

A TEAM EFFORT



Kentucky Team BEEF consists of 46 members that ran in at least 16 different races across the state. Team members learned how to select the proper cuts of beef, grilling techniques and the nutritional benefits of beef.

SMILE YOU'RE ON



KBC continues to bridge the gap between consumers and farmers through regular television appearances. With minimal cost to KBC, consumers see step-by-step recipes that showcase beef in easily prepared recipes. KBC appears weekly on Lexington's FOX affiliate, and monthly on Louisville's FOX affiliate WDRB FOX 41 and Lexington's ABC station WTVQ ABC 36. Building relationships with news professionals allows KBC to reach consumers with easy and delicious beef recipes, tips, and tricks to make family mealtime seamless.

EDUCATING THE MASSES

KBC participated in education events across the state through local elementary, middle and high schools. KBC staff taught lessons on how beef is raised in Kentucky and how to cook delicious beef. Students participated in relay races, review games, and cooking schools. KBC also gave out 25 \$150.00 Beef in the Classroom Grants to middle and high school Family and Consumer Science (FCS) classes. These grants will allow FCS classes to cook with beef during their labs. Over 2,500 students across Kentucky benefited from the KBC's educational efforts.

LOVING OUR HEARTS



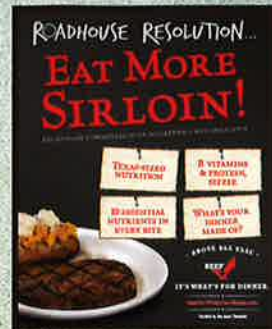
KBC continues to build upon its already wonderful relationship with Kentucky's American Heart Association. Through this partnership, KBC has been able to participate in the events outlined in the contract, but also many value-added events. KBC has done countless television spots in conjunction with AHA's employees speaking to the value of beef in a heart healthy diet. Through AHA's Wellness Committee, KBC has been able to network with many large and local companies to speak to the value of beef in an active and healthy lifestyle.

KENTUCKY BEEF COUNCIL

176 Pasadena Dr
Lexington, KY 40503
www.kybeef.com



RESTAURANT RESOLUTION



To celebrate the New Year, KBC teamed up with Texas Roadhouse to promote their sirloin steak for a Roadhouse Resolution. The promotion was supported by in-store materials, server education and social media give-aways.



EXECUTIVE BOARD

Steve Downs, President
Gary Woodall, President-Elect
David Lemaster, Vice President
Secretary/Treasurer, Ken Adams
Association Program Chairman, Tim White
Kentucky Beef Council Chairman, Chuck Crutcher
Kentucky Beef Network Chairman, Bobby Foree
Regional Vice Presidents, Steven Dunning, Ryan Miller, Chris Cooper, Dave Rings, Bobby Foree
Julianna Jepson and Daniel Smith, Cattlemen's Beef Board
Chuck Crutcher, Federation of State Beef Councils

KENTUCKY BEEF COUNCIL FINANCIAL STATEMENT

Fiscal Year 2014

REVENUES	
Check-off	\$1,433,174
Check-off (National)	(\$673,631)
Check-off (State)	(\$98,604)
Interest and Other income	\$2,200
Total revenues	\$663,139
EXPENSES	
Promotion	\$275,822
Consumer Information	\$113,741
Administration	\$110,081
Producer Communication	\$60,099
Industry Information	\$45,942
Research	\$69.00
Total Expenses	\$605,754
Contribution to change in unrestricted net assets	\$57,385



TRAINED! TRAINED! TRAINED!



Throughout the year, Kentucky Beef Council (KBC) reached out to retail and foodservice partners to offer new and continuing educational efforts to enhance their knowledge of beef. This past year 105 restaurant waitstaff, 85 retail meat managers, 20 culinary specialists, 20 chefs and culinary educators and 20



foodservice sales staff were trained about beef merchandising and the beef industry through cutting demonstrations, presentations, cook-offs, and farm tours.

DIGITAL MEDIA OUTREACH



This year's advertising focused on digital media outlets. During the summer, KBC hosted a Google search promotion to reach beef consumers. The promotion gained 8,270 new Kentucky fans through the "Beef. It's What's for Dinner" Facebook page and drove 19,885 visitors to www.BeeffItsWhatsForDinner.com. KBC also ran ads on Pandora, Internet radio, from July 28 through September 1 resulting in over 1.6 million impressions and 6,213 click-throughs to www.BeeffItsWhatsForDinner.com.

PUTTING THROUGH KENTUCKY AGRICULTURE



KBC revamped its booth at the Kentucky State Fair this year. Through a partnership with the Kentucky Soybean Board, KBC created a putt-putt golf course that focused on Kentucky Agriculture. The five-hole course was designed for families to come in and have fun while learning about Kentucky's beef and grain production systems. Over 5,000 families participated in the putt-putt golf course over the 11 day fair. Engagement was at an all time high, as KBC and KBB staffs were able to have meaningful discussions with consumer families.

SUMMER MEDIA TOUR



Celebrate the Summer Media Tour, which kicks off the summer grilling season, had 10 TV stops, 15 radio stops and 5 consumer stops reaching over 650,000 consumers with minimal cost to KBC.

CONSUMER ENGAGEMENT



The Derby Burger Challenge, a three-month promotion surrounding the Kentucky Derby Festival, included a consumer recipe contest, consumer sampling and outreach at several Festival events, a 2-month Hard Rock Café burger promotion which sold 450 Derby Burgers, a Kroger ground beef coupon promotion which prompted a receipt message about beef 739,680 times, participation at the Meijer Family Fun Zone during Thunder over Louisville, and a two-week feature of the winning burger in Kroger meat cases in Lexington and Louisville area. During the promotion, KBC received 32 news stories and received over \$454,090 in total publicity value.



PROMOTING BEEF'S HEALTH BENEFITS



Retail focused on three lean beef cuts in Kroger stores resulting in increased sales of 29.5% and total tonnage by 33.4%. Additionally, KBC partnered with the Kentucky Dietetic Association to take 30 dietetic interns on tours of local central Kentucky beef farmers. Students were able to see first hand how conventional beef is raised, as well as organic beef, natural beef, and how cattle are marketed at local stockyards. Perceptions were gauged at the end of the tour, and the data indicated that the students were more likely to recommend conventionally raised beef to their future clients.

KBC continued its wonderful partnership with the American Heart Association. Through this partnership KBC has benefited through relationship building with local companies that are interested in wellness programs. Additionally, KBC participated in several value-added events and media promotions for heart health and lean beef. The American Heart Association certified 96% lean beef as one of its Heart Healthy Cuts.



DEAR FELLOW BEEF PRODUCERS,

There's only one measurement that really matters when it comes to your Beef Checkoff Program: Do you get more out of it than the \$1-per-head you put in?

Recent independent research shows you do, with a return of \$11.20 for every \$1 invested in the national program. Although not part of the national study, the programs conducted at the state level can only add to the overall effectiveness of our efforts. Obviously, the efforts we're making as cattle producers are worth it.

Even more exciting, though, is how it was accomplished. Direction of state and national checkoff programs are in the hands of producers themselves, not just purchased "off the shelf." While the return on investment is significant, the success comes about because of producers and importers participation in checkoff-directing boards and committees.

When you combine the return on investment with the process, it's a very impressive result. With increasing sophistication of the process and even more producer input, I hope to see even better returns in the future. Let's keep up the good work.

Yours truly,

Cevin Jones
Chairman, Federation of State Beef Councils



CATTLEMEN'S BEEF BOARD FISCAL YEAR 2014 EXPENDITURES

Administration	\$1,609,050	
USDA Oversight*	\$289,631	
Program Development	\$238,943	
Program Evaluation	\$175,274	
Producer Communications	\$1,478,324	
Foreign Marketing	\$7,355,729	
Industry Information	\$1,817,768	
Consumer Information	\$8,366,182	
Research	\$7,927,598	
Promotion	\$9,438,367	
Total expenses	\$38,696,866	

Audited numbers

* This total also includes CBB's costs associated with Freedom of Information Act requests and legal fees associated with lawsuits.

NUMBERS DO THE TALKING



Nowhere do the numbers speak more clearly than in the new Beef. It's What's For Dinner digital campaign. Beginning in the spring of 2014, the campaign

differed significantly from mass media, reaching people who aren't immediately seeking beef information using an "under-the-radar" approach. It's a one-on-one communication through a consumer's computer, and aims to direct consumers to the BeefIt'sWhatsForDinner.com website, which contains recipes, tips, nutrition, safety and other information consumers want and need. Digital elements that drive consumers to the site include:

- **Banner Ads** on sites like AllRecipes.com and MensFitness.com, which inspire consumers to think about tonight's dinner with beef photos, recipes and information;
- **Search Advertising** on engines such as Bing and Google for people proactively searching for information on food;
- **A Beef. It's What's For Dinner Facebook page**, with almost 900,000 fans who receive recipe posts with photos on a regular basis;
- **Collaboration with other established recipe and nutrition-related websites**, such as Martha Stewart.com;
- **Videos** that run before online television shows; and
- **Other "cutting edge" elements in digital marketing** that allow the industry to target millennial consumers.

In just the first four months of the marketing campaign significant results were generated. More than 1.7 million consumers were reached through the campaign's website, and the "no-recipe recipe" videos were viewed more than 5 million times on YouTube and other video online channels.

Furthermore, associated social media sites hosted more than 1 million engagements, such as likes, comments, shares, re-tweets and click-thrus to checkoff resources, such as recipes. Because it's

available 24/7, the digital/social media tool is providing continual contact with consumers who are looking for meal solutions.

Unlike other kinds of outreach, almost all of that contact is positive in nature. Research shows that 97 percent of consumers have positive opinions about beef after visiting the Beef. It's What's For Dinner website.

RETAILERS GET IN THE ACT



A new "Go Tasty, Go Lean" toolkit for supermarket retailers was developed to help on-staff dietitians make their stores a health and wellness destination for consumers – and to help sell more beef in the process. Part of a multi-phase research project conducted through the Beef

Checkoff Program, the toolkit helped show that beef can provide a significant sales lift for retailers.

In fact, 84 to 94 percent of shoppers expressed purchase intent in the lean beef items they sampled during the test portion of the research, and significant increases in specific beef cut sales during the test were also generated.

The toolkit communicates beef's nutrient benefits at the same time as it generates these bottom-line benefits. The toolkit, developed in partnership with registered dietitians, demonstrates that promoting beef's positive attributes – nutrition, taste and ease of preparation – not only results in higher sales, but enables supermarket dietitians to be able to talk knowledgeably and confidently about beef.

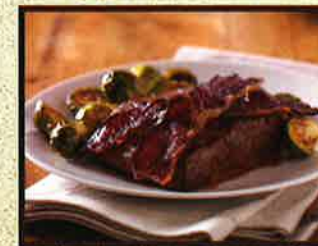


NUTRITION RESEARCH HAS VALUE

More research now shows that a heart-healthy diet that includes lean beef can reduce risk factors for heart disease. A study funded by the beef checkoff and the national Institutes of Health-supported Penn State General Clinical Research Center and published in the June 19, 2014 issue of Journal of Human Hypertension found that a dietary pattern rich in fruits, vegetables and low-fat dairy that includes lean beef – even daily – can reduce risk factors for heart disease, including elevated cholesterol and blood pressure.

According to lead researcher Penny M. Kris-Etherton, "this research adds to the significant evidence, including work previously done in our lab, supporting lean beef's role in a heart-healthy diet." Researchers suggested the evidence supports the idea that it's the total protein intake – not the type of protein – that is instrumental in reducing blood pressure.

A NEW PRODUCT WITH OLD ROOTS



It looks, acts and smells like bacon – but it's beef. Schmacon™ is one of the latest checkoff-funded development projects that provides beef producers with extra alternatives for beef cuts.

The smoked and cured glazed beef slices received the prestigious 2014 Food and Beverage Innovations (FABI) Award by the National Restaurant Association at their restaurant, hotel and motel show.

Schmacon has less fat and sodium than bacon, and as a pre-cooked product ready for crisping in an oven cooks in a fraction of the time. In winning the FABI award, it was heralded as a product with "bold imagination" and "great potential to help operators capitalize on consumer trends and drive operator success." The product not only fits into healthy lifestyle trends, it also meets dietary needs of those religious or ethnic groups prohibited from eating pork products.

BEEF EXPORT VALUE ON RECORD PACE



Checkoff-funded efforts in the international arena are focused on some of the world's most promising markets for U.S. beef, and exports to those markets are growing rapidly. For instance, strong

performances in key Asian markets are putting U.S. beef export value on a record pace in calendar year 2014. Through July, exports totaled \$3.89 billion, up 13 percent from a year ago. Export volume was up 4 percent to 687,752 metric tons.

In 2013, Japan reclaimed its position as the No. 1 international destination for U.S. beef when an increase in the age limit for eligible cattle fueled a large increase in exports. U.S. exports to Japan have been mostly steady this year, while Japan's imports from other major suppliers such as Australia, New Zealand and Canada have declined.

Hong Kong, South Korea and Taiwan have also been strong growth markets for U.S. beef in 2014. In June, Hong Kong granted full access for U.S. beef for the first time since the December 2003 BSE case.

These results translate into remarkable returns for U.S. cattle producers. Export value per head of fed slaughter was nearly \$300 in June and July, and averaged \$273 for the first seven months of this calendar year. Per-head export value is up 13 percent from a year ago and has more than doubled in the past five years.

Whether promoting beef internationally or providing marketing support for the product in the United States, the Beef Checkoff Program has been committed to programs that build beef demand since 1986. The recent research showing a return of \$11.20 for every dollar invested is a strong validation of that work.