

**INTERNATIONAL MARKETING**

Chefs and buyers from Central and South America, Caribbean, Greater Russian Region (CIS), and Greater China Region visited Texas in FY16 to learn more about the U.S. beef industry. As guests of TBC and the U.S. Meat Export Federation, attendees 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. TBC also conducted training seminars and retail and foodservice promotions in Hong Kong, Central and South America, Caribbean, Japan, Taiwan, Korea, Greater Russian Region and the Middle East.

**MD OUTREACH PROGRAM**

In FY16, TBC launched the MD Outreach Program in efforts to educate medical doctors who are recommending limited beef consumption for their patients diagnosed with high cholesterol through sales detailing. Two award winning former pharmaceutical sales representatives were hired in Houston and Dallas. The reps made more than 2,000 physician calls with the potential reach of 615,000 patients. Physicians handed out patient education materials in offices providing an endorsement of the nutritional value of beef in a heart-healthy diet.

**BEEF QUALITY ASSURANCE**

In partnership with Texas and Southwestern Cattle Raisers Association and Texas A&M AgriLife Extension, the Texas Beef Quality Producer program directly trained 355 producers on the principles of beef quality assurance (BQA). In addition, more than 6,000 producers were exposed to BQA practices at Beef Quality Assurance credit meetings. Another educational program, Beef 706, reached 152 producers with total quality management principles. TBC also shared BQA messages at meetings and seminars reaching vet students, youth, college ag students, cowboys and day-hands. More than 4,000 have completed the online BQA course.

**RETAIL PARTNERSHIPS**

TBC hosted seven Beef Boot Camps throughout the year training 155 key retail partners on topics such as proper cooking techniques, meat science basics, modern beef production practices, and beef nutrition. In FY16, TBC partnered with a variety of vendors and retailers focusing on in-store activities to promote beef during key consumer holiday periods. Activities included point-of-sale elements, coupons, in-store demos, and print and radio advertising.

**PRODUCER COMMUNICATIONS**

To help educate producers about the beef checkoff programs, TBC distributed press releases and feature articles highlighting checkoff-funded initiatives to media outlets resulting in a total circulation of more than 6.4 million. In addition, TBC conducted an advertising campaign which included 385 radio spots, print ads reaching 343,500 readers, and digital ads that were viewed more than 553,250 times. In FY16, TBC attended 49 meetings and conventions in efforts to keep beef producers and stakeholders up-to-date on the latest checkoff news.

# Texas Beef Council Annual Report

**FISCAL YEAR 2016**

A summary of state and national beef education, promotion and research programs funded by the \$1 per head national beef checkoff program and the \$1 per head state beef checkoff program.



**ADVERTISING CAMPAIGN**

TBC enhanced its online advertising campaign by launching the Beef Loving Texans consumer brand. The brand launch campaign ran in market July 1 - September 5 and included radio, print, billboard, broadcast TV, and digital TV. The campaign resulted in 254 million total impressions.



**BEEF TEAM**

The Texas BEEF Team is a community of 1,200 beef loving fitness enthusiasts supported by the beef checkoff programs in Texas. Together, TBC and the team are working toward building a healthier Texas. More than 4,470 appearances were made at runs, triathlons and races across the state. The team made 1,237 volunteer appearances and reached more than 13,000 at community events. In FY16, TBC launched BEEF Team kids (ages 5-13) with 249 members and 517 race and volunteer appearances. TBC engages the team utilizing a variety of communication tools including a monthly newsletter, Facebook group, pre-race beef dinners, events and educational webinars. The team consists of elite athletes, retail partners, cattle ranchers, moms, dietitians, physicians, coaches, trainers and many others.



**CULINARY EDUCATION**

TBC continued as a founding sponsor of the Annual Culinary Educators Training Conference which trains more than 135 high school culinary instructors each year who influence more than 10,000 students. The conference provides high school culinary arts teachers with relevant resources to use in the classroom along with hands-on training to help build their culinary curriculum. In addition, TBC supported a variety of culinary competitions reaching more than 565 students at 10 competitions. TBC also provided beef resources to 300 high school culinary arts programs and conducted educational training programs reaching more than 345 students.

**HEALTH INFLUENCERS**

Through eight health professional conferences and meetings, TBC engaged with more than 550 professionals sharing the latest beef nutrition information. Conferences included: Annual Texas Academy of Nutrition and Dietetic Association (TAND) Food and Nutrition Conference, TAND Leadership Conference, Texas Agri-Life Extension Summer Conference, Texas Academy of Family Physicians Annual Session and Primary Care Summit, Texas Medical Association, Texas Nurse Practitioners Conference, Texas Academy of Physician Assistants, and Texas Association of Cardiovascular and Pulmonary Rehabilitation.

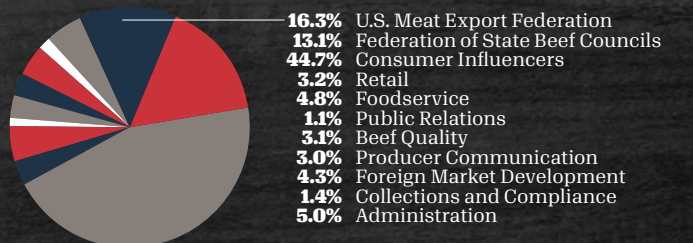
**DIGITAL MARKETING**

TBC continued to expand its online presence by focusing on social media platforms Facebook (112,880 followers), Instagram (4,822 followers), Pinterest (5,009 followers), and Twitter (5,440 followers) successfully maintaining and greatly increasing engagement and fans on all four platforms. To further enhance the Beef Loving Texans brand, TBC updated the consumer website to BeefLovingTexans.com. More than 499,000 consumers visited the site. Digital content was also developed by creating two uniquely Texas videos - Texas Traditions: Tacos; and Texas Traditions: Barbacoa.

**TEXAS BEEF COUNCIL AND RELATED ENTITY COMBINED FINANCIAL REPORT**

**Fiscal Year Ended September 30, 2016**

REVENUES	
Total state and U.S. checkoff assessments	\$19,076,706
Less:	
Remittances of U.S. checkoff to the Beef Board	(4,529,226)
Remittances of U.S. checkoff to the state of origin	(1,048,083)
Refunds of state checkoff	(356,127)
	13,143,270
Investment income and other	45,039
<b>TOTAL REVENUES</b>	<b>\$13,188,309</b>
EXPENSES	
	<b>\$15,295,915</b>



Of every national 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 chart above shows TBC's investment of the remaining 50 cents (national program) and the entire \$1 Texas state checkoff.

**ADVOCACY OUTREACH**



A proactive approach was taken with several groups focusing on educating and inspiring youth agriculture organizations to tell their beef story and become Masters of Beef Advocacy (MBA) graduates. TBC participated in 11 workshops reaching

more than 400 students. In FY16, more than 240 new MBA graduates joined the 1,013 Texas MBA alumni. TBC also hosted the inaugural Texas Youth Cattle Conference in South Texas. Thirteen students spent three days expanding their knowledge about the Texas beef industry through tours, leadership workshops and hands-on experiences.

**CONSUMER MEDIA RELATIONS**

Through proactive efforts in securing positive beef stories in the media, TBC garnered 71 media placements with more than 74 million total impressions. TBC spokespeople appeared on television programs throughout Texas sharing positive beef messages such as shopping, cooking, grilling, and nutrition information.



## DEAR FELLOW BEEF PRODUCERS,

When you load the truck bed with feed and turn on the ignition in your pickup, there's a good chance you know your destination ahead of time. When you invest in your Beef Checkoff Program, that knowledge of destination is just as important.

The Beef Industry Long Range Plan 2016-2020 provides beef producers an important sense of direction and purpose. Its 2020 Strategic Objective - to Increase the Beef Demand Index measure by 2 percent annually over the next five years - delivers a goal that allows industry leaders and the staffs of contracting organizations to measure their progress for the work they are doing. It also gives producers a key tool to help them determine how well their checkoff dollars are working to build demand for beef.

State beef council and national leaders are already working toward the goals it presents. The four areas you will read about below give us focus to deal effectively with the myriad of issues with which we struggle as an industry. They are a thoughtful, serious effort to make sure our work as an industry has tangible results.

As we struggle with limited budgets and increasing needs, this kind of focus is crucial. There's no question that within our states we have varying priorities and different sets of needs. With an eye toward better management of checkoff dollars, though, our Beef Industry Long Range Plan is a way to get everyone headed toward the final destination.



Yours truly,

Steve Hanson,  
Chairman Federation of  
State Beef Councils



Funded by the Beef Checkoff.

## DRIVE GROWTH IN BEEF EXPORTS



**Promote unique attributes of U.S. Beef in foreign markets.**

**Example:** With the support of the Beef Checkoff Program, the U.S. beef industry is finding exciting new opportunities in Japan, one of the most important export markets

for its products. In fact, the popularity of U.S. beef in Japan is well-illustrated in the 2016 beef export results. June exports to Japan were the largest in nearly two years, up nearly 30 percent year-over-year. January-June exports climbed 12 percent in volume and 5 percent in value. Japan's import data also show a strong rebound in market share for U.S. beef at 38.5 percent - up from 33 percent in the first half of 2015.

One key focus of this effort is to educate retail and foodservice buyers about the wide range of U.S. beef cuts that appeal to their customers. While Japan has traditionally been known as a destination for forequarter cuts and "thin meats," consumers are responding very positively to high-quality U.S. middle meats as well as barbecue cuts such as brisket, chuck roll and short ribs. The U.S. Meat Export Federation's (USMEF) checkoff-supported Urban BBQ campaign is designed to show Japanese consumers that American-style barbecue meals can easily be prepared without large smokers or other professional equipment. Through the campaign, the organization explain that preparing American-style barbecue is fun and easy, widening the range of U.S. beef cuts that appeal to Japanese consumers.

Beef tongue also continues to be a mainstay item for Japan. About two-thirds of the tongues harvested from U.S. fed cattle go to that country.

## PROTECT AND ENHANCE THE BUSINESS AND POLITICAL CLIMATE FOR BEEF

**Develop crisis management plans and attract, develop and enable the next generation.**

**Example:** The beef industry faces many issues not of its own making that could have a negative impact on beef producers and their livelihoods. Playing good defense in cases where bad publicity might impact our industry has been recognized as a crucial element of the Beef Checkoff Program.

In the fall of 2015 the World Health Organization's International Agency for Research on Cancer issued a report that identified red meat as "probably carcinogenic to humans," and processed meats as "carcinogenic to humans." Sensational headlines naturally followed, and significant media exposure assured it would be one of the biggest news days in red meat history. What could have turned out negative ended up balanced, however, thanks partly to experienced preparation and management of the issue by the beef checkoff.

Through spokesperson appearances, releases, fact sheets and many other forms of outreach, the industry responded, and these checkoff-funded efforts were combined with consumer reactions and skepticism that resulted in a

stunning occurrence - the WHO clarified its position by saying "the latest IARC review does not ask people to stop eating processed meats" and that it was a "shortcoming" of IARC's classification process that led to its original report.

The efforts did not go unnoticed in the agricultural community. In recognition of the beef industry's checkoff-funded work, the Agricultural Relations Council presented the beef checkoff top honors in the Golden ARC Awards, including first place in the Issues Management category and the Golden ARC de Excellence, the organization's highest honor recognizing excellence in agricultural public relations.

## PROMOTE AND STRENGTHEN BEEF'S VALUE PROPOSITION



**Revolutionize beef marketing and merchandising, research and communicate beef's nutritional benefits, and connect and communicate directly with consumers.**

**Example:** Beef isn't just for lunch and dinner anymore. And the beef industry has research to back up that statement.

Research conducted by Heather Leidy, Ph.D., of the University of Missouri found that daily consumption of a higher-protein breakfast that included two eggs and 1.5 ounces of beef was superior to both a normal protein breakfast featuring milk and cereal or skipping breakfast altogether, in terms of improving appetite control, curbing food cravings and reducing unhealthy snacking in overweight or obese teenage girls who routinely skip their breakfast meal. The research was featured in both the American Journal of Clinical Nutrition and the Nutrition Journal.

"Protein at breakfast appears to be a good target to increase protein intake," Leidy says. "A high-protein breakfast seems to reduce food craving-based neural signals, and improve overall diet quality."

Other research funded through the Beef Checkoff Program verifies the benefit of balancing protein intake throughout the day.

This kind of independent research helps the industry promote healthy diets and optimal protein intake and is used in promotions such as the checkoff-funded 30-Day-Protein Challenge provides sound scientific support for programs that encourage consumers to include beef in their meals throughout the day. Thousands of consumers have become active in the Challenge, thanks to both state beef council and national efforts to promote it.

## GROW CONSUMER TRUST IN BEEF AND BEEF PRODUCTION

**Ensure beef safety, protect beef's image and engage beef advocates.**

**Example:** The checkoff-backed Beef Quality Assurance program delivers to producers a set of best practices for generating quality beef. It does this by supporting practices that focus on good record keeping and protecting herd health, all the way from raising and feeding through transportation, for both traditional beef and dairy operations.

BQA manuals provide straightforward information to U.S. beef producers and a framework for national consistency. At the same time, BQA is state-administered, allowing individual states to determine the best programs that will meet the needs of that state's producers.

The BQA program also gives consumers positive assurances about the beef they eat. It delivers a positive message about the common sense husbandry techniques, founded on accepted scientific knowledge, used in cattle raising today, and reinforces a message about the already strong safety and wholesomeness of the U.S. beef supply. The premise of the program is that when better quality cows leave the farm and reach the marketplace, the producer, packer and consumer all benefit.

BQA is a widely accepted and broadly adopted routine throughout the beef industry. It's estimated that 90 percent of the fed cattle being raised for beef are produced under BQA management practices.

Throughout the past, year BQA has worked to grow its resources and tools for beef producers, including revisions and updates of the Feedyard Assessment and a partnership with the dairy industry on the widely accepted Farmers Assuring Responsible Management (FARM) program. The updated Feedyard Assessment, originally developed in 2009, brings the industry accepted-document up-to-date and draws producers' attention to industry topics of importance, including antibiotic stewardship practices. By partnering with FARM the BQA program will now be able to deliver to dairies throughout the United States important husbandry techniques that can improve the quality of beef coming from the dairy sector.

## CATTLEMEN'S BEEF BOARD FISCAL YEAR 2016 EXPENDITURES

Promotion	\$7,483,378
Research	\$9,755,701
Consumer Information	\$7,279,544
Industry Information	\$3,054,637
Foreign Marketing	\$8,123,678
Producer Communications	\$1,460,199
Program Evaluation	\$203,164
Program Development	\$265,182
USDA Oversight	\$349,025
Administration	\$1,746,258
<b>Total expenses</b>	<b>\$39,720,766</b>

Unaudited numbers

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