

AUTHORIZATION REQUEST FOR FY 2020

CBB Budget Category: **Promotion**

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

Name of Organization Subcontracting:

Start Date: **10/1/2019**

End Date: **9/30/2020**

AR OVERVIEW

AR Description:

Today's consumers are looking for nutritious, delicious and versatile proteins to serve their families. Veal is the perfect choice. Veal also provides consumers with a positive sustainability story and humane production practices giving them permission to enjoy veal. This year's authorization request (AR) will focus on connecting and communicating directly with consumers and channel decision makers through a strong digital footprint incorporating advertising, promotions and organic engagement.

Veal's reach and engagement will be maximized by partnering with state beef councils, key opinion leaders/influencers and industry partners.

The North American Meat Institute on behalf of the beef checkoff is delighted to share a few of the successes from FY19, including many new initiatives.

- A newly designed mobile responsive veal website featuring wellness recipes, trending nutrition topics, preparation and cooking tips as well as an extensive library of recipes, images and videos which can be accessed and used by state beef councils and industry partners.
- Creative and innovative new veal recipe for Valentine's Day called "Sweetloaf". A press release with the new recipe was picked up by 160+ publications and generated 82 million impressions.
- Veal distributor sales incentive contest that engaged 150 foodservice distributor sales people and over 3,500 restaurants promoting veal on their menus.
- Engaging veal articles were written inclusive of delicious and nutritious veal recipes by Family Features (a print/digital syndication network). This program exceeded our reach and engagement projections and gained national exposure for veal and the Beef Checkoff program achieving 300+ million impressions.
- Partnerships with State Beef Councils on consumer events, veal farm tours and culinary school and blogger recipe competitions.

- The Trust Restaurant Group's chef at their Fort Oak Restaurant created and added two new veal dishes to their menu - (1) Veal Shoulder Loin with Charcoal Eggplant Puree and Wood Grilled Veal Leg Sausage with Creamy Asiago Polenta. Customers raved about the taste and were highly interested to know more about veal. Recipes were pushed out through social media to 1MM culinary influencers

What is veal and Why is Beef Checkoff support critical?

Veal is a nutritious and nutrient-rich meat that is produced from the male offspring of dairy cows. Dairy cows give birth once a year in order to continue producing milk.

All veal promotional and industry information activities authorized by the Cattlemen's Beef Board are funded by veal farmers, 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 Checkoff 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 9.4 million dairy cows (USDA 2018), 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 2018 recorded by USDA was 571,400 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 500 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 veal consumed in the United States is from milk-fed veal. Consumption is heaviest in the Northeast region, including cities like Chicago, Philadelphia, and New York City.

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.

Funding	Direct Costs	Implementation	Total
CBB/BPOC Funding Request:	\$304,000	\$76,000	\$380,000

Other Potential Funding	Direct Costs	Implementation	Total
Federation of SBCs Pledges: (Informational Only)	\$0	\$0	\$0
Other Funding: (Informational Only)	\$0	\$0	\$0

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:

Consumers, Influencers and Industry

- VealMadeEasy on Facebook
- VealMadeEasy on YouTube
- VealMadeEasy on Pinterest
- @vealmadeeasy on Twitter
- @vealmadeeasy on Instagram
- VealMadeEasy.com
- E-newsletters outreach

PROGRAM INFORMATION FOR THIS AR**Tactic A**

Tactic Name: Integrated Consumer and Channel Marketing

Tactic Description:

The goal of this tactic will be to collaborate with state beef councils, influencers and industry stakeholders to increase veal's reach, engagement and consumer demand for veal in the marketplace. A strong emphasis will be placed on pushing a progressive message of veal's global trending recipes, nutrition, versatility, transparency and sustainability through social media and digital marketing. Global trending recipes will be developed in conjunction with influencers and brand partnerships and shared through various activities and channels of communication. The main geographical targets for veal are the Northeast and Mid-Atlantic states where most of the veal is raised, sold and consumed. Integrated consumer and channel marketing will include the following initiatives in FY20.

Revolutionize Beef's Marketing and Merchandising

With the millennial audience being our primary demographic; we will continue to expand veal's extensive recipe library with globally inspired recipes, photography and how-to videos. New recipes will be shared and promoted through multiple channels of distribution with a heavy emphasis on digital platforms targeting millennials and millennial parents.

Build on FY19 successes, Family Features, a content syndication network that includes over 10,000 editors from local and regional print and digital outlets nationwide, will be used again to maximize content distribution.

Recipe development will continue to focus on the creation of new global trending recipes. Recipe photography and how-to videos will be used to extend veal's reach through the new veal website and social media platforms for both consumer and industry. Blogger recipes, images and videos will be closely evaluated prior to publication to ensure all materials reflect a high-quality and appealing work product.

Build on veal's collaboration successes by securing brand/product partnerships to promote veal's versatility and nutritional benefits to a collective audience and drive sales and demand for veal.

Assess the cost and feasibility of obtaining heart check certification from the American Heart Association for one or more qualifying veal cuts.

Continue to work with veal packer, processors and distributors seeking new and innovative opportunities to add more veal to retail and restaurant menus.

Connect and Communicate Directly with Consumers

Drive positive messaging through content distribution to consumers, industry leaders

and influencers through a variety of initiatives. Promote recipes, versatility and nutritional benefits through an email outreach campaign to consumers who have signed up to the veal made easy database. Use social media platforms to push out veal's message to consumers, industry leadership and influencers.

Work directly with state beef councils on supporting their consumer focused educational events.

Conduct consumer research targeting key demographics including millennials and millennial parents to understand current perceptions and gain insights to help shape communication and marketing strategies.

Produce veal branded merchandise to be distributed at events.

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

Focus on education to change misperceptions and provide data to support the positive changes made in the industry for sustainability, transparency and new production practices. This will be accomplished through communicating with industry leadership, educating influencers and creating brand ambassadors for veal.

Build on existing quarterly email outreach to educate over 600 registered dietitians on veal's nutritional benefits.

Work in partnership with a state beef council to coordinate a blogger/culinary educational event.

Initiate 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.

Create a retail promotion to ensure that veal is featured and promoted to increase awareness and first and repeat use of veal.

Keep industry leadership up-to-date and engaged with veal's activities through a veal summit and monthly email outreach.

Add newly designed veal branded merchandise, which can be purchased by state beef councils and industry partners, for events and consumer engagement to the resource section of the veal made easy website.

Meat Buyer's Guide Sponsorship

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

- Reach more than 200,000 consumers with newly created content to demonstrate veal’s versatility, nutritional benefits and globally inspired recipes utilizing Family Features, a nationally syndicated network.
- Reach and engage with more than 250,000 consumers through social media and consumer promotions.
- Reach more than 6,000 industry leaders, veal advocates and influencers through events, email outreach, social media, and website.

Performance Efficiency Measures

Consumer Reach Goal: 3,000,000

Consumer Engagement Goal: 250,000

Voice/KOL Reach Goal: 6,000

Voice/KOL Engagement Goal: 1,500

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
<input type="checkbox"/> Adopt animal I.D. traceability systems <input type="checkbox"/> Increase market access <input type="checkbox"/> Promote unique attributes of U.S. beef	<input type="checkbox"/> Ensure antibiotic stewardship <input type="checkbox"/> Certify & verify production practices <input type="checkbox"/> Ensure beef safety <input type="checkbox"/> Protect beef’s image <input type="checkbox"/> Engage beef advocates	<input type="checkbox"/> Research & innovate new production technologies <input type="checkbox"/> Ensure beef’s inclusion in dietary recommendations <input type="checkbox"/> Motivate producers & stakeholders to engage in issues <input type="checkbox"/> Develop crises management plans <input type="checkbox"/> Defend beef’s product identity	<input checked="" type="checkbox"/> Revolutionize beef marketing & merchandising <input type="checkbox"/> Measure & improve sustainability <input checked="" type="checkbox"/> Research & communicate beef’s nutritional benefits <input checked="" type="checkbox"/> Connect & communicate directly with consumers <input type="checkbox"/> Improve our produ

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

Consumer Trust	Export Growth	Innovation	Nutrition & Health	Safety	Investor Relations	Mkt. Research
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 2019 approved AR:**

Emphasis will be placed on maximizing connecting and communicating with consumers both directly and through key influencers. A nationwide plan for reaching consumer will be implemented through this AR.

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 ensure 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:

AR #: 2001-P

Source of Funding	Direct Costs	Implementation	Total
CBB/BPOC Funding Request:	\$304,000	\$76,000	\$380,000

Other Potential Funding	Direct Costs	Implementation	Total
Federation of SBCs Pledges: (Informational Only)	\$0	\$0	\$0
Other Funding: (Informational Only)	\$0	\$0	\$0
Total Cost	\$304,000	\$76,000	\$380,000

CBB/BPOC Funding Request:

Committee Name	Tactic	Tactic Name	Funding Source	Direct	Implementation	Total
<i>Innovation</i>	A	Integrated Consumer and Channel Marketing	BPOC	\$ 304,000	\$ 76,000	\$ 380,000
AR Totals				\$ 304,000	\$ 76,000	\$ 380,000

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	\$ 304,000	\$ 76,000	\$ 380,000
AR Totals				\$ 304,000	\$ 76,000	\$ 380,000

Summary of Prior Year Budget:

	FY 2019 Approved Budget						
	CBB/BPOC	FSBCs	Other Source(s)	Total	Direct Cost	Impl.	Total
AR Totals	\$ 300,000			\$ 300,000	\$ 240,000	\$ 60,000	\$ 300,000

FY 2019 Actual Expenses (through June 30, 2019)

	CBB/BPOC	FSBCs	Other Source(s)	Total	Direct Cost	Impl.	Total
AR Totals	\$ 226,282			\$ 226,282	\$ 199,445	\$ 26,837	\$ 226,282

Historical Summary of Budgets and Expense:

	Total Approved Budgets			Total Actual Expenses		
	FY 2018	FY 2017	FY 2016	FY 2018	FY 2017	FY 2016
AR Totals	\$ 300,000	\$ 300,000	\$ 500,000	\$ 291,130	\$ 298,520	\$ 500,000

POTENTIAL PARTNERSHIP LIST
FY 2020
AR Number: 2001-P

Please list all potential partners/collaborators* for the related AR and details including the nature and extent of collaboration: (include any partnership and/or collaborations with a third party by identifying the third party, the nature of the collaboration and extent of the collaboration.)

1. State Beef Councils: Partnering on Educational events and co-sponsored promotions
2. Wisconsin Cheese: Co-sponsored promotions
3. Idaho Potato: Co-sponsored promotions
4. Mushroom Council: Co-sponsored promotions
5. Chefs Roll: Foodservice partnership
6. Mondavi Wines: Product partnership
7. Colavita: Product partnership
8. Carla's Pasta: Product partnership

*Partners/collaborators does NOT include subcontractors listed in AR section V.C.
Subcontractor Info.

Required per USDA Letter dated June 19, 2013