

Culinary Institute of America at Greystone

The beef checkoff hosted a steak immersion and educational event at the Culinary Institute of America at Greystone in St. Helena, CA to help educate decision makers from more than 30 major U.S. food-service (restaurant) operators, major retail chains and the top US packers. Because rising food prices and reduced beef supply are causing foodservice operators to rethink their menus, the event focused on informing operators about the versatility and selling power of beef.

The group, consisting of chefs from well-known restaurants such as Applebee's, Disney's Animal Kingdom and Chili's, as well as retailers including Whole Foods Market, Harris Teeter and HEB, had the opportunity to learn more about:

- New and exciting beef menu ideas
- Profit Power – how beef can be a profit driver for their operation
- Focusing on secondary cuts and other cost savings measures
- Affordability and versatility of beef
- Beef cutting demos
- Straight talk on pricing/trends/future
- Sustainability and carbon footprint

The chefs were able to work with and cook the top sirloin filet, top sirloin cap steak (Coulotte steak), chuck eye steak (Delmonico steak), boneless country-style ribs and Denver steak. In addition to funding from the national Beef Checkoff Program, checkoff dollars from California, Florida, Iowa, Kansas, South Dakota and Texas made this event possible.



Florida Beef Industry Video

Funded by dollars from the Federation Initiative Fund, the Florida Beef Industry Video is a 10-minute educational video explaining the history of the Florida beef industry from pasture to plate. The video includes on-ranch filming from three different Florida cow-calf ranches, footage from Buckhead Beef, as well as feedlot and retail meat case shots obtained from NCBA. As the beef industry is something of a mystery to the majority of consumers, the goal of this video was to provide educational information and a positive message to consumers about modern beef production and beef's value in their diets. Copies of the video are available to anyone free of charge from the FBC office.

Clearwater Beach Uncorked

Volunteers from the Florida Beef Council, Florida Cattlemen's Association and Florida CattleWomen grilled and served more than 7,000 strip steak samples to the 4,500+ attendees at the second annual Clearwater Beach Uncorked. Through a partnership with Everglades Seasoning, FBC had the most delicious and nutritious tasting at this popular, two-day food and wine event held on Clearwater Beach.

FBC teamed up with the Publix Aprons cooking school to demo two recipes during Uncorked - Steak Pizzillo and Korean-Style BBQ Ribs. The Publix Aprons executive chef was also featured the day before Uncorked on the CBS television station in the Tampa Bay area cooking the Korean-style BBQ Ribs to promote the event as well as the recipe. FBC was featured on signage around the event and was also recognized at regular intervals over the loud speaker during the weekend.



Florida Beef Council 2012 Board of Directors

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Staff

Jim Handley - CEO
Ashley Hughes - Director of Beef Marketing & Promotion

FLORIDA BEEF COUNCIL Audited Financials 2012

Revenue	
Gross Assessments Collected	\$614,057
Federation Funding	\$60,858
Non Checkoff	\$91,697
Total	\$766,612
Disbursements	
Cattlemen's Beef Board	\$308,611
NCBA Checkoff Division	\$40,000
Promotion	\$115,943
Research	\$.00
Consumer Information	\$91,589
Producer Communication	\$30,023
Federation Funding	\$60,858
Collections Compliance	\$3,020
Administration	\$46,136
Other	\$428
Total	\$696,608
Net	\$70,005

Florida Beef Council

STATE ANNUAL REPORT

Established 1955



TWENTY TWELVE

Beef and the Military

Members of the Jefferson County Cattlemen's Association visited with the US Army 160th Military Police Battalion on March 4, 2012 for their annual Family Fun Day. Florida Beef Council (FBC) was honored to provide hamburgers for this program. The members of the Battalion deployed to Afghanistan in June 2012 and this event was a celebration with their families before departing for Fort Bliss for final pre-deployment training. As reported by Stephen Monroe, "The soldiers were very appreciative of our support. It is humbling to be around these folks who are so dedicated to serving their country." Thank you to all military, past and present, for your service to the country.



Hispanic Heritage Month

The FBC relaunched a targeted Hispanic beef program at 60 Publix Super Markets in their Miami Division to celebrate Hispanic Heritage Month in 2012. The program was designed to enhance awareness of beef cuts and increase beef sales within the South Florida Hispanic community via custom-designed collateral and demonstration events at select South Florida Publix Super Markets to promote beef consumption. Each Publix store featured the following: bilingual cooking demonstrations, bilingual beef dictionaries, custom shelf wobblers, counter stands with pockets, custom recipe brochures, and on-pack beef recipe labels. In addition, a signature beef recipe was demonstrated at select Publix Super Markets in Miami-Dade during the promotion. These in-store events were a co-op program between FBC, NCBA, Badia Spices and Reynolds Wrap Foil highlighting a recipe from checkoff-funded website www.lacarnederes.com.

Dairy Beef Quality Assurance Training

In conjunction with Southeast Milk and Ron Eustice, former executive director for the Minnesota Beef Council, FBC coordinated Beef Quality Assurance training for Spanish-speaking dairy farm employees in Okeechobee, Sebring and Branford. During the three days, 31 employees, representing farms with 25,000-30,000 dairy cows, were trained.



Florida Beef Month

By proclamation of Governor Scott, May was Beef Month in Florida! The purpose of Beef Month is to build awareness of beef throughout Florida while highlighting the versatility and affordability of beef. FBC worked with the At The Table Public Relations firm to promote Florida Beef Month to the media. Through press releases, Florida Beef Month was featured in 12 different print media, including the *Tampa Tribune*, *The Miami Herald*, *Jacksonville Sun-Times* and *Orlando Sentinel*, and reached more than 11.8 million people collectively through both the newspaper and online components. FBC also utilized blogger Leslie Green, *The Hungry Housewife*, to create four original beef recipes that were featured weekly on her website, Facebook page, Twitter account and Flickr, as well as the FBC website and Facebook page. Leslie averaged over 1,500 visitors to her website to specifically view three of the four recipes; however, her Fancy Pot Roast recipe garnered more than 8,500 visitors! FBC also partnered with Sweetbay Supermarket to promote beef in the retail market during Florida Beef Month.



HISTORY CREATES BASE

for Proven Checkoff Program

When we learn from the past, we build a foundation for the future. Take the national Beef Checkoff Program, for example.

The current mandatory checkoff has its roots in demand-building efforts by the beef industry that began back in 1922, when agriculture's first checkoff effort was created in the National Live Stock and Meat Board. Adding to that foundation are state beef councils around the country, which were started as far back as the mid-1950s.

The first checkoffs were voluntary and collected at processing facilities. The assessments on producers were 5 cents per train carload, and a matching 5 cents a train carload from packers on cattle, hogs and sheep – an amount that was matched by progressive processing companies that

participated in the program.

In 1963, the Meat Board created species divisions that would help provide focus to individual meats. That's when the Beef Industry Council (BIC) was formed, with guidance and support from state beef councils from around the country.

When the mandatory \$1-per-head Beef Checkoff Program was instituted in 1986, the BIC was identified in the Beef Promotion Order as the Federation of State Beef Councils, which would help identify programs to fund and represent Qualified State Beef Councils at the national level. When the National Cattlemen's Association merged with the Meat Board in 1996, a Federation Division was created, making the new Federation of State Beef Councils the successor to the BIC.

While improvements have been made along the way, many of the concepts established back in 1922, with additional focus in 1963, are intact in 2012. Today, the Federation remains dedicated to supporting the work of both state beef councils and the national Beef Checkoff Program through its work in beef research, information and promotion.



What's In a Name?

Why do some state promotion governing bodies have boards, while others have councils or commissions?

The answer is that the bodies are controlled by grassroots producers in each state, who establish all aspects of how beef promoting efforts will be run.

Regardless of their name, beef promotion entities in 45 states are considered Qualified State Beef Councils, and authorized by the USDA to collect the full \$1-per-head national checkoff assessment. They remit half to the Cattlemen's Beef Board for national and international promotions, research and information programs. The other 50 cents remains under the control of the state's board of directors for investment in qualified demand-building programs.

Individual producers who get involved in all aspects of the decision-making process at both the state and national level assure grassroots control – something all beef producers can support.

Third Time is a Checkoff Charm

The Beef Checkoff Program passed by producers in a 1988 referendum by an almost 4-1 margin wasn't the first beef industry effort to create a uniform national checkoff. In 1977, a program was proposed that would have assessed 2/10th of one percent of an animal's value at slaughter to fund a top-down organization – with a minimal role for state beef councils. It was voted down by producers.

In 1980, a similar proposal was overwhelmingly defeated. After that defeat, the industry went back to the drawing board to determine what kind of program producers really wanted.

An extensive survey found that producers sought a program that was jointly controlled by a state and national effort; utilized existing organizations (like the BIC and United States Meat Export Federation) to conduct programs, without creating new promotion organizations; and a program that used a method of collecting a set amount at the time of sale.

The \$1-per-head assessment and the Beef Checkoff Program were the result. Surveys conducted on a regular basis by an independent research firm show that producers remain supportive of this effort. In the last survey conducted in July 2012, 74 percent of producers supported the beef checkoff, and eight of 10 said they thought the checkoff had helped contribute to a positive trend in beef demand.



Did You Know...

- Because of its independent nature, the Meat Board was asked in the late 1920s to help develop criteria for a national beef grading system, and the U.S. Department of Agriculture would base its grading program on those standards;
- In the 1970s it was found that consumers were confused by different names for the same cut of meat, therefore a Uniform Retail Meat Identity Standards program was created by the Meat Board that helped make cut names more uniform nationally;
- In the 1960s and 70s, the BIC worked every year with the American National CowBelles (now the American National CattleWomen) on a "Beef For Father's Day" promotion across the country. Millions of consumers were reached through the campaigns;
- A consumer boycott of red meat in the Spring of 1973 highlighted the value of a checkoff-based industry response to societal issues (and underscored the need for more resources). The industry joined forces in a "Beef Steak Strategy" through the BIC to reach out to consumers, helping educate them through media outlets such as *The New York Times*, *The Wall Street Journal*, *Time*, *Newsweek*, and NBC-TV's *The Today Show*.

GETTING A GRIP ON THE FUTURE

It doesn't take a crystal ball to know the beef industry has plenty of marketing changes in store over the next 50 years. If the decreasing cattle herd and changing weather patterns aren't good enough indicators, technology and the mercurial consumer should suggest that we're in for quite a ride.

Consumer demographic and behavioral trends suggest the beef industry can expect many changes. Based on current developments we would not be surprised to see:

New merchandising options.

Households comprised of one or two persons now represent 62 percent of the total U.S. households. Retailers are going to need plenty of merchandising options as they reach out to these consumers.

Technology driving decision-making.

Millennials – those 80 million consumers who were born between about 1980 and 2000 – use social media to make many of their decisions, as well as increase their knowledge base. What kind of instant messaging will drive millennial decisions and knowledge tomorrow?

Ethnic shifts change the marketing landscape.

Hispanics will grow from 16 to 30 percent of U.S. households from 2010 to 2050. Not only will culinary tastes shift, but the beef industry must be able to meet the needs of increasingly diverse consumer palates.

More new beef cuts for the budget-conscious.

The beef industry has developed several new beef cuts (Denver Cut, Flat Iron Steak) that have helped make steak-eating more affordable, and increased the value of the carcass. Today, about half of U.S. households are at low to moderate income levels. Innovation is needed to find affordable beef options for all income levels.

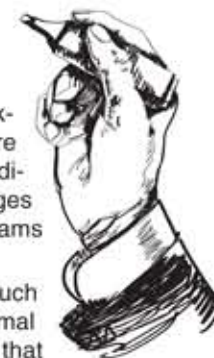
More convenient beef products.

Nearly one-third of consumers think that 40 minutes from start to table is too long to wait for their meals, 70 percent say that an hour is too long. In addition, 70 percent of women are now working, so convenience is paramount. While ground beef has been the "fall-back" product for the time-conscious, more convenient whole muscle cuts could boost demand.

Summary

As we look down the road, these and other trends stand out as particularly relevant to beef producers. Obviously, no one can predict the future; however, it makes sense for the beef industry to be prepared for one.

THE CHECKOFF IN 2012



Today, aggressive checkoff-funded programs are reaching their target audiences with positive messages about beef. These programs include:

NUTRITION RESEARCH, such as the Beef in an Optimal Lean Diet (BOLD) study that demonstrates eating lean beef every day can be good for heart health;

SAFETY RESEARCH, which searches for solutions to safety challenges to further enhance the industry's safety record;

HEALTH PROFESSIONAL EDUCATION, which extends scientific research about beef nutrition to the country's leading health professionals through organizations like the Academy of Nutrition and Dietetics;

ADVERTISING, which takes advantage of consumer recognition of the checkoff's "Beef. It's What's For Dinner" campaign through print, radio and online video advertising;

FOODSERVICE AND RETAIL PROMOTIONS, such as a new BEEFlexible for Foodservice campaign to promote the value and versatility of steak, and a refreshed version of the BeefRetail.org website;

ISSUES MANAGEMENT, which helps protect the industry against unfounded attacks and provides accurate information about beef issues. To help debunk beef myths, a FactsAboutBeef.com website was created to address animal care, the environment, nutrition and safety;

BEEF QUALITY ASSURANCE, where producers are

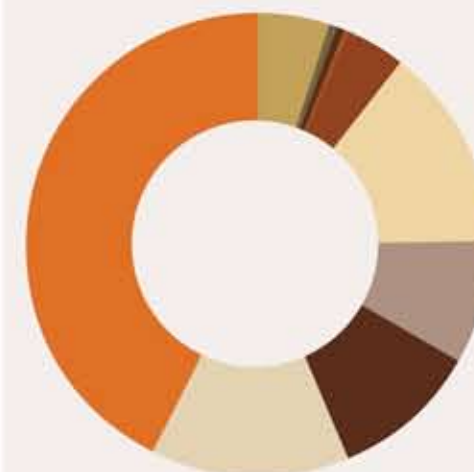
encouraged to follow guidelines that encourage better beef production. Released in 2012, the 2011 National Beef Quality Audit provided industry guideposts for improving the U.S. beef supply;

INFORMATION, with booklets like Basics About Beef, a full color, 24-page booklet designed to help consumers get optimal value when buying beef;

VEAL PROMOTION, with a Facebook summer grilling photo contest generating awareness of veal and a Twitter handle posting local veal specials at retail and in restaurants; and

INTERNATIONAL PROMOTIONS, which are helping raise awareness of beef's value in dozens of countries around the world.

CATTLEMEN'S BEEF BOARD Fiscal Year 2012 Expenditures



Expenditures

Program Expenses:

Promotion	\$18,497,850
Research	\$5,719,714
Consumer Information	\$4,513,478
Industry Information	\$3,866,592
Foreign Marketing	\$6,129,529
Producer Communications	\$1,745,326
Producer Evaluation	\$131,674
Program Development	\$198,498
Total Program Expenses:	\$40,802,661
USDA Oversight	\$211,064
Administration	\$1,632,467
Total Expenses:	\$42,646,192

*Chart shows 2012 audited numbers