



ASPEN
MEDIA AND
MARKET
RESEARCH

Memorandum

January 19, 2009

To: Lynn Heinze
From: Dan Hoffman
Subject: Topline Findings from the January 2009 Beef Producer Attitude Survey

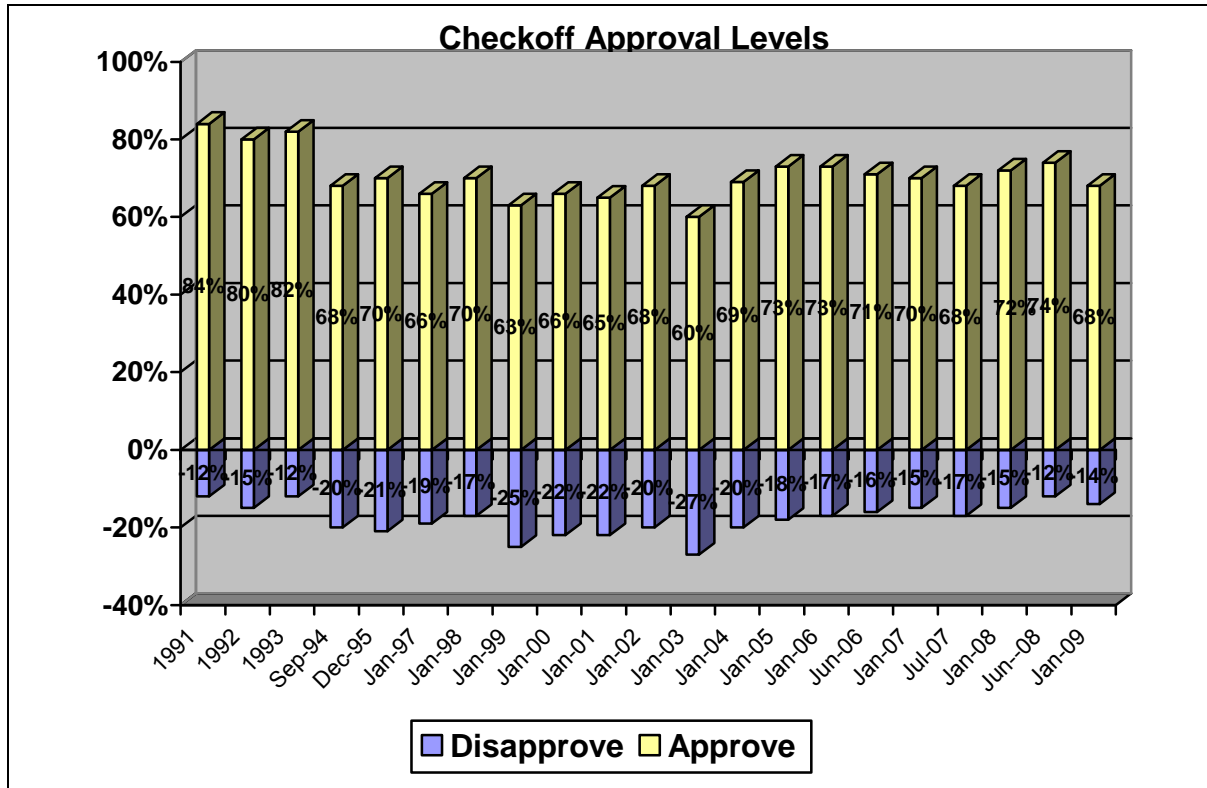
Aspen Media & Market Research was commissioned to conduct a study of beef producers nationwide in order to determine their awareness of, attitudes toward, and concerns about the Beef Checkoff program. The following are the topline findings from this study. They are based upon 1,200 interviews of a random representative sample of beef and dairy producers nationwide. The interviewing was conducted between December 16, 2008 and January 2, 2009. 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, a slight decrease from approval levels a year ago (72%). 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 one down cycle in the past seven-and-a-half years. Recent business conditions have tightened for producers. One year ago when asked what they considered to be the biggest challenges facing the U.S. beef industry, 48% were concerned about high production costs or low cattle prices. Now, 59% struggle with this. 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 12 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 continues to remain low, a trend in recent years. Fourteen percent disapprove of the checkoff, which is virtually unchanged from one year ago (15%). Producers' dissatisfaction with the checkoff peaked in January 2003, when 27% disapproved of it. Since then, it has trended downward and is now 13 points lower, at 14%. Currently, there are about 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 low 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, 81% approve of the program (52% of them strongly), while only 14% disapprove. There is a similar ratio of approval and disapproval ratings among those who are somewhat well informed (72% and 12%, respectively), but fewer of them say they strongly approve (30%).

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 (13% strongly approve), 38% are neutral/unsure, while 16% disapprove.

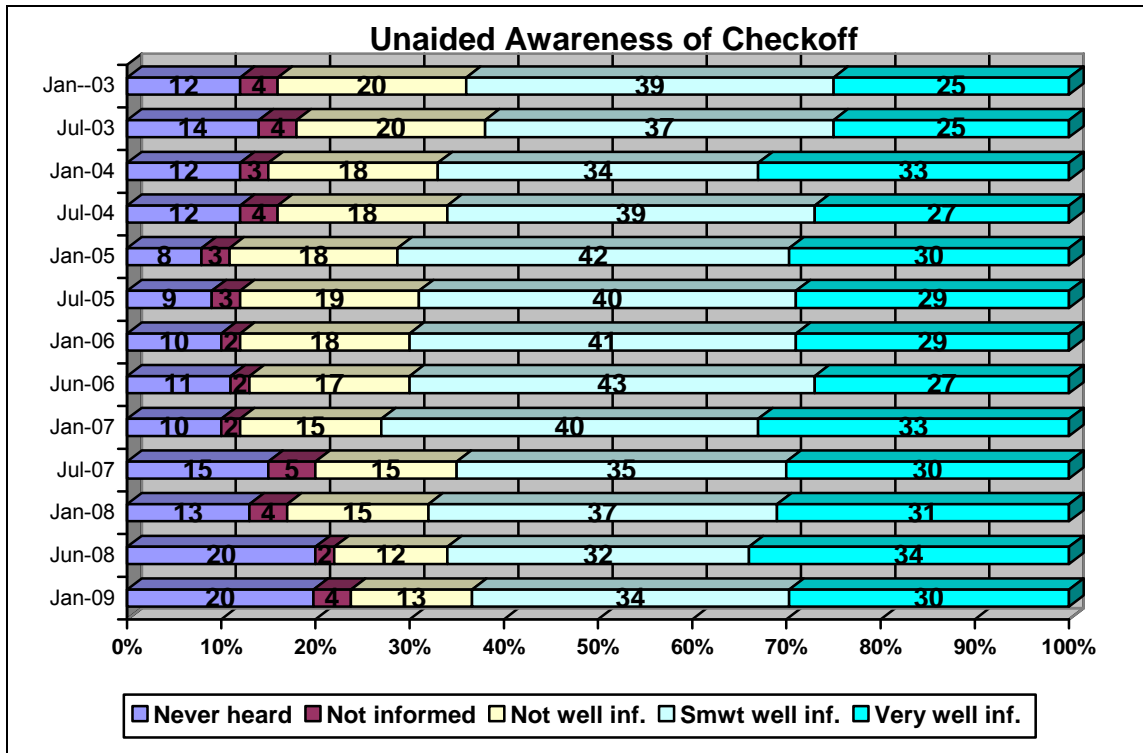
The weakest support occurs among those not informed at all—only 34% approve (13% strongly), 38% are ambivalent/unsure and 18% disapprove.

Approval Ratings	Very well informed	Somewhat well informed	Not too well informed	Not at all informed
Strongly approve	52%↑	30%	13%↓	13%↓
Somewhat approve	29	42↑	32	31
Neither	4	11	18	14
Somewhat disapprove	6	8	11	8
Strongly disapprove	8	4	5	10
Don't know	1	5	20↑	24↑
(n=)	(361)	(430)	(178)	(59)

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. Similar to last summer, 80% said they had heard of the program, which is slightly lower compared to previous years. The reality, however, is that close to two in five producers know little or nothing about it. Thirteen percent said they were not too well informed, four percent were not informed at all, and 20 percent were not even familiar with the name.



The 20 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 (86%).

The proportion of producers who have at least some knowledge about the checkoff program has declined somewhat in the past several years. As the table on the next page indicates, it is down five points in the past year and nine since two years ago. Currently, two-thirds of producers consider themselves “very” or “somewhat” well informed about the program. 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 five years, at least two-thirds of producers say they are informed. At 34%, the proportion of producers who consider themselves uninformed is at the high end of the historical range and should be watched closely. This is a five-point increase in the past year.

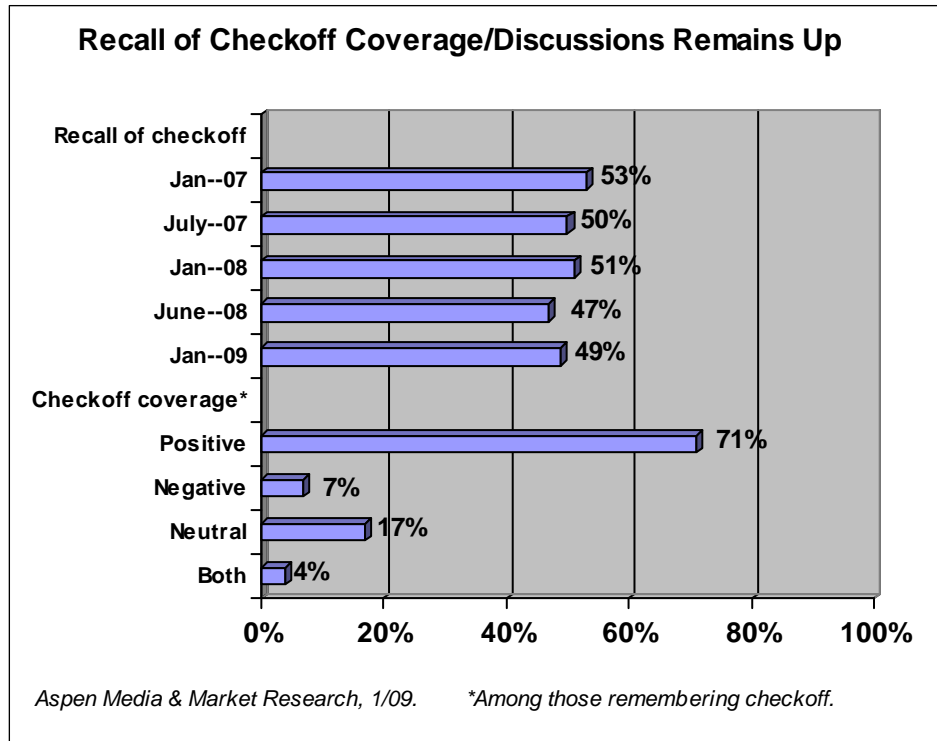
Awareness (unaided, aided) of checkoff	July 2004	Jan. 2005	July 2005	Jan. 2006	June 2006	Jan. 2007	July 2007	Jan. 2008	June 2008	Jan. 2009
Informed	68%	73%	70%	73%	72%	75%	68%	71%	68%	66%
Very well	27	30	29%	30%	27	33	31	32	35	30
Smwhat well	41	43	41	43	45	42	37	39	33	36
Uninformed	32	26	30	27	28	25	32	29	32	34
Not too well	21	19	21	19	19	16	18	17	14	15
Not informed	4	3	4	3	2	2	5	5	3	5
Never heard	7	4	5	5	7	7	9	7	15	14
(n=)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	(900)	(1,200)

The underlying value of the checkoff remains strong. 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 (83%) feel the checkoff program has helped contribute to a positive trend in consumer demand for beef. About the same 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, producers largely believe the program has benefited them. Approximately seven in ten think that over the years it helped contribute to the profitability of their operation. Management of the checkoff is viewed favorably as well. Nearly two-thirds (64%) believe it is being managed well.

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 seven in ten 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 (4%).