

AUTHORIZATION REQUEST FOR FY 2012

AR Title: PRODUCT ENHANCEMENT RESEARCH

Name of Contractor: National Cattlemen's Beef Association

CBB Budget Component: Research

I. OVERVIEW

A. AR Description: Delivering a quality eating experience is essential to beef industry efforts to build consumer demand. Delivering the highest quality, most consistent beef product to the point of purchase is the focus of this product enhancement AR. Beef's sensory attributes (i.e., taste) differentiate it from other meal choices and help make it a preferred protein with consumers. However, the industry fails to deliver an exceptional eating experience each and every time someone chooses beef. Beef's consistency and quality must continue to develop pre- and post-harvest to match consumers' increasing and changing expectations. This AR describes a body of research work that will provide foundational information to improve beef product quality.

B. Costs Requested from this AR*: \$845,000

Source of Funding	Total Costs	Direct Costs	Implementation*
Beef Board/BPOC	\$ 723,067	\$ 723,067	
Federation of SBCs (FSBCs)	\$ 121,933	\$ 121,933	
Other Sources (<i>describe</i>)			
Total Funds Requested	\$ 845,000	\$ 845,000	

* Only Direct Costs are being requested in this AR.

Total estimated Implementation for this AR is \$278,248; implementation by Tactic in Table IV.

** Implementation for this and other RESEARCH ARs requested in separate AR R-05-2012.

C. Start date: 10/1/2011

Completion date: 5/31/2013

II. PLANNING INFORMATION FOR THIS AR

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

- **Improve Domestic Consumer Preference for Beef**
 - Collaborate with industry stakeholders (Producers, Processors, Foodservice, Retail) to develop and implement demand generation initiatives based on consumer needs and preferences.
 - Identify and capitalize on growth opportunities with targeted market segments (e.g. ethnic, generational, attitudinal, etc.).
- **NCBA Initiatives Addressed by This AR:**
 - Minimize product quality and consistency outliers
 - Contemporize beef to capitalize on consumers' diverse needs

B. Committee That Reviewed This AR: Joint Product Enhancement Research Committee

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

III. PROGRAM INFORMATION FOR THIS AR

A. Strategy 1: Product – Strengthen the value proposition of beef in the marketplace.

Strategy 1 Proposed Direct Cost: \$845,000

Specific Tactic Information:

Tactic 1A: Research to Improve Product Quality - Taste is a number one driver of beef purchase decisions and beef demand. This tactic will generate original, scientific research to fill knowledge gaps to minimize outliers and make beef more consistent and to improve beef quality and/or sensory attributes like taste. FY 2012 research topic areas that will help achieve this quality and consistency goal have been identified by the Joint Product Enhancement committee and an industry expert panel. These include topics such as beef flavor, subprimal aging, carcass chilling, ground beef quality, tenderness and pre-harvest marbling development.

▪ **Measurable objectives:**

- By January 2012, solicit original, science-based research project ideas that best address tactic goals.
- By May 2013, complete at least five research projects that fill knowledge gaps and provide solutions for improving product quality and minimizing consistency outliers.

▪ **Proposed Direct Cost:** \$695,000

Tactic 1B: Dissemination of Product Quality Research -

Dissemination of scientific research information to key industry stakeholders (i.e., processors, product developers, scientific communities, etc.) so that beef industry participants from farm to fork receive research-based process improvement ideas that minimize consistency outliers and create quality and sensory improvements. The ultimate goal is to improve beef demand and this tactic will be accomplished through online, print and face-to-face outreach. This tactic covers dissemination of checkoff-funded research information collected in fiscal years prior to 2012 versus research collected under Tactic 1A in this 2012 AR. FY 2012 checkoff-funded research information would be disseminated beginning in FY 2013 (if funding were granted) as research projects funded under Tactic 1A of this AR would not be complete until the end of this AR (May 31, 2013).

- **Measurable objectives:**
 - Throughout FY 2012, track the number of printed publications distributed and the number of electronic publications downloaded from the checkoff-funded website www.beefresearch.org; compare to the benchmark data established through FY 2011 and available June 2012.
 - Throughout 2012, implement learnings/improvements from the FY 2011 exit question added to www.beefresearch.org website to ask users what portions of the site they found most valuable and what they were looking for but did not find to drive more traffic to the site.

- **Proposed Direct Cost:** \$150,000

IV. DETAILED BUDGET SUMMARY

Strategy and Tactic	Program Manager	Completion Date	Total FY 2012 Est. Budget	Total Direct Cost	Direct Cost by Funding Source			Est. Impl.
					CBB/BPOC	FSBCs	Other	
Research to Improve Product Quality & Minimize Consistency Outliers	B. Wasser	5/31/2013	\$ 750,650	\$ 695,000	\$ 594,712	\$ 100,288		\$ 55,650
Dissemination of Product Quality Research Solutions	B. Wasser	5/31/2013	\$ 372,598	\$ 150,000	\$ 128,355	\$ 21,645		\$222,598
Product Total			\$1,123,248	\$ 845,000	\$ 723,067	\$ 121,933	\$ -	\$278,248
AR Totals			\$1,123,248	\$ 845,000	\$ 723,067	\$ 121,933	\$ -	\$278,248

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. The work of this AR will be complete in the timeline noted on the first page (October 1, 2011 to May 31, 2013). The work of this AR exceeds 12 months due to time needed for a Request for Proposals (RFP) and/or targeted research download and project design meetings, industry expert review of proposals, contract negotiation, project approvals by university campus Animal Care & Use Committees if live animals will be used in the research and in case of human nutrition, Institutional Review Board approval where human subjects are required and recruited. These standard requirements for biological science research take additional time before a project can begin. Therefore, to provide an ample timeline for project work to be completed, additional time is needed for the AR (20 months in total).

B. Changes from FY 2011 Approved AR:

- The research tactic (Tactic 1A) continues to become more and more focused over time and as resources have gone down. Research topics have been pre-identified by the Joint Product Enhancement Committee and an industry expert panel so that research could be solicited in the form of a request for proposals shortly after the AR start date. Dissemination will continue with a strong focus on sharing research-based product quality solutions to key stakeholders.
- 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.
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C. Subcontractor information:

- **Name of proposed subcontractor:** Universities, research firms and USDA research stations will be utilized to complete the proposed research work.
Will all work with subcontractors be competitively bid? If not, why not? Subcontractors will be selected based on a competitive request for proposals and/or through development of targeted research that utilizes the unique expertise of researchers in their respective fields.

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

- The proposed 2012 program builds on the funded 2011 program that runs through May of 2012. This includes a continued focus on pre- and post-harvest research to determine the impact of industry practices (chilling, aging, etc.) on beef product quality. Dissemination continues as a cornerstone of the proposed program to get research results into the hands of those who can use them to drive beef quality improvements. Science-based evidence that result from the efforts of this AR will be shared with other checkoff-funded groups such as new products/beef innovations, the culinary center and channel marketing to leverage the information.

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 Enhancement	\$ 736,600	\$ 108,700	\$ 845,300	\$ 10,112	\$ 1,492	\$ 11,604
AR Totals	\$ 736,600	\$ 108,700	\$ 845,300	\$ 10,112	\$ 1,492	\$ 11,604

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
Product Enhancement	\$ 895,300	\$ 971,809	\$ 1,300,000	\$ 817,315	\$ 947,884	\$ 1,225,529
AR Totals	\$ 895,300	\$ 971,809	\$ 1,300,000	\$ 817,315	\$ 947,884	\$ 1,225,529

