

TAILGATING CAMPAIGN



In the fall, KBC’s Tailgating Campaign encouraged people to show their team spirit with Kentucky university inspired burgers at their tailgate parties. KBC developed six burgers inspired by major universities in Kentucky. A series of six promoted Facebook posts highlighting game day recipes made more than 150,000 impressions. Seventeen “You Just Won Tailgate Season” billboards were scattered around the state and radio spots featuring select recipes were placed to get fans’ mouths watering and craving burgers at their tailgate parties.

NAVIGATING FOR NUTRITION AND KROGER DIETICIANS

In September, KY, OH, TN and NCBA launched a pilot program with Kroger’s Little Clinic dieticians and technicians that focused on family mealtime. Ten dieticians and 14 nutrition technicians sampled Kroger’s new meal solution beef meal and handed out the Family Meal Month booklets featuring beef. Technicians hosted 215 Navigate for Nutrition walks with shoppers showing them how to navigate the meat case and demonstrated easy beef recipes, as well as hosting 17 in-store events and demonstrations. The Beef Councils enhanced this program with social media posts and boosts as well as providing the thermometers and cook booklets, and covering the cost of the Navigating for Nutrition session.

KENTUCKY STATE FAIR

KBC partnered with the Kentucky Soybean Board to highlight technology in agriculture, by-products of both the beef and soybean industries, food waste and more through an educational booth in South Wing Lobby A of the Kentucky State Fair. The highlight of the booth again this year was the Virtual Reality goggles giving fairgoers virtual experiences from feeding cattle to driving tractors all without ever leaving the fairgrounds. Kentucky beef farmers also sponsored the Gourmet Garden cooking stage in South Wing Lobby A featuring multiple, daily beef cooking segments showcasing various cuts of beef and simple recipes for any occasion.

KENTUCKY BEEF COUNCIL
FY 17 INCOME & EXPENDITURE STATEMENT

Checkoff Revenue

Checkoff Income	\$1,418,592.57
State Transfers	(94,398.00)
National Funds	(609,691.05)
Interest Income	40.90
Total Income	\$714,544.42

Expenses

Promotion	\$341,219.40
Consumer Information	91,845.10
Research	71.34
Industry Information	36,861.94
Producer Communication	65,637.27
Administrations	87,509.74
Total Expenses	\$623,144.79

TEACH PRIME



Teach Prime was the first teacher professional development event hosted by KBC. Attendees included agriculture teachers, family consumer science teachers, curriculum coordinators, and gifted program directors. The group learned how to grade beef for yield and quality, as well as about beef cuts. Participants also heard from a chef on working with beef during lunch at Bluegrass Hospitality Group. The day ended at the University of Kentucky Meats Lab where meat scientist Dr. Gregg Rentfrow demonstrated breaking down a ribeye roll into alternative beef cuts, and each participant practiced the breakdown to take back to demonstrate in their classrooms.

PRODUCER COMMUNICATION

May Beef Month was celebrated with a Masters of Beef Advocacy 2.0 promotion. Any Kentucky beef producer who participated in the training and completed it by the end of May was entered to win a major prize - a billboard from our Spring Rural Marketing Campaign that read “In Kentucky, Beef is still what’s for dinner”. Thanks to that campaign we were able to engage over 60 beef producers that hadn’t previously completed MBA 2.0.

BURGER WEEKS



The 3rd annual Lexington Burger Week, July 10th – 16th, brought people together to share their day over a burger at over 50 restaurant locations. Patrons tracked their burger week conquests through passports, receiving a stamp for every burger they purchased, after which they could turn in the passport to be entered to win an Ultimate Grilling prize pack. Lexington Burger Week sold over 100,000 burgers in 2017 compared to 61,000 in 2016. Louisville hosted their first burger week with 20 restaurant locations selling over 8,000 burgers.

KBC EXECUTIVE COMMITTEE

President	Chuck Crutcher
President Elect	Bobby Foree
Vice President	Tim White
Secretary Treasurer	Ken Adams
Past President	David Lemaster
Association Chairman	Chris Cooper
Beef Council Chair	Steve Dunning
Beef Network Chair	Cary King
Region I Vice President	Jeff Pettit
Region II Vice President	Andy Bishop
Region III Vice President	Jon Bednarski
Region IV Vice President	Jeremy Jones
Region V Vice President	Gary Ford

CATTLEMEN’S BEEF BOARD

Ryan Miller
Shane Wiseman

USMEF

Steve Downs

DEAR FELLOW CATTLEMEN,

It has been my privilege to serve as your Kentucky Beef Council chairman for the past three years. Before coming to the Beef Council, I had an idea of how important the beef checkoff is, but I never dreamed there were so many projects already in place and how much effort each project required. Burger Weeks, Meat Your Neighbor tours, a Kroger dietician partnership, rural consumer campaigns, media tour to promote beef month, and beef-focused professional development for educators are just a few of the important projects utilizing Beef Checkoff funds on behalf of Kentucky producers.

The Kentucky Beef Council is always seeking new and exciting avenues to market beef to the consumer on behalf of all cattlemen and cattlegirls across the Commonwealth. It is using partnered promotions, educational events and on farm experiences for industry professionals and farmers to interact with consumers. If you have any ideas you would like to share, please contact the Beef Council staff.

Lastly, I would like to thank the entire Kentucky Beef Council staff for their guidance and passion to keep beef at the center of the plate. The Beef Council is in very good shape and I feel proud to be able to turn over the reins to your 2018-2020 chairman, Andy Bishop of Nelson County. Please contact me if I may be of any assistance.

Cowboy Up,
Steve Dunning

MEAT YOUR NEIGHBOR TOUR



Forty foodservice professionals, students, retail meat specialists, dieticians, distributors and bloggers attended day-long Meat Your Neighbor Tour event. Attendees learned about the Kentucky Beef Industry through on farm experience at cow-calf, stocker, and finishing operations as well as learning more about the role of antibiotics and hormones in operations from a veterinarian. Participants also enjoyed a picnic-style lunch and a beef demonstration before moving on to the final stop at Jephtha Creed Distillery. There participants took a tour to learn about the bourbon, vodka and moonshine processes and how distillery by-products can play a role in beef farming. This event allowed farmers to connect with consumers on a personal level and answer their questions, while giving the participants a chance to experience the farm.

MEDIA TOUR



To kick off May Beef Month and the annual media tour in Kentucky, Kentucky Beef Council (KBC) staff, along with volunteer cattle farmers, joined Governor Matt Bevin, Agriculture Commissioner Ryan Quarles and other government officials on the lawn of the Kentucky State Capitol for a beef month proclamation signing and cook-out. Throughout the month of May, KBC made 29 stops ranging from radio interviews, TV segments, and consumer grilling events across the Bluegrass.

CONSUMER RESEARCH

To supplement research from the National Checkoff, in February 2017 KBC conducted consumer research focus groups to gain an in-depth perspective on how to best position beef to Kentucky consumers. The focus groups were organized to better understand the checkoff’s target demographic - millennial parents. Two focus groups in Louisville with “Super Saver” moms and “Food Enthusiast” moms, and two in Lexington with rural “Super Saver” and rural “Food Enthusiast” moms, explored everything from emotional connection to beef to beef labeling. The findings of the research groups helped guide checkoff programs throughout the year and build the foundation for rebranding Kentucky beef’s message.



2017
KENTUCKY
Beef Council
Annual
Report



Funded by Beef Farmers and Ranchers

DEAR FELLOW PRODUCERS,



Beef and great, unforgettable meal experiences seem to go together. A succulent steak on your birthday, juicy summer hamburger

straight from the grill or wonderful Sunday pot roast with the family not only create immediate and delicious taste sensations, but plant wonderful memories in the brain.

Assuring that the beef in these situations is the best it can be is important. But what beef attributes are most important to consumers when they sit down to enjoy a beef meal? And how do we measure how well we’re doing in producing high quality beef for them? How can we make these beef-eating experiences even more memorable?

Those are just a few of the questions we ask ourselves through the Beef Checkoff Program to assure that we’re not just meeting consumer expectations for wonderful beef experiences, but exceeding them. This report shows how the checkoff helps provide measurements for beef quality that are quantifiable, guidelines that are reasonable and consumer insights about quality that are helpful and valuable. You will also learn about some of the tools we’re using to communicate quality and value to consumers.

The pursuit of quality is never-ending, but at the same time satisfying and rewarding. Beef is a great product that already fills a consumer want. Making it better is the icing on the cake.

Yours truly,

Jerry S. Effertz

Jerry Effertz, Chairman
Federation of State Beef Councils

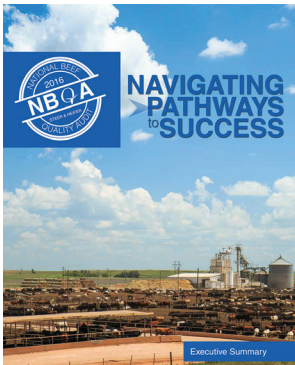


THE QUALITY EQUATION

When they sit down for a meal, more than anything else consumers want food that tastes great. Beef producers have a product that both tastes good and is good for them. What should the beef industry do with this fact?

Through its checkoff program, a wealth of knowledge about beef and beef eaters becomes the foundation for research, education and promotion programs that establish benchmarks for beef quality, while providing guidelines for delivering even more of those beef qualities that consumers want. Obviously, it starts at the beginning.

THE 2016 NATIONAL BEEF QUALITY AUDIT



What cattle producers do to raise beef has an impact on quality. Every five years since 1991 the beef industry, through its Beef Checkoff Program, has provided a set of guideposts and measurements for cattle producers and others to help determine quality conformance of the U.S. beef supply. Results from the National Beef Quality Audit have helped lead to improvements in cattle and beef production through the years, including reductions in carcass blemishes and fewer lost opportunities related to branding and other practices.

Reported in 2017, results from the 2016 NBQA, conducted for steers and heifers as well as cows and bulls, show that the industry continues to improve the quality of its product, and identifies where improvements can still be made. Among the findings was a significant increase in USDA Choice and Prime carcasses, and a high mobility score for cattle entering packing plants, which shows an improvement in animal handling. The number of blemishes, condemnations and other attributes that impact animal value remain small.

Improvements can still be made, however. The NBQA for steers and heifers identified lost opportunities in hitting optimum carcass yield and grade targets and reducing offal condemnation rates, particularly for livers, while among other issues the cow and bull report identified opportunities to make progress by implementing measures to eliminate carcass bruising on the farm, in transport and at the packing facility.

To help tell the positive beef story, the checkoff-funded Beef Quality Assurance Program, managed by NCBA as a contractor to the Beef Checkoff Program, helps beef producers understand the do’s and don’ts of raising high quality beef.

Consumers can learn more about how beef is produced through many checkoff-funded programs that tell that story. The multiple efforts to connect with consumers about issues have been highly successful. For example, research conducted by IPSOS Public Affairs in 2016 showed that over 80 percent of consumers graded fresh beef an A or B for safety.

Safety isn’t the only beef attribute on the radar. The checkoff-funded Consumer Beef Index (CBI) shows that more than 70 percent of consumers consider beef to be a good balance of taste and nutrition.

A TRAIL TO TENDERNESS

The checkoff-funded National Beef Tenderness Survey demonstrates tenderness has improved significantly since 1990. In fact, there has been a 34 percent improvement in beef tenderness over that time.

Improvements in beef tenderness have remained fairly steady over the past five years despite drought and other challenges that could have derailed its progress. The 2015/2016 survey found that beef is delivering a good eating

experience to consumers. It also suggested the industry is keeping its eye on the ball when it comes to protecting the improvements in tenderness it has made.

Most steaks surveyed were considered tender. While cuts from the round have a wonderful flavor profile they remain an industry tenderness challenge. Increased efforts to optimize aging practices and checkoff-funded consumer education on proper cooking for cuts from the round and other primals will help provide greater consumer satisfaction with tenderness.

AN EVOLVING CONSUMER

Knowing what the consumer wants, and how they go about purchasing it, is at the heart of beef checkoff consumer research and marketing efforts. The research is conducted by the checkoff’s market research team using a variety of surveys and data-driven consumer behavior and attitude research tools.

For instance, CBI research shows that beef performs well on key quality attributes important to consumers. Almost 90 percent of consumers say beef is great tasting as well as a great source of protein. A checkoff-funded steak satisfaction tracker supports this, showing in a current survey that 90 percent of consumers say they were very satisfied with their recent beef eating experiences.

Consumers who say they are planning to consume more beef give their reasons as:
They prefer the taste (85 percent);
They want to add protein to their diet (77 percent);
They believe there is better availability of cuts (76 percent);
and They say beef is more of a family favorite (73 percent).

REACHING BEEF’S FINAL STOPS

The beef checkoff’s Masters of Beef Advocacy (MBA) program had acquired 10,000 graduates by 2017, providing consumers with a link to producers who put quality beef on their tables. Started in 2009, this group of beef and dairy producers – along with chefs, teachers, doctors, dietitians and others in the beef community – are equipped to engage with consumers and encouraged to participate in advocacy efforts.

MBA graduates have put their skills to use in many ways, from providing a rancher’s perspective for a magazine article to promoting an MBA campaign. The Top of the Class, a next-level advocate training program, regularly taps its members for media interviews, speaking engagements and other national opportunities.

Building on the program’s initial success, a new set of MBA lessons were released in 2015, and an interactive app for iPhone and Android introduced in 2016, giving MBA graduates access to beef information at their fingertips.

Consumer beef marketing efforts use digital media that include social and entertainment platforms such as Facebook, YouTube, Instagram, Hulu and others. The Beef. It’s What’s For Dinner Facebook (www.facebook.com/BeefItsWhatsForDinner/) page has more than 1 million

followers, and the BeefItsWhatsForDinner.com website has circulated more than 1.4 million recipes.

The beef checkoff will have had more than 40 million video views in 2017. This past year Facebook Live, for instance, hosted a “Be Your Own Butcher” from the checkoff’s Culinary Center that provided hands-on cutting demonstration by a meat cutting expert, reaching nearly 140,000 consumers.

OUTSIDE OUR BORDERS



Whether working to expand high-end chilled beef exports to Asia, or helping find new destinations for beef livers, the Beef Checkoff Program’s international marketing efforts are boosting global demand for U.S. beef. In the first six months of 2017, U.S. exports totaled 606,876 metric tons (mt) – an increase of 12 percent over the first half of 2016. Export value increased 15 percent to \$3.35 billion, which equates to about \$270 for every fed steer and heifer slaughtered – up 8 percent year-over-year.

Beef exports to leading market Japan exceeded last year’s pace by 23 percent in volume (150,812 mt) and 28 percent in value (\$905.8 million). Exports to South Korea were up 13 percent in volume (83,357 mt) and 21 percent in value (\$527.7 million). Chilled beef exports to Japan and Korea were up 40 percent and 83 percent, respectively, as the U.S. captured more than 50 percent of both countries’ chilled beef market.

The beef checkoff will also play a major role in reintroducing U.S. beef to meat buyers in China, which in June reopened to U.S. beef for the first time since 2003.

CATTLEMEN’S BEEF BOARD
FISCAL YEAR 2017 EXPENDITURES

Promotion	\$7,871,078
Research	\$9,102,863
Consumer Information	\$7,913,258
Industry Information	\$4,180,808
Foreign Marketing	\$8,140,797
Producer Communications	\$1,498,613
Evaluation	\$202,832
Program Development	\$292,090
USDA Oversight	\$465,853
Administration	\$1,796,725
TOTAL EXPENSES	\$41,464,917

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