

## AUTHORIZATION REQUEST FOR FY 2012

**AR Title: Veal Marketing and Communications**

**Name of Contractor: National Cattlemen’s Beef Association**

**CBB Budget Component: Promotions**

**I. OVERVIEW**

**A. AR Description:** The Veal Marketing and Communications Authorization Request consolidates all checkoff-funded veal programs through the integrated Veal Go to Market Strategy as part of the third year of the Veal Industry Long Range Plan. The Veal Authorization Request builds on the foundation of the previous two years of the Veal Industry Long Range plan and will be enhanced with new focus on program coordination and implementation among members of the NCBA Channel Marketing team and its partners including State Beef Councils, veal packer/processors and importers.

**B. Costs Requested from this AR\*: \$600,000**

Source of Funding	Total Costs	Direct Costs	Implementation**
Beef Board/BPOC	\$513,420	\$513,420	
Federation of SBCs (FSBCs)	\$86,580	\$86,580	
Other Sources ( <i>describe</i> )			
<b>Total Funds Requested</b>	<b>\$600,000</b>	<b>\$600,000</b>	

\* Only Direct Costs are being requested in this AR.

Total estimated Implementation for this AR is \$375,915; 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:**

This AR addresses the Veal Industry Long Range Plan

**B. Committee That Reviewed This AR:** Joint Veal Committee

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

### III. PROGRAM INFORMATION FOR THIS AR

#### A. Strategy 1: Veal Go To Market Strategy

**Strategy 1 Proposed Direct Cost:** \$ 600,000

##### **Specific Tactic Information:**

**Tactic 1A: Veal Retail Promotions** – In this tactic, the checkoff will develop and execute a series of effective regional/national promotions and partnerships designed to increase veal's presence in the meat case and drive veal sales through select retailers. These integrated promotions, conducted over the next 12-month period, will emphasize the ease of use and nutritional benefits of veal while offering cooking instructions and recipes for consumers to stimulate purchase. Activities in this tactic will include:

- Three (3) branded partnership promotions with consumer packaged goods companies during key veal consumption periods.
- Three (3) or more account-specific promotions with key retailers.

##### ▪ **Measurable objectives:**

- Achieve veal sales increase of 10% or greater (based on retailer sales data) during each designated promotional period with participating retailers.
- Increase the number of retailers participating in veal promotions by no less than five (5) new retail accounts or retail divisions over 2011, which could represent an increase of approximately 20-25%.

▪ **Proposed Direct Cost:** \$370,000

**Tactic 1B: Veal Foodservice Channel Outreach** – Develop foodservice promotions to support foodservice operators, foodservice distributors, and packer/processors that market veal nationwide through aggressive account servicing by offering menu assistance, web-based promotion opportunities and partnerships with branded partners. The veal program will participate in at least two meat industry events (NAMP/COP and Southwest Foodservice Expo) focusing on center-of-the-plate decision makers and participate in at least two selected trade shows along with culinary education programs. Jointly-funded wait staff training programs will be developed with complimentary partners like pasta, olive oil and wine (e.g. Chateau St. Michelle) directed at targeted foodservice chains and distributor sales and marketing personnel.

##### ▪ **Measurable objectives:**

- Secure the addition of four (4) new veal items on the menus of regional or national chains in the casual and fine dining segments. These new veal items will fall into any one of the following categories:
  - Appetizer menu
  - Small plate/Bar menu
  - Limited Time Offer (LTO)
  - Permanent menu offering

- Create, execute, and document wait staff training programs with at least two (2) industry partners to help sell more veal in the foodservice channel.

▪ **Proposed Direct Cost:** \$80,000

**Tactic 1C: Veal Communications** – This tactic delivers veal promotion and production resources to shape influencer attitudes and consumer opinions about veal through media outreach and online engagement. This program will serve as the good news engine for veal, and the driving force motivating channel partners and consumers to choose and recommend veal.

This program continues to build content for and promote VealMadeEasy.com as the most comprehensive online resource for veal preparation and meal planning at home, and VealFoodservice.com as the trusted source for veal menu inspiration for professional chefs and restaurateurs.

Three major areas of emphasis on this program will be to leverage relationships with journalists and food industry influencers to (1) inform channel partners how to leverage checkoff-funded veal promotions (2) inspire foodservice operators with creative veal menu solutions and (3) educate consumers on easy preparation and sound production practices for an enjoyable eating experience with veal.

Per veal leadership’s request, this Tactic will also form a task force to explore the opportunities and implications of a digital marketing strategy.

▪ **Measurable objectives:**

- Secure at least one (1) million favorable media impressions to motivate channel partners and their customers to choose veal.
- Establish a database of operator testimonials to fuel media relations activity and support channel partner outreach efforts, featuring a minimum of twelve (12) chef leads and veal menu items in FY2012
- Develop relationships with at least five food industry reporters and/or bloggers to educate them on modern veal production and group housing practices in the US
- Implement an integrated digital marketing campaign to the appropriate audience based upon the task force recommendations and available funding.

▪ **Proposed Direct Cost:** \$75,000

**Tactic 1D: Veal Issues Management** – Conduct proactive outreach on veal issues and responsible veal production practices to engage key industry partners and stakeholders and build trust in veal practices and products. This tactic will continue to support veal farm tours that enable target audiences to experience the veal production process first-hand and interact with producers and suppliers on a personal level. Continue to monitor and respond to veal production practices and issues such as antibiotic use, veal calf transport, calf quality and other practices raised by veal influencers.

- **Measurable objectives:**
  - Develop and distribute a farm tour resource kit for individual producers, industry partners and State Beef Councils to use in support of conducting successful local tours
  - Maintain a frequent stream of issues e-mail alerts with a targeted open rate of 20 percent, the industry standard for non-profit e-mail communications. Benchmark the value of communication and resources to recipients through survey monkey.
  - Maintain VealFarm.com as one of the top-ranked Google destinations for veal to ensure the site is on the first page of results when consumers and industry partners search for veal production information online. Google is considered the gold standard for Internet searches.
  
- **Proposed Direct Cost:** \$50,000

**Tactic 1E: Veal Quality Assurance** – Develop and implement targeted producer education programs by updating technical bulletins, re-certifying producers and allied industry members and by working directly with veal feed companies and veal packer/processors. Create dairy producer outreach related to best production practices and veal calf quality standards. The program will also reach out to packer/processors to encourage them to require VQA certification.

- **Measurable objectives:**
  - Develop or update one (1) technical bulletin on topics related to group housing.
  - Create one (1) educational handout focused on veal calf quality and on farm dairy best practices.
  - Contact the top five packer/processors to determine interest in requiring VQA certification for market access/or other options for VQA certification incentives and report findings/recommendations to veal committee.
  
- **Proposed Direct Cost:** \$25,000

**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	
Veal Retail Promotions	T. Amen/ P. Nau	9/30/2012	\$ 577,957	\$ 370,000	\$ 316,609	\$ 53,391		\$187,957
Veal Foodservice Channel Outreach	T. Amen/ J. Ethridge	9/30/2012	\$ 173,979	\$ 80,000	\$ 68,456	\$ 11,544		\$ 93,979
Veal Communications	T. Amen/ M. Pusey	9/30/2012	\$ 131,387	\$ 75,000	\$ 64,178	\$ 10,822		\$ 56,387
Veal Issues Management	T. Amen/ B.A. Mumford	9/30/2012	\$ 68,796	\$ 50,000	\$ 42,785	\$ 7,215		\$ 18,796
Veal Quality Assurance	T. Amen/ B.A. Mumford	9/30/2012	\$ 43,796	\$ 25,000	\$ 21,392	\$ 3,608		\$ 18,796
<b>Veal Total</b>			<b>\$ 975,915</b>	<b>\$ 600,000</b>	<b>\$ 513,420</b>	<b>\$ 86,580</b>		<b>\$375,915</b>
<b>AR Totals</b>			<b>\$ 975,915</b>	<b>\$ 600,000</b>	<b>\$ 513,420</b>	<b>\$ 86,580</b>		<b>\$375,915</b>

**V. SUPPLEMENTAL INFORMATION**

**A. Will all of the work detailed in this AR be completed by the end of the fiscal year?**

Yes.

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

- Retailer Specific Promotions developed by Account Development Team
- More Communications Emphasis
- Eliminated the retail sales analysis tactic based on veal leadership’s decision to divert more funding to promotion and communication tactics
- Reduced veal issues management and veal quality assurance programs to divert more funding to promotion and communication tactics
- 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 subcontractors:** Streetmarc Advertising & Marketing, Thomas Marketing Group and CMA Consulting
- **Will all work with subcontractors be competitively bid? If not, why not?**

**D. Identify any relationships between this AR and projects previously funded by the Operating Committee:** This is a continuation of the third year of a three year Veal Industry Long Range Plan.

**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
Veal Go to Market	\$ 522,800	\$ 77,200	\$ 600,000	\$ 255,226	\$ 37,666	\$ 292,892
AR Totals	\$ 522,800	\$ 77,200	\$ 600,000	\$ 255,226	\$ 37,666	\$ 292,892

**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
Veal	\$ 604,800	\$ 579,950	\$ 641,000	\$ 641,822	\$ 603,195	\$ 596,154
AR Totals	\$ 604,800	\$ 579,950	\$ 641,000	\$ 641,822	\$ 603,195	\$ 596,154