

Get Grillin' Media Tour: To celebrate national Beef Month in May, the KBC hosted its annual Get Grillin' Media Tour to show consumers the value of Power of Lean Beef. The tour made 20 stops and reached 562,547 viewers with 52 minutes of TV air time and several thousand more on the radio. Had KBC paid for that media coverage, it would have cost nearly \$15,000.



Foodservice Promotion: In August, the Ford Louisville Ironman attracted 2,700 athletes and thousands of their biggest fans from all over the world to complete 140.6 miles. Beef was there too as the Official Source of Protein. During the Expo, KBC showed athletes how protein fits into their diet when preparing for endurance events. Fifty athletes wore a Team Beef tri-jersey during the Ironman to increase beef's visibility. Staff and farmers served as the Beef SWAT Team cheering on athletes, giving out beef items, sub coupons and literature. In the Recovery Zone, athletes refueled with a roast beef sub. This event allowed KBC to get positive beef messages out to more than 15,000 consumers.



To enhance the Ford Ironman Louisville sponsorship, KBC teamed up with Louisville and Bowling Green area- SUBWAY Restaurants to promote a Roast Beef Sub of the Ironman, July through Labor Day. In-store menu footers, employee buttons, and radio advertisements were utilized to promote the sub. During the promotion, SUBWAY increased their roast beef sub poundage in Louisville by 3 percent (17,640 pounds) and in Bowling Green by 15 percent (1,920 pounds).



CONSUMER AND INDUSTRY INFORMATION

Meat Your Neighbor Educational Tours: In an effort to reconnect consumers to the farm, beef and dairy farmers in Bourbon and Warren counties hosted 75 consumers, dieticians, farmers, industry representatives, retailers, and chefs during two different "Meat Your Neighbor" tours. Farm visits showed participants how farmers work every day to produce safe and wholesome beef and milk, while preserving the environment. Additionally, participants learned about the health benefits of beef and the new value cuts. Media coverage of the tours included articles in *Farm World*, *KY Living* and the *Lexington Herald-Leader*. The April 21 tour made the 6 p.m. news on WBKO-13 in Bowling Green. Media coverage allowed us to reach several thousand more consumers.



Health Influencers' Education: KBC reached out to health influencers, including school nurses, dietitians, teachers, physicians and parents to show how beef fits into a healthy diet. The KBC distributed more than 17,000 pieces of nutrition information and curriculum to influencers and reached more than 50,000 plate keepers with beef information. KBC has lasting relationships with the Kentucky Dietetic Association and the American Heart Association. Both organizations allow the KBC to increase awareness of the healthy benefits of lean beef through their programs and activities throughout the year.



Reputation Management: During the year, KBC staff monitored media for issues related to the industry and responded with farmer letters-to-the-editor, fact sheets and desk-side visits. KBC also extended the national "Thank a Farmer" and "I Heart Beef" campaigns to media outlets and consumer events to show consumers the importance of farmers and beef. Additionally, Kentucky graduated 140 farmers, veterinarians, students and industry representatives from the Masters of Beef Advocacy program, which trains grassroots participants to share consistent, positive beef messages with the general public.



KENTUCKY CATTLEMEN'S ASSOCIATION EXECUTIVE BOARD

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Kentucky Beef Council 2010 Year in Review

CHAIRMEN'S LETTER

This report is a synopsis of how your checkoff dollars are invested to promote beef, increase demand, and create a favorable business environment for the beef farmers in Kentucky. As the Qualified State Beef Council, the Kentucky Cattlemen's Association collects \$1 on each head of cattle and calves sold. Fifty cents is sent to the Cattlemen's Beef Board to develop and support national checkoff programs. KBC retains fifty cents of each dollar to implement programs focused on consumers, retail/foodservice operations and health influencers. Proactive public relations help spread the good news about our delicious, nutritious product. Advertising campaigns that educate consumers on food safety, quick and easy beef products and beef as a desirable entrée for the family meal are strategically run during the year.

Your KBC proudly maintains a reputation as a source of reliable and reputable information, based on science, about beef. The Masters of Beef Advocacy and the Beef Quality Assurance programs are in place to enhance the quality and image of beef. KBC's crisis management plan continues to be a critical tool in providing science-based facts to both beef producers and the public when issues arise that could be detrimental to the beef industry. KBC coordinates with National Checkoff programs in an effort to increase demand for beef in foreign markets also.

We hope this report will impress upon you, our stakeholders, our commitment to keep the beef industry vibrant, growing and profitable in the years to come. To see more KBC programs, go to www.kybeef.com.

Best Regards,
 Steve Downs, KBC Chairman

PROMOTION



Advertising and Public Relations: Utilizing the *Beef Profiles* campaign, KBC focused on promoting beef's role in a healthy diet in the media via more than 942 beef commercials on radio stations across the state. Eight print advertisements were placed in consumer magazines. To compliment state efforts, the national radio and print campaign reached almost 1.8 million Kentucky adults.

KBC staff appeared monthly on Louisville FOX-41's *Dash and Dine*, reaching more than 58,000 viewers each time. KBC continues to partner with retailer Meijer each week to host a morning segment, *What's For Dinner Wednesdays*, on Lexington's FOX-56, reaching more than 102,000 women, ages 25-54, an average of six times.

Kentucky State Fair - Gourmet Garden Culinary Stage:



KBC had another successful year promoting beef at the state fair. Gourmet Garden, *Kids in the Kitchen*, the 29 Lean Cuts meat case, the Beef from Pasture to Plate exhibit, plus several media appearances, kept beef top of mind for more than 500,000 consumers, chefs and educators.

Returning to the stage as one of consumers' favorite events was the daily "Cast-Iron Chef Contest" in which two chefs duelled to make the best dish with the secret beef and vegetable ingredients while audience members learned about cooking beef.

During the state fair, KBC appeared on all four major TV stations in Louisville, WAVE-3, FOX-41, and WHAS 11 reaching more than 100,000 viewers over the 11-day event. KBC also talked with Terry Meiners on 84WHAS radio. If KBC purchased that air time, it would have cost more than \$4,000 for the 14 total minutes of airtime. Instead, it was free public relations.

Kentucky Beef Council

2010 Statement of Revenues and Expenses* For The Year Ending Sept. 30, 2010

REVENUES:

Checkoff.....	1,574,814.23
State Transfers	-107,307.50
Cattlemen's Beef Board	-752,843.08
Interest.....	585.81
Miscellaneous	0.00
Total Revenues	\$ 716,386.93

EXPENSES:

Promotion	372,464.93
Consumer Information	133,920.57
Industry Information	41,109.19
Research.....	2,135.89
Producer Communication.....	73,424.56
Administration	140,511.34
Total Expenses	\$ 763,566.48

*These figures represent our fiscal year end unaudited financial statements

ADVERTISING

A RECIPE FROM MY FAMILY TO YOURS



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 national magazines, including *Everyday with Rachel Ray*, *Parenting*, *Food Network Magazine* and *Men's Health*. 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, such as *MixingBowl.com*, *Taste of Home.com*, *Recipe.com* and *Better Homes & Gardens.com*. The campaign's new *From My Family to Yours* print ads showcased real beef ranchers in 10 national publications, reaching some 25 million consumers with pro-family-farm, positive beef industry messages.

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. In the first six months following launch of a major comprehensive imaging campaign funded by the beef checkoff, exports to Korea were up 96 percent in volume and

129 percent in value compared to the prior year.

VEAL MARKETING



The beef checkoff's veal "Go to Market Strategy" integrates consumer marketing and communications programs to help build

demand for veal. By integrating veal promotions, increased sales were reported in retail and foodservice channels in FY 2010. The checkoff also shared the positive veal production story through veal issues management and quality assurance programs. The checkoff and state beef councils, along with veal partners, helped implement *vealfoodservice.com*; a veal Columbus Day promotion; and a veal farm tour program.

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. With reports of renewed optimism, the 2010 campaign opened with a focus on traditional middle meats. Steaks were featured at major industry events, such as the Multi-Unit FoodService Operators conference (MUFSO) and during the National Restaurant Association's annual convention. Strong relationships with media yielded beef editorial features that netted a return on investment of more than \$2 million in ad equivalency, and partnership promotions with three national restaurant chains involved 2,137 units in 43 states.

ISSUES MANAGEMENT

In FY 2010, the checkoff distributed 42 FYIs – electronic updates that provide background, media coverage overviews and response recommendations and tools for state partners, producer leaders and beef industry stakeholders. The checkoff also coordinated submission of numerous letters-to-the-editor last year, including two published online in *The New York Times*.

2010 marked the fourth year IM worked with state partners on Earth Day to tell the "Everyday Environmentalist" story. Earth Day ads on Google (viewed by more than 300,000 people), social media posts on Facebook and Twitter and a viral e-mail delivered positive environmental messages online and drove consumer traffic to www.ExploreBeef.org, more than doubling daily sessions on the site.

NUTRITION INFLUENCERS

The nutrition influencer education program communicated the "power of protein" to health professionals in 2010 through a series of interactive webinars, in partnership with 17 state beef councils. During the last six months of FY 2010, more than 1,000 registered dietitians participated in discussions about the power of protein and shared checkoff-funded electronic resources with their clients. Outreach included sending educational materials to nutrition thought leaders, illustrating protein's role in bone health and continuation of the popular Nutrition Seminar Program, which has conducted 39 sessions in partnership with state beef councils this year.

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, including placements with *Larry King Live*, *CBS Early Show* and *Parade*. Through media relations and

spokesperson training, beef producers had a voice in media dialogue about U.S. beef production practices. The Masters of Beef Advocacy (MBA) grassroots network has grown to some 1,500 graduates in 43 states and the District of Columbia.

PRODUCER COMMUNICATIONS

Producer communications provided more than 25 million paid media opportunities for producers and importers 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 and participated in more than 5,000 interactions on checkoff social-media sites.

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. Through partnerships with national packaged goods companies, more than 100 million coupons and rebates were issued in the retail channel to encourage consumers to buy beef and help keep it affordable. To help strengthen beef's position among Hispanic consumers, a retail pilot test using Spanish-language materials produced notable results: Participating locations achieved higher traffic at the meat case and significant sales volume increases during the test period.

RESEARCH, EDUCATION AND INNOVATION



The checkoff's REI team works in several areas that are important to insuring consumers have beef options that are delicious, nutritious and safe. The checkoff's product enhancement research studies muscle traits and characterization, muscle tenderness and yield, flavor and palatability, carcass trait genomics and new technologies that lead to better products. Meanwhile, beef safety research advances the knowledge of

pathogens with a focus on *E. coli* O157:H7, *Salmonella* and non-O157 *E. coli* while tracking other pathogens, and promotes industry-wide cooperation to address safety threats. Human nutrition research provides scientific evidence showing how lean beef's high-quality protein and essential nutrients help Americans get important nutrients, improve cholesterol, manage diabetes, and maintain bone health and muscle mass. The culinary innovations team puts it all into practice. In FY 2010, the team conducted applied grill cookery research on 60 grilling cuts; developed and tested more than 100 new recipes; and participated in 42 state beef council/industry meetings to showcase new beef recipes. In FY2010, the Beef Innovations Group (BIG) focused on creating six new round cuts and several new processing applications and launched eight new beef convenient products, while the Beef Quality Assurance team provided cattlemen numerous instructional videos on topics such as antibiotics or cattle handling, to demonstrate the importance of BQA certification for producers.

Cattlemen's Beef Board

Fiscal Year 2010 Expenditures

Unaudited	
Promotion	\$17,372,674
Research	\$5,571,678
Consumer Info	\$4,256,384
Industry Info	\$2,297,946
Foreign Marketing	\$5,643,117
Producer Comm	\$1,816,072
Program Evaluation	\$218,564
Program Development	\$65,694
Total Program Expenses	\$37,242,129
USDA Oversight	\$186,108
Administration	\$1,793,471
Total Expenses	\$39,221,707

