

**Joint Retail Committee Meeting
2010 Cattle Industry Summer Conference
Sheraton Denver Hotel – Denver, Colorado
July 31, 2010**

**Helen Wiese, Chairman
Margie Hande, Vice Chairman**

Call to Order

Chairman Helen Wiese called the meeting to order at 8:00 A.M. Introductions of committee members, staff and guests followed.

Agenda

The agenda was reviewed. **Action:** Kristy Lage moved and Robert Joyner seconded to approve the agenda as presented. **Motion carried.**

Minutes

The committee reviewed the 2010 winter meeting minutes provided in the committee notebooks. **Action:** Brett Morris moved and Roy Copelan seconded to approve the summer meeting minutes as presented. **Motion carried.**

Review of Joint Retail Committee Purpose and Guidelines

Margie Hande reviewed long/short term goals, guiding principles, and do's & don'ts.

FY 2010 AR Progress and Update Report - NCBA

Jim Henger, Executive Director Marketing, updated the committee on the changes to the retail marketing team and changes to structure to include retail and foodservice account responsibilities. The team works with eight different groups including: Supermarket Retailers, State Beef Councils, Packers and Processors, Wholesale Distributors, other Trade Organizations, other NCBA program areas, Industry Partners and Retail Channel Media.

Penny Nau, Director of Promotions, shared the 2010 Promotion calendar and YTD highlights. Sutter Home's *Build a Better Burger* is celebrating the 20th year of this joint program. Sutter Home is the #1 wine brand sold in retail. Details of all the promotional materials used with this joint promotion with Sutter Home were shared, including FSIs, print ads, beef coupons and neck hangers. Tactic 1A: Partner investment to Beef Check off investment ratio = 25:1. Ann Marie Bosshamer commented that the partners pay for the coupon redemption.

Deliverables for this tactic included coupons and purchase incentives for the retail channel. The goal was 50 million. Over 100 million coupons were disseminated. Coupon redemption as a whole is at its highest level since the 1970s. Peel off on-pack redemptions are up, 10-12% - estimates. In addition, in this tactic, the checkoff was able to secure >130,000,000 cooking/recipe aids, >120,000 product display units, and > 500,000 additional pieces of POS including shelf talkers and floor graphics. Account-

specific promotions with retailers were also discussed. Goal for this tactic was a minimum of four (4) account-specific promotions. This year, the team had >10.

Supplemental AR for Promotions \$100,000

Goals for the supplemental AR were the same as the 1A tactic. Three additional national promotions were added to the fiscal calendar, all promoting middle meats. A partner/checkoff investment ratio of \$17.15 to \$1 was achieved with these three promotions.

Wendy Timmerman, Manager Marketing shared team results for Tactic 1B: Retail Channel Outreach. Staff attended both AMC & NGA conventions this year. A BAM promotion with HAC (retailer) was initiated as a result of this meeting. Meat case displays were used and have been used for a couple of years featuring beef merchandising programs. We conducted a survey monkey with SBCs for input to improve the Beef Backer Award program. Comments were extremely positive. Helen Wiese commented that the retailers get a lot of positive press as a result of winning the RBBA.

Two joint meetings with SBC members were also held this year. Meetings were conducted in NC and AZ. US Foods Stockyards facilities were toured at each location and regional updates discussed.

Trevor Amen, Marketing Manager discussed Tactic 1C: Trade Marketing & Communications. Updates to the MeatTrack website data are ongoing. Eight conference calls and 40 weekly pricing charts have been completed to date. We have completed 15 press releases and 13 trade press interviews YTD. Four (4) issues of Beef Fast Facts and ten (10) Retail Beef Blasts (RBB) have been completed YTD. The RBB drives customers to our website. The RBB audience includes retailers, packers, SBC and suppliers. Wholesale pricing update is sent weekly and people are using our site for reference. Trevor reviewed retail sales data that is posted on the website and reported the monthly, quarterly and yearly numbers. Once reviewed, the top line data is reported on the website monthly.

Steve Leigh, Director of Marketing discussed Tactic 1D: Retail Education and Meat Case Programs. Slice & Save program includes brochures, videos and labels. Pilot studies conducted at SaveMart and Smart & Final were reviewed. Program results for both were extremely positive. BAM – lots of POS material to support including YouTube video. We are currently in test with the HAC stores in Oklahoma. A radio ad was played for the committee. They are seeing 20% increases in the test stores. Concerns about cannibalizing other beef categories have not resulted.

Trevor Amen, Manager, Marketing presented the IABC additional funded programs – MCII Advisory Council Members. Members include all disciplines of the meat channel working together. Goal was to identify & resolve issues consumers have with the supermarket meat case.

Wendy Timmerman, Manager, Marketing presented Hispanic test pilot with Dillon's, a Kroger retailer in KS. This was funded by IABC. Hispanic population is growing and they are strong beef eaters. 66% of Hispanics in US are of Mexican origin. Three Dillon stores in KS tested the program for 12 weeks. The Spanish dictionary of cuts was used. A chart was put behind the meat counter, bilingual on-pack labels were developed, and bilingual employees were identified with buttons on their uniforms so customers could discuss beef products with an employee in Spanish. Pre-wave intercepts were conducted, then 12 weeks of sales followed and ended with post-wave intercepts. Store traffic increased and # visits/month increased by almost 3 trips/month. Store loyalty remained strong and grew during these tests. Sales result increases were superb! Dillon's is looking to expand this program to other stores with a high percentage of Hispanic shoppers. Brett Morris asked if we track Hispanic population growth. Jim said we have access from US Census for State Hispanic increases and do use that information. The full Executive Summary is posted on BeefRetail.org.

Jim Henger presented FY 2010/2011 Retail Marketing Budget Changes. 2010 budget was presented and 2011 Program Changes. Budgets for 2011 are being reduced and will result in decreases in all program Tactics. New additions for 2011 include: new Lean Beef Focus; a new Beef Training Camp Module; AHA certification for 4 beef cuts. We use the 5 year long range plan for the strategy development of the yearly AR programs. We also survey retailers and packers every other year for evaluation of current programs and ask for suggestions. There are strategy teams that include the SBC, other program members, and advisory teams that provide input for the strategy development. 5 Tactics resulted. Details were outlined. (1) Tactic 1A: Stimulate short-term sales for Beef. This can be achieved through the development of at least six retailer initiated promotions, SBC initiated programs and/or account-specific programs with retailers. This tactic also includes the expansion of the campaign platform for the "I Heart Beef" program with AHA certification for four qualifying beef cuts, and the expansion of two other campaign platforms in 2011, "Summer Grilling" and "Holiday Roast." The proposed budget for this tactic is \$1,000,000. (2) Tactic 1B: Build long term demand for beef. Make beef more favorably against competitive proteins. The proposed budget for this tactic is \$400,000. >90% of these programs can be expanded through the SBCs. (3) Tactic 1C: Keep beef positioned as the #1 protein in the meat case. Serve as the beef resource for retailers. The retail website continues to grow for the source. (4) Tactic 1D: Retail Beef Intelligence and Performance. This includes monitoring and reporting on beef performance. The proposed budget for this tactic is \$370,000. (5) Tactic 1E: Retail Channel Partner Outreach. In this tactic, we will continue to engage key accounts to take action. Top 50 retailers represent a significant percentage of retail sales – representing 93% of total sales in the industry. The proposed budget for this tactic is \$415,000.

2011 AR Discussion. Jerry Effertz asked if the 11% program reduction was the standard deduction across the NCBA programs. **Action:** Jerry Effertz motioned to accept the budget as proposed, but noted an expression of disappointment of the budget reduction. Brett Morris 2nd the motion. Discussion - Foodservice budget was also decreased by approximately the same 11% rate. 2009 budget had a 9% increase. In 2010, the budget was set at \$1.652 Million. Vote on motion. **Motion carried**

Penny Nau presented Attachment A:Tactic 1E \$400,000. Goals: add 4 new national promotions. **Action:** Krisy Lage motioned to recommend approval of Attachment A. Roy Copelan 2nd. Vote – motion passed by all. **Motion carried.**

Jim Henger presented Attachment A: Tactic 1G Hispanic Marketing \$200,000. Use \$100,000 for additional pilot test with a retailer on the eastern seaboard. Use \$100,000 for recipe development and translation materials. **Action:** Motion from Roy Copelan to accept Attachment A for Retail Marketing Hispanic Marketing as presented. Margie Hande 2nd. **Motion carried.**

Paul Slayton, Executive Director, Pennsylvania Beef Council. NE Beef Promotion Retail Initiative. Laurie Bryant – Executive Director of MICA was introduced. Update on 2010. Tactic 1A: Retail Contacts. Work with regional accounts in NE region that have currently have no relationship identified in the “blue book”. Funding requested \$50,000. Tactic 1B: Retail Channel Initiatives. Work with retailers who can move the needle on events. Nutrition Month promotion. Beef Month at 25 King’s Super Markets. Beef Month at Balducci’s – launched BAM cut petite sirloin. Completed three programs to date – beef training camp, cutting demo, BIFSCO program. Tactic 1C: Seasonal Promotions. Four regional chain promotions all resulted in increased beef sales. Proposal for 2011 AR has the same tactic objectives as in 2010 plan. Overall request for AR funding at \$250,000 level. Tactic 1A: \$50,000. Tactic 1B: Using \$1 for every one pound of beef sold as measure, \$100,000 Tactic 1C. Achieve a 1:2 checkoff investment partner ratio, \$100,000. **Action:** Kristy Lage motioned to approve the NEBPI AR request of \$250,000. Brett Morris 2nd. **Motion carried.**

Other business to discuss. Dave Hamilton (Global Marketing Committee Vice Chair) addressed the committee. Helen Wise made closing comments.

Action: Motion to adjourn made by Laurie Munns and seconded by Max Bozeman. **Motion carried.** Meeting adjourned.

Committee Attendees:

Helen Wiese, Chairman
Margie Hande, Vice Chairman
Jerry Holbrook
Brett Morris
Kristy Lage
Wayne Buck
Bill Dale
Roy Copelan
Ann Marie Bosshamer
Max Bozeman
Dave Wright
Jane Clifford
Pete Eckes
Jerry Effertz
Scott Hansen
Laurie Munns
Robert Joyner

NCBA Staff:

Jim Henger
Trevor Amen
Penny Nau
Steve Leigh
Cheryl Hendricks
Wendy Timmerman
Shelley Bradway

Guests:

George Quackenbush
Brad Scott
Laurie Henden
Dawn Thurnau
Laurie Bryant
Paul Slayton
Kim Essex
Dave Hamilton
Scott McGregor
Patti Buck
Virginia Coehlo
Sharla Huseman