



ASPEN
MEDIA AND
MARKET
RESEARCH

Memorandum

January 28, 2008

To: Lynn Heinze
From: Dan Hoffman
Subject: Topline Findings from the January 2008 Beef Producer Attitude Survey

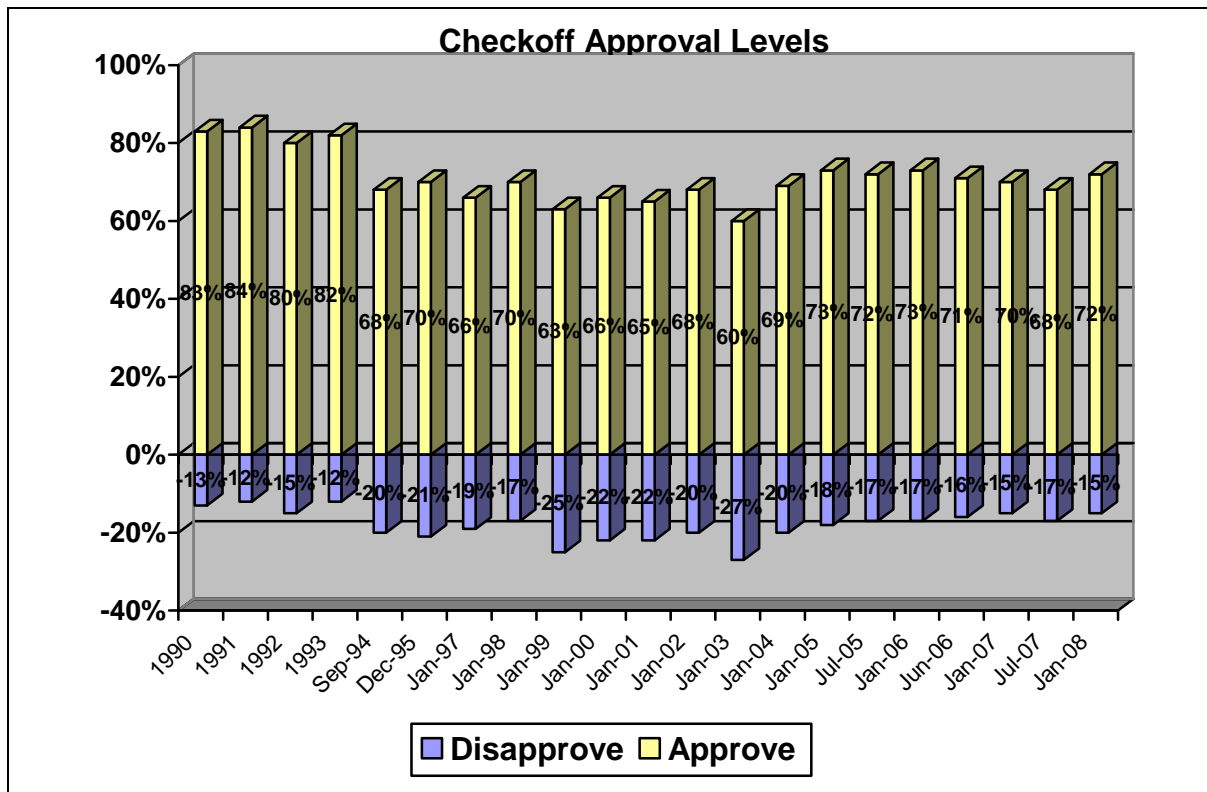
Aspen Media & Market Research was commissioned to conduct a study of beef producers nationwide in order to determine their awareness of, attitudes toward, and concerns about the Beef Checkoff Program. The following are the topline findings from this study. They are based upon 1,225 interviews of a random representative sample of beef and dairy producers nationwide. The interviewing was conducted between December 27, 2007 and January 10, 2008. For a sample of 1,225 producers, the statistical margin of error is ± 2.8 percentage points around any one reported percentage.

Support for Checkoff

Producers continue to have very favorable attitudes toward the beef checkoff program. Currently about seven in ten approve of the program. The results have been similar over time. In the past five years, approval rates have ranged between 68% and 73%. Producers' support for the checkoff program has been consistent over the years—during the past decade, a majority always have approved of it, with positive ratings of 60% or more.

For the most part, checkoff support has remained steady in spite of changing economic conditions or extensive news coverage. Economic conditions have been cyclical—they have improved and declined. There have been two up market cycles and one down cycle in the past 6 ½ years. Economic conditions also have influenced producers' outlook toward their industry, although this has not had a large effect upon their approval levels regarding the checkoff. In the past 11 ½ years, there have been three cycles where producers had a negative or mixed outlook toward their industry.

The research also shows that the proportion of producers who disapprove of the checkoff has remained virtually unchanged in the past 12 months. Moreover, the disapproval rates have remained lower in the past few years. Since January 2003, the proportion who disapprove has dropped 12 points, from 27% to 15% now. Currently, there are approximately equal numbers of producers who say they “strongly” or “somewhat” disapprove of the checkoff. There has always been a core group of producers who dislike the program; it is at the lower end of the historic range (12%-27%).



Knowledge about the checkoff continues to be a predictor of favorability toward it, a consistent finding. Producers who are “very” or “somewhat” well informed are more likely to approve of the checkoff, particularly among those who say they are very well informed. Among this group, 79% approve of the program (48% of them strongly), while only 14% disapprove. There is a similar ratio of approval and disapproval ratings among those who are somewhat well informed (76% and 12%, respectively), but fewer of them say they strongly approve (28%).

In contrast, the strength of checkoff support begins to slip among those who say they are not too well informed. Only about one in two approve of the checkoff (12% strongly approve), 15% are neutral, while 20% disapprove.

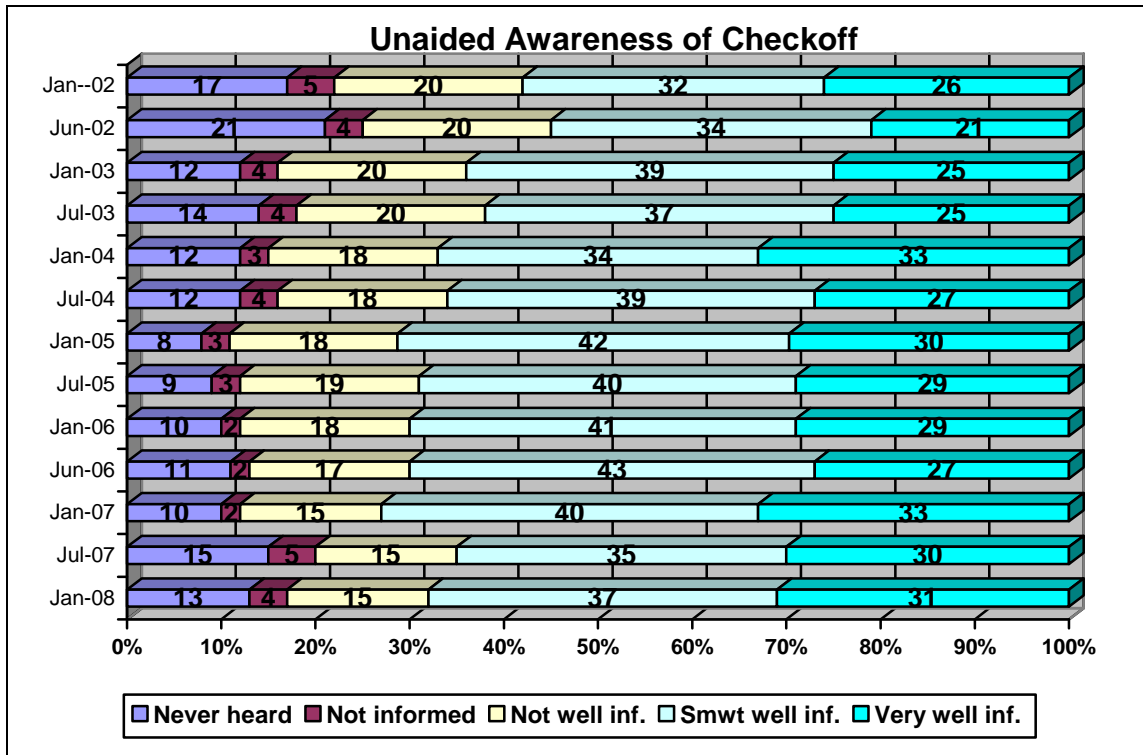
The weakest support occurs among those not informed at all—35% approve (5% strongly), 17% are ambivalent and 27% disapprove. Another 21% did not offer an opinion.

Approval Ratings	Very well informed	Somewhat well informed	Not too well informed	Not at all informed
Strongly approve	48%↑	28%↑	12%	5%
Somewhat approve	31	48↑	43	30
Neither	6	9	15	17
Somewhat disapprove	4	6	14	8
Strongly disapprove	10	6	6	19↑
Don't know	2	2	11	21↑
(n=)	(393)	(477)	(206)	(56)

Awareness of and Knowledge about Beef Checkoff

Understanding producers' awareness of the checkoff program is a first step toward determining how familiar they are with it. Low awareness represents a lack of knowledge about the program. With little knowledge, it can be difficult for producers to understand the benefits of the program. To address these issues, producers were asked whether they had heard about the checkoff and, if so, how knowledgeable they were about it.

First, producers were asked, on an unaided basis, if they were aware of the checkoff—that is, without any description of it being read to them. On this basis, 87% said they had heard of the program, which is comparable to previous years. The reality, however, is that about one third of producers know little or nothing about it. Fifteen percent said they were not too well informed, four percent were not informed at all, and 13 percent were not even familiar with the name.



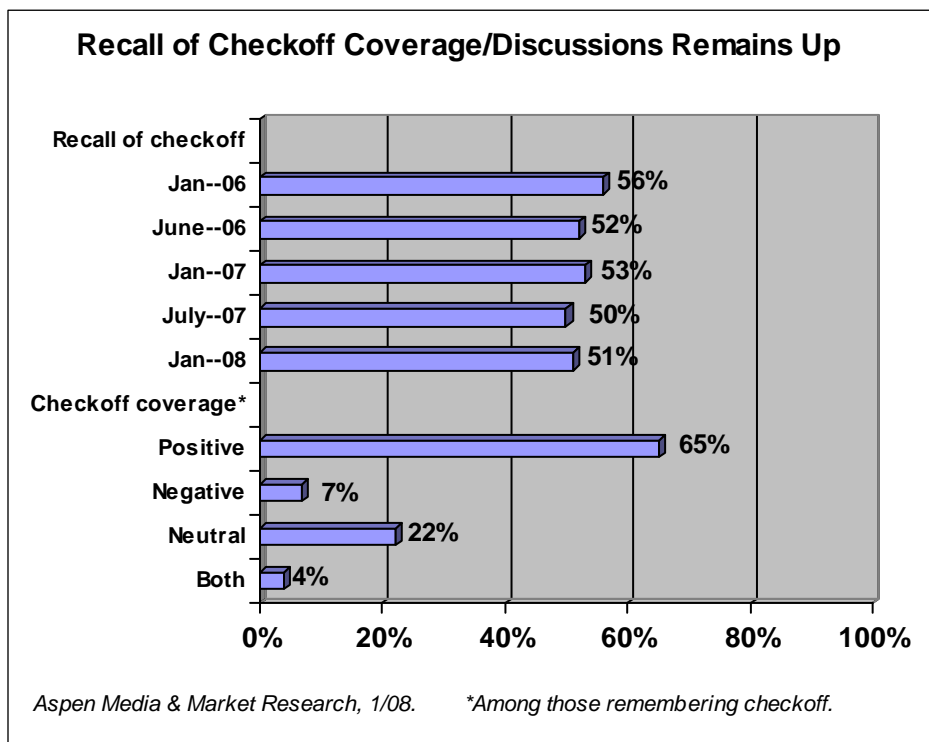
The 13 percent of producers who did not recognize the checkoff on an unaided basis were read a subsequent description of it. Using this reinforcement helped raise their awareness another six percentage points. In total, then, the unaided and aided name awareness of the checkoff is very high (93%).

The proportion of producers who have at least some knowledge about the checkoff program has dipped slightly in the past year. Currently, 71% of producers consider themselves “very” or “somewhat” well informed about the program, a four-point decline since January ‘07. However, the trends in producers’ knowledge about the checkoff on an unaided and aided basis continue to be mostly positive, a consistent finding over time. In the past two years, between 68% and 75% say they are informed. The proportion of producers who consider themselves uninformed is down slightly, in the middle of its historic range. Twenty-nine percent say they are uninformed.

Awareness (unaided, aided) of checkoff	July 2003	Jan. 2004	July 2004	Jan. 2005	July 2005	Jan. 2006	June 2006	Jan. 2007	July 2007	Jan. 2008
Informed	65%	69%	68%	73%	70%	73%	72%	75%	68%	71%
Very well	26	33	27	30	29%	30%	27	33	31	32
Smewhat well	39	36	41	43	41	43	45	42	37	39
Uninformed	35	31	32	26	30	27	28	25	32	29
Not too well	22	20	21	19	21	19	19	16	18	17
Not informed	5	4	4	3	4	3	2	2	5	5
Never heard	8	7	7	4	5	5	7	7	9	7
(n=)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)

Recall of Checkoff in Advertising or News

A program with the visibility of the checkoff is bound to be talked about or in the news from time to time. It is important to find out just how visible the program is and how producers perceive the coverage. The results indicate that many producers continue to pay attention to recent checkoff news: the visibility of the program remains high. Currently, half of producers have seen, read, or heard something about the beef checkoff in the past six months. Of the producers who are aware of the checkoff being discussed, two-thirds



perceive the majority of news coverage to be positive. In contrast, only about one in ten think it is either negative (7%) or both negative and positive (4%).