

AUTHORIZATION REQUEST FOR FY 2019

CBB Budget Category: **Promotion**

Name of Contractor: **North American Meat Institute**

Name of Organization Subcontracting:

Start Date: **10/1/2018**

End Date: **9/30/2019**

AR OVERVIEW

AR Description:

AR Description: This authorization request (AR) sets forth the strategies and tactics supporting the CBB budget category for promotion. Each of the veal promotion measurable objectives directly supports one or more of the core strategies of the Beef Industry Long Range Plan.

The North American Meat Institute on behalf of the beef checkoff is delighted to share a few of the successes from FY18.

- Ten new globally inspired veal recipes, photography and how-to videos.
- Summer grilling retail promotion and branded partnership to extend veal's reach and engagement among current and new users (1,885 participating retailers)
- Creation of infographics to promote veal's nutritional benefits and versatility to consumers and key opinion leaders
- Outreach to 500 retail registered dietitians to educate on the nutritional benefits of veal
- Outreach to 39 culinary schools to promote veal's value proposition including nutritional benefits, versatility and innovative recipes once a quarter
- Achieved a consumer reach of over 12 million in the first two quarters

Veal is a unique, high quality protein, with a strong value proposition including nutritional benefits and versatility in preparation and presentation in a meal. Today's veal consumers consist of a broad audience that includes current users and new users like millennials and millennial parents who are very receptive to innovative veal dishes.

This Go-To-Market strategy will focus on a strong digital footprint that encompasses digital advertising and organic engagement, and educating consumers and channel marketers about veal's key benefits. Additionally, FY19's campaign will expand veal's reach, effectiveness and efficiencies by increasing activities with state beef councils and

leveraging industry partners to expand veal's engagement among consumers and key opinion leaders.

It must be noted that all veal promotional and industry information activities authorized by the Beef Board are funded by veal farmers and importers and dairy producers through their checkoff dollars. The veal formula is a tool that the Cattlemen's Beef Board uses to estimate the assessments contributed to the Board by the veal industry. The Operating Committee considers the information provided by the veal formula when they are making funding decisions.

The veal industry relies heavily on checkoff dollars to keep veal top of mind with consumers and channel marketer decision makers, creating a more favorable and sustainable marketplace for veal.

The U.S. veal industry employs a unique production and marketing infrastructure that benefits beef and dairy producers as well as meets a consumer demand for veal.

Nearly all veal gets its start on a dairy farm. There are 9.3 million dairy cows (USDA 201), which represents approximately 10 percent of all cattle and calves in the United States. Dairy cows produce a calf each year. Heifer calves are raised and returned to the milking herd. There are three primary options for bull calves:

1. Be raised for beef where they are fed to a market weight of 12-14-hundred pounds (most of all dairy bull calves are raised for beef);
2. Sold directly from the dairy within a few days for slaughter and marketed as "Bob" veal; or
3. Raised for 20-22 weeks and marketed as milk-fed or formula-fed veal weighing 500 or more pounds.

Total veal slaughter in 2017 recorded by USDA was 503,300 calves. If half of all calves born to dairy cows are bull calves (4.6 million), the veal industry utilizes a half a million of these calves in veal production which precludes them from entering the fed beef supply chain.

Veal is primarily raised in six states: Wisconsin, Indiana, Ohio, Michigan, Pennsylvania and New York. There are approximately 700 farm families that raise milk-fed veal. Veal production is also closely aligned with cheese production because a by-product of cheese making – whey protein – is utilized in creating the formula fed to veal calves. Consequently, milk-fed veal production increases the value of bull calves and demand for whey protein products, which in turn, bolsters prices paid to dairy farmers for the calves and milk.

Most of all veal meat consumed in the U.S. is from milk-fed veal. Consumption is heaviest in the Northeast, including cities like Chicago, Philadelphia, and New York City. Baby boomers in Florida and California also are heavier than average consumers of

veal. Veal is traditionally consumed by people of European decent such as those with a French, Italian, German, Polish, or Dutch ancestry.

In 2017, the U.S. veal industry achieved a ten-year goal set by the American Veal Association to shift raising all milk-fed veal calves to group housing and without tethers. Over the past 10 years, more than \$150-million has been invested by veal growers to build new facilities or renovate existing buildings. Today, almost all milk-fed veal is raised in group pens.

The Veal Lifecycle



STARTING AT THE DAIRY FARM

When a mother cow is bred on a dairy farm and gives birth to a female or heifer calf, the calf stays at the dairy and joins other milk-producing cows. If a male or bull calf is born, he is sold to farmers who raise him to a full grown 1,200-1,500 pound beef animal or to a 500-pound veal calf.



GROWING ON A VEAL FARM

Veal farmers purchase dairy calves when they weigh 100 pounds and raise them until they are 5-6 months old. Veal calves live indoors, protected from extreme heat and cold, in group pens where they can socialize and receive food and veterinary care. Seven hundred farm families raise veal calves in the United States.



NOURISHING FAMILIES

When calves reach 500 pounds, they are sent to a packing plant where they are humanely processed into veal for sale in supermarkets and restaurants.



Funded by the Beef Checkoff.

The strategic objective in this AR is to promote and strengthen beef's value proposition through the following initiatives.

- a. Support the Beef Industry Long Range Plan.
- b. Continue to revolutionize and innovate veal marketing.
- c. Continue to communicate veal's nutritional benefits and versatility.
- d. Create diverse and innovative product partnerships and work together with state beef councils to extend veal's reach, effectiveness and efficiency.
- e. Continue to build on a strong foundation from previous successes.
- f. Connect and inspire consumers, channel marketers and foodservice operators with innovative veal recipes and menu solutions that align with today's global trends.

- g. Continue to use new media platforms to engage consumers, channel marketers and key opinion leaders.
- h. Focus on activities that will increase veal's reach and engagement among consumers and key opinion leaders.
- i. Provide ongoing communication to the industry to keep stakeholders and partners informed about all checkoff funded veal activities.
- j. Help drive overall demand and sales for veal by making veal relevant and top of mind with current and new users like millennials, millennial parents and channel decision makers.

Cost for this AR:

Source of Funding	Direct Costs	Implementation	Total
CBB/BPOC Funding Request:	\$240,000	\$60,000	\$300,000
Federation of SBCs Funding Request: (Informational Only)	\$0	\$0	\$0
Other Funding Source(s): (Informational Only)	\$0	\$0	\$0
Total Cost	\$240,000	\$60,000	\$300,000

Long Range Plan Core Strategies Addressed by this AR *(Check all that apply)*

Grow Beef Exports	Consumer Trust	Protect & Enhance	Beef's Value Proposition
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Digital properties and target audience(s) addressed by this AR:

Consumer (with a focus on Millennials and Millennial Parents), Industry leadership and Key Opinion Leaders

- VealMadeEasy on Facebook
- VealMadeEasy on YouTube
- VealMadeEasy on Pinterest
- @vealmadeeasy on Twitter
- @vealmadeeasy on Instagram
- VealMadeEasy.com
- VealFoodservice.com
- E-newsletter outreach (consumer and industry)

PROGRAM INFORMATION FOR THIS AR**Tactic A**

Tactic Name: Integrated Consumer and Channel Marketing

Tactic Description:

The objective of this tactic is to create exciting checkoff content assets for consumers, influencers and industry stakeholders that will increase consumer demand and create a more favorable marketplace for veal. Collaborating with state beef councils to increase veal's reach and engagement will be a main focus in 2019. Exciting new global trending recipes will be developed and shared through multiple channels of distribution. Compatible branded partnership programs, consumer/retail events and retail/social media promotions are planned.

Creating a successful marketplace for veal requires consumer advertising, marketing and promotions along with working directly with supermarket and foodservice decision makers to ensure veal is available. The primary target geographic regions are the Northeast and Mid-Atlantic states that enjoy widespread veal distribution plus select large cities throughout the U.S.

An important initiative will be reaching key influencers and opinion leaders with a progressive message of veal's global trending new recipes, nutrition and versatility through various activities and channels of communications targeting retailers, chefs, culinary students, registered dietitians and more.

A priority will be to focus on creating and extending new content to consumers and industry leadership. A comprehensive communications plan will drive increased reach and engagement.

Integrated consumer and channel marketing will include the following initiatives in FY19:

Revolutionize Beef's Marketing and Merchandising

With the millennial audience behavior trending towards global inspired recipes; we will expand on the well-received newly developed veal recipes, photography and how-to videos in FY18.

Our new recipes will be shared and promoted through multiple channels of distribution targeting millennials and millennial parents. Family Features, a content syndication network that includes over 10,000 editors from local and regional print and digital outlets nationwide will be used to maximize content distribution.

- FY19 recipe development will focus on the creation of ten new global trending recipes. Recipe photography and how-to videos will be used to promote veal through multiple channels of distribution to reach consumers and key opinion

leaders. Three (3) will include “re-imagined” recipes from State Beef Councils’ bloggers.

- We will build on veal’s collaboration successes by securing a brand/product partnership for a social/retail promotion supported with geotargeted social media to promote veal’s versatility and nutritional benefits to a collective audience and drive sales and demand for veal.

Connect and Communicate Directly with Consumers

An emphasis on content distribution to consumers, industry and key opinion leaders will be accomplished through a variety of initiatives.

- We will promote veal’s recipes, versatility and nutritional benefits through an email outreach campaign to over 450 consumers who have signed up to the veal made easy database.
- Veal content will be made easier to access by consumers, industry leadership and key opinion leaders through a revised and updated vealmadeeasy website with a strong emphasis on recipes and how-to videos.

Connect, Communicate and Engage with Veal Advocates, Industry Leadership and Influencers

FY 19 will focus on communicating with industry leadership, educating key opinion leaders and creating brand ambassadors for veal through email outreach, events and collaborations.

- We will continue to build on our email outreach to educate registered dietitians on veal’s nutritional benefits.
- A collaboration with a state beef council to coordinate a blogger/culinary student/chef tour of a veal farm.. Their learnings will be shared with followers through their blog and will assist with promoting and extending veal’s reach among culinary students and chefs.
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- Creation of a foodservice industry program that will incentivize the distributor for most veal sold during a specific timeframe. This will keep veal top of mind and increase sales and demand.
- A relationship will be established with a pop-up restaurant, regional restaurant chain or a retailer chain “grocerant” to identify a veal dish to put on their menu to increase awareness and trial of veal.
- Industry leadership will be kept up to date and engaged with veal’s activities through a veal summit and email outreach campaign.

Measurable Objectives *(List at least three outcome-based objectives for this tactic):*

1. Generate more than 300,000,000 consumer media impressions through newly created content to demonstrate veal’s versatility, nutritional benefits and globally inspired veal recipes among the consumer audience.
2. Connect and engage with more than 350,000 consumers through social media and consumer promotions.
3. Reach and engage more than 6,000 industry leaders, veal advocates and key opinion leaders through email outreach, social media, events and website.

Performance Efficiency Measures

Consumer Reach Goal: 300,000,000
 Consumer Engagement Goal: 400,000
 Voice/KOL Reach Goal: 6,000
 Voice/KOL Engagement Goal: 2,000

LRP Strategic Initiatives Addressed by this Tactic *(Check all that apply)*

Drive Export Growth	Grow Consumer Trust	Protect & Enhance Business Climate	Beef’s Value Proposition
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- Adopt traceability systems
- Increase market access
- Promote unique attributes of U.S. beef

- Ensure antibiotic stewardship
- Certify & verify production practices
- Ensure beef safety
- Protect beef’s image
- Engage beef advocates

- Research & innovate new production tech.
- Ensure beef’s inclusion in dietary recommendations
- Motivate producers & stakeholders to engage
- Develop crises management plans
- Attract, develop & enable the next generation
- Defend beef’s product identity

- Revolutionize beef marketing & merchandising
- Measure & improve sustainability
- Research & communicate beef’s nutritional benefits
- Connect & comm. with consumers
- Improve product & production efficiency

Committee(s) to Score this Tactic *(Check all that apply)*

Consumer Trust	Export Growth	Innovations	Nutrition & Health	Safety	Investor Relations	Mkt. Research
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SUPPLEMENTAL INFORMATION FOR THIS AR**1. Will all work detailed in this AR be completed by the end of the fiscal year?**

Yes

*If not, please provide an explanation.***2. Please explain changes from FY 2018 approved AR:**

- A new updated website for consumers, influencers and industry stakeholders
- Enhanced and expanded focus on consumer education
- Research into millennial purchase decision behaviors
- Increase interactions and co-sponsored events with SBCs
- Significantly extend reach and engagement with consumers

3. List any proposed subcontractor/agencies that will be used to complete the work in this AR.

Streetmarc Advertising & Marketing LLC.

4. Will all work with subcontractors be competitively bid?

No

If not, why not?

The subcontractor has developed and managed implementation of veal programs for several years and that invaluable expertise and experience will insure that the highest industry standards are maintained, and goals are achieved.

5. Please list any relationships between this AR and projects previously funded by the Operating Committee:

This AR builds upon the strength and accomplishments of previous beef checkoff funded veal programs and the current Beef Industry Long Range Plan.

DETAILED BUDGET SUMMARY

CBB/BPOC Funding Request:

Committee	Tactic	Tactic Name	Funding Source	Direct	Implementation	Total
<i>Innovation</i>	A	Integrated consumer and channel marketing	BPOC	\$ 240,000	\$ 60,000	\$ 300,000
AR Totals				\$ 240,000	\$ 60,000	\$ 300,000

Federation of SBCs Funding Request: (Informational Only)

Committee	Tactic	Tactic Name	Funding Source	Direct	Implementation	Total
<i>Innovation</i>	A	Integrated consumer and channel marketing	Federation			\$ -
AR Totals				\$ -	\$ -	\$ -

Other Funding Source(s): (Informational Only)

Committee	Tactic	Tactic Name	Funding Source	Direct	Implementation	Total
<i>Innovation</i>	A	Integrated consumer and channel marketing				\$ -
AR Totals				\$ -	\$ -	\$ -

Total Cost Summary for All Funding Sources: (Informational only)

Committee	Tactic	Tactic Name	Funding Source	Direct	Implementation	Total
<i>Innovation</i>	A	Integrated consumer and channel marketing	All	\$ 240,000	\$ 60,000	\$ 300,000
AR Totals				\$ 240,000	\$ 60,000	\$ 300,000