about the power of protein and shared checkoff-funded electronic resources with their clients. Outreach included sending educational materials to nutrition thought leaders, illustrating protein's role in bone health and continuation of the popular Nutrition Seminar Program, which has conducted 39 sessions in partnership with state beef councils this year.

ISSUES MANAGEMENT

In FY 2010, the checkoff distributed 42 FYIs – electronic updates that provide background, media coverage overviews and response recommendations and tools for state partners, producer leaders and beef industry stakeholders. The checkoff also coordinated submission of numerous letters-to-the-editor last year, including two published online in *The New York Times*. 2010 marked the fourth year IM worked with state partners on Earth Day to tell the "Everyday Environmentalist" story. Earth Day ads on Google (viewed by more than 300,000 people), social media posts on Facebook and Twitter and a viral e-mail delivered positive environmental messages online and drove consumer traffic to www.ExploreBeef.org, more than doubling daily sessions on the site.

RETAIL



The retail team focused efforts on keeping beef top-of-mind with consumers as the weak economy continued to shape buying behavior. Many new retailers introduced checkoff-funded programs such as Beef Alternative Merchandising (BAM) and Slice 'n Save to help shoppers stretch their grocery dollars. Through partnerships with national packaged goods companies, more than 100 million coupons and rebates were issued in the retail channel to encourage consumers to buy beef and help keep it affordable.

To help strengthen beef's position among Hispanic consumers, a retail pilot test using Spanish-language materials produced notable results: Participating locations achieved higher traffic at the meat case and significant sales volume increases during the test period.

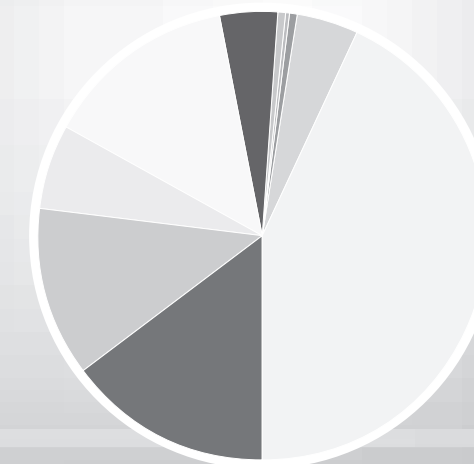
RESEARCH, EDUCATION AND INNOVATION



The checkoff's REI team works in several areas that are important to insuring consumers have beef options that are delicious, nutritious and safe. The checkoff's product enhancement research studies muscle traits and characterization, muscle tenderness and yield, flavor and palatability, carcass trait genomics and new technologies that lead to better products.

Meanwhile, beef safety research advances the knowledge of pathogens with a focus on *E. coli* O157:H7, *Salmonella* and non-O157 *E. coli* while tracking other pathogens, and promotes industry-wide cooperation to address safety threats. Human nutrition research provides scientific evidence showing how lean beef's high-quality protein and essential nutrients help Americans get important nutrients, improve cholesterol, manage diabetes, and maintain bone health and muscle mass. The culinary innovations team puts it all into practice. In FY 2010, the team conducted applied grill cookery research on 60 grilling cuts; developed and tested more than 100 new recipes; and participated in 42 state beef council/industry meetings to showcase new beef recipes. In FY 2010, the Beef Innovations Group (BIG) focused on creating six new round cuts and several new processing applications and launched eight new beef convenience products, while the Beef Quality Assurance team provided cattlemen numerous instructional videos on topics such as antibiotics or cattle handling, to demonstrate the importance of BQA certification for producers.

Cattlemen's Beef Board



Fiscal Year 2010 Expenditures

Audited	
Promotion	\$17,372,674
Research.....	\$5,571,678
Consumer Info.....	\$4,256,384
Industry Info.....	\$2,297,946
Foreign Marketing	\$5,643,117
Producer Comm	\$1,816,072
Program Evaluation.....	\$218,564
Program Development	\$65,694
Total Program Expenses	\$37,242,129
USDA Oversight	\$186,108
Administration	\$1,793,471
Total Expenses	\$39,221,707