

AUTHORIZATION REQUEST FOR FY 2012

AR Title: New Product and Culinary Initiatives

Name of Contractor: National Cattlemen’s Beef Association

CBB Budget Component: Promotion

I. OVERVIEW

A. AR Description: Innovation is the lifeblood of any industry and this is especially true for the beef industry to continue to be competitive and provide profit opportunities for producers in the future. Beef and Culinary Innovation’s role is to: 1) Continue to explore, develop, and market new cuts, processing methods and uses for the carcass; and 2) Focus on consumer needs, with the future and international market opportunities in mind, by developing and/or introducing innovative new products and technologies; and 3) Provide industry and consumers the knowledge and resources necessary to keep beef new and exciting in the eyes of consumers with up-to-date cookery information and enticing new recipes.

This plan addresses program activities of the Beef Innovations Group and Culinary Innovations Team. These teams will work closely together to execute this plan and will work with other internal departments to create new and value-added beef products and culinary applications that work to increase beef demand and the profit potential for producers and the beef industry. The program serves as the checkoff’s knowledge center for beef culinary, new product development and technical product needs.

B. Costs Requested from this AR*: \$1,222,000

Source of Funding	Total Costs	Direct Costs	Implementation**
Beef Board/BPOC	\$1,045,665	\$1,045,665	
Federation of SBCs (FSBCs)	\$176,335	\$176,335	
Other Sources (<i>describe</i>)			
Total Funds Requested	\$1,222,000	\$1,222,000	

* Only Direct Costs are being requested in this AR.

Total estimated Implementation for this AR is \$1,772,863; implementation by Tactic in Table IV.

** Implementation for this and other PROMOTION ARs requested in separate AR P-08-2012.

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:

- **Improve Domestic Consumer Preference for Beef**
 - Identify and track domestic consumer needs and preferences

- Collaborate with industry stakeholders to develop and implement demand generation initiatives based on consumer needs and preferences
- Educate, enable and engage key influencers and opinion leaders in communicating the positive health and nutritional benefits of beef
- Identify and capitalize on growth opportunities with targeted market segments (e.g. ethnic, generational, attitudinal, etc.)

- **NCBA Initiatives Addressed by This AR:**

- Contemporize beef to capitalize on consumers' diverse needs
- Increase consumer confidence in selecting and preparing beef
- Minimize product quality and consistent outliers
- Provide consumer/operator guidance on economizing with beef
- Establish beef as an everyday part of a healthy diet

B. Committee That Reviewed This AR: Joint New Product & Culinary Initiatives Committee

C. Committee Recommendations for This AR: The Joint New Product & Culinary Initiatives 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 Direct Cost: \$1,222,000

Specific Tactic Information:

Tactic 1A: Innovative Fabrication

Historic, checkoff-funded product enhancement research on muscle profiling and muscle tenderness mapping has led to more single-muscle merchandising and has ultimately resulted in innovative ideas for carcass fabrication procedures that are based on beef quality versus only tradition or convenience. Scientific evidence suggests that identification of quality-based cutting locations on beef carcasses would better group beef muscles into more uniform sensory/palatability groups and increase overall carcass value. This tactic will explore new ways to fabricate beef carcasses on the basis of quality versus tradition and will focus on forequarter (chuck/rib) and hindquarter (loin/round) break innovations. In addition, this tactic will provide continued technical support for innovative fabrication of previously-developed new cuts from the chuck, round and middle meat primals.

- **Measurable objectives:**

- Throughout FY 2012, conduct exploration activities (e.g., hands-on fabrication sessions) for potential carcass break changes with at least one packer partner.

- By September 2012, evaluate and measure the impact of potential carcass break changes on sensory dimensions (i.e., tenderness) and product consistency, beef merchandising (domestic and international), processor logistics/execution, and industry economics and value (domestic and international).
- By September 2012, initiate development of new cutting recommendations for potential carcass break changes based on impact measurement outcomes.

▪ **Proposed Direct Cost:** \$486,000

Tactic 1B: New Product Development

Research shows that choosing beef is not always easy for consumers, manufacturers and foodservice operators. Today's consumers generally lack knowledge of beef cuts and preparation methods, and also have an increased need for quick and easy meal preparation, portability, and overall convenience. Manufacturers and foodservice operators also need to better understand the opportunities beef presents.

Developing New Beef Convenience Products. The new product development process varies in length depending on the product and the company manufacturing/selling it; therefore the BIG team continues to keep new product ideas and protocepts in the pipeline to ensure new beef products are launched each year. Acting as a catalyst to the development, introduction, and promotion of new and innovative beef products, the Beef Innovations Group (BIG) will actively seek out manufacturing partnerships. We will assist in concepting, formulation development, testing and promotion to increase the number of product launches in marketplace.

Convenient Fresh Beef. The retail fresh meat case still moves the majority of beef sold to consumers in the United States, and for the past year work has been conducted on making beef easier for consumers to prepare through the Convenient Fresh Beef (CFB) program. Work has included developing the product line to include over 25 different products/concepts that range from microwaveable roasts and ground beef, to quick skillet steaks and ovens roasts, to meal starter kits for sandwiches and entrees. Work has also focused on taking the concepts to consumers for valuable feedback in terms of overall liking, packaging, preparation instructions, usage occasions, positioning, etc. Manufacturer and retailer feedback sessions have also been held to determine what needs and/or additional information will be needed to move this project forward. The next step in the development process of CFB will be to seek manufacturing partners to further develop, refine, and position the convenience fresh products for commercialization. The team will provide technical assistance in product development, beef knowledge and expertise, and will tie in the right industry partners (i.e., packaging, manufacturing). Ultimately, working with the channel marketing team, we will take this concept/product line to a test market launch with a retail partner(s) in FY 2012.

- **Measurable objectives:**

- By June 2012, actively seek out and establish relationships with at least five new manufacturers (ingredient suppliers, packaging, product manufacturers, and other allied partners) to create a larger partnership base for future development efforts.
- By September 2012, create at least three promotional activities with manufacturers to help assist in the launch of new products (whole muscle and/or convenience).
- By September 2012, work with manufacturers to assist in the product development process to launch at least four new convenience, value-added, or handheld-type items. Project will measure success of at least one of these product launches by reporting manufacturer data (e.g., number of boxes shipped, number of stores merchandising the product, or incremental sales of beef). Specific metrics will be determined based on availability of information and manufacturer's willingness to share.
- In FY 2012, through coordination with the channel marketing team, initiate a test market phase in the retail channel of at least five Convenient Fresh Beef products. This outcome is contingent upon the products being manufactured by an approved supplier of the identified retail account.

- **Proposed Direct Cost:** \$348,400

Tactic 1C: Knowledge Communication

It is critical that beef industry stakeholders and influencers receive timely information and knowledge in order to continue to spur new thinking, new product development, and innovative ways of looking at the beef carcass, individual muscles, and raw materials as ingredients for either products or recipes. This will positively impact all parties from the manufacturer and/or packer to the consumer.

Work in this tactic includes face-to-face meetings with industry and state partners to spread the word on current and previous checkoff-funded beef innovations work including new chuck and round cuts and new carcass breaks, and includes continued dissemination of technical and new cut information to key industry stakeholders through print and online resources (e.g., newsletters, website tools, etc.).

This will also include leading the annual *New Products Exchange*; where one major beef company is hosted to showcase their new beef innovation and to gain channel distribution of new beef items with the help of the State Beef Councils.

- **Measurable objectives:**

- Enhancement of the Culinary Innovation Center website to include at least two new videos on preparation of beef cuts and product demonstrations including equipment manufacturer partners by September 2012.

- Participate in at least one major event in FY 2012 that enables communication and/or demonstration of the features and benefits of a cut from the chuck, round, or sirloin/bell knuckle to industry influencers such as research chefs, product developers, manufacturers, and/or channel operators. Conduct benchmark measure of participant feedback gauging usefulness of information and likelihood to increase beef usage on menus or for other applications.
- During FY 2012, participate in at least 10 meetings to provide outreach and education to packers, product manufacturers, equipment manufacturers, educators, USMEF and other stakeholders to keep them informed and up-to-date on current initiatives, trends in the marketplace, and future opportunities related to beef.

▪ **Proposed Direct Cost:** \$192,900

Tactic 1D: Culinary Innovation

Today's American families are changing and the industry needs to provide information and knowledge to influencers showing how beef can fit into the week-night dining routine by having meals ready in 30 minutes or less with simple and easy-to-follow recipes and preparation methods. A recent checkoff-funded convenience research study of consumers showed that by making beef easier to thaw or prepare directly from the freezer, making recipes simple and by keeping meal preparation time to a maximum of 40 minutes (30 minutes is better), barriers to beef would be substantially reduced and would enable beef consumption during weeknight eating occasions. With this in mind the Culinary Innovations Team will focus on:

Recipe Development Developing new and innovative recipes and preparation techniques. This work will help to enhance our recipe database with contemporary recipes that are utilized internally via Food Communications on Facebook (27,000 fans), Twitter (1,500 followers), Beef So Simple (30,000 subscribers), BIWFD.com (over 60,000 weekly reach) and in a variety of consumer publications; by Retail on 200 million beef labels in the meat case; and, by State Beef Councils.

Modernizing Beef Cookery The Culinary Innovations Team (CIT) will conduct applied cookery research on appropriate beef cuts for braising and stewing to ensure consumers and industry have the most up-to-date information on preparing beef. This updated information will be incorporated into communication materials used by Food Communications such as the BIWFD.com website and the *Beef So Simple* newsletter (Collectively over 90,000 weekly reach). This information is also the basis for all recipes developed using the braising and stewing techniques, such as pot roast and beef stew.

Culinary Education and Outreach The team will participate in at least 30 industry events or meetings by providing event assistance, educational opportunities, product demonstrations, seminars, showcasing new beef

recipes, and/or other services that provide beef culinary information along with a positive message about the advantages of using beef.

▪ **Measurable objectives:**

- By September 2012, develop fifteen new trend-forward, ethnically diverse recipes with corresponding photos to include current ethnic beef choices such as thin cuts, as well as exciting new flavor profiles gained from world-wide trends.
- By September 2012, develop quick, safe, thawing practices and cooking-from-frozen preparation methods for steak and ground beef; partner with food communication to pursue market placement.
- Throughout 2012, evaluate the Culinary Innovations Team via an online quality survey and utilize the established 2011 benchmark as a standard to exceed.

▪ **Proposed Direct Cost:** \$153,700

Tactic 1E: Culinary Education Support

Many consumers are confused about the variety of beef cuts in the meat case, and are not confident in their ability to prepare many of them. The main objective of this tactic is to provide consumers information on the variety of beef cuts and ways to prepare them to ensure a quality eating experience, and also to provide meal solutions depending on meal occasion or desire. This information will give consumers options when they come to the Beef It's What's for Dinner (BIWFD) website to help better select the cut, recipe or meal that they want to prepare. This works to increase their confidence by leading them "by hand" to a recipe or cut that meets their needs. This tactic will also work to provide State Beef Councils and other groups an easy-to-use cooking curriculum that can be used with broad audiences (from simple to complex).

▪ **Measurable objectives:**

- By March 2012, develop a downloadable list of fresh/refrigerated, freezer and pantry essentials and at least five "no-recipe" meal solutions to respond to those looking for complete meals (including sides, sauces, etc.).
- Develop an interactive design tree that will guide consumers to recipes and/or cuts based on their unique input on a pop-up tool for the BIWFD.com website by September 2012. Explore cost effective options for measuring value of this online tool.
- By September 2012, develop a modular-based cooking curriculum that focuses on providing consumers with basic to advanced levels of beef information allowing them to have confidence in their abilities to select beef cuts and prepare beef-centered meals.

▪ **Proposed Direct Cost:** \$41,000

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	
Innovative Fabrication	S. Wald	9/30/2012	\$ 716,472	\$ 486,000	\$ 415,870	\$ 70,130		\$ 230,472
New Product Development	S. Wald	9/30/2012	\$ 525,686	\$ 348,400	\$ 298,126	\$ 50,274		\$ 177,286
Knowledge Communication	S. Wald	9/30/2012	\$ 458,829	\$ 192,900	\$ 165,065	\$ 27,835		\$ 265,929
Culinary Innovation	S. Wald	9/30/2012	\$ 1,181,961	\$ 153,700	\$ 131,520	\$ 22,180		\$1,028,261
Culinary Education Support	S. Wald	9/30/2012	\$ 111,915	\$ 41,000	\$ 35,084	\$ 5,916		\$ 70,915
Product Total			\$ 2,994,863	\$ 1,222,000	\$1,045,665	\$ 176,335		\$1,772,863
AR Totals			\$ 2,994,863	\$ 1,222,000	\$1,045,665	\$ 176,335		\$1,772,863

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:

- More focus on communication of cuts from the chuck, round and sirloin/bell knuckle.
- Coordinated promotion efforts with channel marketing teams.
- Increased emphasis on new product development and introduction of new products.
- Coordinated efforts with Food Communications to enhance communication and education of cuts and recipes to consumers.
- 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:** Mata & Associates, IQ Foods, Rassman Design, Product Dynamics, Chris Calkins, Range, Inc., SWB Consulting.
- **Will all work with subcontractors be competitively bid? No. If not, why not?** The work conducted by contractors in this AR is very specialized and The Beef Checkoff benefits by having continuity with contractors from one year to the next.

D. Identify any relationships between this AR and projects previously funded by the Operating Committee: Much of the work within this AR is a continuation from work conducted in FY 2011, such as continued work on the hindquarter and forequarter breaks; promotion of cuts from the chuck, round, and sirloin/bell knuckle; taking the Convenient Fresh Beef program from development to market; continuation of the long-term development of new products; and culinary work that will continue to focus on recipe and photo bank enhancement, beef cookery, and communications to industry influencers.

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
Product	\$ 1,077,500	\$ 144,250	\$ 1,221,750	\$ 407,781	\$ 53,428	\$ 461,209
AR Totals	\$ 1,077,500	\$ 144,250	\$ 1,221,750	\$ 407,781	\$ 53,428	\$ 461,209

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
New Product	\$1,240,970	\$ 1,072,867	\$ 1,600,000	\$1,183,370	\$1,013,919	\$ 1,563,831
AR Totals	\$1,240,970	\$1,072,867	\$ 1,600,000	\$1,183,370	\$1,013,919	\$ 1,563,831