

AUTHORIZATION REQUEST FOR FY 21

CBB Budget Category: **Promotion**

Name of Contractor: **National Cattlemen's Beef Association**

Name of Organization Subcontracting:

Start Date: **10/1/2020**

End Date: **9/30/2022**

AR OVERVIEW

AR Description:

The year 2020 turned out to be a historic one for the country, the beef industry, and the beef consumer. The global pandemic shifted how consumers view, purchase, and consume beef. Consumer beef demand spiked as the supply chain was disrupted and consumers rushed to fill their freezer for fear of severe beef shortages and remains strong today. Consumers embraced food delivery from retailers and foodservice outlets and aggressively sought information about beef preparation. Across all AR's managed by NCBA, a contractor to the Beef Checkoff we positioned your *Beef. It's What's for Dinner.* brand as the trusted source of information to meet the demands of consumers and the supply chain and to maintain consumer trust in beef and beef farmers and ranchers. Our FY2020 AR's were nimble enough to adjust quickly to the changing environment, and we did. For example, we leveraged our vast library of engaging cookery content and advertisements, supported efforts to educate consumers about the beef supply chain and the safety of beef, and aggressively engaged media and influencers with relevant information about beef and beef production.

Key questions are: What behaviors will be permanent and what behaviors will revert to pre-pandemic? These questions require that the *Beef. It's What's for Dinner.* brand and other checkoff programming remain nimble as we enter a new consumer marketing and information environment created by the global pandemic.

This AR will continue to develop the successful trust building initiatives launched in 2018 to position beef as the top protein choice. All the tactics in this authorization request work towards two complementary strategies:

1. Communicate that "Real Beef's Great Taste & Nutrition Can't be Replicated," and
2. Address and correct the myths around beef and beef production among various audiences.

To continue to build a strong beef industry brand in *Beef. It's What's for Dinner.* and build trust in the beef industry among a variety of audiences, we will profile and promote beef farmers and ranchers, showcase beef's powerhouse of nutrients, including protein, and remind people of the unbeatable pleasure that beef brings to meals, while conducting research and outreach to prepare for future beef industry needs.

As a result, all tactics in this AR contribute expertise to other checkoff programs, state partners and/or global industry influencers/stakeholders to position beef as the top protein. These tactics provide ongoing counsel and support for the state and national beef council partnership to strengthen the brand across programs at all levels. Sharing program results with a variety of audiences, from stakeholders (including state beef councils and producers) to influencers, to media and to consumers is critical to demonstrate The Beef Checkoff's contributions to the beef industry's success. We will continue to ensure that stakeholders and members of the beef industry see these programs and/or assets first-hand by inviting stakeholders to be part of key events and/or expanding communications and marketing efforts. Given our staff expertise, traveling to/from and attending key influencer/stakeholder/partner meetings may be required to provide or gain more strategic guidance and training, and to engage in briefings and/or educational sessions/events. Besides disseminating knowledge, the funds in this AR may be used to implement current and previously funded ARs. To accomplish this, it may be necessary for the checkoff to fund international travel to/from the U.S. Also note that legal counsel may be sought for routine, day-to-day content development, program planning and contracting to ensure compliance with federal rules or regulations.

| Funding | Direct Costs | Implementation | Total |
|----------------------------------|---------------------|-----------------------|--------------|
| CBB/BPOC Funding Request: | \$8,853,600 | \$2,095,600 | \$10,949,200 |

| Other Potential Funding | Direct Costs | Implementation | Total |
|---|---------------------|-----------------------|--------------|
| Federation of SBCs Pledges: (Informational Only) | \$2,000,000 | \$0 | \$2,000,000 |
| Other Funding: (Informational Only) | \$0 | \$0 | \$0 |

NOTE: The Federation funds are placeholders only and subject to change. The Federation Division of the NCBA Executive Committee will have jurisdiction and approval over how these funds will be applied to checkoff programs in FY2021.

NOTE: For fiscal year 2021, if the threat of legal challenge does not impact State Beef Council investments, approximately \$5 million will be voluntarily invested by SBCs to supplement NCBA's ARs.

This assumes the underlying ARs are funded at a sufficient level to execute the core elements of the program. The supplemental funding will be used consistent with the principles outlined in the AR and deliverables for the industry will increase accordingly.

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 checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

PROGRAM INFORMATION FOR THIS AR

Tactic A

Tactic Name: *Beef. It's What's For Dinner.* Marketing

Tactic Description:

Consumer cooking and eating habits dramatically changed over the past several months, as families around the country dealt with the global coronavirus pandemic. As states shut down and encouraged people to stay at home, consumers flocked to the grocery stores and filled their refrigerators and freezers with their favorite comfort foods—including beef. In fact, according to the Checkoff-funded Consumer Beef Tracker, managed by NCBA, consumers are eating beef more frequently than ever before, with 96 percent of consumers eating beef and over 76 percent of consumers saying they are consuming beef at least weekly—up more than 11 percent since January 2019. Along with that, over 70 percent of consumers say they have positive perceptions of beef, which has maintained steadily throughout the pandemic. As the United States enters a recovery and reset mode from coronavirus, the iconic *Beef. It's What's For Dinner.* brand, which is over 28 years old, will be more critical than ever before in positioning beef as the top protein, as tracked by the Consumer Beef Tracker. This tactic develops the *Beef. It's What's For Dinner.* marketing strategy and all the *Beef. It's What's For Dinner.* creative content and assets, such as videos, ads, infographics, photography, web copy, website templates, banner ads and other creative digital content that is aimed at positioning beef as the top protein. All of this content is proactively shared with state beef council partners to use via the Digital Asset Management system. This annually saves state beef councils thousands of dollars so they can utilize existing content and marketing resources and ensures that beef messaging is synchronized across state and national programs.

Since relaunching the *Beef. It's What's For Dinner.* brand in 2018, NCBA on behalf of the Beef Checkoff, has continued to increase consumer awareness and favorability of beef by maintaining core equities of the iconic brand—such as the famous Aaron Copland “Rodeo” music and the famous tagline—coupled with new creative elements that break through the digital landscape to entertain, educate and inspire people on all things beef. Developing materials that show how real beef's great taste and nutrition can't be replicated and that address common myths around beef and beef production are the core strategies of the *Beef. It's What's For Dinner.* brand today. BeefItsWhatsForDinner.com serves as the digital hub to share stories about all things

beef: to learn about the people and production process of beef; the protein benefits of beef, and the pleasurable eating experience of beef. Proactively addressing myths around beef and beef production has been the newest part of the *Beef. It's What's For Dinner.* brand, with efforts that started in 2018 to improve trust in how beef is raised and the people who raise it. Since 2018, NCBA has developed and distributed several successful campaigns that have resulted in increased positive consumer perceptions about beef. These image-building efforts started with the successful Rethink the Ranch series, followed by a campaign that showed consumers how programs like the Industry Information-funded Beef Quality Assurance program ensures high-quality care of cattle and high-quality beef. A new series of "Nicely Done" digital ads and new video series "Real Facts About Real Beef," were developed to address common misconceptions about beef sustainability, human nutrition and more. Most recently, as beef farmers and ranchers continued to raise beef throughout the coronavirus pandemic, *Beef. It's What's For Dinner.* released a video titled "The Original Sponsors of Summer Grilling Season," which showed real farmers and ranchers working from sunrise to sunset to ensure that consumers would have access to beef during summer grilling season. Promoting a positive image of beef farmers and ranchers and beef production will continue to be a core part of the *Beef. It's What's For Dinner.* marketing strategy.

Based on the Consumer Beef Tracker, we know that the great taste of beef is the strongest demand driver and that consumers need to see drool-worthy beef content. Through this tactic, NCBA has developed innovative campaigns and assets that showcase the fact that real beef's great taste and nutrition can't be replicated through the holiday Beef Drool Log campaign, the Beef Substitutes campaign which worked with famous chefs to make real beef their substitute of choice in popular restaurant-style dishes and most recently, the United We Steak Summer Grilling campaign. In FY2021, *Beef. It's What's For Dinner.* will continue to develop content and assets that position beef as the top protein. Thanks to the robust library of content that *Beef. It's What's For Dinner.* continues to build through this tactic, NCBA can pivot in real-time ensuring that the right message is being communicated to the right audience at the right time. For example, as the coronavirus pandemic hit and content about beef myths became less time-sensitive to consumers who were looking for recipe and meal inspiration to feed their families in quarantine, *Beef. It's What's For Dinner.* could nimbly update existing content to be more relevant to the current environment. This quick-pivot resulted in millions of video views and a 51 percent increase in recipe-related pageviews on BeefItsWhatsForDinner.com. This tactic also allows NCBA to work heavily with state beef council partners ensuring that the *Beef. It's What's For Dinner.* brand is carried through to the local level by counseling and developing state logos, digital ads and content that can hyper-localize the *Beef. It's What's For Dinner.* brand through their websites and social media properties so that across the country, state and national programs are all utilizing the *Beef. It's What's For Dinner.* brand to make the best use of all checkoff resources. Besides developing a variety of content and resources from *Beef. It's What's For Dinner.*, this tactic also continues to develop content and maintain Chuck Knows Beef, the first all-knowing beef virtual assistant available at ChuckKnowsBeef.com and through popular smart-speaker audio skills. Content developed through this tactic is also shared with other state partners. The Consumer

Beef Tracker shows that when consumers are aware of the *Beef. It's What's For Dinner.* brand, they are more likely to feel positive about beef and are more likely to eat beef more often, proving that the checkoff's number one brand plays a pivotal role in driving beef demand. This tactic will continue to analyze the environment and adjust to consumers' changing needs in real-time.

Measurable Objectives (*List relevant outcome-based objectives for this tactic*):

- Develop a minimum of three digital marketing campaigns utilizing the *Beef. It's What's For Dinner.* brand and positively position beef.
- Develop a minimum of 20 digital marketing assets, including but not limited to video, audio, and photography, that support favorable awareness of *Beef. It's What's For Dinner.* brand with consumers.
- Increase the usage of *Beef. It's What's For Dinner.* brand assets and content with stakeholders, such as state beef council partners by 5% to ensure that stakeholders continue to utilize assets developed at the national level.

Performance Efficiency Measures

Consumer Reach Goal: 1,700,000

Consumer Engagement Goal: 250,000

KOL Reach Goal: 500

KOL Engagement Goal: 750

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 checked="" type="checkbox"/> Ensure beef safety <input checked="" 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 checked="" type="checkbox"/> Defend beef's product identity | <input checked="" type="checkbox"/> Revolutionize beef marketing & merchandising <input type="checkbox"/> Measure & improve sustainability <input type="checkbox"/> Research & communicate beef's nutritional benefits <input checked="" type="checkbox"/> Connect & communicate directly with consumers <input type="checkbox"/> Improve our product |

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

| Consumer Trust | Export Growth | Innovation | Nutrition & Health | Safety | Investor Relations | Mkt. Research |
|-------------------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Tactic B**Tactic Name:** Social Media and Digital Advertising**Tactic Description:**

Today's consumers are more connected than ever before using multiple screens, devices, and social media platforms to engage and communicate. During the coronavirus pandemic, use of social media and digital media soared as people turned to their digital devices for everything—from work to play to connecting with family and friends around the world. According to a report by Tubi, the average American is now streaming eight hours of content per day as consumers spend more time binge-watching Connected TV platforms such as Netflix, Roku and Hulu. Time spent on social media platforms has continued to grow as peoples spend more time-consuming content on social media, especially video content. A study by eMarketer predicts that in 2020, people will spend an average of 1 hour and 20 minutes per day with social media—an increase of 6 minutes per day compared to the forecast prior to coronavirus. Instagram is expected to see the strongest growth out of all social networks, which is projected to sustain into the future as people turn to additional features such as Instagram Live and Instagram TV, which provide the video-focused content that consumers are craving. This tactic allows *Beef. It's What's For Dinner.* constantly to connect with consumers throughout their day and throughout the digital platforms that they spend time on—whether that's when they're at home watching online videos, listening to digital radio at work, searching the web for information, reading an article online or connecting with friends through social media. As mentioned above, market research shows that when consumers are aware of the *Beef. It's What's For Dinner.* brand, they are more likely to feel positive about beef and are more likely to eat beef more often, proving that the checkoff's number one brand plays a pivotal role in driving beef demand.

Since relaunching the *Beef. It's What's For Dinner.* brand in FY2018, NCBA focused digital and social media advertising efforts on three key messaging areas: the pleasurable eating experience of beef, the amazing people that raise beef today and the powerful protein that beef provides. By doing this and targeting consumers with a variety of storytelling opportunities on different platforms, NCBA increased the *Beef. It's What's For Dinner.* brand presence on a variety of social media and digital platforms and reached more consumers more often with positive beef messaging. This tactic executed new multi-media campaigns, such as the Beef Substitutes campaign which

reached over 31 million consumers and exceeded over 10 million video views to the wide-reaching United We Steak summer grilling campaign to negotiating strategic partnerships that can help get beef “back on TV” through popular prime-time shows like NBC’s American Ninja Warrior and FOX’s MasterChef and MasterChef, Jr., In FY2019, this tactic reached consumers over 1 billion times (according to PEM reach guidelines) with positive beef and *Beef. It’s What’s For Dinner.* brand messaging.

In FY2021, this tactic will continue to manage the *Beef. It’s What’s For Dinner.* digital presence to ensure that beef is positioned as the top protein to consumers. This program manages the *Beef. It’s What’s For Dinner.* social media properties (1.025 MM+ Facebook fans, 37,900+ Twitter followers, 13,600+ Pinterest followers, 20,600+ Instagram followers, 18,500+ YouTube subscribers and over 98 MM YouTube video views and counting year-to-date) and brings to life positive stories about beef through a fully integrated digital media strategy including but not limited to online banner ads, video advertising, digital radio advertising, paid search and social amplification. Throughout the year, this tactic will allow *Beef. It’s What’s For Dinner.* proactively to share beef’s positive story with millions of consumers nationwide.

A critical part of this tactic is the state/national partnership with state beef councils. This tactic allows NCBA to work as a “free” digital consulting agency, providing state beef councils with social media counsel and “how-to’s,” executing their online advertising, designing media plan approaches, and providing in-depth search engine optimization support. On average, this saves state beef councils at least 15-20% by utilizing the in-house talent and counsel that NCBA provides. Not only is this a cost-savings for state partners and producers, but it ensures alignment and synchronization of beef messaging and content assets and stretches checkoff resources further to ensure that the states can use more financial resources to reach consumers in their local areas.

Measurable Objectives (*List relevant outcome-based objectives for this tactic*):

- Distribute a minimum of three paid media campaigns to ensure favorable beef messaging on digital platforms.
- Generate a consumer reach of 500,000,000, as defined by the Performance Efficiency Metric) to ensure that *Beef. It’s What’s For Dinner.* assets and messages are reaching the consumer frequently.
- Maintain awareness of the *Beef. It’s What’s For Dinner.* brand at an average of 40% annually, as measured by the Consumer Beef Tracker.

Performance Efficiency Measures *(PEM are not required for research ARs)*

Consumer Reach Goal: 500,000,000

Consumer Engagement Goal: 3,000,000

KOL Reach Goal: 0

KOL Engagement Goal: 0

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 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 checked="" type="checkbox"/> Ensure beef safety <input checked="" type="checkbox"/> Protect beef's image <input checked="" type="checkbox"/> Engage beef advocates | <input type="checkbox"/> Research & innovate new production tech. <input type="checkbox"/> Ensure beef's inclusion in dietary recommendations <input type="checkbox"/> Motivate producers & stakeholders to engage <input type="checkbox"/> Develop crises management plans <input type="checkbox"/> Attract, develop & enable the next generation <input checked="" type="checkbox"/> Defend beef's product identity | <input checked="" type="checkbox"/> Revolutionize beef marketing & merchandising <input checked="" type="checkbox"/> Measure & improve sustainability <input checked="" type="checkbox"/> Research & communicate beef's nutritional benefits <input checked="" type="checkbox"/> Connect & comm. with consumers <input type="checkbox"/> Improve product & production efficiency |

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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SUPPLEMENTAL INFORMATION FOR THIS AR

1. Please explain changes from FY 2019 approved AR:

There will be no changes in direction in FY2019. The focused strategy established in FY2018 will be maintained (people, pleasure, and protein).

2. List any proposed vendors/agencies that will be used to complete the work in this AR.

VML

3. Will all work with subcontractors be competitively bid?

No

If not, why not?

A variety of specific projects and work, such as video production, will be competitively bid to ensure that beef producers are getting their best return on investment. VML, the current digital agency of record, was chosen in FY18 based on their performance developing the consolidated Beef. It's What's For Dinner.com website as well as their background, experience and expertise in the area of digital advertising creative development and execution. The relationship is ongoing and contractual.

Contract and fees are also reviewed every year. Agencies are reviewed annually and must meet or exceed expectations to continue work. Nutritionists and consultants will be contracted on an as-needed basis.

4. Please list any relationships between this AR and projects previously funded by the Operating Committee:

NCBA has directed the "*Beef. It's What's For Dinner.*" advertising campaign for over 26 years on behalf of The Beef Checkoff. Creative materials produced within the promotion AR are also leveraged by other contractors, national program outreach areas as well as the majority of state beef councils.

DETAILED BUDGET SUMMARY:

AR #: 2102-P

CBB/BPOC Funding Request:

| Committee Name | Tactic | Tactic Name | Funding Source | Direct | Implementation | Total |
|-------------------------------|--------|---|----------------|---------------------|---------------------|----------------------|
| Consumer Trust/Innovation | A | "Beef. It's What's For Dinner." Marketing | BPOC | \$ 3,557,700 | \$ 1,013,800 | \$ 4,571,500 |
| Innovation/Nutrition & Health | B | Social Media and Digital Advertising | BPOC | \$ 5,295,900 | \$ 1,081,800 | \$ 6,377,700 |
| AR Totals | | | | \$ 8,853,600 | \$ 2,095,600 | \$ 10,949,200 |

Federation of SBCs Pledges/Other Funding Source(s): (Informational Only)

| Committee | Tactic | Tactic Name | Funding Source | Direct | Implementation | Total |
|-------------------------------|--------|---|----------------|---------------------|----------------|---------------------|
| Consumer Trust/Innovation | A | "Beef. It's What's For Dinner." Marketing | Federation | | | \$ - |
| Innovation/Nutrition & Health | B | Social Media and Digital Advertising | Federation | | | \$ - |
| AR Totals | | | | \$ 2,000,000 | \$ - | \$ 2,000,000 |

NOTE: The Federation funds are placeholders only and subject to change. The Federation Division of the NCBA Executive Committee will have jurisdiction and approval over how these funds will be applied to checkoff programs in FY2021.

NOTE: For fiscal year 2021, if the threat of legal challenge does not impact State Beef Council investments, approximately \$5 million will be voluntarily invested by SBCs to supplement NCBA's ARs. This assumes the underlying ARs are funded at a sufficient level to execute the core elements of the program. The supplemental funding will be used consistent with the principles outlined in the AR and deliverables for the industry will increase accordingly.

Summary of Prior Year AR Budgets and Expenses:

| Summary of Prior Year Budget: | FY 2020 Approved Budget | | | | | | |
|-------------------------------|-------------------------|--------------|-----------------|---------------|---------------|--------------|---------------|
| | CBB/BPOC | FSBCs | Other Source(s) | Total | Direct Cost | Impl. | Total |
| AR Totals | \$ 9,427,054 | \$ 2,982,652 | \$ - | \$ 12,409,706 | \$ 10,422,206 | \$ 1,987,500 | \$ 12,409,706 |

| FY 2020 Actual Expenses (through June 30, 2020) | FY 2020 Actual | | | | | | |
|---|----------------|--------------|-----------------|--------------|--------------|--------------|--------------|
| | CBB/BPOC | FSBCs | Other Source(s) | Total | Direct Cost | Impl. | Total |
| AR Totals | \$ 5,528,730 | \$ 2,182,500 | \$ - | \$ 7,711,230 | \$ 6,422,096 | \$ 1,289,134 | \$ 7,711,230 |

Historical Summary of Budgets and Expenses: (includes all funding sources listed in original AR)

| | Total Approved Budgets | | | Total Actual Expenses | | |
|-----------|------------------------|---------------|--------------|-----------------------|---------------|--------------|
| | FY 2019 | FY 2018 | FY 2017 | FY 2019 | FY 2018 | FY 2017 |
| AR Totals | \$ 12,539,500 | \$ 10,934,400 | \$ 9,292,421 | \$ 12,260,546 | \$ 10,908,880 | \$ 9,263,961 |