

AUTHORIZATION REQUEST FOR FY 2012

AR Title: Beef Issues & Reputation Management

Name of Contractor: National Cattlemen's Beef Association

CBB Budget Component: Industry Information

I. OVERVIEW

A. AR Description: This AR includes plans and programs for monitoring and responding to issues that threaten consumer confidence in beef; and proactive efforts to enhance consumer trust by telling the industry's positive beef production story.

Consumer concern about many issues is event-driven. For example, consumers usually give beef relatively high scores for safety, but scores will drop when they've recently heard about a beef recall in the news. Many consumers say following an event such as a recall that they cut back on or cut out beef until they learn more. One of the primary goals of this program is to effectively manage beef issues in order to restore consumer confidence after an event and maintain strong consumer confidence long term.

Despite great strides in safety research and declining numbers of *E. coli* O157 illnesses, our job has only become more difficult. Today's consumer has little tolerance for any safety issue and doesn't understand or accept limited risk, and with new challenges emerging, we know safety will be in the news and on consumer minds. We must constantly watch media and online discussions, anticipate beef issues and make sure we have the materials and strategy to keep these and other potential consumer concerns short lived.

Responding to these issues is only half the battle – it's also important to proactively introduce thought leaders and engaged consumers to the people and principals behind today's beef. Consider that there were nearly 300,000 online conversations about farming and ranching in the month of April 2011 alone; many were unfavorable and most carried on without beef industry engagement. However, research tells us 80 percent of the 500 billion annual online conversations are guided by about 6 percent of the people. Therefore, these programs target the select but influential, group of ill-informed people – authors, actors, foodies, reporters, health professionals and many others – who are positioning themselves as (or are expected to be) "experts" on how food is raised. These thought-leaders take what they learn through beef issues management programs back to their friends, family and influential peers, thereby increasing the reach of our message.

In 2011, the issues management program created the industry's first ever beef social responsibility report, the "Cattlemen's Stewardship Review (CSR)." The Review outlines the industry's principles, accomplishments and goals in the areas of good food, healthy animals, healthy environment and strong communities. In 2012, beef issues management will leverage this CSR foundation, proven on-the-ranch experiences and

new agriculture partnerships to strengthen the image of the beef industry among our thought leader target.

In summary, the primary goals of this program are to: 1) protect consumer confidence, and therefore, the marketing climate for beef, by leading unified and effective industry responses to critical issues; and 2) pave the way for demand-driving programs by strengthening the reputation of the beef industry and its farming and ranching members.

B. Costs Requested from this AR*: \$1,495,000

Source of Funding	Total Costs	Direct Costs	Implementation**
Beef Board/BPOC	\$1,279,271	\$1,279,271	
Federation of SBCs (FSBCs)	\$215,729	\$215,729	
Other Sources (<i>describe</i>)			
Total Funds Requested	\$1,495,000	\$1,495,000	

* Only Direct Costs are being requested in this AR.

Total estimated Implementation for this AR is \$888,007; implementation by Tactic in Table IV

** Implementation for this and other INDUSTRY INFORMATION ARs requested in AR II-05-2012.

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:

- **Strengthen the Image of Beef and the Beef Industry**
 - Engage all industry segments to develop and consistently communicate our positive beef production story.
 - Capitalize on the history, heritage and brand equity of family-based production agriculture and the farming/ranching lifestyle.
 - Implement and communicate continuous improvement efforts to enhance consumer trust in our product and production practices.
 - Promote our industry’s commitment, ongoing investment and progress in ensuring beef safety.
 - Strengthen efforts to proactively anticipate and rapidly respond to attacks on beef and the beef industry.
 - Develop and implement programs to enhance beef’s image among American youth.
- **Improve Domestic Consumer Preference for Beef**
 - Develop and execute creative communication initiatives to improve consumer understanding of the beef production system and increase consumer confidence in the safety of beef.
- **NCBA Initiatives Addressed by This AR:**
 - Reshape the conversation about modern beef production
 - Demonstrate beef is socially responsible
 - Unite and lead the industry to solve beef safety issues

B. Committee That Reviewed This AR: Joint Information Committee

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

III. PROGRAM INFORMATION FOR THIS AR

A. Strategy 1: Industry Resource – Provide knowledge resources and guidance to help strengthen the marketing and business climate for beef.

Strategy 1 Proposed Direct Cost: \$1,495,000

Specific Tactic Information:

Tactic 1A: Protect and Defend

Quickly review, react and respond to beef issues (e.g., safety, nutrition, animal care and environment) that, if left unchecked, could damage the reputation of beef and the people who produce it.

Review – keep the pulse of beef issues in top-tier media reporting and online conversations, assessing more than 1,000 mentions of beef issues daily. Publish beef issue intelligence, analysis and forecasting in *Beef Issues Quarterly* (BIQ).

React – mobilize strategic responses, providing background on the latest media headlines, activist campaigns, beef myths, national responses and response tools through the issues dashboard and Beef Issue FYI alerts. Leverage Beef Expert Board (BEB) members, Masters of Beef Advocacy (MBA) graduates and third-party organizations to effectively correct misinformation and place positive/accurate messages.

Respond – Help state partners, producer leaders, BEB members, MBA graduates and national checkoff staff effectively manage protestors, respond to issues and engage online by conducting workshops, delivering presentations and providing issues counsel and resources (e.g., white papers, letters-to-the-editor, fact sheets, visuals and media messages). Engage in online conversations about modern beef production, whether through Twitter, Facebook, blogs or e-newsletters, to counter myths with authentic, firsthand accounts of the truth from real people.

In 2012, address the most common beef myths head-on through a truth or fiction campaign. Using ExploreBeef.org as the host site, create and publicize materials such as quizzes, expert points of view and question-and-answer sections. Work with BEB members and MBA graduates to develop and push out content. Coordinate with the market research team on projects that highlight the greatest consumer misperceptions about beef and “model the myths” to see what would happen to our food supply, our nutrition, the economy and the environment if we applied the critics logic to beef production.

- **Measurable Objectives:**
 - For Beef Issues FYIs, maintain the frequency with which these e-mail alerts are opened at 20 percent of recipients and, using survey monkey, benchmark their value to recipients.
 - Maintain issues management program as a “trusted counselor” and “go to resource” for state partners, achieving an average agreement score of 9 on a 10-point scale (in the CBB annual Qualified State Beef Council Evaluation Survey; agreement scores were 8 and 9, respectively, for FY2010).
 - For BIQ, increase subscriber base (currently at 3,400) by 5 percent (including website readership) and benchmark e-version e-mail open rate/estimated online article readership.
 - Measure the monthly page views for truth or fiction campaign materials/information on ExploreBeef.org, with the goal of making these resources one of the top-five destinations on average for the website.

- **Proposed Direct Cost:** \$600,000

Tactic 1B: Explore Beef Experience

Improve the beef industry’s image among engaged consumers and millennials through the shared stories and experiences of credible, national thought leaders. We will build on the success of the 2011 On the Ranch “work days” by hosting opportunities for thought leaders who are active and influential on critical issues such as the environment, hunger, nutrition, food safety and animal care to explore the people and the practices behind today’s beef. Participants will report on their experience within their influencer communities using established communication venues (e.g., blogs, Twitter, training programs, e-newsletters, etc.).

And then, because we can’t get everyone who is interested in knowing where their beef comes from to the farm, we will bring the farm and ranch to them through multi-media tools such as the ExploreBeef.org website and YouTube channel.

Working with ANCW, we will provide tools and training to grassroots producers hosting tours for state and local thought leaders. Together, we’ll bring consistency to these educational efforts by repurposing best practices, key messages and teaching tools that can be easily implemented by individual producers, state partner organizations or youth organizations, and ideally tracked nationally to gauge success.

The 2011 On the Ranch “work days” program was successful in shifting opinions – 69 percent of participants said the positives of beef strongly outweighed the negatives after the experience, compared to just 50 percent before; and the 14 who said the negatives somewhat outweighed the positives before the event dropped to zero after. In addition, 100 percent said they would recommend such an event to their colleagues.

- **Measurable objectives:**
 - Demonstrate similar positive changes in favorability toward the beef industry as achieved in FY2011 among thought-leader target audience through pre- and post-experience surveys.
 - Achieve at least 10 examples of thought-leader tour targets sharing their experience in a positive way with their broader thought-leader peer group (e.g., published quotes, video clips, presentations, articles, blog entries, listserv posts or Tweets). Also track monthly, as a potential benchmark and to help shape future programming, the percent favorability of beef production mentions online.
 - Attain, and then maintain, ExploreBeef.org as one of the top-10 Google destinations on average for consumers searching for beef production information using the current most popular and relevant search terms: “raising cattle,” “raising beef” and “beef production.”

- **Proposed Direct Cost:** \$390,000

Tactic 1C: U.S. Farmers and Ranchers Alliance

Partner with fellow commodity groups through the U.S. Farmers and Ranchers Alliance (formed in October 2010) in order to execute programs that will build confidence in modern agriculture as a whole. This funding will help support year-two momentum for the movement to have farmers and ranchers lead a conversation about the future of food.

Specific activities may include creating information tools out of the USFRA national “Town Hall” meeting that can be shared with and leveraged by the target audience (e.g., op-eds, white papers, etc.); a consumer call to action to learn about food from the source – farmers and ranchers; and/or “investigative” reporting to answer top consumer questions about food production.

- **Measurable objectives:**

Together with USFRA partner organizations:

 - Increase the number of balanced or positive news stories about food production generated in national and regional news media.
 - Achieve favorable engagement and interaction on the topic of modern food production among at least 1,000 thought leaders.
 - Significantly increase the positive “share of voice” online about farming and ranching.

- **Proposed Direct Cost:** \$250,000

Tactic 1D: Social Responsibility Partnerships

Build on the social responsibility platform defined in the Cattlemen's Stewardship Review (CSR) published in FY2011 to share the modern beef story and to elicit support for beef industry efforts in the areas of good food/food safety, environment, animal care and community involvement.

The target audience for this effort includes: media; foodservice, retail and food companies; institutions like hospitals and universities; etc. In 2012, we will repackage the information from the CSR into bite-sized, compelling summaries, info-graphics, news stories or fact sheets, for example, that can be used to generate interest in the industry's social responsibility efforts and encourage relevant companies to adopt beef CSR principles in their corporate social responsibility reporting.

In addition, identify and develop partnership(s) (e.g., NGO, retailers, branded food companies, etc.) that help reinforce the beef industry's social responsibility principles and build beef's image as a socially responsible food choice.

▪ **Measurable objectives:**

- Achieve at least five different examples of beef CSR materials or information being endorsed and extended by target audiences (e.g., internal company newsletter, external CSR report, presentation, news article, website copy, etc.).

Proposed Direct Cost: \$130,000

Tactic 1E: Beef Crisis Readiness

Maintain and enhance beef industry preparedness for potential crisis situations, such as a Foot-and-Mouth Disease (FMD) outbreak in the United States.

The separate Crisis Reserve AR provides the mechanism for obtaining response resources in the instance of a business-changing crisis event. This crisis preparedness tactic helps us anticipate the most serious threats, develop appropriate communication tools and maintain an effective response process in advance of a crisis situation. This tactic also helps maintain the beef industry's partnership with the Cross-Species FMD Communicators group.

Utilizing the vulnerabilities assessment from 2011, we will create more detailed response plans and tools for threats that were ranked as high-priorities for beef. Additionally, this tactic in 2012 includes a cross-species FMD crisis exercise and/or a crisis communications workshop specifically for beef industry stakeholders.

▪ **Measurable objectives:**

- Develop a minimum of three expert spokespeople who are media and message trained to speak on behalf of the cross-species group in the event of an FMD outbreak.
- Build relationships with key stakeholder audiences (e.g. state and national animal health associations, government communications experts, etc.) to coordinate crisis preparedness efforts. Achieve at least 3 examples of presentations or face-to-face meetings with national or state/local organizations where

information on FMD cross-species group and response resources or materials is shared.

- o Conduct crisis exercise and/or workshop, assessing crisis readiness of participants through pre- and post-exercise surveys. Use “readiness” survey data to help shape and potentially measure future programs.

▪ **Proposed Direct Cost:** \$125,000

IV. DETAILED BUDGET SUMMARY

Strategy and Tactic	Program Manager	Completion Date	Total Est. FY 2012 Budget	Total Direct Cost	Direct Cost by Funding Source			Est. Impl.
					CBB/BPOC	FSBCs	Other	
Protect and Defend	J. Matsen/ S. Solario	9/30/2012	\$ 1,088,404	\$ 600,000	\$ 513,420	\$ 86,580		\$488,404
Explore Beef Experience	J. Matsen/ S. Solario	9/30/2012	\$ 612,002	\$ 390,000	\$ 333,723	\$ 56,277		\$222,002
U.S. Farmers and Ranchers Alliance	J. Matsen/ S. Solario	9/30/2012	\$ 294,400	\$ 250,000	\$ 213,925	\$ 36,075		\$ 44,400
Social Responsibility Partnerships	J. Matsen/ S. Solario	9/30/2012	\$ 218,801	\$ 130,000	\$ 111,241	\$ 18,759		\$ 88,801
Beef Crisis Readiness	J. Matsen/ S. Solario	9/30/2012	\$ 169,400	\$ 125,000	\$ 106,962	\$ 18,038		\$ 44,400
Industry Resource Total			\$2,383,007	\$1,495,000	\$1,279,271	\$ 215,729		\$888,007
AR Totals			\$2,383,007	\$1,495,000	\$1,279,271	\$ 215,729		\$888,007

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. Yes.

B. Changes from FY 2011 Approved AR:

- In general, the Issues Management programs in 2012 place a much greater emphasis on reaching “thought leaders.” As mentioned above, research tells us 80 percent of the 500 billion annual online conversations are guided by about 6 percent of the people. Therefore, these programs target a select, but influential audience who will endorse and extend our positive message, helping us reach a broader community of people with fewer resources.
- The 2012 Protect and Defend tactic includes additional tracking and engagement via social media (e.g. Facebook, Twitter, commenting on blogs, etc.) to respond to critical issues facing the beef industry and proactively tell the modern beef production story in new ways. This approach will help the team respond more rapidly to beef issues online and establish the industry as the go-to source for information about modern beef production.
- The Protect and Defend tactic also includes a new campaign, Truth or Fiction, to address the most common beef myths head-on. While many resources to address

beef misinformation exist (e.g., fact sheets, key messages, etc.), the idea of this campaign is to use consumer research and attention-grabbing quizzes to highlight the most common beef myths and then simply refute them using fun-facts, info graphics and/or expert points of view. The goal is to build a well-known resource for the “Truth or Fiction” about beef production.

- The Social Responsibility Partnerships tactic is a new program to leverage the “Cattlemen’s Stewardship Review (CSR),” published in 2011, and help demonstrate beef’s social responsibility. The Review, and this tactic, will elicit support for beef industry efforts to address the areas of good food/food safety, healthy environment, healthy animals and strong communities.
- The 2012 Beef Crisis Readiness tactic has been expanded from the current-year plan of work. After several years of trimming back checkoff spending on crisis readiness, the 2011 threats vulnerabilities assessment is highlighting the need to create response plans and tools for a number of potential beef crises. In addition, further training for national checkoff staff, state partner staff and/or industry stakeholders will improve the likelihood of a coordinated response in the event of a beef industry crisis.
- This AR may also pursue opportunities to leverage checkoff funding with third party investments. The cost, both direct and implementation, related to pursuing these opportunities will be allocated between this AR and any other NCBA funding sources which receive the benefit of these opportunities.

C. Subcontractor information:

- **Name of proposed subcontractor:** CattleFax, CARMA International, CEC Printing Services, Fleishman-Hillard Public Relations, Ketchum Public Relations, NCBA’s Cattlemen to Cattlemen, Vocus, Video Monitoring Services and other subcontractors as needed.
- **Will all work with subcontractors be competitively bid? If not, why not?**
In November 2010, Ketchum Public Relations was selected to support the checkoff media relations, spokesperson development and issues management programs as the result of a competitive bidding process among 10 different top PR firms. CEC Printing Services was named as a subcontractor for *Beef Issues Quarterly* based on a competitive selection process in 2009 and Fleishman-Hillard Public Relations was selected after a joint search process with the Cross-Species FMD Communicators group in 2008. CARMA International, CattleFax, NCBA’s Cattlemen to Cattlemen, Vocus and VMS meet the qualifications for unique service providers. Other subcontractors will be selected based on a competitive analysis.

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

The Protect and Defend and Beef Crisis Readiness tactics outlined in this AR are foundational Issues Management projects that have been funded by the Operating Committee since 1989.

In addition, the Explore Beef Experience and U.S. Farmers and Ranchers Alliance tactics continue efforts started five years ago through public relations and issues

management programs to tell the beef, and now broader food, production story. The newer Social Responsibility Partnerships tactic will help head-off “Meatless Monday”-type campaigns by demonstrating beef’s social responsibility. Together, these tactics also leverage long-standing checkoff investments in other programs such as safety and nutrition research, producer education and nutrition influencer outreach in order to improve the industry’s image on important beef and beef production issues.

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
Industry Resource	\$ 1,291,300	\$ 153,700	\$ 1,445,000	\$ 312,706	\$ 46,361	\$ 359,067
AR Totals	\$ 1,291,300	\$ 153,700	\$ 1,445,000	\$ 312,706	\$ 46,361	\$ 359,067

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
Issues & Reputation Mgmt	\$1,459,576	\$ 822,735	\$ 841,000	\$1,450,806	\$ 830,046	\$ 819,067
AR Totals	\$1,459,576	\$ 822,735	\$ 841,000	\$1,450,806	\$ 830,046	\$ 819,067