



ASPEN
MEDIA AND
MARKET
RESEARCH

Memorandum

January 18, 2010

To: Lynn Heinze
From: Dan Hoffman
Subject: Topline Findings from the January 2010 Beef Producer Attitude Survey

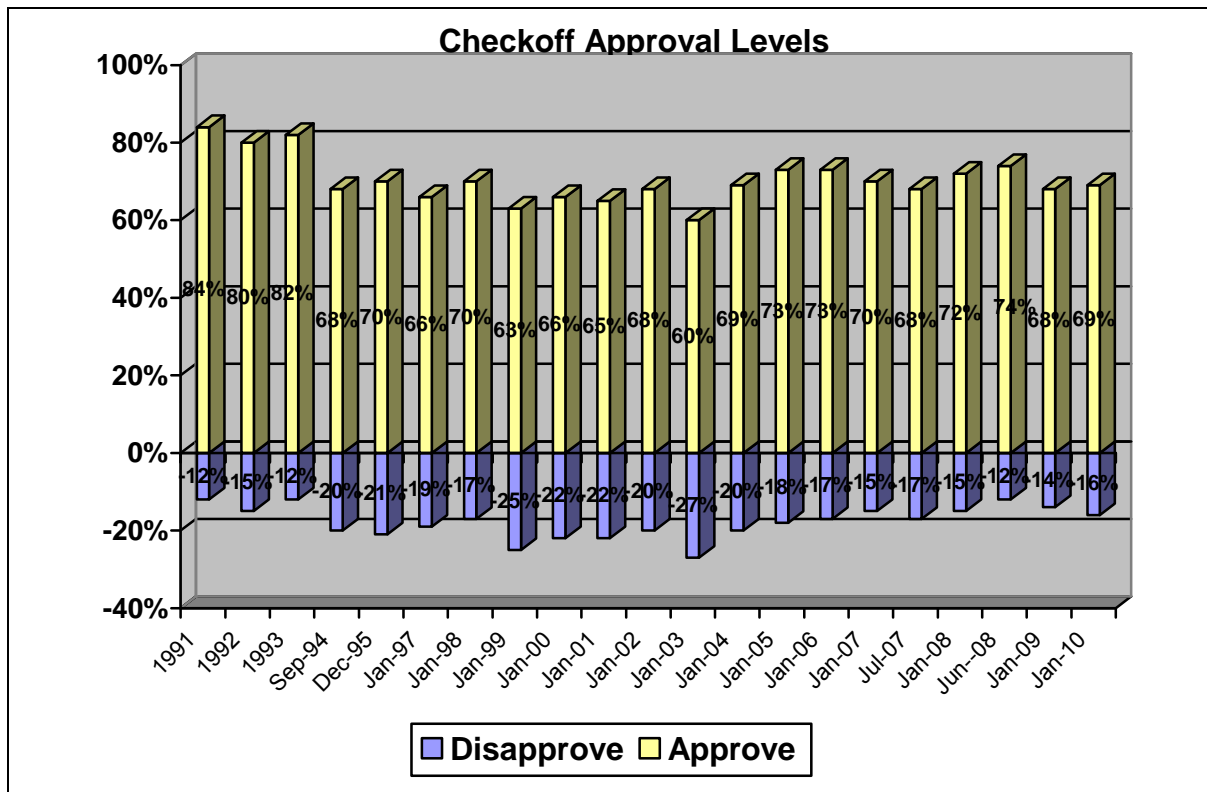
Aspen Media & Market Research was commissioned to conduct a study of beef producers nationwide in order to determine their awareness of, attitudes toward, and concerns about the Beef Checkoff program. The following are the topline findings from this study. They are based upon 1,200 interviews of a random representative sample of beef and dairy producers nationwide. The interviewing was conducted between December 11, 2009 and January 13, 2010. For a sample of 1,200, the maximum statistical margin of error is ± 2.8 percentage points around any one reported percentage.

Support for Checkoff

Producers continue to have favorable attitudes toward the beef checkoff program. Currently about seven in ten approve of the program, which is virtually unchanged from last year. In addition, the results have been fairly consistent over time. In the past five years, approval rates have ranged between 68% and 74%. Producers' support for the checkoff program has shown this consistency on a longer term basis as well—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. The cattle market has been cyclical—it has improved and declined. There have been two up market cycles and two down cycles in the past eight years. In the past few years, business conditions have tightened for producers. Currently, about half believe the biggest challenge facing the U.S. beef industry is high production costs or low cattle prices. A year ago, a similar proportion were concerned about this, and 59% mentioned these concerns two years ago. Economic conditions also have influenced producers' outlook toward their industry, although the effect upon checkoff approval levels has been small. About seven in ten producers indicated that in the past year the current economic recession has had a negative impact on their operation.

The research also shows that the proportion of producers who disapprove of the checkoff continues to remain low, a trend in recent years. Sixteen percent disapprove of the checkoff, which is virtually unchanged from one year ago (14%). Producers' dissatisfaction with the checkoff peaked in January 2003, when 27% disapproved of it. Since then, it has trended downward and is now 11 points lower. Currently, there are 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 historical 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, 78% approve of the program (45% of them strongly), while only 16% disapprove. There is a similar ratio of approval and disapproval ratings among those who are somewhat well informed (74% and 13%, respectively), but fewer of them say they strongly approve (26%).

In contrast, the strength of checkoff support begins to slip among those who say they are not too well informed, in part because they lack familiarity with the program. Only about half approve of the checkoff (11% strongly approve), 29% are neutral/unsure, while 18% disapprove.

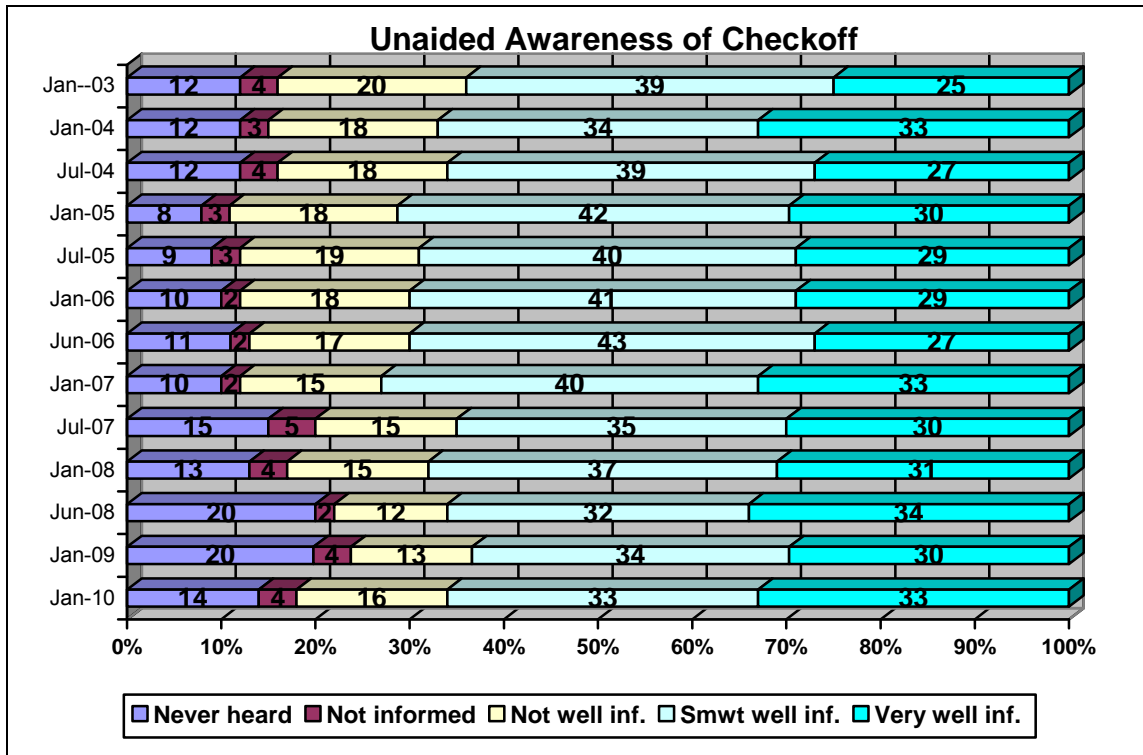
The weakest support occurs among those not informed at all—only 28% approve (5% strongly), 47% are ambivalent/unsure and 26% disapprove.

Approval Ratings	Very well informed	Somewhat well informed	Not too well informed	Not at all informed
Strongly approve	45%↑	26%	11%↓	5%↓
Somewhat approve	33	48↑	42	23
Neither	6	8	12	19
Somewhat disapprove	6	8	12	8
Strongly disapprove	10	5	6	18
Don't know	1	4	17↑	28↑
(n=)	(400)	(417)	(219)	(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. The vast majority have. Eighty-six percent said they had heard of the program, which is a slight increase compared to last year, but in line with the estimates from previous years. The reality, however, is that about one in three producers know little or nothing about it. Sixteen percent said they were not too well informed, four percent were not informed at all, and 14 percent were not even familiar with the name.



The 14 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 five percentage points. In total, then, the unaided and aided name awareness of the checkoff is very high (91%).

The proportion of producers who have at least some knowledge about the checkoff program has remained somewhat lower in the past several years. As the table on the next page indicates, it is quite similar to last year. Currently, nearly seven in ten producers consider themselves “very” or “somewhat” well informed about the program.

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 five years, at least two-thirds of producers say they are informed. At 32%, the proportion of producers who consider themselves uninformed is near the high end of the historical range and should be watched closely.

Awareness (unaided, aided) of checkoff	Jan. 2005	July 2005	Jan. 2006	June 2006	Jan. 2007	July 2007	Jan. 2008	June 2008	Jan. 2009	Jan. 2010
Informed	73%	70%	73%	72%	75%	68%	71%	68%	66%	68%
Very well	30	29%	30%	27	33	31	32	35	30	33
Smwhat well	43	41	43	45	42	37	39	33	36	35
Uninformed	26	30	27	28	25	32	29	32	34	32
Not too well	19	21	19	19	16	18	17	14	15	18
Not informed	3	4	3	2	2	5	5	3	5	5
Never heard	4	5	5	7	7	9	7	15	14	9
(n=)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(900)	(1,200)	(1,200)

The underlying value of the checkoff remains strong, although it is not immune from challenging market fundamentals or a bad economy. Producers recognize the program has some key strengths and plays an important role in the cattle business. They were asked whether they agreed or disagreed with a series of statements about the checkoff. A large majority (77%) feel the checkoff program has helped contribute to a positive trend in consumer demand for beef (the percentage with strong feelings dropped from 40% to 30% since last year). A similar number believe the program has value in weak economic conditions or are confident it is on their side during a crisis.

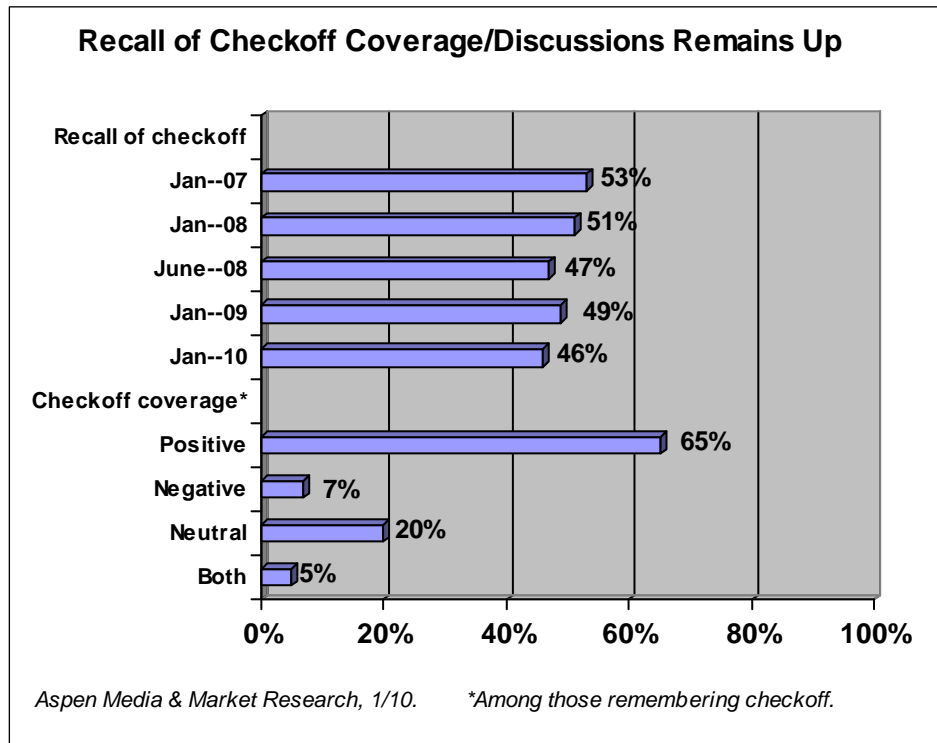
When it comes to their own operation, many producers believe the program has benefited them, although some are unsure. While a large majority (61%) believe it helps contribute to the profitability of their operation, the economy has taken a toll as 69% agreed with this statement one year ago. Approximately one in five are unsure, however. Management of the checkoff is viewed favorably as well. Approximately six in ten (62%) believe it is being managed well compared to 15% who do not.

There is moderate awareness of BQA. While 37% of producers say they are aware of a BQA program in their state, only one in four realize the program is checkoff-funded. Of those familiar with the program, 84% believe it has value to their operations. Attending a meeting about BQA remains the preferred method of receiving the information, with 57% choosing this method of training over online courses (12%) or Webcasts (4%).

Producers have mixed feelings about issues management. While 81% say that programs to increase consumer confidence and 73% say that address misinformation are essential, they are split on whether the program should be more aggressive (42%) or is about right (48%) in aggressiveness.

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, about 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,



about two-thirds perceive the majority of news coverage to be positive. In contrast, about one in ten think it is either negative (7%) or both negative and positive (5%).