

AUTHORIZATION REQUEST FOR FY 2011

AR Title: CONSUMER ADVERTISING

Name of Contractor: National Cattlemen's Beef Association

CBB Budget Component: Promotion

I. OVERVIEW

A. AR Description: This AR includes print, radio, online, mobile and other targeted advertising to consumers, with the primary goal of activating consumers to choose beef.

B. Costs Requested from this AR:

Source of Funding	Total	Direct Costs	Implementation
Beef Board/BPOC	\$ 8,211,400	\$ 8,211,400	\$
Federation of SBCs (FSBCs)	\$ 1,212,200	\$ 1,212,200	\$
Other Sources (<i>describe</i>)	\$	\$	\$
Total Funds Requested	\$ 9,423,600	\$ 9,423,600	\$

C. Disclosure of Implementation Costs Requested in Separate AR:

Source of Implementation Funding	Implementation
Beef Board/BPOC	\$ 381,717
Federation of SBCs (FSBCs)	\$ 56,383
Other Sources (<i>describe</i>)	\$
Funds Requested in AR P-08-2011	\$ 438,100

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: Capitalize on the Power of Lean, Reconnect Consumers with Beef Production

B. Committee That Reviewed This AR: Joint Advertising Committee

C. Committee Recommendations for This AR: The Joint Advertising Committee recommends to the Operating Committee that this AR be approved for funding in FY2011.

III. PROGRAM INFORMATION FOR THIS AR

A. Strategies 1 & 2 Product and Nutrition

Product – Strengthen the value proposition of beef in the marketplace.

Nutrition – Strengthen beef’s position as a healthful food and as a premier nutritional protein so consumers and influencers feel good about the beef they love.

Strategy 1 Proposed Cost: \$9,423,600

Specific Tactic Information:

Tactic 1A: National Advertising – This tactic includes the development and production of all “Beef. It’s What’s For Dinner” creative work (artwork, photography, copy, radio scripting) for targeted magazines, radio, online, mobile and other advertising outlets. This tactic also includes the purchase of print (approximately 65% of media budget), radio (20%), online/mobile (10%) and other media (5%) to place consumer-targeted advertising. (Note that media budget percentage allocations may change following the media negotiation process and as new media opportunities present themselves.)

The 2011 advertising recommendation is to continue the "29 Lean Cuts. One Powerful Protein." campaign the checkoff funded in 2010. The print advertising includes an arresting and educational look at the individual lean cuts that give consumers permission to satisfy their passion for Beef. The campaign uses a variety of media to reach consumers - print, radio, online and on their mobile phones – and is the foundation for a state and national checkoff-funded integrated communications plan. (Elements from the advertising campaign will also be leveraged across appropriate consumer touchpoint mechanisms, including public relations, retail marketing, food communications as well as through billboard, radio and print advertising purchased by the State Beef Councils.)

The advertising program also puts a face on the beef industry. Beef ranchers and farmers tell consumers, in their own words, how they feel about their families, their ranches and their way of life – and what it means to them to provide food for others. These full-page “advertorials,” which are negotiated to be free-of-charge to the checkoff, will appear throughout the FY2011 national print plan.

▪ **Measurable objectives:**

- Reach 75% of target consumers an average of 7 times through the fiscal year.
- Shift consumer perceptions about Beef in a positive way, as positive beef perceptions strongly correlate with greater beef consumption, including lean beef. Quantitatively demonstrate a positive and notable attitudinal difference between consumers who see/hear the advertising campaign and those who are not exposed to the ads because checkoff-funded market research shows that when consumers have favorable attitudes toward

beef, they eat more beef. Benchmarks will be established for the new “Profiles” campaign and will be used to measure against in FY2011.

- Secure \$1 million worth of free media space in which to support the pro-ranching/farming message.

- **Proposed cost:** \$9,423,600

IV. DETAILED BUDGET SUMMARY

Strategy & Tactic	Program Manager	Completion Date	Total FY 2011 Budget	Budget by Funding Source		
				CBB/BPOC	FSBCs	Other
Strategies 1 & 2: Product & Nutrition						
National Advertising	M. Roth	09/30/11	\$ 9,423,600	\$ 8,211,400	\$ 1,212,200	
Product & Nutrition Total			\$ 9,423,600	\$ 8,211,400	\$ 1,212,200	
AR Totals			\$ 9,423,600	\$ 8,211,400	\$ 1,212,200	

V. SUPPLEMENTAL INFORMATION

A. Changes from FY 2010 Approved AR:

- The FY2010 Approved AR also included an incremental \$500,000 in funding from another Consumer Advertising AR, entitled “Early Grilling Season Middle Meat Radio/Retailer Blowout” (P-09-2010). This year’s Consumer Advertising AR does not include that specific Radio-Retailer promotion. An “Attachment A” is being submitted so that this strong promotion can be considered again for funding in FY2011.

B. Subcontractor information:

- **Name of proposed subcontractor:** Leo Burnett/Starcom
- **Will all work with subcontractors be competitively bid? If not, why not?**
The agency is reviewed annually to assure strong performance and has met or exceeded targets and negotiated media to save checkoff dollars and secure added value each year. Contract and fees are also reviewed every year. Burnett has invested significantly in beef to understand the product, our consumers and beef’s differentiated and relevant advantage in the marketplace.

C. Identify any relationships between this AR and projects previously funded by the Operating Committee: Previous consumer advertising programs.

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
Product & Nutrition	\$ 9,052,400	\$ 871,200	\$ 9,923,600	\$ 1,848,735	\$177,942	\$ 2,026,677
AR Totals	\$ 9,052,400	\$ 871,200	\$ 9,923,600	\$ 1,848,735	\$177,942	\$ 2,026,677

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
Product & Nutrition	\$ 10,045,310	\$ 15,000,000	\$ 16,685,000	\$ 9,915,495	\$ 14,750,807	\$ 16,060,588
AR Totals	\$ 10,045,310	\$ 15,000,000	\$ 16,685,000	\$ 9,915,495	\$ 14,750,807	\$ 16,060,588