CHECKOFF COMMITTEE CHAIRMAN LETTER

Dear Fellow Cattlemen.

As I enter my third year as Kentucky Beef Council chairman, I can truly say it has been a privilege. I have experienced the scope of our checkoff through events ranging from farm immersion tours and National Symposiums to in-store, direct to consumer sampling. Burger Weeks, Beef Month, Influencer Tours, Dietitian partnerships, urban consumer campaigns, 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 constantly seeking new and exciting ways to market beef to consumers on behalf of all cattlemen and cattlewomen across the Commonwealth. We are using partnered promotions, digital marketing, and educational opportunities to connect people to where their beef comes from and the benefits they receive from consuming beef. The Beef Council works to serve as the collective voice for the beef industry to consumers, providing the truth behind beef production. 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 continuing to thrive and I feel honored to serve as your Chairman. Please contact me if I may be of any assistance.



KBC EXECUTUVE COMMITTEE

| President | Tim White |
|-------------------------|--------------------|
| President Elect | Steve Dunning |
| Vice President | Chris Cooper |
| Secretary Treasurer | Ken Adams |
| Past President | Bobby Foree |
| Association Chairman | Jeff Pettit |
| Beef Council Chair | Andy Bishop |
| Beef Network Chair | Cary King |
| Region 1 Vice President | Daniel Hayden |
| Region 2 Vice President | Joe Lowe |
| Region 3 Vice President | Nathan Lawson |
| Region 4 Vice President | Jeremy Jones |
| Region 5 Vice President | Phillip Reese |
| University of Kentucky | Dr. Richard Coffey |

KENTUCKY BEEF COUNCIL FY 19 INCOME AND EXPENDITURE STATEMENT

Checkoff Revenue

| Checkoff Income | \$1,394,119.38 |
|-----------------|----------------|
| State Transfers | (\$103,641.50) |
| Total Income | |

Checkoff Expenses

| Promotion | \$485,986.48 |
|--------------------|----------------|
| Education | |
| Research | |
| Market Development | \$25,066.10 |
| Global Marketing | \$50,333.05 |
| Administrations | \$193,816.80 |
| Total Expenses | \$1,006,847.71 |



PROMOTION AND ADVERTISING



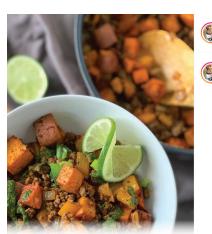
Digital Advertising

Through the use of advertisements on Google, web pages, and social media, over 7 million people saw positive beef messages in FY2019.

Ads were served to consumers as they are browsing online and through social media. These ads are tailored to be as impactful as possible to Kentuckians following current themes such as Derby, weather, basketball and favorite Kentucky tastes. These advertisements are linked back to the kybeef.com website to encourage additional recipes and sharing of information.

Social Media Influencers

As part of the digital advertising campaign, Kentucky Beef Council (KBC) worked with 2060 to identify social media influencers who could further encourage our target audience of millennial parents to learn more about or purchase beef. The campaign ran from January 2019 to June 2019 during which 112 Instagram posts and stories were created showcasing beef in recipes, videos, and on menus. The reach for the campaign was over 260,000 with over 900,000 impressions.







themrskray I've been making 1 hearthealthy meal a week since it's National Heart Month

Reart Month

Rearth Month

Rearthealthy the incorporated local #kybeef into the rotation! #ad I found a few recipes on

Rearthealthy website that I'll make very soon, but I also wanted to use sweet potatoes as it's another food the heart loves! (and I had 2 to use up!).

I found this recipe from @paleoleap and it was delicious! Its South American inspired flavors were 3. Loved the hit of lime 5. For the sauce (since I'm not a fan of cilantro 6) I used Trader Joe's vegan pesto and added some avocado

Burger Weeks

2019 was a very successful year for the Kentucky Beef Council's continued sponsorship of burger weeks in Lexington and Louisville. Through these partnerships, restaurants feature a gourmet burger for \$5 around each city for 7 days in July. Held July 8th – 14th, Lexington Burger Week showcased 40 unique burgers from 47 restaurant locations resulting in over 125,000 burgers



being sold in 7 days. This is an increase of 15,000 burgers when compared to the 2018 promotion. In its third year, Louisville Burger Week featured 24 unique burgers from 27 restaurant locations with over 36,000 burger sold during July 22nd – 28th. This is an increase of 16,000 burgers when compared to 2018. KBC is looking forward to our partnerships with Smiley Pete Publishing and City Beat for the 2020 burger week events.

Derby Burger Challenge

Lori Poe of Montgomery County was chosen as the 2019 Derby Burger Challenge winner with her Chimichurri Churchill Burger. The winning recipe was featured in 20 Kroger locations in and surrounding Louisville in Kysor cases providing shoppers with a one stop location in the store to get all of the ingredients to create the burger at home. The Derby Burger was sampled at numerous Kentucky Derby Festival events including BeerFest on May 1st and at Kroger Middletown on May 3rd during the assembly of the rose garland for the winning Derby horse. New this year, KBC sampled the winning recipe at Tate of Derby Festival at Slugger Field. The burger was a huge hit getting comments that it was the "best tasting thing there that night"! KBC gave out over 800 samples while talking about beef basics

2019 DERBY BURGER® CHALLENGE WINNER:



Derby Burger Kroger Promotion

As part of the Derby Burger Challenge, KBC teamed up with Kroger to promote the burger in 20 of its Louisville-area stores. Each participating store had a prominent display of this year's winning burger, the Chimichurri Churchill Burger, and all its ingredients. The promotion ran from April 24 to May 8. The display also included a 7"x11" case card and recipe cards. The recipe appeared in the Kroger Derby ad the week of May 1, 2019. The two-week promotion resulted in \$65K in total sales with half the sales coming from the 20 participating stores. Per Kroger's request, this year's Derby Burger had to include Kentucky Cattlemen's Ground Beef.

Chef Camp

KBC partnered with Eat Y'all (www.eatyall.com and @letseatyall) to host a chef camp June 4th and 5th providing chefs a deeper dive into Kentucky's Beef industry. Fifteen chefs (9 Kentucky, 1 Tennessee, 4 Alabama, and 1 South Carolina) experienced a deep dive into beef carcass breakdown, toured Four Roses Distillery to learn the close relationship between the bourbon and beef industries in Kentucky and competed in a burger cook-off on Day 1. Day 2 brought an on-farm experience at Four Kings Angus where Cary King answered questions concerning general beef production and animal husbandry as well as gave the chefs an in-depth look at the technology and records utilized by beef farmers to provide chefs with quality beef products to serve in their restaurants.

Burger Bonanza

Kroger's Burger Bonanza focus on all ground beef patties from June 19-July 23. Meat leaders were encouraged to sample during the weekends. On July 27, Kroger Middletown and Georgetown stores hosted a Burger Bonanza Roadshow to highlight grill skills for burgers while allowing shoppers sample and ask questions. The promotion was enhanced with social media posts as well as videos. Burger Bonanza helped Kroger Louisville with positive meat sales both periods. Results were:

- \$1.97 Million in sales
- 7.4% over year prior
- Over 290,000 units (20% increase over 2018)
- 3,035 likes and 142 comments from 7 Instagram posts

Beef Month

The 2019 Beef Month was themed "Raising the Steaks", showcasing Kentucky producers, the great taste and high-quality protein of beef. We celebrated through a #beefmonthgivesback campaign partnering with Wildcat Wearhouse to sell t-shirts, where 50% of the proceeds went to Feeding Kentucky. Through this and county donations over 700 meals were able to donated back to Kentucky. KBC staff hosted 9 sampling events over the month to celebrate Beef Month, as well as worked with various media outlets for radio and TV coverage during May.

Nebraska Youth Beef Leadership Symposium

NYBLS provides Kentucky youth interested in diving deep into the



details of the US beef industry the opportunity to travel from the Bluegrass to the Beef State of Nebraska. In partnership with the University of Nebraska – Lincoln, NYBLS seeks to equip aspiring beef industry leaders with the building blocks for a strong future as the next generation of beef industry leaders. Kentucky is home to many beef producing farm families, with bright young minds eager for an opportunity such as this. KBC looks forward to continuing to engage and grow this program as a part of a larger, cohesive beef education programing plan that impacts the beef industry in Kentucky for generations.

Meet Your Neighbor Teacher PD

On July 11th, KBC hosted 12 educators from agricultural and family

consumer science backgrounds for an expanded professional development opportunity highlighting Kentucky's beef industry. Hosted in the Spencer County area, this event provided attendees an opportunity to be on the Lawson family's beef cattle operation to learn in depth details about the beef life-cycle, feed rations, and hear from DVM. Ryan Wonderlich on topics such as grass finished vs. grain finished beef, antibiotic and hormone use in cattle. Following lunch, the group did a deep dive into pairing flavors with beef as



well as a cutting demonstration highlighting new beef cuts and tips on how to purchase 1 beef ribeye roll that could be used for an Ag and Family Consumer Science lesson.

Cowboy Camp



In July KBC staff hosted the first annual Cowboy Camp at The Y.A.R.D.S. Classroom. During this event 51 kids, ages ranging from pre-K to 5th grade, spent a fun filled day learning about the beef industry through hands-on activities. Participants explored characteristics of various breeds of beef cattle, how Kentucky's beef farmers identify cattle on their farms, as well as beef nutrition. Kids were able to experience life in the auction market, gaze at Longhorn cows, and practice their roping skills.

State Fair

Kentucky consumers of all ages enjoy the State Fair! Kentucky beef checkoff funded efforts include interactive booth space in AgLand, highlighting beef production in Kentucky from pasture to plate. Kentucky beef producers are key contributors to the success of the state fair and provide a great opportunity for consumers to meet their beef producers at the Fair. In addition, Kentucky Beef Council plays an important role in the Gourmet Gardens Stage, where tasty beef recipes are created in an interactive manner with fair goers, showcasing beef's versatility and great taste in the kitchen. Beyond the Fair, checkoff



funded advertising at the Kentucky Fair and Exposition Center provides consistent positive Beef messaging to consumers attending events throughout the year, from concerts to sporting events and everything between.

Community Partnerships

Incorporating beef into local events and partners has been critical in sharing beef's message. We maintain strong relationships with local news stations including WBKO, LEX18 and WAVE3 to provide beef influence into their shows. Live cooking demos, recipe ideas and highlights at local events such as the State Fair are only a few of the ways we work together. Sharing these segments on their social media pages, just extends the reach of messaging. Tabling events were held before University athletic events, customer appreciation days, and in-store samplings just to name a few. KBC holds preconference events to give



participants additional experience to learn more about beef. A preconference session was held before the Lexington American Heart Association Go Red for Women Luncheon with Chef Foster from Sullivan University.