

Beef Checkoff Program Briefs

PROMOTION PROGRAMS

Consumer Advertising (NCBA)

The Consumer Advertising program works to remind millions of consumers of their passion for beef, while at the same time, educates consumers on beef's health and nutritional benefits. As the industry continues to fight against misperceptions, misinformation and the resulting consumer confusion in the marketplace, the "Beef. It's What's For Dinner." campaign provides producers with a guaranteed voice to talk to consumers directly and in an unfiltered way – this is critical for delivering beef's health and nutrition message.

Notable accomplishments:

- In FY2011, the Beef Checkoff advertising campaign reached 87 percent of the consumer target an average of seven times to help keep beef and it's health messaging top-of-mind with consumers.
- The campaign utilizes a variety of media to reach consumers - Print, Radio, Online, Social Media and on their mobile phones – and is the foundation for a state and national checkoff-funded integrated communications plan.
- Elements from the advertising campaign are also being extended across other checkoff program areas, such as public relations, retail marketing, food communications as well as through billboard, radio, online, print and event marketing supported by the State Beef Councils.
- The program also works to create a positive image for the Beef industry by giving millions of consumers a look at the farming and ranching families behind the product.

Foodservice Marketing (NCBA)

The Foodservice Marketing program is designed to build beef demand throughout the foodservice channel and protect beef's premier position on restaurant menus across the country. The program engages key industry decision-makers in the beef conversation through its broad-reaching BeeFlexible advertising campaign, industry promotions and outreach. This program also plays a leadership role in generating interest in new beef cuts, implementing creative new beef cookery applications, and demonstrating beef's value in foodservice applications.

Notable accomplishments:

- Provides direct access to industry decision-makers to promote beef's unique value proposition and menu flexibility at a variety of price points.
- Showcases the portfolio of steak options and provides profitable marketing strategies for keeping beef the protein of choice for foodservice operators.
- Provides valuable menu intelligence and emerging trends information; helps to identify areas of growth opportunity.
- Recognizes outstanding industry partners for their beef marketing and menuing efforts through the Beef Backer Awards program.

NEBPI Foodservice (MICA)

The NEBPI foodservice program works in coordination with NCBA and state beef council staff and consistent with national strategies to further extend the industry's message and objectives to the foodservice sector, with a primary focus around channel influencer partnerships, educational trainings and trade show participation.

Notable accomplishments:

- Seeks to establish and maintain contact with foodservice accounts and culinary schools in the Northeast region with limited or no direct relationship with the beef industry.
- Provides foodservice partners with educational trainings and resources as well as initiating foodservice incentive contests highlighting beef value cuts and nationally initiated promotional campaigns.

New Product and Culinary Initiatives (NCBA)

The New Product and Culinary Initiatives program focuses efforts on developing and introducing new convenience oriented and whole muscle products to market. The Culinary Innovations Team not only supports the Beef Innovations Group through product evaluation, recipe development, and product photography. The Team also supports the entire organization on all culinary related activities and provides culinary outreach and education to State Beef Councils and other industry stakeholders.

Notable accomplishments:

- Developed carcass and muscle fabrication techniques (based on Muscle Profiling research) that led to the introduction of the Flat Iron Steak, Petite Tender, Ranch Cut, Denver Cut, Beef Chuck Country Style Ribs, the Delmonico steak, and others. According to CattleFax (2009), the new cuts introduced from the Shoulder Clod alone have added over \$50 per head in value, or \$1.250 Billion annually to the beef industry.
- Work conducted on the Chuck Roll and Round is projected to generate an additional \$1.50 Billion for the industry when fully implemented.
- Research and development work with Schwan's Corporation to concept and research the Seasoned Steak Bites product that were introduced in 2010. This is one example of how beef is leading new product introductions in the protein industry.
- Applied Beef Cookery research has developed up-to-date preparation timings for steaks (grilling and skillet), and roasts (oven and grill) in 2010 and 2011. This research involved developing updated cooking times for 194 cuts of various sizes and degrees of doneness.

Retail Marketing (NCBA)

A comprehensive Retail Marketing program focused on stimulating short-term beef sales and maintaining long-term beef demand in America's 37,000 supermarkets, wholesale club stores and military commissaries is critical to beef industry profitability. The program stimulates beef sales at retail through promotional partnerships with retailers and food and beverage companies and by introducing beef merchandising and education programs at the meat case. Both of these strategies use tactics that leverage checkoff investments and expand the placement, overall use and visibility of beef in the retail channel. In addition, systems have been created that provide consistent product identification and access to accurate scan data that is essential to evaluating programs and monitoring beef's performance in the channel.

Notable accomplishments:

- Keeping beef top of mind in the retail channel with over 60 million consumer incentives created through joint partnerships with nationally recognized consumer brands. The average investment ratio is 25 to 1 for every beef Checkoff dollar invested.
- Develop unique merchandising solutions and tools to assist the retail channel in identifying new opportunities to increase beef demand through meeting the needs of the changing consumer. Each of these programs is focused on creating a 5% plus of incremental volume on the new beef products/programs implemented.
- Provides direct access to industry decision-makers within the retail channel focused on promoting and educating the retail channel on beef's value proposition within the meat case.
- Provides valuable retail merchandising intelligence and performance tools that help to identify areas of growth opportunity.

NEBPI Retail (MICA)

The NEBPI Retail program works in coordination with NCBA and state beef council staff and consistent with national strategies and programs to further extend the industry's message and objectives to regional retailers with particular focus on accounts with limited or no direct, existing relationship with beef in the Northeast region.

Notable accomplishments:

- Seeks to establish and maintain contact with retail accounts in the Northeast region with limited or no direct relationship with the beef industry.
- Provides retail partners with educational trainings and resources as well as initiating retail promotions highlighting beef value cuts and seasonal promotions.

Veal Marketing and Communications

The Veal Marketing and Communications program is designed to build demand for veal based upon the Veal Go To Market Strategy which includes retail promotions, foodservice channel outreach, veal communications, veal issues management and veal quality assurance programs. The goal is to stimulate consumer demand at retail through increased promotion and featuring activity and at foodservice through a higher prevalence of veal on restaurant menus. A proactive approach is taken to education producers and consumers on responsible production practices as well as monitoring and responding to related issues.

Notable accomplishments:

- Stimulates veal purchases at retail through promotions including leveraged partnerships with consumer packaged goods companies, account specific promotions with key retailers and a relevant consumer resource for veal information at the VealMakeEasy.com website. Veal promotions were executed in over 7,000 grocery stores in 2011.
- Engage with foodservice operators, distributors and packer/processors that market veal across the country, securing veal on restaurant menus and consumer demand through leveraged partnerships, culinary education programs and wait staff training. Providing a resource for industry information at the VealFoodservice.com website. Over 10 restaurant chains added veal to their menu during 2010-2011.
- Protecting and proactively communicating responsible veal production practices to retail/foodservice operators, producers and consumers through the VealFarm.com website.

RESEARCH PROGRAMS

Beef Safety Research (NCBA)

The Beef Safety Research program protects beef demand by maintaining, enhancing and communicating the safety of beef; these efforts serve to help maximize consumer confidence. The program focuses on identifying and filling gaps in beef safety science to mitigate potential threats to public health from beef. The program also plays a leadership role in uniting the industry to address and ultimately solve beef safety issues.

Notable accomplishments:

- Unites top scientists and industry leaders to address critical safety issues facing the beef industry (e.g., Beef Industry Safety Summit and other dissemination/outreach programs).
- Research identifies target organisms and interventions both pre- and post-harvest to reduce the potential for beef's contamination and subsequent foodborne illness.

Market Research (NCBA)

The Market Research program identifies and tracks consumer and other industry trends to ensure that strategic decisions impacting the beef industry are data driven; this information also serves as a basis for planning at both the state and national levels. The program also provides key market intelligence and insights to specific checkoff funded efforts like retail, new product development, communications, issues management and nutrition.

Notable accomplishments:

- Implements the Consumer Beef Index study twice annually to provide directional insight into those opportunities and challenges most critical to the beef industry's ongoing success.
- Provides the advertising program with performance tracking metrics that support strategic improvements to this checkoff investment.
- Conducts 20+ projects each year which assist program managers in optimizing the effectiveness of their programs.

Human Nutrition Research (NCBA)

The Human Nutrition program provides the scientific foundation to strengthen beef's position as a healthful food with the goal of motivating health professionals to recommend beef and consumers to choose beef more often. The program conducts clinical research studies in human subjects, monitors and evaluates emerging beef relevant science and engages nutrition science opinion leaders and industry stakeholders through educational outreach opportunities.

Notable accomplishments:

- Conducted and leveraged human nutrition research on beef's benefits in heart health, weight management, diet quality and healthy aging to substantiate 13 sets of scientific comments to inform the 2010 Dietary Guidelines Advisory Committee on the benefits of beef in a healthful diet.
- Conducted a comprehensive scientific assessment of red meat and cancer resulting in eight scientific papers concluding the available evidence does not support a causal relationship between red meat and various types of cancer. This science has further been extended through 30+ scientific and health professional presentations and extensive online and consumer media.
- Replaced outdated beef nutrient composition data for 29 cuts containing higher fat trim levels with leaner data that reflects today's retail case in the gold-standard USDA nutrient database.

Product Enhancement Research (NCBA)

The goal of the checkoff-funded Product Enhancement research program works to improve beef's quality, consistency, value and consumer demand by defining research direction, communicating results in a timely and effective manner, and affecting positive change in the beef complex. Funded research is intended to fill knowledge gaps to make beef more consistent and to improve beef quality and/or sensory attributes like taste.

Notable accomplishments:

- Product enhancement's muscle-profiling research, funded by the beef checkoff in the late 1990's, revealed unique characteristics of muscles in the chuck and round, which led to the development and subsequent market introduction of new cuts like the Flat Iron and Petite Tender.
- The industry has experienced year-over-year improvement in tenderness of retail and foodservice beef because of consistent benchmarking studies and best practices developed through product enhancement research for improving tenderness (i.e., aging guidelines to optimize beef tenderness muscle-by-muscle).

CONSUMER INFORMATION PROGRAMS

Nutrition Influencer Program (NCBA)

The Nutrition Influencer program motivates health professionals to recommend beef, targeting those who have the power and reach to influence a significant number of consumers. While research indicates nutrition is a primary barrier to consumers choosing beef, this program establishes a credible voice for beef nutrition by educating, engaging and empowering nutrition professionals.

Notable accomplishments:

- Educates and fosters relationships with dietitians to recommend lean beef
- Increases health professional awareness of the latest beef nutrition science and tools through email notices and newsletters, BeefNutrition.org, BeefRD Twitter handle, conferences, webinars, videos and other opportunities
- Provides a critical relationship building tool for State Beef Councils through efforts like the Nutrition Seminar Program, fact sheets and other educational materials

Consumer Public Relations (NCBA)

The Consumer Public Relations program encourages consumers to choose beef by efficiently reaching and motivating Americans with positive media stories about beef. This program also ensures consumers experience all beef has to offer online through BeefItsWhatsForDinner.com, Facebook, Twitter and YouTube. The Masters of Beef Advocacy program provides education and opportunities for beef producers and allies to engage consumers in conversations about beef.

Notable accomplishments:

- Provides communications training to ensure a “go-to” stable of producer, third party and expert spokespeople.
- Increases MBA graduate participation through regular advocacy outreach efforts.
- Reaches consumers online with beef nutrition facts, meal preparation advice, recipes and more.
- Earns more than two billion positive media impressions for beef (media impressions are the public relations standard measurement of the number of times consumers see your message).

NEBPI Public Relations (MICA)

The NEBPI public relations program works in coordination with NCBA and state beef council staff and consistent with national strategies to further extend the industry’s nutritional messages by funding grassroots health and fitness events, integrated with retail or foodservice partnerships. It also seeks to forge partnerships with the region’s health influencer groups.

Notable accomplishments:

- Established and maintained relationships with the northeast region nutrition influencer groups.
- Participated in large consumer events in the northeast region and made beef a focal point at the events.
- Increased Team BEEF participation in the northeast region.

Telling the Beef Story (ANCW)

The American National CattleWomen Inc.’s “Telling the Beef Story” program provides grassroots and national programs to share the modern beef production story with America’s meal-time decision makers and youth. It also develops the next generation of beef industry leaders, skillfully supporting students’ beef industry passions.

Notable Accomplishments:

- Millions of American consumers and students have been touched by National Beef Ambassador and National Beef Speakers Bureau advocacy efforts, resulting in improved consumer confidence in the beef industry.
- Over the past two decades, roughly 80% of National Beef Ambassador Program participants have transitioned into critical beef industry careers, including roles in beef education, promotion and research, proving the programs ability to fill the industry’s pipeline with strong leaders.
- ANCW’s beef checkoff funded programs help to mobilize skilled CattleWomen volunteers, delivering added value to the beef checkoff’s investment with the cumulative dollars of volunteer time (national average of value of volunteer time is \$21+ per hour) and considerable outside funding to further support program efforts.

National Beef Cook-Off® (ANCW)

The National Beef Cook-Off program encourages, motivates and influences consumers to purchase beef and prepare convenient, healthy weeknight beef recipes. The winning recipes from the 2011 contest are being demonstrated, sampled, distributed and promoted at retail to sell featured beef cuts, and at metropolitan cooking shows to increase awareness among cooking enthusiasts. Website, social media and one-on-one cattlemen conversations communicate positive beef messaging to consumers and provide valuable consumer feedback on attitudes and trial of the recipes following these beef industry promotion activities.

Notable accomplishments:

- Beef recipe retail sampling promotions encourage beef consumption at point of sale and increase beef sales during the promotion period.
- Direct interaction, cooking demonstrations and sampling personalizes beef for consumers, teaching them how to cook with beef and motivating them to prepare the recipes at home following their experience.
- Positive publicity for beef recipe usage is placed in print and online to tens of millions of consumers.

INDUSTRY INFORMATION PROGRAMS

Antibiotic Use in Food Animals: A Dialogue for a Common Purpose (NLPA – Proposed program)

This program would work to develop a national forum which would provide a dialogue on the use of antibiotics in food animals, the science surrounding the antibiotic issue, and information to be utilized in communicating with producers and consumers.

Strategy and Tactics:

- The overall strategy of the forum is that science-based information will be shared by experts in animal health, human health, and research in order to develop a white paper that can be used by producers, consumers, and the media to better understand and communicate the facts surrounding this issue.
- Although the forum will be the focal point of the project, pre- and post-forum communications will be equally important so that the messages developed at the forum reach key audiences.
- Information developed at the forum will provide additional tools which may be used within other checkoff-funded areas such as BQA and issues management.

Issues Management (NCBA)

The Beef Issues Management program has two primary goals: 1) Lead the industry in consistent and effective responses to issues that threaten consumer confidence in beef; and 2) Strengthen the reputation of the beef industry by proactively communicating about farmer and rancher commitment to issues such as safety, sustainability, community and cattle care. The issues management team monitors more than 1,000 mentions of beef issues in the media and online daily, reports on the beef issues environment via FYIs and *Beef Issues Quarterly*, leads crisis preparedness planning with state and industry partners and pioneered efforts such as the www.ExploreBeef.org website to tell the beef production story from pasture-to-plate.

Notable accomplishments:

- Published a first-of-its-kind *Cattlemen's Stewardship Review* highlighting the industry's principals, successes and goals for good food, healthy animals a healthy planet and strong communities.
- Coordinated responses to claims about beef safety, sustainability, health and calls for Meatless Mondays in 2011 – developing fact sheets, messages and letters-to-the editor, sending more than 20 Beef Issue FYIs and deploying third-party and grassroots spokespeople.
- Favorably shifted opinions of cow-calf ranchers, feedyard operators and beef overall among 14 national influencers participating in issues-management coordinated On the Ranch "work days."
- Launched www.FootandMouthDiseaseInfo.org site in cooperation with dairy and pork industries to help ensure a coordinated response in the instance of a U.S. outbreak of FMD.

Beef Quality Assurance (NCBA)

The Beef Quality Assurance program enhances consumer and supply chain confidence in beef by training beef and dairy producers in best management practices related to beef safety, quality, and cattle care. The program focuses producer's attention on production and management practices that influence the quality of the beef and beef by-products and ultimately consumer perceptions about the safety, wholesomeness and trustworthiness of beef. Beef Quality Assurance provides a standardized set of protocols and assessment tools that have provided common ground for the supply chain to focus attention on issues such as residue avoidance, injection site blemishes, and animal well-being.

Notable accomplishments:

- Beef Quality Assurance has created a nationally standardized system for certification and training of producers in all 50 states. This has elevated confidence in BQA as the industry standard for quality assurance training.
- The National Beef Quality Audit (the 5th survey is underway) has provided the industry with critical data in regards to measurement of quality factors across the supply chain. This information has provided a catalyst for a proactive industry response to processing sector/retail/food service concerns about the quality and consistency of beef and beef by-products. Educational efforts following completion of each NBQA (fed and non-fed) has helped cow-calf producers and feeders improve management to dramatically reduce quality defects.
- BQA offers on-farm assessment tools for each phase of production (cow-calf, stocker, and feeder) that allows producers to quantitatively measure the level of implementation of the BQA best management practices they were taught in BQA certification programs.

FOREIGN MARKET PROGRAMS

In support of the Beef Industry Long Range Plan, USMEF organizes its programs in the international markets around the following strategic priorities:

- Market Development – to introduce U.S. beef to new buyers in untapped sectors in each market while expanding the volume and range of cuts purchased by current buyers.
- Market Access – to minimize the impact of government requirements and emerging consumer issues that could potentially restrict U.S. beef exports.

As each market develops, USMEF conducts activities in the various sectors along the entire distribution chain – from importers/distributors, foodservice and retail, to targeted consumers – to achieve these strategic priorities. The activities that USMEF conducts in support of these priorities are similar in all markets, but their implementation and the specific messages that are delivered through these activities are tailored to fit target audiences in each market and segment.

ASEAN (USMEF)

This program focuses on increasing purchases of U.S. beef by demonstrating its profit potential through education and promotions primarily in Singapore, the Philippines, Indonesia, Thailand, Malaysia and Vietnam. U.S. beef has maintained a high-quality image in the ASEAN region, and 5-star hotels use and identify U.S. beef in their restaurants to promote their upper-class status. To capitalize on this, USMEF works with many upscale establishments that use rib and loin cuts, with a focus on further educating chefs and HRI operators about incorporating additional U.S. beef cuts onto their menus, in particular moderately priced underutilized cuts, as these smaller markets compete with larger importing countries for reasonably priced beef.

Notable accomplishments:

- In 2010, exports of U.S. beef plus variety meat to the ASEAN region increased 5 % in volume to reach 70,425 mt, with value increasing 15 % to \$232.3 million. U.S. beef's share of the region's import beef market was 11 %.
- USMEF educated importers and distributors about the profitability of a wide range of U.S. beef cuts through its culinary instruction program, and demonstrated the marketability of these products by involving the trade and their HRI and retail customers in educational activities.
- USMEF effectively presented U.S. beef, including both high-end cuts (tenderloin and rib eye) and more economical cuts (boneless short ribs, tri-tip, top blade, chuck tender and chuck roll) as a way to enhance quality and variety to target accounts while capitalizing on the opportunity to further develop strong relationships with contacts along the entire distribution chain.

Caribbean (USMEF)

This program focuses on expanding the range and volume of U.S. beef cuts sold by educating importers, distributors, foodservice operators/chefs, and retailers about the value and profitability of featuring U.S. beef in the region. The chefs and distributors that have been exposed to USMEF programs understand the unique quality attributes that distinguish U.S. beef from the competition and have learned how to take advantage of and promote these characteristics. A major challenge during the economic downturn has been convincing importers to increase the variety of cuts they stock. In response, USMEF has adopted an approach that presents the maximum SKUs (individual items) from each cut and identifies ways the importers can work with their customers to stretch their menu or retail offerings.

Notable accomplishments:

- In 2010, exports of U.S. beef plus variety meat to the Caribbean region were up 25 % to 20,693 mt valued at \$80.6 million, a 27 % increase. U.S. beef's share of the region's import beef market was 41 %.
- As a result of USMEF trade teams and follow up visits/desk side seminars, a variety of targeted companies introduced new cuts or initiated supply relationships with exporters.
- USMEF provided key retail contacts with the tools to promote U.S. fresh and processed beef, particularly non-middle meats, by exposing them to the latest trends in meat retail merchandising and demonstrating examples of innovative promotions and case layouts to apply in their retail outlets.

Central/South America (USMEF)

This AR focuses on educating importers and HRI operators about the profitability of U.S. beef value cuts primarily in Guatemala, Costa Rica, Panama, Colombia, and Peru. Most Central/South American countries continue to increase imports of beef, though in many markets, awareness of U.S. beef in the marketplace is still low. USMEF is working to increase buyer knowledge through the promotion of beef value cuts in the HRI and retail sectors, while also educating importers and distributors on the range of U.S. beef products available. In addition to the continuing strategic focus in Central America, USMEF has hired a consultant to oversee the marketing functions for the South American markets. **Notable accomplishments:**

- In 2010, exports of U.S. beef plus variety meat to the Central/South America region set new records, up 52 % in volume to 16,930 mt, and up 86 % in value to \$47.2 million. U.S. beef's share of the region's import beef market was 4 %.
- USMEF expanded the reach of its sales force training seminars to include Guatemala, Panama and Honduras. The market intelligence gained through this activity also helped USMEF tailor new marketing tactics to offer U.S. beef solutions to an expanding customer base in other countries.
- USMEF launched a promotion with a leading Guatemalan importer/distributor and its network of prominent restaurant chains and a supermarket chain. The incremental sales increase for the supermarket promotion was 33 mt for the three-month period.

Dominican Republic (USMEF)

This AR focuses on creating awareness of the profitability and key attributes of U.S. beef among the leading importers, distributors, retailers, restaurateurs and processors and helping them improve their handling and merchandising practices. The majority of meat is sold through traditional markets, but there is a growing supermarket sector with strong interest among the leading chains to purchase and merchandise U.S. beef. USMEF's strategy helps leading distributors, retailers and restaurateurs improve communications with their customers about the attributes of U.S. beef.

Notable accomplishments:

- Exports of U.S. beef plus variety meat to the Dominican Republic were up 15 % to 3,995 mt valued at \$22.6 million, a 34 % increase. U.S. beef's share of the import beef market was 99 %.
- USMEF focused on training activities and participation in a major trade show to communicate with processors and the HRI sector and its suppliers.
- During 2010, USMEF began work with Centro Cuesta Nacional (CCN), the leading supermarket chain. USMEF organized cooking sessions featuring U.S. meat, resulting in a 30 % increase in U.S. red meat sales volume.

Europe (USMEF)

This AR focuses on building receptivity to grain-fed U.S. beef throughout the distribution chain and with targeted consumers primarily in Belgium, the Netherlands, France, Germany, Italy, the U.K., and Spain. U.S. beef's presence in high quality dining establishments continues to grow steadily, as does the business to cash-and-carry outlets and the distributors that supply them. Several trials have been made in mainstream retail outlets, and U.S. beef is now present in supermarkets in Italy, Spain and Luxemburg. Branded and "story line" products continue to take more market share as successful brands benefit from greater perceived confidence in the quality of the product.

Notable accomplishments:

- 2010 Exports of U.S. beef plus variety meat to Europe increased 40 % to 24,881 mt valued at \$152.2 million, up 65 %. U.S. beef's share of the region's import beef market was 4 %.
- USMEF continued to work with producers and suppliers to fill the European Union's zero-duty quota for high-quality beef. USMEF's market development program supported the promotion of U.S. beef at trade fairs and educational events with regional distributors and buyers for the restaurant sector.
- USMEF assisted in promotions in newly targeted cash-and-carry outlets in Italy and Spain, while mainstream retail promotions in selected European locations established steady volume growth.

Middle East (USMEF)

This AR focuses on increasing demand for U.S. beef in the HRI, retail and processing sectors and improving consumer perceptions primarily in Saudi Arabia, the UAE, Egypt, Bahrain, Jordan, Kuwait and Lebanon. With ongoing changes in consumer attitudes towards food consumption and healthy lifestyles, and ever increasing price consciousness and

competitor aggressiveness, a more consumer-oriented focus has been implemented to help maintain U.S. beef's visibility and make it the favorite choice for consumers. The presence of U.S. beef in retail is now well-established in parts of the UAE and Lebanon, and USMEF is making steady progress in Saudi Arabia, Kuwait and Egypt. New steakhouses and international food franchises are popping up in the region, offering greater opportunities.

Notable accomplishments:

- U.S. beef plus variety meat exports to the region increased 36 % in volume to 134,510 mt, and 77 % in value to \$261.2 million – a new record. U.S. beef's share of the region's import beef market was 25 % in 2010.
- USMEF conducted trade servicing activities with over 120 different traders, gaining broader exposure for U.S. beef by identifying potential importers and distributors, alleviating their concerns about U.S. beef safety and supply, and increasing their knowledge about the benefits of U.S. beef.
- Seventy three HRI training sessions were conducted and USMEF also elevated the culinary prestige of U.S. beef in the region through the Emirates Culinary Guild, an association of professional chefs and organizations dedicated to the advancement in the culinary arts.

China/Hong Kong (USMEF)

This AR focuses on forging ties between U.S. suppliers and local traders, HRI operators and retailers, and providing tools to increase sales of U.S. beef throughout the region. USMEF works with the trade to increase the promotion of a wider range of products to downstream customers and to encourage regular purchases of U.S. beef. USMEF groundwork in educating importers/distributors and end-users – especially foodservice operators – has helped build a positive image for U.S. beef among the trade. USMEF also reinforces chef and foodservice operator knowledge and confidence in U.S. beef through activities associated with USMEF's Cookism Chefs Club and other educational programs, with member chefs further imparting their knowledge to dozens of other restaurants nationwide.

Notable accomplishments:

- In 2010, Mainland China's market remained closed to U.S. beef, though exports of U.S. beef plus variety meat to Hong Kong were up 66 % to 40,049 mt valued at \$158.2 million, an 87 % increase. U.S. beef's share of the import market was 9.8 %.
- The increase in U.S. beef prices impacted purchasing patterns in Hong Kong so USMEF shifted to activities emphasizing underutilized cuts. USMEF conducted training sessions and large-scale meat demonstrations for importers and HRI chains, company-specific training sessions for leading importers, workshops for department stores, chef training, and account-specific staff training sessions.
- In anticipation of the eventual opening of the Mainland China market, USMEF educated target traders and HRI accounts about the attributes and safety of U.S. beef and on new and alternative cuts and merchandising. Thus, interest in U.S. beef in China has remained high.

Japan (USMEF)

This AR focuses on continuing to build trust in U.S. beef and the industry at both trade and consumer levels and actively promoting a wide range of U.S. beef cuts and applications throughout the HRI and retail sectors while also exploring new market subsectors. In addition to a handful of popular cuts, Japanese clients now also actively use many alternative cuts, which are used at meat counters, in bento boxes or as standard menu items. Market acceptability and interest in U.S. beef have improved markedly in Japan, and consumer anxiety toward U.S. beef has abated. Although supplies have continued to grow each year, the lack of U.S. age-verified cattle and the seasonality of eligible cattle continue to limit consistent supplies of beef year-round.

Notable accomplishments:

- In 2010, U.S. beef plus variety meat exports to Japan increased by 36 % in both volume and value, reaching 124,561 metric tons worth \$639.5 million. U.S. beef's share of Japan's import beef market was 19 %.
- USMEF took advantage of the competitive pricing of U.S. middle meats by aggressively working to expand the presence of U.S. steak on Japan's leading restaurant menus. USMEF's efforts to help drive sales of U.S. beef in the retail sector resulted in new supermarket chains, especially regional chains, now carrying U.S. beef.
- USMEF also seized new opportunities with bento-box lunches and other low-priced consumer items, leveraging its past partnership with 7-Eleven to help U.S. beef gain a foothold in the high sales volume convenience store segment.

- As a result of efforts to better inform key Japanese opinion leaders and consumers about the safety of U.S. beef, the number of Japanese consumers who reported that they were confident in the safety of U.S. beef and that they had purchased U.S. beef in the past 14 days has continued to grow.

Mexico (USMEF)

This AR focuses on increasing purchases throughout the supply chain, ensuring that U.S. beef is properly presented, labeled and merchandised, and communicating that U.S. beef is the tastiest and safest product in the market, with an emphasis at the point-of-sale in the retail and HRI sectors. While mid-range restaurants and chains are very price-conscious, they continue to search for products that are tender and flavorful. USMEF has successfully promoted value cuts to family style restaurants to meet these needs. The image of U.S. beef is generally positive, and to continue building demand for U.S. beef among consumers, USMEF has developed messages with the common theme (i.e. “The best meat from the United States...plus your personal touch”) to reach consumers at the point of sale at retail outlets.

Notable accomplishments:

- 2010 U.S. beef and bvm exports to Mexico were down 15 % in volume to 247,614 mt and 10 % in value to \$819.1 million; however, in the fourth quarter, December exports to Mexico exceeded their 2009 value – jumping by more than 15 % to \$83.6 million. U.S. beef’s share of Mexico’s import beef market was 83 %.
- USMEF targeted importers and buyers of competitor beef, especially at regional supermarket chains. Meanwhile, increased focus on leading retailers and foodservice chains like Wal-Mart and Toks reinforced USMEF’s strong association with these companies and helped U.S. beef maintain its majority market share in the retail and HRI sectors.
- USMEF’s sales force seminars remained an important highlight of its trade sector program in Mexico and reached more than 120 representatives from 40 distributors, traders, processors.
- USMEF’s Ideal U.S. Meat Case program supported proper U.S. beef merchandising at over 200 retail outlets throughout Mexico, which helped consumers identify quality U.S. beef at the meat case.

Russia (USMEF)

This AR focuses on positioning U.S. beef in the HRI and retail sectors as the highest quality, preferred product among targeted buyers and expanding the range of U.S. beef cuts purchased. Additionally, USMEF will continue providing trade assistance to importers and processors in an effort to stimulate demand for U.S. beef destined for processing. While U.S. beef muscle cuts are better represented in Russian restaurants and steak houses, their availability in the retail market still remains somewhat limited, and USMEF supports retailers that express interest in trying U.S. beef. USMEF continues to expand its education and promotion programs to the outlying Russian regions such as the Ural region, Siberia, and Central & South Russia.

Notable accomplishments:

- 2010 U.S. beef plus variety meat exports to Russia doubled in volume to 57,453 mt tons and nearly quadrupled in value to a record \$152.4 million. U.S. beef’s share of Russia’s import beef market was 6.6 %.
- USMEF continued educating importers and distributors about the benefits of using U.S. beef, and a series of seminars for meat purchasing personnel was particularly effective in helping USMEF identify and address buyers’ specific needs.
- In the HRI sector, one USMEF activity was the U.S. Beef Master Class series, an educational outreach to leading foodservice operators to educate them about U.S. beef and how to profitably add a more cuts to the menu.
- USMEF introduced selected retailers to U.S. beef and educated them on the attributes and profitability of U.S. beef products. USMEF also worked to introduce U.S. beef through online shops.

South Korea (USMEF)

This AR focuses on regaining market share by highlighting the quality and profitability of U.S. beef and working to overcome negative consumer perceptions. The recent FMD outbreak (and resulting decrease in domestic supply) and pending FTA provide significant opportunities in this key market. Following USMEF efforts, most major retailers are now selling U.S. beef, and as retail sales have gained momentum, chilled U.S. beef exports to Korea have also continued to increase. Since the foodservice sector has been very cautious about selling U.S. beef again, USMEF’s activities have focused on five-star hotels, major rib house chains and individual BBQ restaurants in order to raise awareness of U.S.

beef's presence in the market. USMEF also continues to use the integrated "To Trust" campaign to raise the visibility of U.S. beef among consumers and counter negative images.

Notable accomplishments:

- South Korea represented one of the great turnaround stories, with U.S. beef plus variety meat exports more than doubling in volume to 112,759 mt and climbing by 140 % in value to \$517.9 million. U.S. beef's share of Korea's import beef market was 31 %.
- The reintroduction of U.S. T-bone steaks at Lotte Mart demonstrated the traction U.S. beef regained as a result of USMEF's market development activities and collaborative efforts with suppliers, importers and retailers. Months prior to the T-bone steak launch, USMEF worked aggressively behind the scenes laying the groundwork for this new product offering through intense educational activities.
- Throughout the market, USMEF used seminars, trade teams, promotions, public relations activities, consumer events, and blogger support to demonstrate the options for profitably utilizing U.S. beef and to restore demand.

Taiwan (USMEF)

This AR focuses on driving overall U.S. beef consumption by highlighting the quality, nutrition and safety attributes, and increasing market penetration in the retail and foodservice sectors by introducing new cuts. USMEF is closely monitoring the current market access situation in Taiwan and has adjusted its strategy as needed, including conducting symposiums, seminars, press briefings, and updates with key opinion leaders. USMEF will utilize these individuals to influence other decision makers, and will continue to conduct risk communication activities aimed at achieving expedient policy outcomes. For other regular ongoing activities, USMEF's partnerships with high-end hotels and dining establishments have elevated the status of U.S. beef, since an endorsement by a five-star hotel makes an enormously powerful statement about the quality and safety of U.S. beef. The U.S. has become the leader in the retail chilled beef market, and hypermarkets—an important target for USMEF—are the fastest growing segment in the retail sector. The market has cooled in 2011, however, due to market access restrictions related to ractopamine findings.

Notable accomplishments:

- For the fifth consecutive year, Taiwan posted record imports of U.S. beef based on value, and in 2010, the new mark was particularly impressive. U.S. beef plus variety meat exports to Taiwan shattered the previous record achieved in 2009 by more than 50 %, reaching \$216.3 million. Total volume increased 43 % to 38,994 mt. U.S. beef's share of Taiwan's import beef market was 36 %.
- To encourage more Taiwanese foodservice operators to use U.S. chilled beef and simultaneously expand the market for U.S. value cuts, USMEF educated new HRI operators and chefs about the attributes of U.S. beef, demonstrating the versatility and profitability of these high-quality, economically-priced products.
- Given that the Mid-Autumn Festival is the top season for retail meat department sales, USMEF took this opportunity to encourage retailers to market U.S. bone-in short rib, a barbecue favorite. Major retailers like Costco and Carrefour began to sell U.S. bone-in cuts.

PRODUCER COMMUNICATIONS PROGRAM

The producer communications program is designed to help producers get to know their checkoff by providing them consistent information in places they look. With nearly half of all producers choosing not to belong to *any* organization, the producer communications program works through national advertising and media efforts, with auction-market operators and producer organizations that are motivated to serve as conduits of checkoff information; and with and through state beef councils to deliver consistent, cohesive communications to checkoff investors and stakeholders.

Notable accomplishments (Aspen Research, July 2011):

- 74 percent of beef and dairy producers approve of the checkoff
- 66 percent believe the checkoff is being managed well
- 72 percent believe the checkoff represents their interests
- 81 percent of producers believe the checkoff has helped contribute to a positive trend in consumer demand for beef
- 66 percent believe the checkoff has contributed to the profitability of their operations