



Arizona Beef Council 2019 Annual Report

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Dear Fellow Beef Producers,

Arizona's beef producers work hard to raise beef and your Arizona Beef Council is letting Arizona families know that beef works hard for them, too.

The latest research shows that between 2014 and 2018, the beef checkoff returned \$11.91 for every dollar invested into the industry when supplied toward programs such as promotion, education and research. That's a large impact on U.S. and international demand through research, public relations, new product development, marketing, advertising and education.

As you read through the 2018-2019 program highlights in this report, you will see the various education and promotion activities that the ABC board, representing cattle growers, cattle feeders and dairy farmers, planned in an annual Market Plan and our talented staff, Lauren, Tiffany and Maria, implemented.

From our Arizona programs, an impressive 28,800 first-hand interactions were accumulated and just think of the ripple effect beyond! For example, when we train teachers how to use a beef lesson plan, that message gets multiplied to their numerous classrooms of students. Add that to more than 1.1 million impressions to targeted audiences on Facebook, Twitter and Instagram and the reach of beef information goes quite far.

This year, the Arizona Beef Council partnered with the Iowa Beef Industry Council (IBIC) to conduct beef promotion and education in Arizona, where we have a large human population (over 7 million people and one million cattle) compared to Iowa (one million humans and 4 million cattle). With the support of the IBIC, we were able to reach an additional 1.5 million Arizonans with beef videos and messages.

There is more competition in the protein space than ever before, yet consumers still prefer to serve real beef to their families. Though there is a lot of chatter about other options, the data shows that consumers want real beef, raised by real beef farmers and ranchers. Thank you for your commitment to raising high quality beef. Working together, we can ensure that beef will remain "what's for dinner."

Mary Jo Rideout
Arizona Beef Council Chairman

Digital Advertising

Made possible by the Iowa Beef Industry Council, ABC implemented a new digital advertising campaign. A YouTube campaign promoting beef's great taste and thoughtful animal care generated 1,480,876 full video views among Arizona consumers. Meanwhile, the campaign's Google Search Advertising component generated nearly 8,000 clicks at a click-through rate that was much higher than average.

Beef Sustainability

Sustainability is a hot topic on campuses, yet beef is often left out of the conversation. ABC hosted a panel presentation with Arizona State University's School for the Future of Innovation

in Technology featuring Dr. Sara Place, beef sustainability and greenhouse gas expert from the National Cattlemen's Beef Association, and Arizona ranchers Chuck Backus and Dean Fish. The presentation recording is on our YouTube page.

Beef in the Classroom

In its eighth year, the Beef Up the Classroom grant program allowed teachers the opportunity to use beef in their culinary or agriculture classes. Inventive teachers use this program to teach students about the cuts of beef, beef's nutrition benefits, and to encourage more cooking at home with their families. In the 2018-2019 school year, 869 students and teachers were reached with this grant program.

Face-to-Face with Students & Teachers

In-person presentations reached 540 high school students about beef, cooking methods, beef choices, and how cattle are raised. To empower culinary teachers to teach about beef, ABC hosted 30 Arizona Career and Technical Education teachers at the Santa Rita Ranch to learn about the beef lifecycle and present a beef umami lesson plan.

Summer Agriculture Institute

ABC assisted with Summer Ag Institute, a week-long continuing education seminar to help teachers gain first-hand experience with Arizona's beef community.

Beef Lesson Plans

Free beef lesson plans are available to all Arizona teachers on ArizonaBeef.org and were downloaded 72 times.

Foodservice and Retail Partners

ABC assists Arizona foodservice distributors to promote beef to their customers by providing beef cut charts, education, sales materials, and beef production tours to chefs and restaurateurs.

Gate to Plate

Funded by the Iowa Beef Industry Council, ABC hosted Gate to Plate tours for key influencer audiences. The first was for Maricopa County and Arizona State University dietetic interns, who are studying to be registered dietitians. The second tour was for future chefs who are studying at the Arizona Culinary Institute. The tours offer an intensive first-hand experience of how cattle are raised in Arizona and the nutritional benefits of beef.

Beef 101

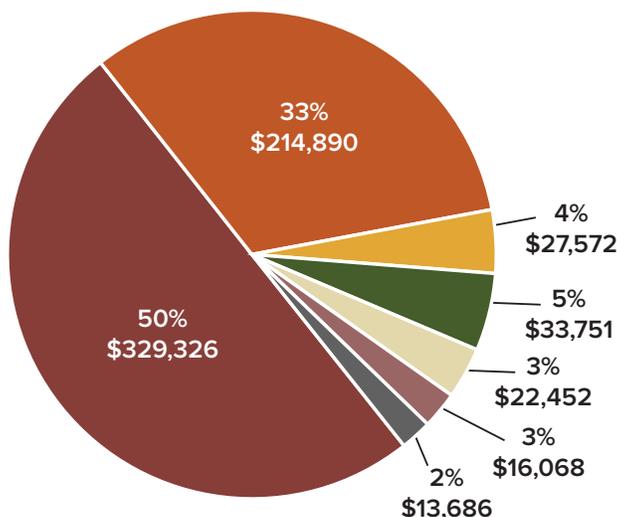
The Beef 101 workshop at the Arizona Cattle Growers' Association summer convention featured Laura Hagan of the beef checkoff's culinary team to demonstrate the power of umami and beef's taste profile in creating memorable eating experiences.

Arizona Beef Council Fiscal Year 2019

Expenditures by Category

Total Expenses: \$657,745

Numbers based on annual fiscal audit.



Arizona State Cowbelles

In partnership with and funded by the ABC, the Cowbelles coordinate the Arizona Beef Ambassador Program, host local beef promotion efforts, and distribute beef information to schools.

Social Beef

A total of 1,154,614 impressions -- a 26 percent increase over 2018 -- were garnered via ABC's social media outlets to engage with Arizona's millennial consumers.

Arizona Beef Blog

Read 9,768 times this year alone, the blog features Arizona ranching stories, recipes, history, and more, to share stories directly from Arizona beef farmers and ranchers. These stories have led to positive media interviews and to stories in other publications.

www.ArizonaBeef.org

Our mobile-responsive website is a go-to source for Arizona consumers looking for information about how beef is raised in Arizona. Its ease-of-use allows visitors to find information unique to Arizona as well as education materials and nutrition information.

ABC Board of Directors

Mary Jo Rideout, Cattle Feeder, Chairman
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Tim Cooley, Cattle Feeder
Harvey Dietrich, Range Cattle
Clint Gladden, Dairyman
Norman Hinz, Cattle Feeder
Wesley Kerr, Dairyman
James Webb, Range Cattle

Arizona Federation Director

Tim Cooley

Cattlemen's Beef Board Member

Mary Jo Rideout

Staff

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

- National Programs
- Consumer Information
- Retail & Foodservice
- Arizona Cowbelle Programs
- Producer Communication
- Administrative Costs
- Department of Ag Fees

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Phoenix, AZ 85007 (602) 273-7163



Dear Fellow Producers,

Cattle producers have their feet firmly planted in two worlds: The world of tradition, using knowledge and skills handed down through the years that help result in vibrant, healthy animals producing the best beef in the world, and the world of technology, using the most up-to-date information to help us manage our businesses, market our animals and stay abreast of our situations.

Truth be told, most of us are probably more comfortable in the first world. After all, knowing and caring for animals comes naturally. Technology can be intimidating and moves so quickly these days that it's just difficult to stay current.

Stay current we must, however, especially when it comes to marketing beef. Consumers no longer get their information about beef from friends or the sales flyer in the weekly newspaper. The internet, social media, smart phones, artificial intelligence and other emerging technologies are influencing how we must talk with and educate those who buy our products.

Our Beef Checkoff is staying abreast of new technologies, using them effectively to reach both current and potential beef buyers. Thanks to your checkoff investments, we're able to keep beef front-and-center with those who consume our product and those who market it.

Research suggests we're on the right track. A recent independent evaluation of the national Beef Checkoff found that for every dollar invested, \$11.91 is returned to the beef communities' profitability. That's technology we can take to the bank.

Yours truly,

Laurie Munns
Hansel Valley, Utah
Chairman, Federation of State Beef Councils

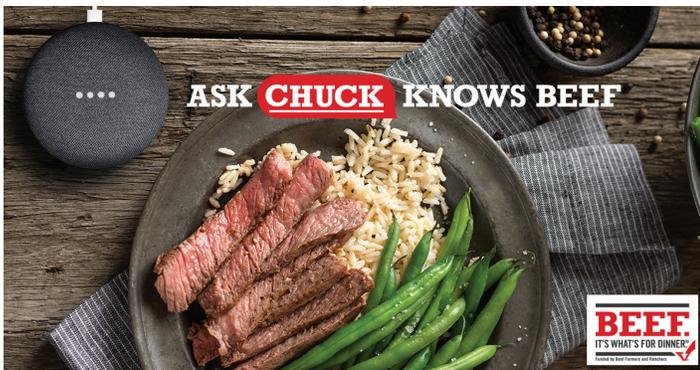


Funded by Beef Farmers and Ranchers

Riding Technology Into the Future

Twenty-five years ago, having a website meant you were on the cutting edge of technology. No longer. Today a website is merely the foundation. In 2018 there were more than 1.8 billion websites globally, competing for the attention of consumers.

The Beef Checkoff's *Beef. It's What's For Dinner.* brand has successfully attracted a following of consumers through many channels, including an updated www.BeeftsWithWhatsForDinner.com digital website, which answers questions consumers have about beef from pasture to plate. Since its relaunch more than 15 million people have visited the new website. But that's just the beginning of the Beef Checkoff's technological footprint.



To keep up with the evolving marketing landscape a new tool called Chuck Knows Beef was introduced in 2019. Powered by Google Artificial Intelligence, Chuck Knows Beef is a guide to all things beef – recipes, cooking tips, cut information, production background – helping source its customized responses from content found on the BeeftsWithWhatsForDinner.com website.

Chuck Knows Beef is based on the emerging trend toward smart speakers, such as the Google Home and Amazon Alexa. It can help the 70 percent of consumers who say technical support would help them when shopping for beef. Like the BeeftsWithWhatsForDinner.com website, Chuck Knows Beef represents a prime opportunity for the beef industry to utilize technology to help increase consumer demand, giving consumers confidence in selecting and preparing beef.

Maximizing Millennial Reach



In 2014 Beef Checkoff advertising went 100 percent digital primarily to reach older millennial parents, who are more digitally connected. A new "Keep Sizzlin'" collection of online beef advertising, for instance, shows beef being cooked by grilling, smoking,

stir-fry, sous vide and cast iron. In addition to providing consumers with drool-worthy content, the ads lead consumers BeeftsWithWhatsForDinner.com, where they learn to prepare the perfect beef meal.

New videos utilize the "Nicely done, beef" slogan and highlight the attribute consumers say distinguishes beef from other protein options: its great taste. Appearing on popular websites and social media platforms, Nicely Done advertising uses tongue-in-cheek humor and beef's swagger to help position beef as the top protein. Nicely Done through social media, search or display ads have had more than 98 million video views, creating more than 4 million engagements, and resulted in more than 500 million consumer impressions.



Beef. It's What's For Dinner. has also made a significant impact on Facebook and Instagram. Thirteen Facebook Live videos, featuring recipes and cooking tips from checkoff culinary

experts were produced and posted over the past year, with almost 65,000 views. These videos continue to live on the *Beef. It's What's For Dinner.* Facebook page. In addition, six Instagram TV videos were posted in 2019 reaching thousands more consumers.

Technology also influences how the Beef Checkoff educates and motivates those who market beef. A test last year with Instacart, an online delivery service available to more than 80 percent of American households, demonstrated that *Beef. It's What's For Dinner.* ads at digital point-of sale increased beef purchases among users and proving to retailers the program's greater-than-average return on investment.

Partnering with other third-party content sites can also be useful in addressing complex beef issues. For instance, the Beef Checkoff has worked with Quartz, Greenbiz and Nativo to ensure consumers see balanced information about how beef is both healthy and sustainable. Articles with these groups have garnered almost 8.5 million impressions.

Technology is also helping improve international marketing. To share beef farming and ranching with audiences across the globe, *Beef. It's What's For Dinner.* is making its virtual ranch tours available in Korean, Japanese, and Spanish. The 360-degree videos virtually transport the viewer to a U.S. ranch to show how cattle are raised and cared for. Originally created by NCBA as part of checkoff-funded Beef. It's What's For Dinner. Rethink the Ranch outreach, the videos are giving audiences around the world a chance to experience U.S. beef production practices.



The Beef Checkoff-funded Beef Quality Assurance program has utilized technology to enhance success with cattle producers. More than 50,000 individuals have gone online to obtain BQA certification since 2017. Free online training and certification is accessible 24/7, making it a convenient

option for busy farmers and ranchers. BQA certifications are also available at in-person training events. An estimated 80 percent of the U.S. fed beef supply is touched by BQA-certified operations.

Boosting International Demand



Of course, current technology will not be a component of all Beef Checkoff programs, such as international programs that boost international beef demand. U.S. beef exports, in fact, reached a record-shattering \$8.3 billion in 2018, a year-over-year increase of 15 percent. While Japan solidified its position as the leading international destination for U.S. beef, much of the year's growth was driven by South Korea

and Taiwan. 2019 has seen continued momentum for these two markets, with both achieving double-digit growth through the first half of the year.

The U.S. Meat Export Federation, a subcontractor to the Beef Checkoff, uses checkoff support to promote the unique attributes of U.S. beef worldwide, including to key buyers in the Korean and Taiwanese foodservice sectors, where dry-aged U.S. beef is increasingly popular.

In the United States, many other efforts not requiring enhanced technology – including personal and face-to-face interactions – reach both consumers and those who influence them, such as farm-to-fork tours for influencers, discussions with dietitians and health professionals, farm-to-fork tours for chefs and other influencers and dozens of other outreach efforts.

Being on the front line in today's marketplace, however, requires the beef industry to keep pace with the needs of consumers who buy its products. Thanks to beef producer investments in the Beef Checkoff, technology and beef can go hand-in-hand.

Cattlemen's Beef Board Fiscal Year 2019 Expenditures

Promotion	\$10,580,409
Research	\$9,891,043
Consumer Information	\$7,571,245
Industry Information	\$3,357,876
Foreign Marketing	\$8,347,484
Producer Communications	\$1,637,234
Evaluation	\$158,875
Program Development	\$435,772
USDA Oversight	\$596,367
Administration	\$1,729,852
TOTAL EXPENSES	\$44,306,15

Unaudited Numbers