

Retail and Foodservice Promotions:

Throughout the year, KBC teamed up with retailers and foodservice to promote beef. During the holiday roasting, KBC along with TN and VA Beef Industry Councils promoted holiday roasting with Food City. The grocery stores provided customers with pop-up timers and recipes to ensure

they had a successful holiday roasting experience.

Kroger Mid-South Division and KBC teamed up to promote beef through couponing during the summer grilling months.

Approximately 54,025 coupon fliers with four-\$1 off coupons were mailed out prior to Memorial Day. According to Kroger, there was between a 3-6% redemption rate on each coupon with about 10% of households redeeming at least one coupon.



Retail and Foodservice Training

Throughout the year, KBC reached out to retail and foodservice professionals with educational opportunities. KBC and TN Beef

Council teamed up to host the fifth Beef Retail and Foodservice Symposium reaching 25 chefs, retailers, processors, and distributors. Prior to the symposium, attendees participated in a carcass fabrication. Participants were updated about the beef market, talked to farmers who raised traditional, grass-fed, natural and organic beef, and learned about beef nutrition. They also participated in an interactive session on how to add value to beef through the beef value cuts, American Heart Association Check beef cuts and the Beef Alternative Merchandising (BAM) cuts.

KBC also hosted a BAM cutting demonstration and sampling

for chefs attending the American Culinary Federation Southeast regional meeting. Chefs learned how to menu Top Loin, Ribeye and Top Sirloin differently to meet consumers' desires for smaller portions and leaner cuts.

Staff continues to work post-secondary culinary schools across the state to provide materials, events, and training about beef.

Public Relations

KBC reached out to consumers with tasty recipes and cooking tips through several public relations opportunities. Every month staff appeared on WDRB FOX 41 (Louisville) for *Dash and Dine* reaching over 30,000 viewers. Staff also appeared on WHAS 11 (Louisville) on *Great Day Live!* with Rachel Platt and Terry Meiners which reaches 40,000 viewers. KBC also reached consumers digitally with Facebook, Twitter and Pinterest.

One major public relations effort was the 2013 Celebrate the Steak Media Tour ran through the month of May to celebrate May is Beef Month and kick off the grilling season. The tour stopped at 23 media outlets and 5 consumer stops reaching over 450,000 plus consumers. KBC teamed up with the Holland Grill Company to give away a EPIC Holland Grill and beef prize pack. There were 693 entries for the grill and one winner, Mark Wells of Lawrenceburg.

Kentucky Cattlemen's Association Executive Board

Don Reynolds, President
 Steve Downs, President Elect
 Gary Woodall, Vice President
 Billy Glen Turpin, Secretary-Treasurer
 David Lemaster, Association Program Chairman
 Chuck Crutcher, Kentucky Beef Council Chairman
 Bobby Foree, Kentucky Beef Network Chairman
 Michael Bach, KCA Past President
 Steve Dunning, Ryan Miller, Bobby Foree, and Tim White, Regional Vice Presidents
 Nelson Curry, Meat Export Federation
 Julianna Jepson and Daniel Smith, Cattlemen's Beef Board
 Chuck Crutcher and Dave Rings, Federation of State Beef Councils



Fostering and Developing Relationships with Influencers

KBC focused on further developing long standing relationships with organizations that influencing health professionals and like-minded individuals.

KBC primarily focused on the American Heart Association (AHA) and the Kentucky Dietetic Association (KDA). KBC partnered with AHA on the Go Red for Women and Heart Walk events in Lexington and Louisville to ultimately promote how lean beef can be incorporated into a heart-healthy diet. Additionally, because of the great relationship KBC and AHA have built several secondary events boasted partnerships between KBC and AHA, such as lunch-and-learns, contests, and healthy living fairs. Because of the strong relationship between KBC and AHA, over 5,000 consumers and influencers have been reached throughout the year. KBC also partner with the Kentucky Dietetics Association to provide a speaker and a beef-centered networking luncheon for dieticians and dietetic interns during their annual meeting in April as well as throughout the year with their digital newsletter.



Promotion: The Derby Burger Challenge

One of the biggest promotions KBC is involved with is the KY Derby Festival which

happens all through the month of April. With this sponsorship, KBC hosted a burger recipe contest, participated in Thunder over Louisville, the marathon expo, Kroger Fest-a-ville kickoff, a health fair, BeerFest, and radio remotes.

In the second year of the Derby Burger Challenge, there were over 250 recipe submissions, but one burger, The Beef, Bourbon, Bacon and Blue Burger, was selected as the winner and featured in 62 Lexington and Louisville stores from April 22 to May 11. KCB sampled various summer grilling recipes, played "Name that Lean Cut", and educated Kroger consumers about beef during Thunder over Louisville in the Meijer Family Fun Zone as part of the KY Derby Festival sponsorship.

As part of the Derby Festival, KBC participated in the Kroger Fest-a-Ville's BeerFest event in Louisville. Sampling over 800 samples of the winning burger from the Derby Burger Challenge.

Media appearances were a large part of the KY Derby Festival sponsorship, KBC appeared or was talked about on all four major television stations at least twice in a three-week period. Public relations efforts efforts generated well over a 100,000 impressions.

The Derby Burger was featured as the "Local Legendary Burger" on the Hard Rock Café in Louisville from April 25 through May.



Education

KBC focused on developing and nurturing relationships with educators in and out of the classroom. KBC offered 30 "Beef in the Classroom" grants to Family and Consumer Science, Life Skills, and Culinary educators as well as Family and Consumer Science extension agents to incorporate beef into their lesson plans and programs. Additionally,

KBC partnered with the University of Kentucky Cooperative Extension Service to promote beef literacy among elementary school-aged children by providing books for volunteers to read to elementary classes during National Ag Week in March. Over 15 counties participated in this event reaching over 1,200 elementary aged children!

KENTUCKY BEEF COUNCIL

FY2013 Income and Expense Statement
 October 1, 2012 - September 30, 2013

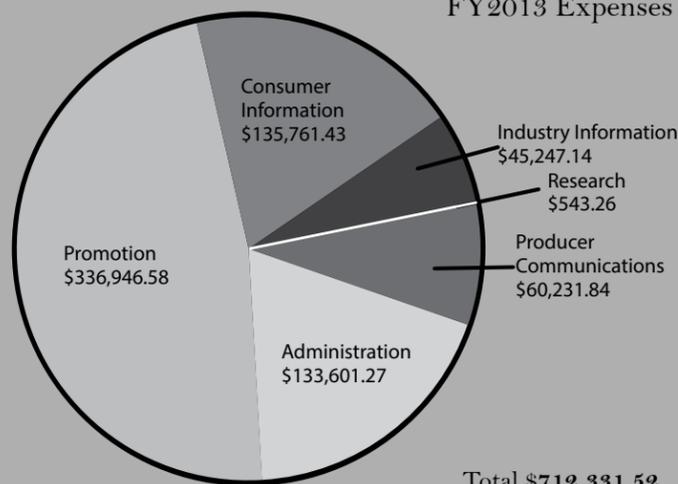
REVENUES:

Checkoff	\$1,494,482.02
State Transfers	(101,040.00)
Cattlemen's Beef Board	(689,352.80)
Interest	37.03
Total Revenues	\$704,126.25

EXPENSES:

Promotion	\$336,946.58
Consumer Information	135,761.43
Industry Information	45,247.14
Research	543.26
Producer Communications	60,231.84
Administration	133,601.27
Total Expenses	\$712,331.52

FY2013 Expenses



FINANCIALS

Dear Fellow Beef Producers,

Is the Federation of State Beef Councils still relevant after 50 years? In my opinion, it is. Beef producers today want as much input as possible into how their dollars are spent.

Thanks to forward-thinking producer leaders almost three decades ago, the mandatory Beef Checkoff Program had as part of its framework then-existing and to-be-created beef councils at the state level, which would collect the \$1-per-head mandatory checkoff and help populate important direction-establishing and funding committees.

Many of those states had already joined together as a Federation to share expenses for common needs, such as Information Technology, design services, planning guidance and communications. By not duplicating costs from state to state, and joining in a common vision and message, councils extend checkoff programs in the state and assure that producers throughout the country are getting the most for their checkoff dollar. Relevant? Absolutely. The Federation of State Beef Councils is a mechanism for grassroots input and influence.

Yours truly,



Richard Gebhart, Chair
Federation of State Beef Councils
Beef Producer, Claremore, Okla.



Fresh Strategies for a Changing Beef Landscape

Because of grassroots producer leadership, the beef industry is positioned to capitalize on future changes in the beef marketplace. Committee restructuring, which parallels the industry's Long Range Plan, was completed this past year to provide the Cattlemen's Beef Board and the Federation of State Beef Councils a better focus on industry goals. Following are some national and international beef checkoff efforts that reflect that plan:

Solving the Millennial Dilemma

Through checkoff-funded research, we know consumers born in the 1980s and 1990s – sometimes called millennials – enjoy beef. But they have some concerns about preparation, nutrition and convenience. Now the question becomes, just how do we turn them into long term beef lovers?

Through a new checkoff-funded retail campaign, with additional support from the Federation and individual state beef councils, that question is being addressed.

The checkoff-funded Convenient Fresh Beef project explores a way to develop an easy-to-prepare fresh beef product at retail stores, make it appealing and create the education and training to make it successful.



Convenient Fresh Beef products include the beef, seasonings and instructions in an attractive sleeve-wrapped tray, prepared in the meat department at the grocery store or brought in as a case ready product. A photo of the finished dish is on the front of the sleeve; from 1-3 recipes are printed on the back.

The items are convenient and provide shoppers options. They

address a millennial's lack of cooking skills and desire for a restaurant experience, and meet the needs of families looking for shortcuts on busy week nights. In addition, they meet mature consumers' desire for easy home-made foods that feed two and provide leftovers.

The test program is being conducted in the Midwest at Price Cutter stores, which have the in-store capabilities to produce the kits and have provided significant support for testing. Additional support for implementation has been provided by individual state beef councils.

Consumer research, post implementation to document interest and sell the programs to other stores, as well as point-of-sale materials, demonstrations and training, and initial spice inventory were made possible through national beef checkoff funds.



Campaign Sizzles with New Voice

New "Beef. It's What's For Dinner." consumer advertising premiered in 2013, bringing the recognizable tagline to both older millennials and Gen-Xers. It features sizzling beef recipes, juicy details about essential nutrients and the voice of one of Hollywood's most promising new

talents. The new "Above All Else" campaign reaches out to those who care about food and nutrition.

While keeping many brand mainstays, such as Aaron Copeland's "Rodeo" music, the new beef campaign uses Garrett Hedlund's voice in radio spots. Garrett personally represents healthful living, and his strong, warm voice is perfect for provoking a new understanding about beef.

Research has shown that 45 percent of the target demographic said they would choose beef more often if they knew about

how its nutrients compared to chicken. The new campaign helps set the record straight about beef's essential nutrients in an engaging and educational way.

In addition to traditional print placements, the campaign appears across a wide range of digital platforms, such as 22 tablet versions, online radio stations (e.g., Pandora), video websites (e.g., Hulu), social networking sites (e.g., Facebook) and popular recipe websites (e.g., AllRecipes.com).

State Beef Councils are extending the campaign through print, radio, digital, in-person promotions, sporting events, outdoor advertising and more.



Boosting Beef Internationally

The Beef Checkoff Program assisted as U.S. beef and beef variety meat exports performed very well in 2013. Through

July, exports were 9 percent ahead of last year's record pace in terms of value, at \$3.45 billion. This translates into great returns for producers, as export value equated to nearly \$235 per head of fed slaughter – an increase of 11 percent over last year.

Through international marketing programs conducted by the U.S. Meat Export Federation, the Beef Checkoff Program is working aggressively to increase export opportunities for U.S. beef. For instance, with recently expanded access in Japan the checkoff helped attract new buyers to U.S. beef and expanded the range of cuts available, allowing Japan to reclaim its position as the No. 1 destination for U.S. beef exports. Other Asian markets performing well included Hong Kong and Taiwan. Exports are also significantly higher to Central and South America, as the checkoff helped the U.S. beef industry capitalize on recently implemented free trade agreements.

Program Builds Nutrition Relationships

With their local and state focus, state beef councils are instrumental in building relationships with state professional organizations dedicated to improving the health of Americans. The national Beef Checkoff Program is assisting those councils in strengthening those ties.

The Nutrition Seminar Program (NSP), coordinated by NCBA, a Beef Checkoff contractor, provides an opportunity for state beef councils to get closer to their state chapters of health professional groups by providing a nationally recognized expert to speak on a nutrition topic at that organization's annual meeting. The Beef Checkoff also provides free client education resource materials to all session attendees.

State councils coordinate and execute the NSP session, while the national Beef Checkoff covers the honoraria and travel expenses for each speaker. This past year, 36 speaking engagements were coordinated by numerous councils.

There are 40 different speakers for states to choose from, covering 148 session topics.

Partners in Time



Throughout its 50-year history, the Federation of State Beef Councils has provided a platform for state beef council representation at the national level, while offering services needed by states to conduct their in-state promotion, education and research programs. The partnership is made possible three ways: through the

1985 Beef Promotion Act; by deliberate collaboration with national programs funded through the Beef Checkoff Program; and by voluntary contributions to the Federation by state beef council boards.

The voluntary investments by cattle-rich states helps make sure greater emphasis is placed on programs where the majority of consumers live and buy beef. It supports the teamwork necessary for building a successful state and national Beef Checkoff Program.

CATTLEMEN'S BEEF BOARD FISCAL YEAR 2013 EXPENDITURES

Category	Amount
Administration	\$1,536,829
USDA Oversight	\$279,075
Program Development	\$179,088
Program Evaluation	\$179,590
Producer Communications	\$1,529,824
Foreign Marketing	\$6,036,724
Industry Information	\$3,492,377
Consumer Information	\$3,390,267
Research	\$6,036,100
Promotion	\$15,528,767
Total expenses	\$38,188,641

*audited numbers