

BEEF

Iowa Beef Industry Council 2009-10 Annual Report

The **REAL** Story
is **YOUR** Story.



Letter from the Chairman...

It has been my pleasure to serve as your chairman for the past year. Increasing demand for beef has always been the desired outcome of the check-off programs that the Iowa Beef Industry Council conducts; and as a producer, I am confident that my check-off investment has been well-spent. We invest in promotions, advertising, new product development and foreign marketing, just to name a few. Also, providing accurate information and education to consumers and producers has become increasingly important.



As we plan for the coming year, we as your board of directors will be faced with some tough decisions on how to invest your check-off dollars. Costs continue to increase and check-off revenue has declined due to lower cattle numbers nationally. We will continue to invest in programs that will grow demand for beef and increase profitability of the beef industry in Iowa.

I would like to thank the volunteer leaders who serve on your board of directors for the time they put in to oversee the check-off program here in Iowa. I would also like to recognize the outstanding staff that we have at the Iowa Beef Industry Council that carries out the programs and activities funded by your check-off dollars. They are truly one of our greatest assets.

Dan Cook
Chairman

BEEF QUALITY ASSURANCE

More than 6,800 Iowa beef producers have been certified in the Beef Quality Assurance program which is funded by your beef check-off and is designed to improve the quality and consistency of today's beef products. BQA has played an integral role in improving the tenderness of beef by 25 percent in the last decade which has helped to increase beef demand. Visit www.bqa.org to learn more about the BQA program.



RESEARCH

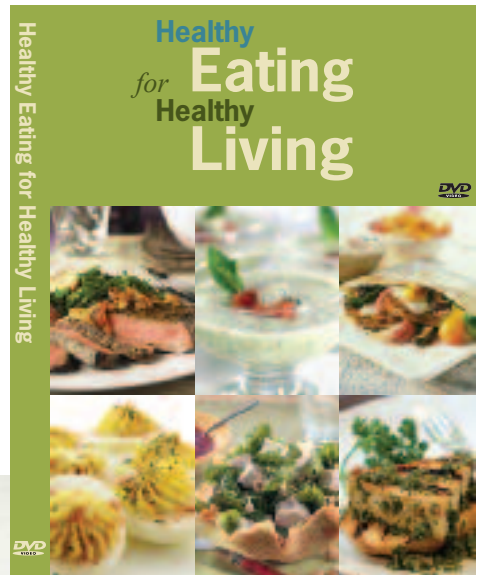
Checkoff-funded research continues at Iowa State University. One study is focusing on the effects of feeding ethanol co-products on marbling and fatty acid composition of beef. Another study looked at how calf sickness affects feedlot health, feeding performance, carcass characteristics, and beef quality.



CONSUMER INFORMATION

"Healthy Eating for Healthy Living" Wellness Kit was developed in cooperation with five other Iowa commodity groups to show consumers how Iowa foods fit in a healthy diet. The kit consists of an introductory video seg-

ment about Iowa agriculture and the foods that Iowa farm families produce. Six short "how to" video segments show how to enjoy the great taste of these Iowa foods (beef, pork, dairy, eggs, turkey and soyfoods) in a healthy diet. View the entire program and download resources, recipes and handouts at www.HealthyEatingforHealthyLiving.com.



INDUSTRY INFORMATION

More than 115 Iowans received their MBA (Masters of Beef Advocacy) this year by completing an online course to equip beef producers and industry allies with the information they need to be everyday advocates for the beef industry. Coursework covers issues related to beef cattle production, the environment, and beef's nutritional value. MBA graduates are encouraged to engage in public speaking, writing letters to the editor, and participating in social media such as Facebook. To enroll, send an e-mail to MBA@Beef.org with the subject line "MBA Enrollment."





The **IOWA** Checkoff Story is **YOUR** Story!

INTERNATIONAL MARKETS

Two Iowa beef producers attended an Iowa meat trade mission to South Korea and Japan in April. They met with key meat importers, retailers and foodservice companies as well as staff at the U.S. Embassy and Ag Trade Office to encourage U.S. beef exports. Iowans joined Secretary of Agriculture Tom Vilsack in Tokyo, Japan, as the two countries celebrated "Partners in Agriculture," a recognition of 50 years of agriculture trade between the United States and Japan. The share of U.S. beef exports to Japan has been increasing and has reached 20 percent of their imports.

NUTRITION

Attendees at the Iowa School Nutrition Association (school foodservice professionals) annual conference had an opportunity to hear the beef story and learn about modern beef, pork, and dairy production. Six school buses took the nearly 300 participants to Ames area farms including a cattle feedlot where they learned how a feedlot is managed, what cattle eat, how cattle farming is sustainable and can enhance our environment.

FOODSERVICE

The Iowa Beef Industry Council in partnership with the Iowa State University Meat Science Department hosted 85 sales and marketing staff from Sysco of Iowa, a major foodservice distributor in central and eastern Iowa. The training workshop provided in-depth information on beef including a carcass breakdown into foodservice cuts, presentations on quality

grades, aging, enhancement technologies and different choices of beef.

ADVERTISING

Reaching consumers with positive beef messages that encourage them to choose and eat beef is the goal of beef checkoff funded advertising in Iowa. Iowa funded more than 2,200 radio commercials on 30 stations reaching in excess of 1,880,000 people.

Iowa's advertising campaign also included print ads in *Our Iowa* magazine and the *Des Moines Register* for roasting season, Nutrition Month and summer grilling. New this year was the addition of internet advertising with www.kcci.com.

RETAIL

The Iowa Beef Industry Council assisted in the launch of new beef cuts at grocery retailers this past year.

Dahl's stores in central Iowa offered two new petite roasts, which were developed as part of the BAM initiative, an innovative primal optimization program designed to utilize larger subprimals creating leaner, smaller portions desired by consumers. Hy-Vee stores promoted the Flat Iron Steak this past May. Seven state beef councils, Hormel and Hy-Vee partnered on the promotion.

IOWA STATE FAIR

The Beef Checkoff and five other commodity groups partnered with the Iowa Department of Agriculture and Land Stewardship (IDALS) on a joint display in the Agriculture Building. The exhibit area offered visitors new activities such as "Ask a Farmer." Farmers were available each day to answer questions on how food is produced and "Battle of the Barnyard" engaged kids of all ages in interactive farm trivia games. Sampling of convenient beef products remained a building favorite with consumers. Forty-eight beef industry volunteers served nearly 24,500 beef samples during the fair.

PROMOTION

The Iowa Beef Industry Council sponsored the "Tailgate Fan Cams" at the Iowa State University, University of Iowa and University of Northern Iowa home football games. This promotion reached more than 140,000 fans at the three stadiums making more than 840,000 impressions.

Beef grilling video clips played during an in-game vignette on the jumbotron. The segment also featured Aaron Copeland's Rodeo music and the famous "Beef. It's What's for Dinner" tagline.





BEEF PROMOTION & RESEARCH BOARD

Cattlemen's Beef Board (CBB) - by law, 50 cents of every dollar collected goes to the Beef Promotion and Research Board (CBB). These funds form the base for national beef promotion, education and research programs. For more information on how these funds are spent, contact the Iowa Beef Industry Council or log onto www.mybeefcheckoff.com.

FEDERATION OF STATE BEEF COUNCILS

Federation of State Beef Councils - Iowa is one of 45 state beef councils that contribute additional funds for national promotion activities. These funds are combined with funds from CBB with oversight by the Operating Committee (a team of 20 beef producers representing the Federation of State Beef Councils and CBB that determine how check-off dollars are invested).

U.S. MEAT EXPORT FEDERATION

U.S. Meat Export Federation (USMEF) - Iowa is committed to expanding the opportunities to sell Iowa beef internationally. Additional funds are sent to USMEF for use in foreign market development. Iowa has two USMEF directors.

MISSION STATEMENT

The Iowa Beef Industry Council is dedicated to expanding consumer demand for beef, strengthening beef's position in the global marketplace and improving producer profitability.

BOARD OF DIRECTORS

- Dan Cook, Chair, New Providence
- Elaine Utesch, Vice-Chair, Correctionville
- Roger Brummett, Secretary, Bedford
- Scott Niess, Treasurer, Osage
- Stan Zylstra, Elected Director, Hull
- Justin Gibson, Iowa Livestock Markets
- Dr. Wendy Winterstein, Dean of ISU College of Agriculture
- Bill Northey, Iowa Secretary of Agriculture
- Ken Birker, Vinton
- Mike Curran, Chariton
- Bob Henderson, Albia
- Malcom Miller, Beaman
- Doug Rock, Swea City
- Terri Carstensen, Odebolt*
- Tom Hotz, Lone Tree*
- Scott McGregor, Nashua*
- Helen Wiese, Manning*

** Federation Director*

BEEF PROMOTION & RESEARCH BOARD OF DIRECTORS

- Dean Black, Somers
- Will Frazee, Emerson
- Jeff Clausen, Carson
- Dan Petersen, Muscatine

www.iabeef.org

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Iowa is a beef exporting state having fewer consumers than the quantity of beef we produce. By law, Iowa beef producers send 50 cents of every dollar to the Cattlemen's Beef Board for national beef promotion efforts. In addition, Iowa contributes another 19.5 cents of every dollar to national efforts through the Federation of State Beef Councils and U.S. Meat Export Federation. Iowa producers support international marketing by contributing to U.S. Meat Export Federation programs worldwide. This annual report describes some of the beef promotion activities completed in Iowa with the beef checkoff that is retained.

Oct. 1, 2009 - Sept. 30, 2010

STATEMENT OF REVENUES & EXPENSES

Revenues:

| | |
|--|--------------------|
| Assessments | \$3,544,910 |
| Late Fees | \$940 |
| Interest Earned | \$14,027 |
| Contract Income from Beef Certificates | \$13,621 |
| Contract Income from Foundation | \$7 |
| Projects and Other Income | \$19 |
| GCSS | \$108,430 |
| Total Revenues: | \$3,681,954 |

Expenses:

| | |
|--|--------------------|
| Beef Promotion & Research Board | \$1,772,925 |
| Federation of State Beef Councils | \$500,000 |
| National Program Investments | \$0 |
| Federation Initiative | \$50,000 |
| US Meat Export Federation | \$120,600 |
| IBIC Contracts with ICA | \$53,361 |
| Administrative | \$120,426 |
| Collection/Compliance | \$34,018 |
| Consumer Communication | \$83,285 |
| Education | \$23,967 |
| Health Professional | \$17,719 |
| Industry Information | \$102,666 |
| Governor's Steer Show | \$119,599 |
| Advertising | \$208,588 |
| General Consumer Promotion | \$5,024 |
| Retail | \$42,239 |
| Food Service | \$66,551 |
| International | \$21,350 |
| New Products | \$16,080 |
| Research | \$35,009 |
| Producer Communication | \$102,230 |
| Beef Quality Assurance | \$57,281 |
| <i>Non-Checkoff Related Expenses</i> | |
| Beef Certificate Time & Expenses | \$17,524 |
| Foundation Time & Expenses | \$13 |
| Total Expenses: | \$3,570,455 |
| Excess of Revenues Over Expenses: | \$111,499 |

Fund Balance:

| | |
|---------------------|-------------|
| Beginning of Period | \$1,254,505 |
| End of Period | \$1,391,956 |

The **NATIONAL** Checkoff Story is **YOUR** Story **TOO!**



ADVERTISING

In FY2010, the beef checkoff advertising campaign reached 80 percent of the consumer target an average of eight times to help keep beef top of mind with consumers. The checkoff's new Profiles campaign launched in 23 popular national magazines while radio ads aired on more than 5,000 U.S. radio stations, and online advertising appeared on a variety of popular online food-focused websites.



RETAIL

The retail team focused efforts on keeping beef top-of-mind with consumers as the weak economy continued to shape buying behavior. Many new retailers introduced checkoff-funded programs such as Beef Alternative Merchandising (BAM) and Slice and Save to help shoppers stretch their grocery dollars. More than 100 million coupons and rebates were issued in the retail channel to encourage consumers to buy beef and keep it affordable.



FOREIGN MARKETING

During the first nine months of FY 2010, U.S. beef exports (including variety meat) worldwide totaled 732,371 metric tons valued at \$2.63 billion – an increase of 9.5 percent in volume and 12 percent in value year-on-year. Perhaps the most important turnaround of all was the resurgence of U.S. beef in South Korea.

FOODSERVICE MARKETING

With about half of all beef sold in the U.S. moving through the foodservice channel, the checkoff's award-winning BEEFflexible trade advertising campaign kept beef top-of-mind as restaurants struggle through the economic recession. Strong relationships with media yielded beef editorial features that netted a return on investment of more than \$2 million in ad equivalency.

PRODUCER COMMUNICATIONS

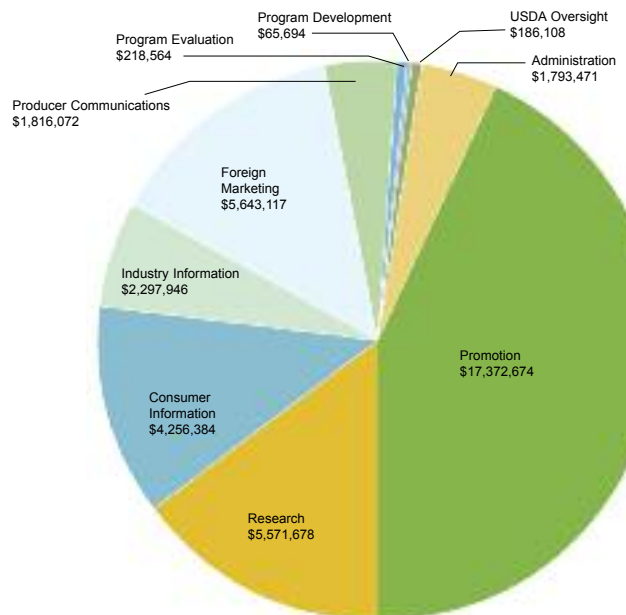
Producer communications provided more than 25 million paid media opportunities for producers to get to know their checkoff. This effort was supported through more than 5,000 news articles; video news releases aired on more than 600 stations; delivery of more than 100,000 newsletters; and participation in 15 industry trade shows. Online, viewers accessed more than 240,000 pages during 90,000 visits to www.MyBeefCheckoff.com.

PUBLIC RELATIONS

The checkoff's state-national public relations partnership helped spread the good news about beef nationally, through materials including monthly media pitches and consumer and media fact sheets. The I Heart Beef program generated more than 96 million media impressions, and the checkoff's overall public relations program achieved more than 1.8 billion media impressions in FY 2010.



CATTLEMEN'S BEEF BOARD FISCAL YEAR 2010 EXPENDITURES



FOR MORE INFORMATION ON YOUR NATIONAL BEEF CHECKOFF PROGRAM, VISIT WWW.MYBEEFCHECKOFF.COM