

AUTHORIZATION REQUEST FOR FY 2012

AR Title: DOMINICAN REPUBLIC 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 Dominican Republic, with a focus on creating awareness of the profitability and key attributes of U.S. beef products among the leading importers, distributors, retailers, restaurateurs and processors and helping them improve their handling and merchandising practices.

In 2010, exports of U.S. beef plus variety meat to the Dominican Republic were up 15 percent to 3,995 mt valued at \$22.6 million, a 34 percent increase.

In an emerging market for U.S. beef such as the Dominican Republic, processing, distributor and retail purchasing agents require knowledge about product availability, quality and profitability. Additionally, there is a critical need for education and training on handling practices and retail meat case merchandising. 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 focuses on demonstrating the profitability and quality of U.S. beef across sectors to diversify the range of products sold, as well as helping leading distributors, retailers and restaurateurs improve handling practices and communications with their customers about the attributes of U.S. beef. The tourism sector, where 60% of all U.S. beef imports are consumed, continues to represent future growth as global economies recover and tourism rebounds. U.S. and European tourists recognize the quality of U.S. beef, and there are opportunities to build loyalty among importers and distributors, as well as consumers. An important step involves developing new commercial relationships with key market participants and educating them about U.S. beef, in particular underutilized cuts, to increase market share in the all-inclusive hotel chains.

Export forecasts for 2011 and 2012 are 4,000 mt valued at \$23,600,000, and 4,400 mt valued at \$26,349,400, respectively.

B. Costs Requested from this AR*: \$23,320

Source of Funding	Total Costs	Direct Costs	Implementation**
Beef Board/BPOC	\$ 16,762	\$ 16,762	
Federation of SBCs (FSBCs)	\$ 6,558	\$ 6,558	
Other Sources (<i>describe</i>)			
Total Funds Requested	\$ 23,320	\$ 23,320	

* Only Direct Costs are being requested in this AR

Total estimated Implementation for this AR is \$4,108; 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 – Dominican Republic

Strategy 1 Proposed Direct Cost: \$23,320

Specific Tactic Information:

Tactic 1A: Market Development –

Educate the most influential and progressive companies that buy, sell and use meat about the quality, consistency, profitability and proper handling/merchandising of U.S. beef, and contribute to and support U.S. government initiatives to eliminate trade-restrictive policies and requirements in the Dominican Republic.

Trade Servicing: USMEF will meet with in-country partners and U.S. suppliers interested in selling U.S. beef products in the market and will provide industry and product information to the trade and other buyers. USMEF will also gather market information from the in-country buyers and U.S. packers.

Trade Shows: USMEF will attend either the Asonahores or Taste trade show, both of which cater to the growing foodservice sector in the

Dominican Republic, attracting potential key customers of U.S. beef such as restaurant owners, food & beverage managers, chefs, kitchen staff and other hotel and restaurant personnel. USMEF may participate in other smaller shows as appropriate.

Trade Teams: USMEF will bring potential buyers (retailers, importers, distributors, foodservice operators, processors) to the U.S. to introduce them to suppliers and to better inform them about the U.S. beef industry. One or two teams will be conducted, including a buyers team to the Americas' Food and Beverage show in Florida.

Seminars: USMEF will provide information and training to personnel from targeted accounts on the quality and range of U.S. beef products and how to properly use and profitably merchandise them to customers. Two seminars are planned (one retail; one HRI).

Educational Materials: USMEF will produce educational materials such as brochures, pamphlets, posters and banners to communicate the key attributes of and support marketing activities for U.S. beef.

Promotions: USMEF will carry out promotional activities with targeted customers to create demand for and to expand the knowledge of the versatility, use, profitability and proper handling of U.S. beef. Two promotional activities are planned at 14 to 20 outlets (one retail; one HRI).

- **Measurable objectives:**
 - 33% of targeted processors and suppliers to the HRI sector will consistently source and successfully promote U.S. beef to their downstream customers.
- **Proposed Direct Cost:** \$22,320

Tactic 1B: Market Access –

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.
 - 80% of USMEF members will report that they receive the information they need from USMEF related to market access.
- **Proposed Direct Cost:** \$1,000

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	\$ 26,223	\$ 22,320	\$ 16,043	\$ 6,276		\$ 3,903
Market Access	USMEF	9/30/12	\$ 1,205	\$ 1,000	\$ 719	\$ 282		\$ 205
Dominican Republic Total			\$ 27,428	\$ 23,320	\$ 16,762	\$ 6,558		\$ 4,108
AR Totals			\$ 27,428	\$ 23,320	\$ 16,762	\$ 6,558		\$ 4,108

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:**

Gomez Lee Promotional Agency	Design, Advertising & Promotional Services
------------------------------	--

- 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	\$13,378	\$6,940	\$20,318	\$ 198	\$ 102	\$300
Market Access	\$658	\$342	\$1,000	\$0	\$ 0	\$0
AR Totals	\$14,036	\$7,282	\$ 21,318	\$ 198	\$ 102	\$ 300

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
D.R.	\$22,292	\$26,800	\$25,000	\$20,847	\$26,691	\$24,589
AR Totals	\$22,292	\$26,800	\$25,000	\$20,847	\$26,691	\$24,589