



## **Memorandum**

January 20, 2016

To: Lynn Heinze  
From: Dan Hoffman  
Subject: Topline Findings from the January 2016 Beef Producer Attitude Survey

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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 1,208 interviews of a random representative sample of beef and dairy 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 1,200.

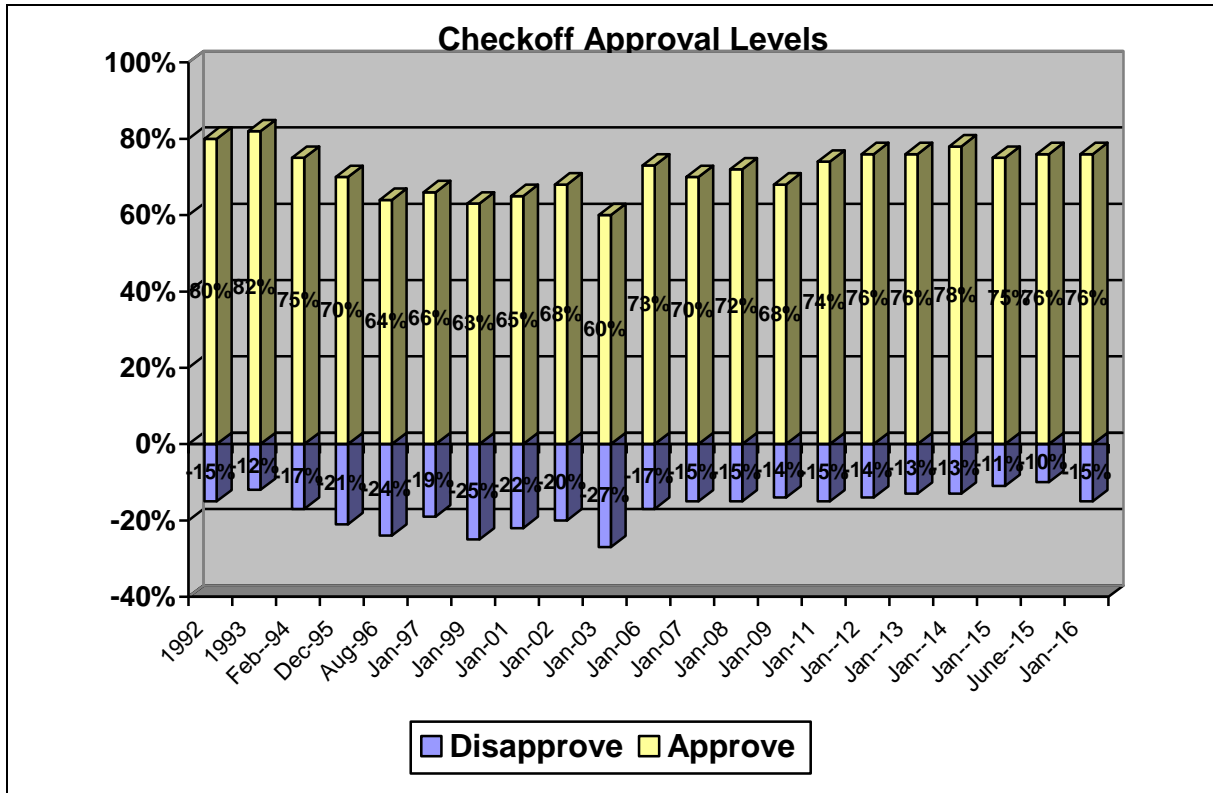
To participate, respondents had to indicate they managed an operation that included cattle. The interviewing was conducted between December 15, 2015 and January 8, 2016. For a sample of 1,200 the maximum statistical margin of error (95% confidence level) is  $\pm 2.8$  percentage points around any one reported percentage. For those aware of the checkoff, the maximum margin of error is  $\pm 3.0$  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 74% 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. Fifteen percent disapprove of the checkoff. There has always been a core group of producers who dislike the program; it is now at the lower end of the historical range (10%-27%), since polling started 29 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 12 points lower. Currently, there are roughly equal numbers of producers who say they "strongly" or "somewhat" disapprove of the checkoff.

Interestingly, checkoff approval levels do vary by age. Producers under 35 are the most positive about the program—87% approve of it. In contrast, there is somewhat softer support among producers between the ages of 55 and 64. Seven in ten approve of the checkoff, while one in five disapprove.



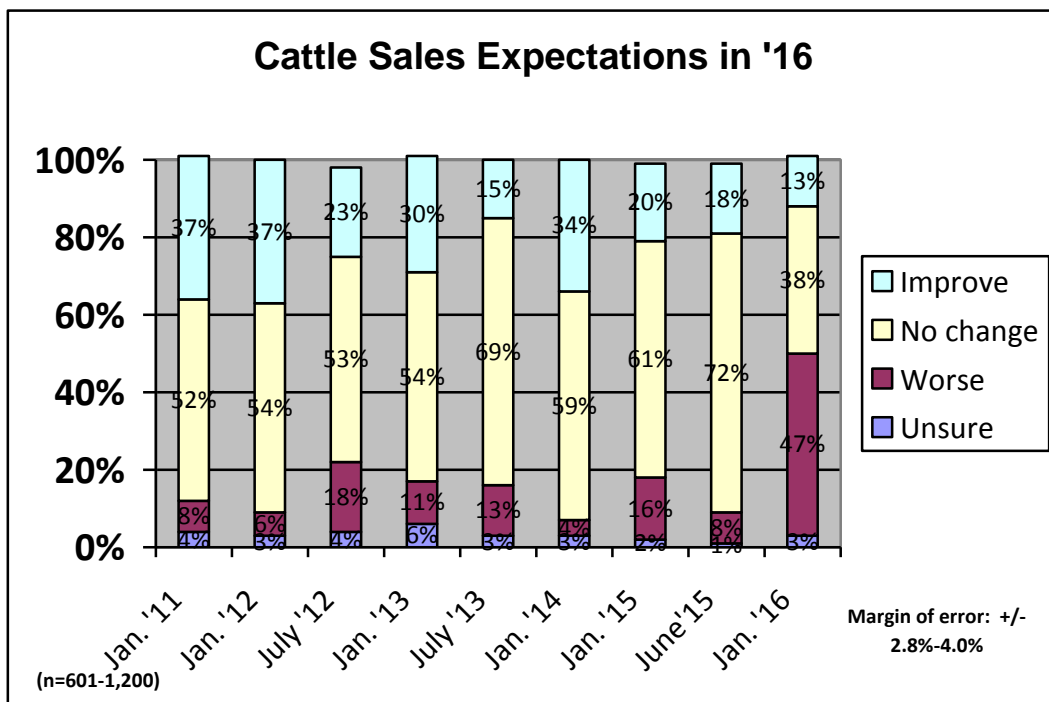
For the most part, checkoff support has remained steady in spite of changing operating or economic conditions, or extensive news coverage. The cattle market has been cyclical—it has improved and declined several times over the past decade. While economic conditions impact producers’ outlook toward their industry, the effect upon checkoff approval levels has been small.

Producers’ financial situations and concerns have changed quickly. At the beginning of this decade, producers’ biggest challenge was making money. Six in ten producers were concerned with profitability. For the next three years (through 2013), between 40% and 47% mentioned this as their most significant challenge. It was only during the past two years that producers’ became less concerned about this being their biggest challenge (21%-31%). Times have changed (again). Forty-three percent of those interviewed in this study now say the biggest challenge they face is profitability.

Timing usually 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. In years past, relatively more producers were optimistic in January than in June or July.

This year is starting off different. There has been a large shift in pessimism towards cattle sales. The volatility of cattle prices is being felt. Currently, nearly one in two producers (47%) has a negative outlook. This is a 39-point increase in the past six months. Just 13% see an improvement, while 38% expect no change. It remains to be seen how fluid producers' attitudes are.

At the moment, pessimism cuts across all age groups. The proportion with negative opinions ranges between 42% and 50% in all age segments.



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 four-fifths approve of the program (47% of them strongly), while only 13 percent disapprove. There is a similar ratio of approval and disapproval ratings among those who are somewhat well informed (82% and 11%, respectively), but fewer of them say they strongly approve (31%).

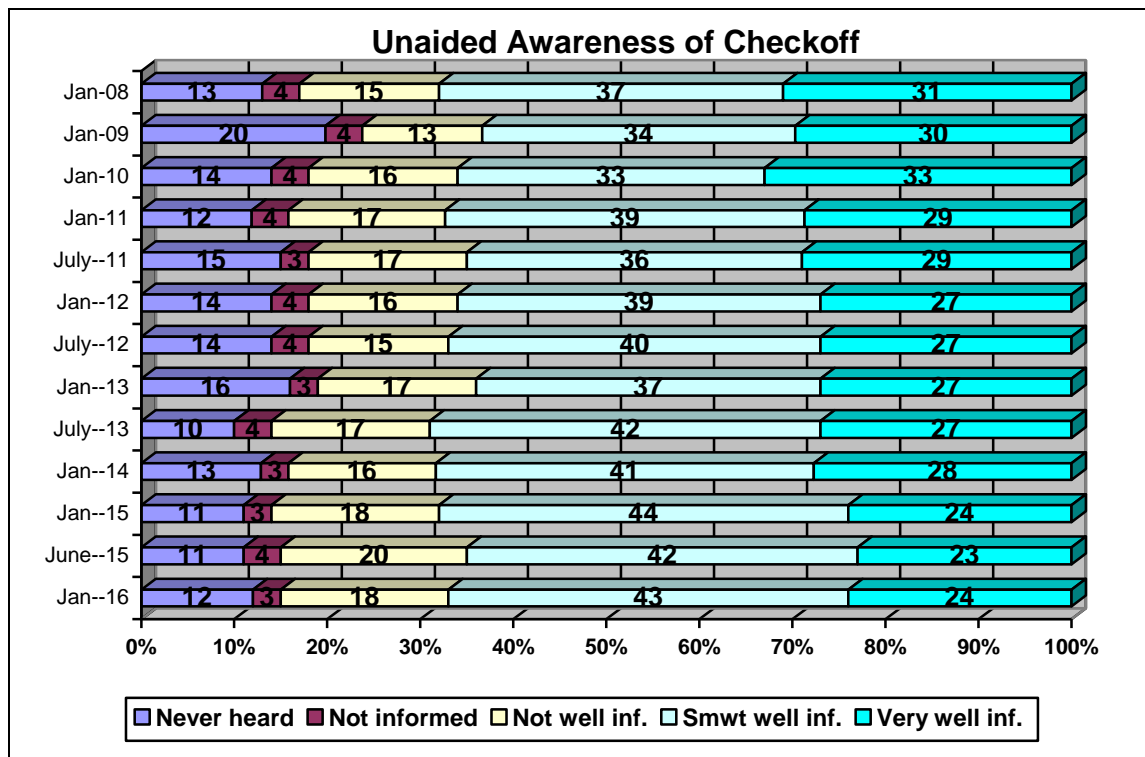
In contrast, the strength of checkoff support softens among those who say they are not too well informed. While a majority (59%) approve of the checkoff, only 19% have strong positive feelings about this. About one in four disapprove, which is considerably higher than the same metrics in the informed segments. 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. Just over one in five disapprove and a similar proportion (22%) are unsure.

Approval Ratings	Very well informed	Somewhat well informed	Not too well informed	Not at all informed
Strongly approve	47% ↑	31%	19%	2%
Somewhat approve	36	51	40	50
Neither	3	6	7	3
Somewhat disapprove	7	6	17	10
Strongly disapprove	6	5	7	12
Don't know	2	2	10	22 ↑
(n=)	(292)	(524)	(238)	(35)

## 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 know of it. Eighty-eight percent are aware, a consistent result over time. The reality, however, is that one in three producers know little or nothing about it. Eighteen percent said they were not too well informed, three percent were not informed at all, and 12 percent were not even familiar with the name.



The 12% 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 three percentage points. In total, then, the unaided and aided name awareness of the checkoff is very high (91%).

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. Nearly seven in ten producers consider themselves "very" or "somewhat" well informed about the program, which is in the middle of the most recent five-year range. However, the level of being informed has softened slightly over the past few years, though there is no relationship between age and being very well informed.

At the same time, the proportion of producers who consider themselves uninformed is also now in the middle (32%) of the same historical range.

Awareness (unaided, aided) of checkoff	Jan. 2011	July 2011	Jan. 2012	July 2012	Jan. 2013	July 2013	Jan. 2014	Jan. 2015	June 2015	Jan. 2016
<b>Informed</b>	<b>68%</b>	<b>68%</b>	<b>69%</b>	<b>70%</b>	<b>66%</b>	<b>69%</b>	<b>70%</b>	<b>70%</b>	<b>66%</b>	<b>68%</b>
Very well	29	29	28	28	27	27	28	25	23	24
Smwhat well	39	39	41	42	39	42	42	45	43	44
<b>Uninformed</b>	<b>33</b>	<b>33</b>	<b>31</b>	<b>31</b>	<b>34</b>	<b>31</b>	<b>30</b>	<b>30</b>	<b>34</b>	<b>32</b>
Not too well	17	18	18	17	19	17	17	19	23	20
Not informed	4	3	4	4	3	4	4	4	4	3
Never heard	12	12	9	10	12	10	9	7	7	9
(n=)	(1,200)	(900)	(1,200)	(900)	(1,200)	(900)	(1,200)	(1,200)	(601)	(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.

First, the overall value of the checkoff is viewed favorably regardless of the economy. Over 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 (73%).

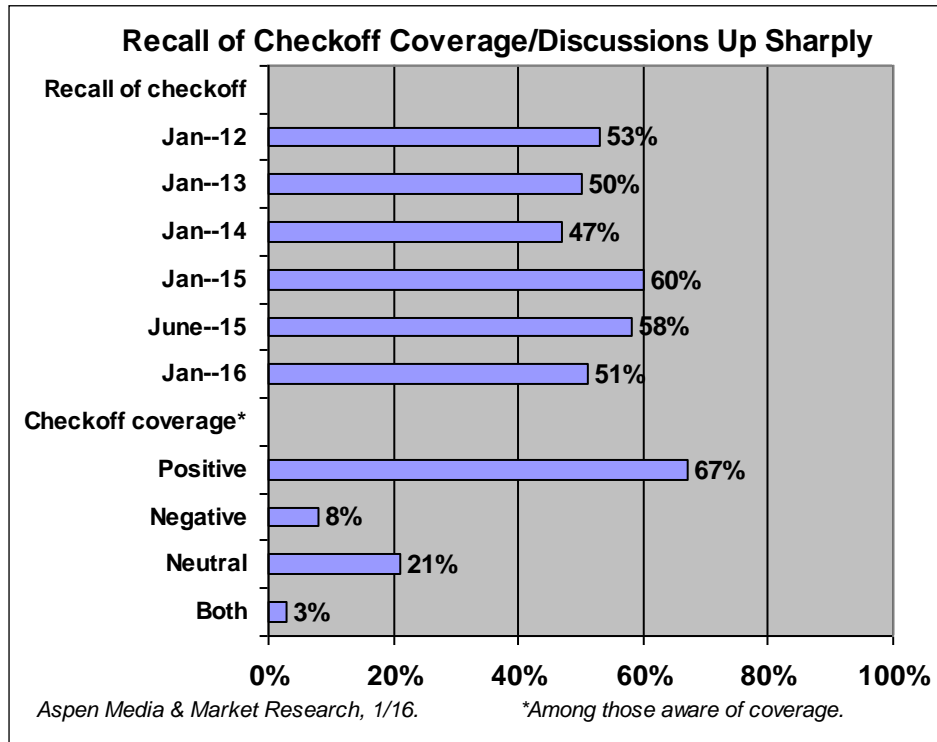
Generally, producers give positive marks to checkoff management. Seventy-one percent feel the program is heading in the right direction. A similar number (67%) trust it is being managed well compared to only 12% who do not.

Producers' largely believe that the checkoff represents them and their interests. Currently, about seven in ten believe there is room for their viewpoints to be represented, a nine-point increase since last June. 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 three in four (76%) say the program does a good job of representing their interests, up five points from when this question was asked last June.

### Recall of Checkoff in Media

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, although not to the same degree as last year. Currently, about half of producers have seen, read, or heard something about the beef checkoff in the past six months, which is down seven points from last June.



The youngest producers are most apt to be aware of checkoff media coverage. About two-thirds of those under 45 recall any checkoff coverage or discussion of some type, compared to between 48% and 53% in any of the age segments older than this.

Of the producers who are aware of the checkoff being discussed, a large number (67%) perceive the majority of news coverage to be positive. There are 21% who feel the coverage has been neutral, while just eight percent think it is negative.