



Memorandum

July 10, 2015

To: Lynn Heinze
From: Dan Hoffman
Subject: Topline Findings from the June 2015 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 601 interviews of a random representative sample of beef (515) and dairy (86) producers nationwide. The sample of producers was stratified based upon the 2012 Agricultural Census, by state, type of operation and age. The data was weighted by region to be proportionate to the number of U.S. beef and dairy farms in that region. From this, the adjusted sample size was 601.

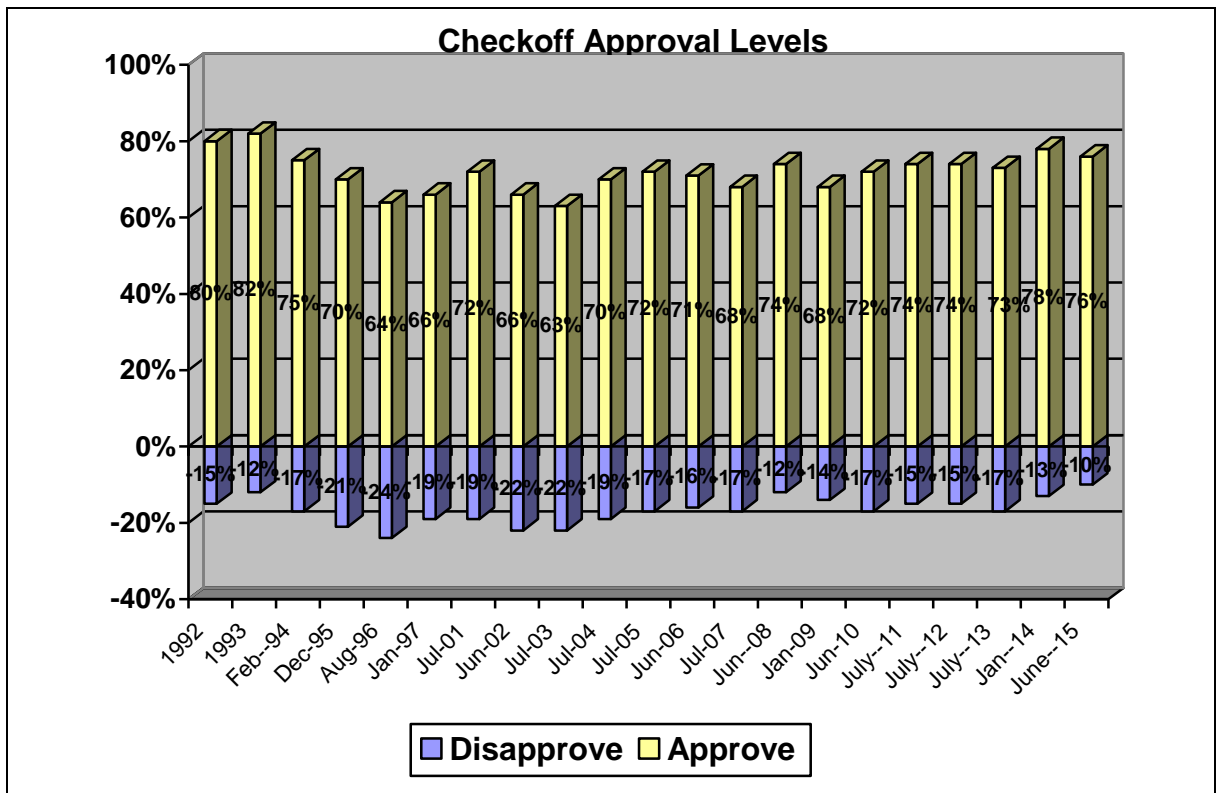
To participate, respondents had to indicate they managed an operation that included cattle. The interviewing was conducted between June 16 and June 26, 2015. For a sample of 601 the maximum statistical margin of error (95% confidence level) is ± 4.0 percentage points around any one reported percentage. For those aware of the checkoff, the maximum margin of error is ± 4.2 percentage points.

Support for Checkoff

Producers continue to have very favorable attitudes toward the beef checkoff program and have been very consistent in their support over time. Currently three out of four approve of the program. In the past five years, support has ranged between 73% and 78%. Even going back 10 years, a large majority have approved of the program with support levels in the low-to mid-70's in eight of those years.

The research also shows that the proportion of producers who disapprove of the checkoff continues to remain low, a trend in recent years. Just ten percent disapprove of the checkoff, which is the lowest it has ever been since polling started 28 years ago. Producers' dissatisfaction with the checkoff peaked in January 2003, when 27% disapproved of it. Since then, it has trended downward and is now 17 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 now at the low end of the historical range (10%-27%).

Checkoff approval levels also are consistent by age. No differences emerged when comparing younger producers to older ones.



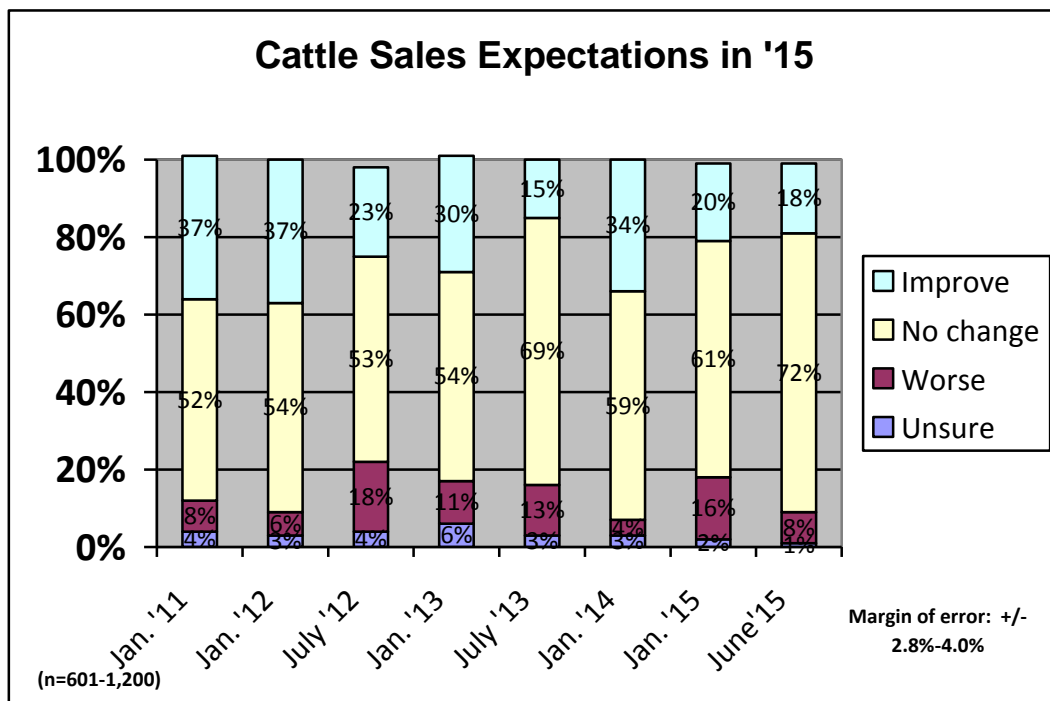
For the most part, checkoff support has remained steady in spite of changing operating or economic conditions, or extensive news coverage. The cattle market has been cyclical—it has improved and declined several times over the past decade.

While economic conditions impact producers' outlook toward their industry, the effect upon checkoff approval levels has been small. Timing matters somewhat when you ask producers about the outlook for their cattle or dairy operations. Over the past five years, producers have been asked about their expectations for cattle or dairy sales for the specific year in which they were surveyed.

Only about one in five expect improvement in their sales this year. The good news is a large majority (72%) do not expect the rate of sales to change. Just eight percent believe they will end the year on a worse note than in 2014.

Historically, relatively more producers are optimistic in January than they are in June or July. However, this year is an exception. In January 2012, 37% expected sales for their cattle or dairy business to improve during the year, compared to only 23% by mid-summer of that year. The same thing happened in 2013, when 30% had high expectations in the winter but only 15% did by the summer of that year. In contrast, 20% were optimistic at the beginning of this year compared to 18% who are currently expecting sales to finish higher.

Age and optimism are related. The youngest producers interviewed believe sales will finish higher than last year. About half (49%) of producers under 35 think things will be better this year. In contrast, only 15% to 29% of producers in age segments older than this feel the same way.



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 for those who say they are very well informed. Among this group, over three-fourths tend to approve of the program (55% of them strongly), while only 15 percent disapprove. There is a similar ratio of approval and disapproval ratings among those who are somewhat well informed (86% and 6%, respectively), but fewer of them say they strongly approve (32%).

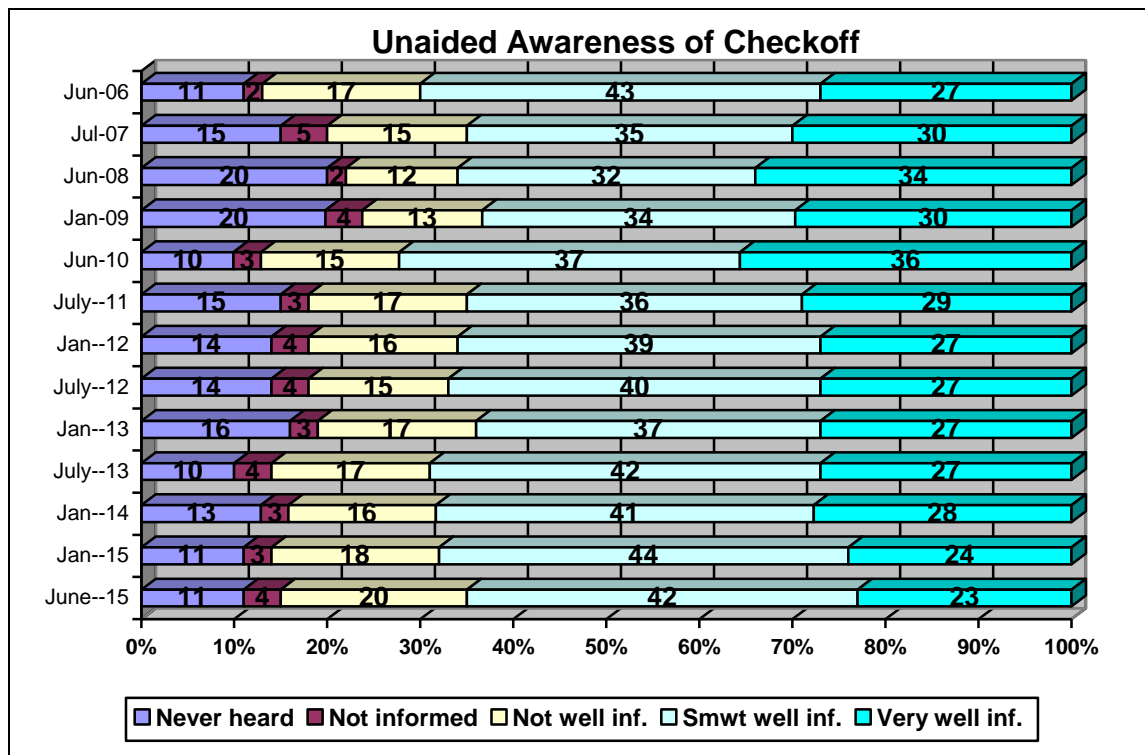
In contrast, the strength of checkoff support softens among those who say they are not too well informed. A large majority (69%) approve of the checkoff, but only 12% have strong positive feelings about this. Fortunately, just nine percent disapprove. Not surprisingly, there is lower checkoff support among those who say they are not at all informed, due in part to a lack of familiarity. One in three strongly disapprove and another 24% are unsure.

Approval Ratings	Very well informed	Somewhat well informed	Not too well informed	Not at all informed
Strongly approve	55% ↑	32%	12%	9%
Somewhat approve	22	54	57	15
Neither	9	6	6	13
Somewhat disapprove	7	4	7	6
Strongly disapprove	8	2	2	33 ↑
Don't know	--	2	15	24
(n=)	(136)	(259)	(138)	(27)

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-nine percent knew about the program, a consistent result over time. The reality, however, is that about one in three producers know little or nothing about it. One in five said they were not too well informed, four percent were not informed at all, and 11 percent were not even familiar with the name.



The 11% 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 (95%).

The overall trends in producers' knowledge about the checkoff on an unaided and aided basis continue to be mostly positive, a consistent finding over time. However, the level of being informed has softened slightly. Two out of three producers consider themselves "very" or "somewhat" well informed about the program, which is in the lower end of the most recent five-year range. There is no relationship between age and being very well informed.

At the same time, the proportion of producers who consider themselves uninformed is now in the higher end (34%) of the same historical range.

Awareness (unaided, aided) of checkoff	June 2010	Jan. 2011	July 2011	Jan. 2012	July 2012	Jan. 2013	July 2013	Jan. 2014	Jan. 2015	June 2015
Informed	73%	68%	68%	69%	70%	66%	69%	70%	70%	66%
Very well	36	29	29	28	28	27	27	28	25	23
Smewhat well	37	39	39	41	42	39	42	42	45	43
Uninformed	27	33	33	31	31	34	31	30	30	34
Not too well	16	17	18	18	17	19	17	17	19	23
Not informed	4	4	3	4	4	3	4	4	4	4
Never heard	7	12	12	9	10	12	10	9	7	7
(n=)	(900)	(1,200)	(900)	(1,200)	(900)	(1,200)	(900)	(1,200)	(1,200)	(601)

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.

First, the overall value of the checkoff is viewed favorably regardless of the economy. About eight in ten believe the checkoff has helped contribute to the positive trend in consumer demand for beef over the years. Many of them think the program has helped their profitability as well (71%).

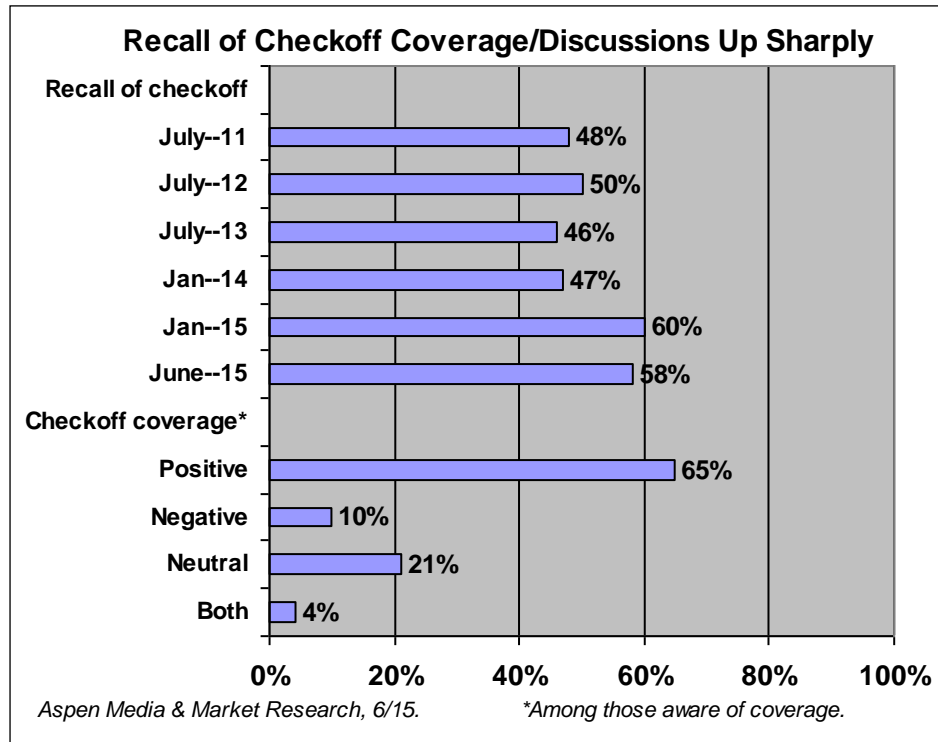
Generally, producers give positive marks to checkoff management. Sixty-nine percent feel the program is heading in the right direction. A similar number (68%) trust it is being managed well compared to only 13% who do not.

Producers' largely believe that the checkoff represents them and their interests, although this has dipped slightly. About six in ten believe there is room for their viewpoints to be represented, a five-point drop since last January. In evaluating the checkoff's performance in representing their interests, the vast majority of producers think the program is in tune with what

they want from it. About seven in ten (71%) say the program does a good job of representing their interests, down five points from when this question was asked at the beginning the year.

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 and the visibility of the program remains high, particularly this year. Currently, about three in five producers have seen, read, or heard something about the beef checkoff in the past six months, virtually unchanged from January of this year.



The youngest producers are most apt to be aware of the checkoff. About three-fourths (76%) recall checkoff coverage or discussion of some type, compared to between 50% and 62% in any of the age segments older than this.

Of the producers who are aware of the checkoff being discussed, a large number (65%) perceive the majority of news coverage to be positive. There are 21% who feel the coverage has been neutral, while just 10 percent think it is negative.