

AUTHORIZATION REQUEST FOR FY 2012

AR Title: Northeast & Northern Virginia Retail Marketing

Name of Contractor: MICA

CBB Budget Component: Promotion

I. OVERVIEW

A. AR Description: This Authorization Request addresses retail marketing initiatives in the Northeast, where over 26% of the nation's grocery purchases and the highest per capita meat purchases are made. Program work will be in coordination with national strategies to further extend the industry's message and objectives.

B. Costs Requested from this AR:

Source of Funding	Total	Direct Costs	Implementation
Beef Board/BPOC	\$250,000	\$175,000	\$75,000
Federation of SBCs (FSBCs)	\$ -	\$ -	\$ -
Other Sources (<i>describe</i>)	\$ -	\$ -	\$ -
Total Funds Requested	\$250,000	\$	\$75,000

C. Start date: October 1, 2011

Completion date: September 30, 2012

II. PLANNING INFORMATION FOR THIS AR

A. Long Range Plan Core Strategies/Strategic Initiatives Addressed by This AR:

- **Core Strategy**

- Improve domestic consumer preference for beef
 - Identify and track domestic consumer needs and preference
 - Collaborate with industry stakeholders to develop and implement demand generation initiatives based on consumer needs and preferences
 - Develop and execute creative communication initiatives to improve consumer understanding of the beef production system and increase consumer confidence in the safety of beef
 - Educate, enable and engage key influencers and opinion leaders in communicating the positive health and nutritional benefits of beef
- 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 commitments, ongoing investment and progress in ensuring beef safety

B. Committee That Reviewed This AR: Joint Retail Committee

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

III. PROGRAM INFORMATION FOR THIS AR

A. Strategy 1: Product

Strategy 1 Proposed Cost: \$250,000

Specific Tactic Information:

Tactic 1A: Retail Contacts- Work with NCBA and state beef council staff to identify accounts with limited or no direct, existing relationship with beef in the Northeast region. Initiate contact with the higher volume retailers who have the potential to move the most product and set up meetings to introduce them to the industry. Provide them with materials available to grow their beef category and increase sales and attend retail distributor food shows. Continue to build upon established relationships with retailers and identify appropriate levels of support based on their volume potential (tier establishment).

▪ **Measurable objectives:**

- Grow database for electronic communications (distributed weekly/monthly) by 25%.
- Attend retail distributor food shows (Goal of 2).
- Track value of Checkoff efforts and program perception with retail accounts by utilizing a yearly survey.
- Establish NEBPI webpage for contacts as means to disseminate information.

▪ **Proposed cost:** \$50,000

Tactic 1B: Retail Channel Initiatives- In coordination with national objectives, continue to present and execute retail programs with partners who, once implemented, have the capability to move the beef needle in the Northeast region. Primary focus will be on the Beef Training/Boot Camp, Beef Value Cut, On-Pack Nutritional Labeling, Beef Alternative Merchandising Program, and Easy Fresh Cooking Label programs and proactive ways to promote these programs at the store level to consumers. Identify retailers worthy of industry recognition and assist with applications for Beef Backer Award.

- **Measurable objectives:**
 - Conduct a minimum of five (5) Beef Training/Boot Camps and Value Cut Demonstrations and request entrance and exit surveys for all participants thereby asking key questions to gauge the amount of learned information they plan to share with colleagues and customers to consequently drive sales. (Goal to achieve at least a 4 out of 5 on presentation value to retail attendees.)
 - Enhance evaluation measures by utilizing a template used to determine percentage increase in beef sales four weeks prior to promotion compared to beef sales during the promotion.

- **Proposed cost:** \$100,000

Tactic 1C: Seasonal Promotions- In coordination with national strategy, identify retailers within region to participate in seasonal promotions and provide selected summer grilling, holiday roast, etc. point-of-sale items. Whenever possible, plan additional public relations activities to drive additional traffic to the meat case.

- **Measurable objectives:**
 - Enhance evaluation measures by utilizing a template used to determine percentage increase in beef sales four weeks prior to promotion compared to beef sales during the promotion, ratio of checkoff investment to partner contribution (goal of 1:2), and generated media impressions from additional public relation efforts. Provide retailers with sales results form to ensure consistent data from all partners.
 - Grow retail participation and online sweepstakes entries for each seasonal promotion by 10% this year.
 - Average a 10% increase in beef sales this year for all promotions.

- **Proposed cost:** \$100,000

IV. DETAILED BUDGET SUMMARY

Strategy & Tactic	Program Manager	Completion Date	Total FY 2012 Budget	Budget by Funding Source			Est. Impl.
				CBB/BPOC	FSBCs	Other	
Strategy 1: Product							
Tactic 1A: Retail Contacts	Laurie Bryant	9/30/2012	\$50,000	\$50,000			\$24,000
Tactic 1B: Retail Channel Initiatives	Laurie Bryant	9/30/2012	\$100,000	\$100,000			\$15,000
Tactic 1C: Seasonal Promotions	Laurie Bryant	9/30/2012	\$100,000	\$100,000			\$36,000
Totals - Strategy 1			\$250,000	\$250,000			\$75,000
AR Totals			\$250,000	\$250,000			\$75,000

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. No, our final seasonal beef promotion under Tactic 1C; the Fall Tailgating beef promotion will not be completed until late November.

B. Changes from FY 2011 Approved AR:

- Add the goal to attend at least two distributor food shows in an effort to further expand contact database and distribute educational materials to Tactic 1A.
- Add the goal to grow retail participation and online sweepstakes entries for each seasonal promotion by 10% each year to Tactic 1C.

C. Subcontractor information:

- **Name of proposed subcontractor:** Pennsylvania Beef Council. Staff will be based out of the Pennsylvania Beef Council office. Consideration will be given to using national program subcontractors, where appropriate, if that will result in more efficient implementation of programs.
- **Will all work with subcontractors be competitively bid? If not, why not?** No, as initiative utilizes Pennsylvania Beef Council resources.

D. Identify any relationships between this AR and projects previously funded by the Operating Committee: This AR, previously funded in FY's 2006-2011, continues to be closely linked to national retail projects that have also received funding in prior years.

E. Summary of Prior Year AR Budgets and Expenses:

Strategy & Tactic	FY 2011 Approved Budgets			FY 2011 Actual Expenses (through April month end)		
	CBB/BPOC	FSBCs	Total	CBB/BPOC	FSBCs	Total
Strategy 1: Product						
Tactic 1A: Retail Contacts	\$50,000		\$50,000	\$15,849		\$15,849
Tactic 1B: Retail Channel Initiatives	\$100,000		\$100,000	\$34,570		\$34,570
Tactic 1C: Seasonal Promotions	\$100,000		\$100,000	\$66,694		\$66,694
Totals - Strategy 1	\$250,000		\$250,000	\$117,113		\$117,113
AR Totals	\$250,000		\$250,000	\$117,113		\$117,113

F. Historical Summary of Budgets and Expenses:

Strategy & Tactic	Total Approved Budgets			Total Actual Expenses		
	FY 2010	FY 2009	FY 2008	FY 2010	FY 2009	FY 2008
Strategy 1: (include name)	\$250,000	\$250,000	\$250,000	\$217,818	\$223,577	\$234,386
AR Totals	\$250,000	\$250,000	\$250,000	\$217,818	\$223,577	\$234,386