

AUTHORIZATION REQUEST FOR FY 2011

AR Title: BEEF ISSUES & REPUTATION MANAGEMENT

Name of Contractor: National Cattlemen's Beef Association

CBB Budget Component: Industry Information

I. OVERVIEW

A. AR Description: This AR includes plans and programs for monitoring and responding to issues that threaten consumer confidence in beef; and proactive efforts to address consumer safety, animal welfare and environment concerns related to beef production.

Research shows consumer concern about many issues is event-driven. For example, consumers usually give beef relatively high scores for safety, but scores will drop when they've recently heard about a beef recall in the news. Many folks say following an event such as a recall that they cut back on or cut out beef until they learn more. One of the primary goals of this program is to effectively manage beef issues in order to restore consumer confidence after an event and maintain strong consumer confidence long term. That means constantly watching media and online discussions, anticipating beef issues and making sure we have the materials and strategy to keep potential consumer concerns short lived.

In addition, interest in beef production is growing. The volume of media coverage related to beef issues such as animal welfare and environment has nearly doubled compared to just five years ago. Seventy-four percent of consumers say they're interested in knowing more about *how* cattle are raised and *who* raises cattle for beef. And research shows that consumers who feel more familiar with the industry are three times more likely to feel favorable about the industry. So the issues management programs also seek to introduce influencers and engaged consumers to the process, people and principals behind today's beef.

The primary goals of this program are to: 1) protect consumer confidence, and therefore, the marketing climate for beef, by leading unified and effective industry responses to critical issues; and 2) pave the way for demand-driving programs by strengthening the reputation of the beef industry and its farming and ranching members.

B. Costs Requested from this AR:

Source of Funding	Total	Direct Costs	Implementation
Beef Board/BPOC	\$ 1,041,300	\$ 1,041,300	\$
Federation of SBCs (FSBCs)	\$ 153,700	\$ 153,700	\$
Other Sources (<i>describe</i>)	\$	\$	\$
Total Funds Requested	\$ 1,195,000	\$ 1,195,000	\$

C. Disclosure of Implementation Costs Requested in Separate AR:

Source of Implementation Funding	Implementation
Beef Board/BPOC	\$ 752,541
Federation of SBCs (FSBCs)	\$ 111,158
Other Sources (<i>describe</i>)	\$ -
Funds Requested in AR #TBD	\$ 863,699

D. Start date: October 1, 2010**Completion date:** September 30, 2011**II. PLANNING INFORMATION FOR THIS AR**

A. FY 2011 Priorities Addressed by This AR: Educate Influencers on Beef and Beef Production, Reconnect Consumers with Beef Production, Implement Cohesive Safety Solutions, Make Beef an Easy Choice, Demonstrate Beef's Value, Capitalize on the Power of Lean.

B. Committee That Reviewed This AR: Joint Information Committee/Joint Issues Management Subcommittee.

C. Committee Recommendations for This AR: The Joint Information Committee/Joint Issues Management Subcommittee recommends to the Operating Committee that this AR be approved for funding in FY2011.

III. PROGRAM INFORMATION FOR THIS AR

B. Strategy 1: Industry Resource – Provide knowledge resources and guidance to help strengthen the marketing and business climate for beef.

Strategy 1 Proposed Cost: \$1,195,000

Specific Tactic Information:

Tactic 1A: Protect and Defend – Identify and manage beef issues (e.g., safety, nutrition, animal care and environment) that, if left unchecked, could damage the reputation of beef and the people who produce it.

Keep the daily pulse of the beef issues environment using both sophisticated monitoring tools and manual searches. Track and analyze beef issues in top-tier media reporting, online conversations, available research and anti-beef campaigns. Currently, this program captures and assesses more than 1,000 mentions of beef issues in news articles or online conversations daily. Publish and distribute *Beef Issues Quarterly* (BIQ) to industry leaders four times a year. BIQ, formerly *Beef Issues Update*, provides beef issue intelligence, analysis and forecasting to 3,600 print and electronic subscribers.

Build issues response capacity. Maintain and engage a group of third-party experts (the Beef Experts Board) on production issues to serve as media spokespeople, presenters, science writers and issue responders. Help states, producer leaders, Beef Experts Board members, Masters of Beef Advocacy (MBA) graduates and national staff effectively manage protestors, respond to issues and engage online by conducting workshops, delivering presentations and providing counsel and resources.

Develop, update and leverage issues response tools such as white papers, letter-to-the-editor templates, fact sheets, graphics, Web content, social networks and media messages.

Mobilize strategic responses. Maintain a new issues “dashboard” as a quick-guide to the latest headlines, activist campaigns, beef myths, national responses and response tools. In addition, use “Beef Issue FYI” alerts to provide state partners, producer leaders and industry stakeholders with issue background, response recommendations and response tools as appropriate. Strategically employ Beef Experts Board members, MBA graduates, third-party organizations and media relationships to effectively correct misinformation and place positive/accurate messages.

▪ **Measurable objectives:**

- For Beef Issues FYI alerts, look into a distribution method that allows benchmarking e-mail “click-through” rates. Benchmark issues dashboard use among target state partner audience.
- Maintain at least 75 percent of readers who say BIQ is one of the “better” or “best” industry publications in FY2011 satisfaction survey and increase subscriber base by 5 percent (including Web readership).
- Achieve at least three examples of issues response/management support as a result of strategic partnerships with third-party organizations or experts (e.g., myth-busting white paper released by Council for Agriculture Science and technology for example).
- Benchmark the download rate for issue information on ExploreBeef.org as a percent of unique visitors as an indicator of the value of issues management resources such as fact sheets and q-and-a documents to site users.

▪ **Proposed cost:** \$650,000

Tactic 1B: Explore Beef – Provide a powerful pasture-to-plate experience (both hands-on and virtual) for vocal influencers and engaged consumers to help build the reputation of the industry and its farming and ranching members.

Building on influencer identification research initiated in FY2010, we will select at least eight influencers who are active and visible on critical issues such as the environment, hunger, nutrition, safety or animal care

and facilitate hands-on tour visits. We will introduce these influencers to the different segments and diversity of operations in the industry (e.g., cow-calf and feeding, production in the West vs. East) in three-four farm or ranch visits during the year. This tactic will take advantage of the new “Beef’s Top 10” (proposed spokesperson development program within FY2011 Public Relations AR), MBA graduates and state partner recommendations to identify the most outstanding tour stops. Tour attendees will report on their experience within their influencer communities using established communication vehicles.

And then, since we can’t get every member of our engaged consumer and millennial target audience to a farm or ranch, we’ll extend the “tour” experience through related events, traditional media outreach (in cooperation with the proposed FY2011 Public Relations AR) and virtual tools such as video, profiles, interactive displays and social media. The checkoff-funded ExploreBeef.org website, launched in FY2010, already hosts more than 200 unique visits daily and will serve as the online destination for virtually touring beef in 2011.

Fewer than 20 percent of consumers say they are familiar with the beef industry and most (74%) want to know more. We’ve seen time and again how a personal experience with the people and the principles behind our product has the power to change opinions about the industry. That’s the goal of this tactic.

▪ **Measurable objectives:**

- Demonstrate positive changes in favorability toward the beef industry among participants through pre- and post-experience surveys or interviews.
- Achieve at least 10 examples of tour participants endorsing the beef industry’s actions or sharing their experience and knowledge in a positive way with their broader influencer peer group (e.g., published quotes, video clips, presentations, articles, blog entries, listserv posts or Tweets).
- Maintain ExploreBeef.org as one of the top-ten Google destinations for consumers searching for beef production information using search terms such as: “raising cattle,” “raising beef” and “beef production.”

▪ **Proposed cost:** \$270,000

Tactic 1C: Food for the Future Forums – Proactively engage in the food debate already happening on college campuses across the country by sponsoring at least three compelling expert panels or speakers in targeted university venues.

This tactic will foster an open dialogue about how to raise the healthiest food for a growing population with limited resources. Participants will be carefully selected third-party experts such as university researchers, credentialed professionals, book authors or advocacy group/

nongovernmental organization (NGO) representatives in order to maximize credibility. We will target existing and established lecture series within respected universities to achieve the greatest reach and credibility for the events, speakers and resulting communication.

The forums will reach influential professors, administrators and donors as well as non-university influencers in the target states. We also will focus on reaching engaged millennials (future influencers), who early research shows are more likely to say issues like sustainability, animal welfare or locally raised are important to their meat-buying decisions.

The messages delivered through the forums will be extended by local market media outreach (in cooperation with the proposed FY2011 Public Relations AR); posting video, pod-casts and web copy; and by incorporating new information into our existing issues communication and response tools. In addition, we would develop a “how-to” kit for state partners, producer leaders and industry stakeholders to help them conduct additional forum discussions, leveraging relationships at the state level and with their alma mater schools.

▪ **Measurable objectives:**

- Release at least one white paper, lecture proceedings or by-lined commentary to publish data and opinions shared through events for media outreach and reference in future communication efforts.
- Leverage credibility of speakers, achieving at least one example of extending positive messages and information within the influencer community in each target market where a panel is held (e.g., placing quotes, commentaries or presentations in university or professional association venues such as newsletters, websites, listservs, member meetings, etc.).
- Create sustained and positive dialogue about food production in university environment throughout 2011 by helping at least three state partners to place additional expert discussions in department- or club-hosted lectures.

▪ **Proposed cost:** \$200,000

Tactic 1D: Crisis Preparedness – Maintain and enhance beef industry preparedness for potential crisis situations, such as a Foot and Mouth Disease outbreak in the United States.

The separate Crisis Reserve AR provides the mechanism for obtaining response resources in the instance of a business-changing crisis event. This crisis preparedness tactic helps us anticipate the most serious threats, develop appropriate communication tools and maintain an effective response process in advance of a crisis situation. This tactic also helps maintain the beef industry’s partnership with the Cross-Species FMD Communicators group.

The 2011 plan calls for a beef industry vulnerabilities assessment and communication tools inventory to help us identify and prepare for the top potential threats. In addition, this tactic includes a crisis drill that would test the national response process and state-national response coordination, helping us identify opportunities for improvement.

- **Measurable objectives:**
 - Maintain coordinated, cross-species FMD communication tools such as a response statement, messages, trained spokespeople and a Website.
 - Develop an issues map for the industry that identifies top potential crisis threats and establish a plan for obtaining the necessary response tools.
 - Create a plan for improving the beef industry’s crisis response system based on information or training gaps and opportunities identified through a crisis drill.

- **Proposed cost:** \$75,000

IV. DETAILED BUDGET SUMMARY

Strategy & Tactic	Program Manager	Completion Date	Total FY 2011 Budget	Budget by Funding Source		
				CBB/BPOC	FSBCs	Other
Protect and Defend Beef’s Image	J. Matsen	9/30/11	\$ 650,000	\$ 566,400	\$ 83,600	
Explore Today’s Beef Industry	J. Matsen/ J. Stolp	9/30/11	\$ 270,000	\$ 235,270	\$ 34,730	
Food for the Future Forums	J. Matsen	9/30/11	\$ 200,000	\$ 174,280	\$ 25,720	
Crisis Preparedness	J. Matsen	9/30/11	\$ 75,000	\$ 65,350	\$ 9,650	
Industry Resource Total			\$ 1,195,000	\$ 1,041,300	\$ 153,700	
AR Totals			\$ 1,195,000	\$ 1,041,300	\$ 153,700	

V. SUPPLEMENTAL INFORMATION

A. Changes from FY 2010 Approved AR:

- The Protect and Defend tactic includes publishing and distributing *Beef Issues Quarterly* (BIQ). Formerly the every-other-month publication *Issues Update*, BIQ was redesigned in FY2010 to provide more in-depth issue analysis and forecasting for the 3,600-plus industry leaders who subscribe to either the print or online versions. Historically, a readership survey is conducted every other year and would be fielded in 2010; however, with the recent redesign and renaming, we are recommending conducting the survey in FY2011.

In addition, this tactic for 2011 calls for employing a more sophisticated issues monitoring, reporting and mobilization tool. This “issues dashboard” will provide a

snapshot of relevant beef headlines, conversations and myths collected from daily monitoring and connect them with relevant response resources.

- This Authorization Request includes two new tactics: Explore Beef and Food for the Future Forums. They directly address the two priorities of “Educate Influencers on Beef and Beef Production” and “Reconnect Consumers with Beef Production” by providing experiences (both real and virtual), credible debate and compelling information that encourages target audiences rethink concerns about today’s beef production practices. The Food for the Future Forums will reach the millennial audience – a group of current consumers and future influencers who are particularly interested in issues such as sustainability, animal welfare and safety.
- This Crisis Preparedness tactic has been expanded from the FY2010 plan of work. The FY2011 tactic calls for a beef industry vulnerabilities assessment and communication inventory to help us better identify and prepare for the top potential threats. In addition, this tactic includes a crisis drill that would test the national response process and state-national response coordination, helping us identify opportunities for improvement. The last national crisis response drill was held in 2006 and the prior vulnerabilities assessment completed in 2007. A number of things have changed since then, including growth of social media as a crisis response tool and new potential crisis concerns that should be addressed in 2011.

B. Subcontractor information:

- **Name of proposed subcontractors:** GolinHarris Public Relations, CARMA International, CEC Printing Services and other subcontractors as needed.
- **Will all work with subcontractors be competitively bid? If not, why not?** GolinHarris and CEC Printing Services were named as subcontractors on the basis of competitive selection processes in 2008 and 2009, respectively. CARMA International is a provider of unique services in accordance with the National Cattlemen’s Beef Association unique service provider specifications. Other subcontractors will be selected based on competitive analysis.

C. Identify any relationships between this AR and projects previously funded by the Operating Committee: The Protect and Defend and Crisis Preparedness tactics outlined in this AR build on and complement issues management projects funded by the Operating Committee since 1989. In addition, the Explore Beef and Food for the Future Forum tactics continue efforts started four years ago through public relations and issues management programs to tell the beef production story. These tactics also leverage long-standing checkoff investments in other programs such as safety and nutrition research, producer education and nutrition influencer outreach in order to improve the industry’s image on important beef and beef production issues.

D. Summary of Prior Year AR Budgets and Expenses:

Strategy	FY 2010 Approved Budgets			FY 2010 Actual Expenses (NCBA's as of 5/31/10)		
	CBB/BPOC	FSBCs	Total	CBB/BPOC	FSBCs	Total
Industry Resource	\$1,090,140	\$ 104,926	\$ 1,195,066	\$ 385,580	\$ 37,677	\$ 423,257
Safety	\$ 168,490	\$ 16,215	\$ 184,705	\$ 37,628	\$ 3,622	\$ 41,250
Product	\$ 72,800	\$ 7,005	\$ 79,805	\$ 11,087	\$ 1,067	\$ 12,154
AR Totals	\$1,331,430	\$ 128,146	\$ 1,459,576	\$ 434,295	\$ 42,366	\$ 476,661

E. Historical Summary of Budgets and Expenses:

	Total Approved Budgets			Total Actual Expenses		
	FY 2009	FY 2008	FY 2007	FY 2009	FY 2008	FY 2007
Issues & Reputation Mgmt	\$ 822,735	\$ 841,000	\$ 855,000	\$ 830,046	\$ 819,067	\$ 871,918
AR Totals	\$ 822,735	\$ 841,000	\$ 855,000	\$ 830,046	\$ 819,067	\$ 871,918

