

## AUTHORIZATION REQUEST FOR FY 2012

**AR Title: CARIBBEAN PROMOTIONAL CAMPAIGN**

**Name of Contractor: U.S. Meat Export Federation**

**CBB Budget Component: Foreign Marketing**

### **I. OVERVIEW**

**A. AR Description:** This Authorization Request describes USMEF's marketing plan for the Caribbean region, with a focus 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 primarily in Aruba, Jamaica, Grand Cayman, St. Lucia, Trinidad, St. Kitts, St. Maarten, Curaçao, Barbados, Bahamas, Bermuda and Grenada.

In 2010, exports of U.S. beef plus variety meat to the Caribbean region were up 25 percent to 20,693 mt valued at \$80.6 million, a 27 percent increase. Jamaica accounted for much of the growth, up 36 percent to 6,549 mt, followed by the Bahamas, up 22 percent to 4,387 mt.

U.S. beef is well-regarded in the Caribbean region for its tenderness, juiciness and flavor, and therefore is sold as a premium, high quality product. 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. USMEF's current strategies to further develop the market include the following:

- Expand the range and volume of U.S. beef cuts sold by educating importers and their downstream customers about the value and profitability of featuring U.S. beef for its versatility, safety, and taste.
- Demonstrate how to handle an expanded range of U.S. beef cuts, particularly high-value/low-cost cuts for foodservice distributors, dining establishments and lodging properties.
- New opportunities include hotel chain growth and retail market growth.

Export forecasts for 2011 and 2012 are 21,000 mt valued at \$83,850,000, and 21,000 mt valued at \$86,970,000, respectively.

**B. Costs Requested from this AR\*: \$77,925**

Source of Funding	Total Costs	Direct Costs	Implementation**
Beef Board/BPOC	\$ 56,012	\$ 56,012	
Federation of SBCs (FSBCs)	\$ 21,913	\$ 21,913	
Other Sources ( <i>describe</i> )			
<b>Total Funds Requested</b>	<b>\$ 77,925</b>	<b>\$ 77,925</b>	

\* Only Direct Costs are being requested in this AR

Total estimated Implementation for this AR is \$7,446; implementation by Tactic in Table IV.

\*\* Implementation for this and other FOREIGN MARKETS ARs requested in separate AR FM-13-2012.

**C. Start date: 10/1/2011**

**Completion date: 9/30/2012**

**II. PLANNING INFORMATION FOR THIS AR**

**A. Long Range Plan Core Strategies/Strategic Initiatives Addressed by This AR:**  
Capitalize on global growth opportunities

**B. Committee That Reviewed This AR:** Joint International Markets Committee

**C. Committee Recommendations for This AR:** The Joint International Markets Committee recommends this AR to the Operating Committee for funding in FY 2012.

**III. PROGRAM INFORMATION FOR THIS AR**

**A. Strategy 1: International Marketing – Caribbean**

**Strategy 1 Proposed Direct Cost: \$77,925**

**Specific Tactic Information:****Tactic 1A: Market Development –**

Keep U.S. beef and the industry top-of-mind among purchasers in the Caribbean in terms of quality, consistency and eating experience in order to distinguish it from the competition and other alternative protein sources.

Trade Servicing: USMEF will actively work with target accounts to connect buyers and sellers, communicate the latest trends and updates, distribute industry information, and develop materials on cutting, merchandising and recipes.

Trade Shows: USMEF will attend at least two large trade shows – Taste of Caribbean and America's Food & Beverage Show – and possibly up to five smaller, regional shows. At all the trade shows, USMEF will identify new buyers, reinforce relationships with existing buyers, communicate the

profitability and high-quality message of U.S. beef and demonstrate the U.S. beef industry's continued commitment to the Caribbean market.

Teams: Two or three trade teams will be brought to the U.S. with the goal of fostering loyalty to U.S. beef products, highlighting underutilized cuts, demonstrating handling and selling techniques, and reinforcing the high quality beef message. The teams, composed of chefs, sales reps/buyers and retailers, will learn about the technical aspects of underutilized high-value/low-cost beef cuts, including handling, specifications, cooking and merchandising.

Seminars: On-island presentations on various aspects of U.S. beef will be conducted by USMEF's Caribbean Consultant, or a guest expert where budget allows. Twenty-five seminars (both formal and deskside) are planned.

Promotions: USMEF will conduct retail and menu promotions to introduce new concepts and products, with small deskside seminars for staff training incorporated into the promotional kickoff. The promotions may be supported with advertising, POS materials, menu printing, educational trips for the restaurant personnel, etc. When possible, other U.S. commodity groups that compliment the U.S. beef concepts will be sought to share in promotional costs. Five promotions are planned at 5 outlets.

▪ **Measurable objectives:**

- 80% of targeted importers/distributors will understand the supply capabilities and quality attributes of U.S. beef based on information provided by USMEF.
- 60% of targeted HRI/retail accounts will promote new ways to use popular cuts or an alternative cut of U.S. beef to their customers.
- 60% of targeted retail accounts will understand how to properly merchandise U.S. beef.

▪ **Proposed Direct Cost:** \$77,925

**Tactic 1B: Market Access –**

Contribute to and support initiatives to eliminate trade-restrictive policies and requirements in the Caribbean and keep the U.S. industry informed on critical changes in Caribbean government requirements and emerging consumer issues. Noteworthy issues include BSE-related restrictions on imports of U.S. beef in St. Lucia.

USMEF will carry out Issue Monitoring, Analysis & Reporting, Government & External Relations and Technical Support as described in the Prologue section.

▪ **Measurable objectives:**

- USMEF will contribute to and support initiatives to eliminate trade restrictive policies in the Caribbean.
- USMEF will present factual information to the St. Lucia CVO on U.S. beef safety and inspection systems.

80% of USMEF members will report that they receive the information they need from USMEF related to market access.

- **Proposed Direct Cost:** \$0

**IV. DETAILED BUDGET SUMMARY**

Strategy and Tactic	Program Manager	Completion Date	Total FY 2012 Est. Budget	Total Direct Cost	Direct Cost by Funding Source			Est. Impl.
					CBB/BPOC	FSBCs	Other	
Market Development	USMEF	9/30/12	\$ 85,371	\$ 77,925	\$ 56,012	\$ 21,913		\$ 7,446
Market Access	USMEF	9/30/12	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0
<b>Caribbean Total</b>			<b>\$ 85,371</b>	<b>\$ 77,925</b>	<b>\$ 56,012</b>	<b>\$ 21,913</b>	<b>\$ -</b>	<b>\$ 7,446</b>
<b>AR Totals</b>			<b>\$ 85,371</b>	<b>\$ 77,925</b>	<b>\$ 56,012</b>	<b>\$ 21,913</b>	<b>\$ -</b>	<b>\$ 7,446</b>

**V. SUPPLEMENTAL INFORMATION**

**A. Will all of the work detailed in this AR be completed by the end of the fiscal year? If not, please provide an explanation?**

- The objectives are expected to be achieved, though they are part of longer term strategies which will continue into the next fiscal year.

**B. Changes from FY 2011 Approved AR:**

- There are no major strategic changes in this AR.

**C. Subcontractor information:**

- **Name of proposed subcontractors:**

Creative Awards	POS Material
Dietel & Son Printing	Design & Production Services
Elizabeth Wunderlich	Regional Consultant
Midan Marketing	Layout & Design
Rancher's Resource	Layout & Design
Yerecic Label	Printing, POS Material

- Subcontractors are selected using USMEF competitive bidding and vendor selection policies and procedures that include bidding all contracts greater than \$25,000 at least every three years. Selection is based on qualifications and reasonableness of cost for similar services.

**D. Identify any relationships between this AR and projects previously funded by the Operating Committee:**

- This AR is a continuation of the strategy and tactics currently underway.

**E. Summary of Prior Year AR Budgets and Expenses:**

Strategy	FY 2011 Approved Budgets			FY 2011 Actual Expenses (NCBA's as of 5/31/11)		
	CBB/BPOC	FSBCs	Total	CBB/BPOC	FSBCs	Total
Market Development	\$46,787	\$24,273	\$71,060	\$7,254	\$ 3,763	\$11,017
Market Access	\$0	\$0	\$0			\$0
<b>AR Totals</b>	<b>\$46,787</b>	<b>\$24,273</b>	<b>\$71,060</b>	<b>\$7,254</b>	<b>\$3,763</b>	<b>\$11,017</b>

**F. Historical Summary of Budgets and Expenses:**

	Total Approved Budgets			Total Actual Expenses		
	FY 2010	FY 2009	FY 2008	FY 2010	FY 2009	FY 2008
<b>Caribbean</b>	\$69,105	\$77,400	\$60,000	\$69,105	\$77,254	\$60,000
<b>AR Totals</b>	<b>\$69,105</b>	<b>\$77,400</b>	<b>\$60,000</b>	<b>\$69,105</b>	<b>\$77,254</b>	<b>\$60,000</b>