

AUTHORIZATION REQUEST FOR FY 2012

AR Title: PRODUCER COMMUNICATIONS

Name of Contractor: Cattlemen's Beef Board

CBB Budget Component: Producer Communications

I. OVERVIEW

A. AR Description: This describes an integrated authorization request for building trust and ownership in the Beef Checkoff Program among the more than 800,000 beef and dairy producers and importers who pay the checkoff.

B. Costs Requested from this AR:

Source of Funding	Total	Direct Costs	Implementation
Beef Board/BPOC	\$1,800,000	\$1,450,000	\$350,000
Federation of SBCs (FSBCs)	\$0	\$0	\$0
Other Sources (<i>describe</i>)	\$0	\$0	\$0
Total Funds Requested	\$1,810,000	\$1,460,000	\$350,000

C. Disclosure of Implementation Costs From Another Source: Included

D. Start date: October 1, 2011

Completion date: September 30, 2012

II. PLANNING INFORMATION FOR THIS AR

A. FY 2012 Priorities Addressed By This AR: All. Producer Communications aims to help producers and importers learn more about all checkoff programs.

B. Committee That Reviewed This AR: Joint Producer Communications Committee

C. Committee Recommendations For This AR: Joint Producer Communications Committee

III. PROGRAM INFORMATION FOR THIS AUTHORIZATION REQUEST

A. Strategy 1: Demonstrate to producers and importers that they can *trust that the beef checkoff is being managed well* and they should feel a *sense of ownership* in the beef checkoff through: (1) a national communications program that delivers a continuous flow of relevant messages through outlets where producers regularly seek industry information; (2) auction-market operators and producer organizations

that are motivated to serve as conduits of checkoff information; and (3) CBB and state beef councils working together seamlessly to deliver consistent, cohesive communications to checkoff investors and stakeholders.

Measurable objectives:

- Increase the number of producers who say they've read or heard about the checkoff to 52% (1/10: 47%; 7/11: 48%).
- Maintain or increase the percentage of producers who consider themselves "somewhat informed" or "very well informed" (1/10: 66%; 7/11: 65%). Test through producer surveys other methods of determining how well informed producers really are and set benchmark in FY 2011.
- Maintain or increase the number of producers who "strongly agree" or "somewhat agree" that:
 - The beef checkoff "has helped contribute to a positive trend in consumer demand for beef" (1/10: 77%; 7/11: 81%).
 - The beef checkoff has "helped contribute to the profitability of my operation" (1/10: 61%; 7/11: 66%).
 - They "trust that the beef checkoff program is being managed well" (1/10: 62%; 7/11: 66%).
 - The checkoff "does a good job of representing my interests" (1/10: 73%; 7/11: 63%).

Strategy 1 Proposed Cost: \$1,800,000

Specific Tactic Information:

Tactic 1A: CBB-Directed National Communications – Demonstrate results of beef checkoff programs, and provide information about structure, planning, program goals, evaluation, leadership efforts and other processes in order to help beef and dairy producers, importers and other industry organizations better understand checkoff roles and responsibilities. The key content and general theme developed in this tactic will be leveraged across all planned producer communications programs conducted by CBB. Programs in this tactic include:

- Earned media to demonstrate results of beef checkoff efforts through earned editorial coverage in agricultural media (publications, online, radio and TV). This tactic targets beef and dairy producers through audio reports, press releases, feature stories, video news releases, Web-based video media, editor and broadcaster visits, social media and sponsorship of key agricultural media events.

Measurable objectives:

- Grow placement of print, online, radio and video news releases in industry media (FY10 Meltwater: 4,940 news "hits" from selected publications. TV tracking: 600 video release airings. On track to exceed in FY11).

- Maintain or grow the number of editors and broadcasters who find the information in CBB releases to be timely and useful (6/10 Media survey; 56% of broadcasters; 50% of editors; 6/11: 57%; 69%).
 - Build on “open” and “click-through baseline metrics for all electronically delivered materials; evaluate and adjust throughout FY12 (FY11 industry average: 18% open, 0.2% click-through; MBC: 52%; 13%).
- Paid media, such as advertising and other opportunities through national and regional publications, television and other electronic media targeting beef and dairy producers, to inform and invite additional inquiry about the checkoff. This includes performing appropriate research to focus efforts, improve advertising effectiveness and closely coordinate with state beef councils on ‘value-add’ opportunities – such as free “advertorials” or air time to tell the checkoff story.

Measurable objectives:

- Maintain or grow “saw,” “read,” and “found useful” scores for ads, at or above industry averages for similar materials; set future goals (Readex)
- Build on “open” and “click-through baseline metrics for all electronically delivered materials; evaluate and adjust throughout FY12 (FY11 industry average: 18% open, 0.2% click-through; MBC: 52%; 13%)

Proposed cost: \$1,011,000

Tactic 1B: Develop and utilize information conduits – By working directly with producers and through auction markets, farm organizations and other groups, provide information about the checkoff to their producer audiences. Activities include:

- Direct communications, such as newsletters and other materials designed to inform Beef Board members, state beef councils and importers; electronic newsletters aimed at beef and dairy producers; a go-to interactive information source through www.MyBeefCheckoff.com; a Beef Board annual report; support services for volunteer leaders and state beef councils, including checkoff talking points, presentations, speeches, and other support as needed or requested; and responses to e-mail, postal and telephone inquiries regarding the Beef Board and checkoff.

Measurable objectives:

- Build on “open” and “click-through baseline metrics for all electronically delivered materials; evaluate and adjust throughout FY12 (FY11 industry average: 18% open, 0.2% click-through; MBC: 52%; 13%).
- Paid media, such as advertising and other opportunities through livestock markets and other agricultural organizations that represent beef and dairy producers. By using their online and broadcast outlets, the checkoff can

target beef and dairy producers at the time of sale to inform and/or invite additional inquiry about the checkoff.

Measurable objectives:

- Maintain or grow “saw,” “read,” and “found useful” scores for ads, at or above industry averages for similar materials; set future goals (Readex)
 - Build on “open” and “click-through baseline metrics for all electronically delivered materials; evaluate and adjust throughout FY12 (FY11 industry average: 18% open, 0.2% click-through; MBC: 52%; 13%).
- Developing, piloting and delivering livestock market resources to livestock auction operators in a cooperative effort with states to provide ongoing information, assistance in answering customer questions, and to encourage informed outreach auction owners and managers.
 - Leveraging checkoff support to industry organizations by developing and delivering specific materials or other resources they may need to provide checkoff news to their stakeholders.
 - Sponsoring events and participating in key industry trade shows to reach producers and those who influence producers with key messages and to show appreciation to livestock and industry organizations for their efforts to provide information to producers.

Measurable objectives:

- In FY12 establish *meaningful* benchmarks for new projects.

Proposed cost: \$305,000

Tactic 1C: Create and maintain a seamless partnership with state producer communications efforts – Provide advertising planning, design, message development and support, printed and other materials, and Web support to Qualified State Beef Councils (QSBCs) in sync with the national communications effort, and pilot state producer communications program ideas. Activities include:

- Maintenance and expansion of state beef council Web access to www.MyBeefCheckoff.com; expansion of no-cost or low-cost Web-based news options; easy access to planning, message development and other strategic and tactical information. In addition, links to state beef council websites and resources will be maintained; state board and staff access to the website will be expanded.
- Maintenance and expansion of the QSBC Toolkit to provide state beef councils with easy access to materials and messaging consistent with and extending the national effort. The kit, redesigned in FY11 will include advertising, presentations, brochures, Web and other materials that can easily be customized by states, through Federation services or with CBB communications/agency support.

- Reinforcement of seamless producer communications tactics through the QSBC Toolkit, regular producer communications Webinars and other means.
- Development and distribution of brochures, posters, newsletters, , customized paid advertisements and other support materials as needed.

Measurable objectives:

- Gather feedback from state beef councils through a formal survey once a year, collaborate with and gain input from state councils via e-mail, personal calls and face-to-face meetings throughout the year.
- After a successful cooperative pilot in FY11, expand a program of increased paid and earned media, direct communications and other efforts to reinforce the producer communications efforts in targeted high-producer/low-resource states and/or regions. This effort will focus on value-added advertising, media outreach and other innovative ideas.

Measurable objectives:

- Maintain or grow “saw,” “read,” and “found useful” scores for ads, at or above industry averages for similar materials; set future goals (Readex)
- Build on “open” and “click-through baseline metrics for all electronically delivered materials; evaluate and adjust throughout FY12 (FY11 industry average: 18% open, 0.2% click-through; MBC: 52%; 13%).
- Build on FY11 pilot program successes

Proposed cost: \$400,000

Tactic 1D: Independent attitude surveys – Evaluate producer and importer knowledge of the beef checkoff and other pertinent checkoff-related issues through two producer attitude surveys during the year.

Measurable objectives:

- Complete one survey in the December '11-January '12 timeframe and a second in the June-July '12 timeframe. As part of the Dec.-Jan. survey, will research producer understanding of the declining buying power of the checkoff. This project serves as a strategic measurement tool to evaluate other producer communication efforts.

Proposed cost: \$94,000

IV. DETAILED BUDGET SUMMARY

Strategy & Tactic	Program Manager	Completion Date	Total FY 2012 Budget	Budget by Funding Source			Estimated Implementation
				CBB/BPOC	FSBCs	Other	
Strategy 1: Producer Comm.							
Tactic 1A: National Comm.	CBB	9/30/12	\$1,011,000	\$1,011,000			\$191,000
Tactic 1B: Info Conduits	CBB	9/30/12	\$305,000	\$305,000			75,000
Tactic 1C: State Partnerships	CBB	9/30/12	\$ 400,000	\$ 400,000			80,000
Tactic 1D: Producer Survey	CBB	9/30/12	\$ 94,000	\$ 94,000			4,000
Totals - Strategy 1			\$1,810,000	\$1,810,000			\$350,000
AR Totals			\$1,810,000	\$1,810,000			\$350,000

V. SUPPLEMENTAL INFORMATION

A. Changes from FY 2011 Approved AR:

- Continues emphasis and organization toward achieving critical success factors through an integrated approach
- Extends work with auction markets, other producer organizations and state beef councils, adding specific tactics to reach and involve auction operators
- Redefines state/national relationship via a cooperative producer communications effort with states least able to conduct producer communications activities due to staff and financial constrictions.

B. Subcontractor information:

- **Name of proposed subcontractors:**
 - McCormick Company (advertising, strategic counsel)
 - Aspen Media & Market Research (producer research)
 - Focus Point (online media metrics)
 - Vela Development, LLC (Web development)
 - Melissa Slagle (earned media, trade shows, direct communications)
 - Baxter Communications (video production)
 - Meltwater (media monitoring)
 - Others as determined during the year
- **Will all work with subcontractors be competitively bid? If not, why not?**
 - FY 2008 was the second year for CBB to manage the national producer communications program directly. After the management transition was completed in late 2007, CBB selected McCormick Company as its agency of record for paid media through a competitive RFP process in early 2008. The goal of this RFP was to begin a multi-year relationship, although fees would be reviewed regularly for competitiveness. Similarly, Vela was selected as CBB's Web developer after a competitive bid process, also in early 2008. Melissa Slagle, who was a highly qualified and experienced CBB employee located in Denver, became a contractor working from Nebraska during FY 2010. Focus Point evaluation tools for our media efforts was piloted in FY

2011 and found to provide unique tactical insight. Finally, other currently selected expert contractors are uniquely qualified to provide services and will continue to provide those services as needed. Other contractors, if needed, will be selected through a competitive bid process.

- C. Identify any relationships between this AR and projects previously funded by the Operating Committee:** This authorization request is a continuation and enhancement of a FY 2011 AR and incorporates many of the recommendations resulting from an independent evaluation of the program in FY 2010. This AR is designed to expand the current impact and reach of producer communications by reaching out at critical 'teaching moments and locations' to those producers who are uninformed or under-informed, while reinforcing the understanding of the Beef Checkoff Program among those who already consider themselves 'informed.'

D. Summary of Prior Year AR Budgets and Expenses:

Strategy & Tactic	FY 2011 Approved Budgets			FY 2011 Actual Expenses (through May, 2011)		
	CBB/Beef Promotion Operating Committee	FSBCs	Total	CBB/BPOC	FSBCs	Total
Strategy 1: Producer Comm.						
Tactic 1A: National Comm.	\$782,000		\$782,000	\$505,600		\$505,600
Tactic 1B: Info Conduits	\$220,000		\$220,000	\$105,744		\$105,744
Tactic 1C: State Partnerships	\$ 260,000		\$ 260,000	\$75,609		\$75,609
Tactic 1D: Producer Survey	\$ 80,000		\$ 80,000	\$ 38,498		\$ 38,498
Implementation	\$350,000		\$350,000	\$184,906		\$184,906
Totals - Strategy 1	\$1,692,000		\$1,692,000	\$910,356		\$910,356
AR Totals	\$1,692,000		\$1,692,000	\$910,356		\$910,356

E. Historical Summary of Budgets and Expenses:

Strategy & Tactic	Total Approved Budgets			Total Actual Expenses		
	FY2010	FY 2009	FY 2008	FY2010	FY 2009	FY 2008
Strategies: Producer Comm.	\$1,800,00	\$1,801,496	\$2,270,500	\$1,754,988	\$1,706,343	\$2,231,876
AR Totals	\$1,800,00	\$1,801,496	\$2,270,500	\$1,754,988	\$1,706,343	\$2,231,876