

# ARIZONA BEEF COUNCIL

20 15

← Annual Report →

Dear Fellow Beef Producers:

The last year brought both challenges and opportunities for beef but what remains impressive is the adaptability of beef producers to continuously improve the high quality protein we raise. As we have experienced cattle market highs and lows, high beef prices, and challenges in the nutrition field, your Arizona Beef Council has adapted our programs and outreach to meet the needs of the ever-changing beef consumer.

Though it is impossible to capture all your staff does in this report, please take a look at the highlights from 2014-2015 and the important partnership between our state beef council and the national Beef Checkoff Program. You will see some new programs, along with some old stand byes, as we adjust to the needs of our consumer while remaining rooted in promoting the most delicious, safest, and nutritious protein on the planet.

Our top notch staff -- Bas Aja, Lauren Scheller, Tiffany Selchow, and Maria Cadena -- bring ingenuity, professionalism and drive to execute programs to reach beef consumers across Arizona.

The ABC continued its strong partnership with the Arizona State Cowbelles by providing financial support for important activities including *Phoenix Cooks* and the Arizona Beef Ambassador program. We continue to join forces at events to deliver a positive message about beef. The Cowbelles are outstanding boots on the ground.

Thank you to my fellow board members for your commitment to the council by sharing your time, knowledge and foresight. As the chair of the ABC from 2012-2015, I am proud of the depth and effectiveness of the programs carried out each year. As you read through our annual report, I hope you too are pleased with everything the ABC does to promote beef with consumers and influencers throughout the state.

I enjoy recalling the programs for which we plan and execute and I hope you enjoy reading through these highlights. You have a tremendous team working for you to keep beef center of plate in Arizona.

*Norman Hinz*

Arizona Beef Council Chairman 2012-2015

## ARIZONA MARKETING AND PUBLIC RELATIONS

For the holidays, the five Arizona WinCo Foods grocery stores promoted on-pack Beef Rib Roast coupons for \$5.00 off the purchase. The three-week promotion sold 6,815 pounds of beef at these stores over Christmas and New Year's.



Arizona Beef Council (ABC) and the Arizona State Cowbelles dished up 1,400 beef samples at *Phoenix Cooks*, Arizona's premier culinary event. Checkoff-funded Chef Dave Zino hosted two on-stage demonstrations of beef recipes and tips.

ABC partnered with Shamrock Food Service, a foodservice distributor, to promote beef to their customers by providing beef cut charts and sales materials to center-of-plate specialists in conjunction with their "Get Grilling" beef recipe contest.

Sysco coordinated with ABC to host a Gate to Plate tour for chefs to experience beef production in Arizona.

To help the chefs in training at Le Cordon Bleu College of Culinary Arts Scottsdale, the ABC coordinated a Beef Culinary Concepts experience for more than 60 of the school's students. Focus was on foodservice topics including USDA grading and inspection, packaging, aging, and animal care.



Over Father's Day and the Fourth of July holidays, ABC supported the Scottsdale Costco's Prime Beef Road Show. There was a 55% increase in the Prime beef category against Father's Day last year and a 100% increase over Fourth of July 2014.

Your ABC staff mitigated and responded to numerous media requests on topics including beef prices, health reports, drought and weather, and food safety.

## ~ CONSUMER OUTREACH AND SOCIAL MARKETING ~

ABC Made possible by the Federation Initiative Fund, ABC hosted a Gate to Plate tour for nutrition influencers. Stops included Pinal Feeding Co. and the Quarter Circle U Ranch. A second tour for beef retailers, meat distributors and chefs took place in the spring with stops at Heiden Land & Cattle Company and JBS Tolleason, Inc. harvesting facility.



To engage with Arizona's millennial consumers and start conversations with them, beef messages were posted on social media outlets including Facebook, Twitter and Instagram using #AZbeef.

ABC commissioned five lesson plans with Arizona beef as the central topic. Lesson topics range from food safety to sustainability and are available for free on ABC's website.

The Beef 101 workshop at the Arizona Cattlemen's Association summer convention focused on new innovative beef products and the process required to take a product from idea to actual availability on super market shelves. Shenoa French, Director of Innovation & Product Solutions with the National Cattlemen's Beef Association, showed off great products such as microwavable ground beef and Schmacon™, beef's answer to bacon.

ABC reached over 300 students at the annual Flex (Fall Leadership Extravaganza) Conference which invited students from across Arizona in groups such as Family, Career and Community Leaders of America to attend information sessions. ABC covered the many different types of beef including grain and grass finished, natural and organic.

Staff presented at the National Ag in the Classroom conference highlighting the beef lifecycle lesson plan to show how agriculture, specifically beef production, can be incorporated into classroom learning.

Classroom presentations included beef cutting demonstrations, thanks to a partnership with the University of Arizona and Dr. Sam Garcia of the UA Food Product and Safety Laboratory. These unique presentations showed culinary and agriculture students how the beef carcass is broken down and also included a beef taste test.

ABC assisted with Summer Ag Institute, a week-long continuing education seminar to help teachers gain first-hand experience with Arizona agriculture. Beef-focused stops included Groseta Ranches, Heiden Land & Cattle, Perkinsville Meat Processors, and a presentation by Judy Prosser of the Diablo Trust.

The Beef UpYour Classroom grant program delivered tasty results, allowing selected teachers to incorporate beef into their culinary lesson plans.

ABC sponsored beef-focused speakers at the Northern Arizona Academy of Nutrition and Dietetics Annual Conference and Arizona Academy of Nutrition and Dietetics Annual Meeting.



## ~ ABC BOARD OF DIRECTORS ~

Norman Hinz, Chair, Cattle Feeder  
Linda Brake, Cattle Grower  
Dean Fish, Cattle Grower  
Wesley Kerr, Dairyman  
Mary Jo Rideout, Cattle Feeder  
Mark Rovey, Dairyman  
Billy Sawyer, Cattle Feeder  
Gary Thompson, Dairyman  
James Webb, Cattle Grower

## ~ ARIZONA FEDERATION DIRECTORS ~

Linda Brake  
Norman Hinz

## ~ CATTLEMEN'S BEEF BOARD MEMBER ~

Barbara Jackson

## ~ STAFF ~

Bas Aja, Executive Director  
Lauren Scheller, Assistant Executive Director  
Tiffany Selchow, Director of Social Marketing and Consumer Outreach  
Maria Cadena, Executive Administrative Assistant

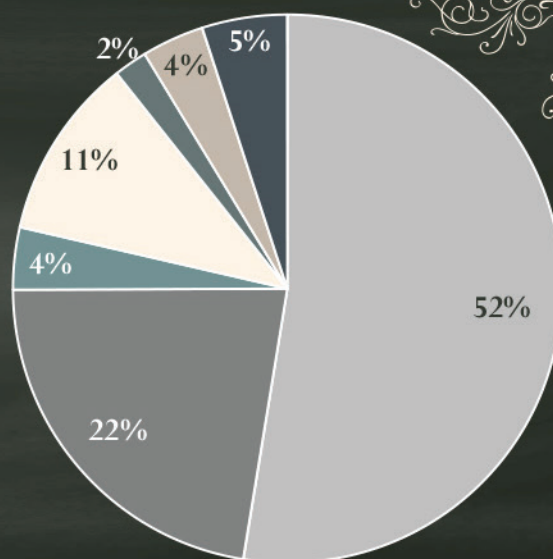
## FOLLOW ARIZONA BEEF COUNCIL ON



@ ARIZONABEEF #AZBEEF

## ARIZONA BEEF COUNCIL FISCAL YEAR 2014-2015

■ National Program	311,664
■ AZ Promotions / Consumer	132,627
■ AZ Industry Information	21,715
■ AZ Cowbelle Programs	63,675
■ Administrative Costs	11,678
■ Producer Communication	21,715
■ AZ Department Ag Fees	<u>29,789</u>
<b>Total</b>	<b>635,734</b>



## DEAR FELLOW BEEF PRODUCERS,



Many Americans have become afraid of the food they eat. It's no wonder. Headlines admonish them to avoid fat. Newscasters gravely announce the latest study about one food ingredient or another. Bloggers rant about pesticides, hormones, antibiotics and/or their pet dietary restrictions. Every neighbor, it seems, touts his or her favorite diet regimen.

Meanwhile, beef and other good, basic foods have often fallen from the discussions, at least the ones that present our products – and our industries – accurately.

Without a bottomless funding source, it would be impossible to counter all of the swirling, often internet-based negative information. However, through your Beef Checkoff Program a tremendous amount of work is being done to increase understanding of beef, and present positive impressions of beef producers.

The information in this report isn't the whole story of those efforts, but it will give you an overview of the progress being made on your behalf with consumers. Through the partnership between your state beef council and the national Beef Checkoff Program, we are having success in building more demand for what we produce and trust in how we produce it.

For more information on beef checkoff efforts, please contact your state beef council. I want you to know that I and other beef producers on voluntary boards helping direct these efforts always have your interests – our interests – at heart.

Yours truly,

Jennifer Houston

Chairman, Federation of State Beef Councils



Funded by the Beef Checkoff.

## ~ PROTEIN STAGES A COMEBACK ~



After decades of taking a back seat to publicity about carbohydrates and fat, protein is making a comeback. Today, the macronutrient is the focus of both research and positive information, and reasserting itself as a key component of a healthful diet.

It makes sense. Protein is essential to the diet, while protein from animal foods is more rapidly and readily absorbed than plant protein in our diets. A 3-ounce serving of lean beef provides 25 grams of protein – as well as 10 essential nutrients – in just 154 calories.

The beef industry has been promoting the message of protein and its value for years, but the Beef Checkoff Program took it to a new level in 2015 by helping coordinate the Protein Challenge, a 30-day step-by-step way for consumers to understand how protein intake could be balanced to optimize good health through the diet. The idea was for consumers to work their way up to eating 30 grams of protein at every meal, giving them the chance to feel the difference in their everyday lives.

Studies show doing this would not only improve health, but control food cravings at critical times during the day. It will help consumers take control of their appetites and kick-start benefits of balancing protein consumption.

During a national program introduction in April 2015 more than 10,500 consumers were actively participating in the program by subscribing to a daily inspirational email, which helped them succeed in keeping to their protein intake goals. The program's website landing page had become the most visited page on the [www.beefitswhatsfordinner.com](http://www.beefitswhatsfordinner.com) website, with more than 70,000 visits over the first month, thanks to state and national efforts to promote it.

## ~ A SHARPENED TOOL FOR DEFENDING THE INDUSTRY ~



Having producers trained and able to defend their product and their practices is an important element of a successful “on the ground” strategy. The Beef Checkoff Program's Masters of Beef Advocacy (MBA) program, with about 6,000 graduates to date nationwide, is an effort to properly arm producers with the facts they need when in contact with consumers.

A new version of the MBA program called MBA 2.0 was launched this past year, allowing beef and dairy producers to step up and be true “advocates” for their industry. Building on the success of the original MBA program, MBA has new content based on consumer research that tackles current questions about the beef industry and its end product. The new elements of MBA 2.0 take about an hour to complete.

Those who complete the MBA program say it allowed them to gain a clear and useful understanding of beef industry issues that are important to consumers, and as a result are important for producers to share. To sign up for the MBA program go to [www.beef.org/mba](http://www.beef.org/mba).

## ~ FIVE KEY FINDINGS OF THE CONSUMER BEEF INDEX ~

- ☞ An overwhelming majority of millennials (79 percent) believe the positives of beef outweigh the negatives.
- ☞ Among the beef industry's core audience (millennial parents) more than four of five (82 percent) think the positives either strongly or somewhat outweigh the negatives.
- ☞ For the first time, when asked “which do you prefer to eat for dinner,” an equal proportion of consumers (34 percent) prefer beef as prefer chicken. (As recently as 2012, 38 percent preferred chicken, while 29 percent preferred beef).

After nearly a decade of recession, lower supply and higher beef prices, the decline in beef consumption appears to have stabilized at an average of two servings per week.

More Americans intend to increase beef consumption in the future as intend to decrease it (18 percent versus 15 percent).

*The Consumer Beef Index is a semi-annual national survey completed with more than a thousand U.S. consumers ages 13-65. Initially developed in 2006, it is used by the Beef Checkoff Program to track changes in consumer perception of beef, assess the impact of the industry's communications efforts, monitor areas of relative strength and potential vulnerability for beef and provide input for national checkoff strategies.*

## DIGITAL ADVERTISING CONTINUES TO BUILD

This past summer the Beef Checkoff Program made the biggest push yet for its "Beef. It's What's For Dinner" digital campaign, reaching consumers in a variety of ways, across different platforms:

The BeefItsWhatsForDinner.com website, which serves as the go-to resource for recipes and meal inspirations, cooking tips and techniques, and nutrition information. A new landing page supporting the grilling season was launched;



New videos, with three new "No-Recipe Recipe" advertising spots created to inspire new meal ideas and cooking techniques, while showing how beef can help bring a delicious and nutritious meal to life;

Social, Banners, Search Advertising, used throughout the summer to drive traffic to the website and various content assets throughout the year, such as recipe collections, videos and the grilling season landing page; and

The Protein Challenge, launched in April 2015, which was the most popular page on the website. Search and Facebook advertising efforts motivated more than 10,500 consumers to subscribe to daily Protein Challenge e-mails.

## SUPPORT GROWS AS KNOWLEDGE IMPROVES

Research shows three of four producers support the Beef Checkoff Program, and that the more they know about the program the more supportive they are. That same research shows the number of producers who say they do not support the program is the lowest ever found – 10 percent.

The survey of beef and dairy producers nationwide was conducted by an independent research firm in June and July. It found a vast majority of beef and dairy producers continue to say their beef checkoff has value for them by contributing to a positive trend in beef demand, contributing to the profitability of their operations, representing their interests and being well-managed.

## BEEF EXPORTS DELIVER STRONG VALUE FOR PRODUCERS

Beef exports continue to deliver excellent returns for producers, as the value per head of fed slaughter was nearly \$292 in 2015. While the tightening of U.S. beef supplies has constrained overall export volume growth for the past three years, international demand has remained strong as customers have paid higher prices, supporting record export values.

With USDA forecasting a 4.5 percent increase in U.S. beef production next year, there will be greater availability of U.S. beef cuts that command a premium overseas, including short ribs, short plate, skirts, chuck rolls and tongues. Checkoff-funded efforts conducted by the U.S. Meat Export Federation around the world are focused on those markets that maximize potential for U.S. beef exports.

## CATTLEMEN'S BEEF BOARD FISCAL YEAR 2015 EXPENDITURES

Administration	\$1,541,927	
USDA Oversight*	\$246,889	
Program Development	\$315,491	
Program Evaluation	\$202,093	
Producer Communications	\$1,555,711	
Foreign Marketing	\$7,661,822	
Industry Information	\$1,781,595	
Consumer Information	\$10,660,349	
Research	\$9,776,601	
Promotion	\$8,092,825	
<b>Total expenses</b>	<b>\$41,835,303</b>	

Unaudited numbers

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