

Texas Beef Council Annual Report

Fiscal Year 2006-2007

A summary of state and national beef research, education and promotion programs funded by the \$1-per-head beef checkoff program.



To ensure children and teens understand the importance of a healthy diet and the role that beef plays in that diet, the Beef Checkoff developed a new educational brochure, *Power Up With Lean Beef*. Geared towards youth, it includes fun games, recipes and interesting facts about the essential nutrients found in beef. The brochure will be provided to youth and health influencers throughout the state at events and promotions as well as distributed nationally.

For an audited financial statement, contact the Texas Beef Council at beef@txbeef.org or call 1-800-846-4113.



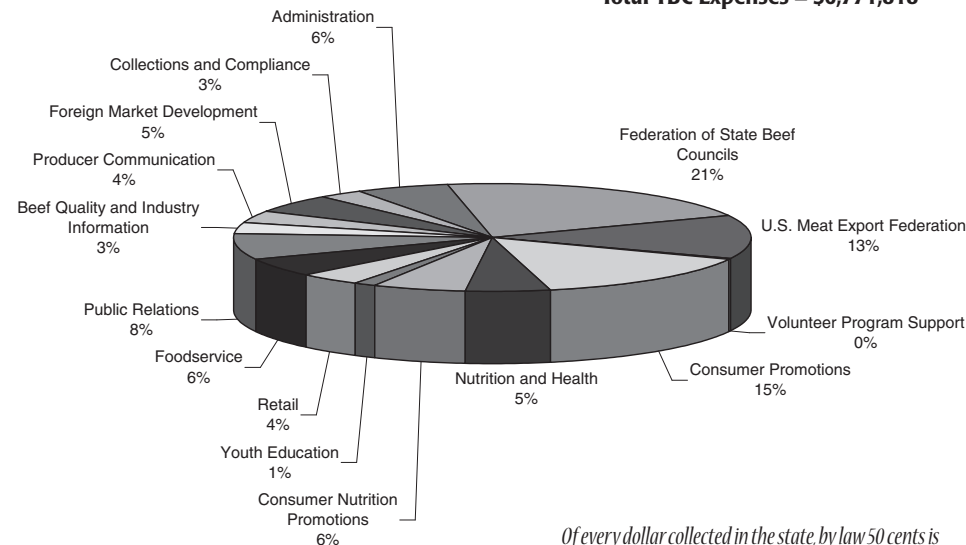
Visit us on the internet at www.texasbeef.org for more checkoff information or at www.txbeef.org for beef recipes.

State Beef Checkoff Program

Texas Beef Checkoff - FY2007 Financial Report

TEXAS BEEF COUNCIL FY '07 EXPENDITURES

Total TBC Expenses = \$6,771,818



FY '07 Revenues

Total checkoff assessments	\$11,790,334
Less: Remittances to the Beef Board	(5,574,056)
Remittances to state of origin	(642,222)
	<hr/> 5,574,056
Investment income	276,333
Other revenue	13,295
	<hr/> \$5,863,684

Of every dollar collected in the state, by law 50 cents is remitted to the Beef Board for funding of national and international checkoff programs. The pie chart above shows TBC's investment of the remaining 50 cents.

TBC is directed by a 20-member board of cattlemen, representing the state's 149,000 beef producers. To see a list of the board members, or for more information on the checkoff, please visit www.texasbeef.org

DOMESTIC MARKETING

Consumer Events - In its second year, the TBC mobile marketing unit, the Ultimate Backyard, was showcased at 20 events around the state, featuring more than 220 live cooking demonstrations and distributing more than 98,000 beef samples. The grilling-themed vehicle communicated beef enjoyment messages directly to the consumer and provided more than 370,000 educational brochures and promotional prizes.

Culinary Education - The state checkoff shared beef information with Family and Consumer Science (FCS) teachers at the 2007 annual conference. Attended by nearly all the FCS teachers in Texas, TBC provided curriculum and resource materials on beef nutrition as well as the new Beef U program to be utilized by culinary arts teachers. Through integrated foodservice outreach efforts, TBC continuously educates foodservice professionals, Texas chefs and operators as well as culinary school instructors and students about beef.

Retail Promotion - Working to promote beef products in the marketplace, TBC partnered with Advance Brands to promote convenient, fully-cooked beef products through five

retailers in Texas. TBC supported several elements of the initiative including in-store beef demonstrations at Albertsons, Brookshire's, HEB, Kroger and Sam's Club stores. In addition, TBC focused on promoting beef during key consumer holidays through retail partnerships with Mesa Vineyards and Bolner's Fiesta Spices as well as a Flat Iron steak promotion with Kroger.

Hispanic Campaign - TBC continued outreach efforts to Hispanic consumers through the successful 'Mejor Provecho' campaign. Utilizing the Ultimate Backyard as 'La Gran Parrillada', or The Great Grill-Out, TBC attended Hispanic events throughout Texas conducting 30 live cooking demonstrations, distributing more than 5,700 beef samples and providing Spanish-language recipes and beef information. In addition, TBC's Hispanic PR program generated more than three million media impressions in top Hispanic media outlets and publications through beef recipe and photo distribution.



COMMUNICATIONS

Crisis Preparedness - The TBC crisis communications plan continued to evolve in 2007, as FMD preparedness efforts gained momentum. In conjunction with state industry organizations, TBC developed the Issues Response Team to proactively prepare for and respond to animal health issues, namely FMD. In addition, TBC continued to monitor, analyze and manage issues on a state level, communicating regularly with the Beef Issues Team and industry partners.

Public Relations - In 2007, TBC conducted the first annual Firehouse Grill-off at the Texas State Fair where Dallas area fire stations competed for charity. The event garnered coverage on more than 17 television stations reaching more than one million consumers. In addition, TBC spokespeople appeared on television programs in 13 of Texas' leading media markets as part of the public relations program. Promoting positive beef messages through recipes, these 44 food segments reached nearly 2.7 million viewers with more than four total hours of TV time.



Website - More than 1.2 million consumers visited the TBC website, www.txbeef.org to find beef information and recipes in 2007. Internet traffic to the website continues to increase, averaging nearly 100,000 visitors per month.

Nutrition Advertising - The Texas checkoff continued telling the story of lean beef through print advertisements in local magazines in four major markets - Dallas, Houston, San Antonio and Austin. The advertisements were accompanied by advertorials educating consumers about the nutritional benefits of beef. Utilizing the national nutrition ads, this program garnered more than one million consumer impressions.



Health Influencers - Twenty of Texas' key nutrition thought leaders participated in "The Ranch: An Insider's View of the Beef Industry". Designed to build champions within the nutrition community, the program presented the science related to beef's nutrition package as well as showcasing how Texas producers generate safe and nutritious beef. This successful event helps leading dietitians convey positive messages about beef to media, their clients and other key audiences influenced by health professionals.

Fitness Events - Promoting the nutritional benefits of beef, the Texas checkoff focused on fitness events through

out the state. TBC was on-hand at four events providing lean beef samples, recipes, nutritional information and 'Lean Beef: Fuel for Your Body' promotional items. At the Beach to Bay relay, TBC sponsored three "Lean Beef" race teams, two of which placed first in their run class. In addition, TBC partnered with Run-Tex to include beef nutrition information in race packets distributed to more than 25,000 runners.



Youth Education - As part of youth and parent outreach efforts, TBC sponsored several minor league baseball games throughout Texas. Providing an excellent venue to reach families with positive beef messages, TBC promoted the enjoyment of beef emphasizing beef's nutritional value through interactive games, recipes, nutrition information and giveaways for more than 50,000 kids and parents. TBC also works to reach youth nutrition programs as well as through Ag Education Fairs, where more than 34,000 students and nearly 1,400 teachers received checkoff developed classroom educational materials this year.

BEEF QUALITY

Beef Quality - The Texas Beef Quality Producers Program, developed to train producers in the principles of beef quality assurance, concluded its seventh year in 2007. A total of 361 producers running 56,247 cows and stockers attended Level I programs and 209 Texas producers advanced through the Level II training. In addition, over 100 producers participated in educational programs such as Beef 706, Beef 2010 and the Beef Young Leaders Program, held throughout Texas.

EXPORT

Teams and Promotions - Chefs from the European Union (EU) visited Texas in August to learn more about the beef industry. As guests of TBC and the U.S. Meat Export Federation, the chefs were educated on the advantages of U.S. beef and trained to cook and promote underutilized cuts at Texas Beef Festivals which will be held in their own countries. In addition, TBC hosted Japanese Media, Caribbean Sales, and Caribbean Chef teams. TBC also contributed to "The Great American BBQ" in Hong Kong, and conducted Chef Seminars in Cairo, Dubai, and Beirut.



BEEF**YOUR BEEF CHECKOFF PROGRAM
FISCAL YEAR 2007
IN REVIEW**

No matter what business you are in, it is important to stop and annually review what you are getting done. The Beef Checkoff program is no exception and in this annual report you will find some of the highlights of what beef checkoff funded programs have accomplished in Fiscal Year 2007.

The audiences reached by checkoff funded programs continue to be as diverse as the population; from retailers to school nurses and from dietitians to beef producers. As you will read, your checkoff dollars are funding a variety of programs ranging from the development of five new convenience beef product concepts to a program designed to help parents learn how to enrich their family mealtimes.

The state and national partnership continues in implementing checkoff programs. In 2007, state beef councils voluntarily invested approximately \$10 million in the Federation of State Beef Councils. This investment multiplies the reach and impact of national programs funded by the Cattlemen's Beef Board and materials provided to state beef councils.

Thank you for your investment!

ADVERTISING

While "enjoyment" print and radio advertising continued to fuel consumers' passion for beef, nutrition ads delivered an unfiltered message setting the record straight about beef's great nutrition story. In a recent tracking study, 88 percent of consumers who had seen the checkoff ads are more interested in beef. The campaign ran from January through Labor Day and reached 91 percent of the target audience 16.8 times, at less than half a cent each time.

FOODSERVICE

The BEEFflexible message continued to resonate with operators across all foodservice segments, where more than 8.66 billion pounds of beef were sold during fiscal year 2007. Volume data shows the Flat Iron and Petite Tender continue to outsell both the T-Bone and Porterhouse in this \$531 billion channel. The integrated foodservice marketing plan delivered 48.5 million trade media impressions in the channel, four major

showcase and product sampling events and five promotions with chain restaurants.

RETAIL

Retail marketing executed another productive Summer Grilling Campaign in 2007. The outreach was a combination of promotional efforts that included development of point-of-sale materials, partnering on freestanding inserts, radio advertising and in-store merchandising. More than 22,000 point-of-sale pieces were distributed by 22 state beef councils. Additionally, 70 retailers partnered in 42 markets to broadcast radio spots on 68 stations nationwide. Reduced beef supply and the resulting higher retail prices again reinforced the strength of beef demand as dollar sales during the summer grilling months increased by 1.5 percent to \$5.3 billion over 2006.

BEEF INNOVATIONS GROUP

Fiscal year 2007 was a BIG year for the checkoff-funded Beef Innovations Group. Major initiatives were completed and include creating five new convenience beef product concepts which are ready for commercialization; launching a new and informative web site; creating new industry partnerships; and rolling out four new chuck roll cuts plus an innovative cooked chuck roll item. The new chuck roll cuts include the Denver Cut, America's Beef Roast, Delmonico Steak, Country-Style Beef Chuck Ribs, and a fully cooked Country-Style Beef Roast.

**VEAL**

The Beef Checkoff-funded Veal Go To Market strategy reached a milestone in fiscal year 2007 with four casual dining chains representing more than 350 restaurants nationwide placing a new veal item on each of their menus. These four new veal items help create new consumer demand with a younger target audience. The checkoff-funded veal program yielded over \$1 million in Estimated Advertising Equivalency through an integrated veal public relations programs.

CULINARY CENTER

2007 brought exciting opportunities for the checkoff-funded Culinary Center. Beef U, a Foodservice Guide to Beef, was rolled out jointly with the Foodservice team. The center also focused on developing recipes and taking photography for the Beef Made Easy program, Food Communications, Veal and Foodservice. The Culinary Center also partnered with the Youth Education team in developing recipes for Enriching Family Mealtimes.

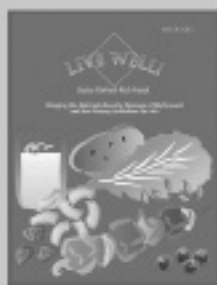
SAFETY

The beef industry is being recognized by government agencies and consumer groups for effective safety systems and safe products. Much of this success is a result of checkoff-funded beef safety research that has developed interventions, fostered communication among all industry sectors and advanced the knowledge of foodborne pathogens and their prevalence in the beef chain.

NUTRITION

The Beef Checkoff co-sponsored a scientific summit titled,

Protein Summit 2007: Exploring the Impact of High-Quality Protein on Health. The Summit was an important scientific and influencer meeting that convened 65 researchers from around the world to engage in dialogue to "build the case for high-quality protein," such as lean beef. The results of the Summit will help foster ongoing efforts to help protect and promote the importance of protein.

**HEALTH PROFESSIONAL EDUCATION**

More than 30 checkoff-funded nutrition seminars were conducted across the country in 2007 for a variety of health professionals, including dietitians. More than 6,500 individuals attended these events, where the popular *Live Well!* toolkit was utilized and distributed, as were a variety of printed materials about beef as part of a healthy diet.

ISSUES MANAGEMENT

A public opinion survey in May 2007 found consumers rated beef highest of all proteins in terms of food safety. Another recent Issues Management survey found 95 percent of Americans support raising cattle for food. Issues Management's work in monitoring, analyzing and managing potentially damaging issues in food safety, nutrition, the environment and animal welfare has been integral to Beef Checkoff investments since the program began.

PUBLIC RELATIONS

In fiscal year 2007, checkoff-funded public relations generated more than 5.4 billion impressions as a result of efforts related to food communications, nutrition, safety, media relations and crisis preparedness. The PR program continues to tell the beef production story and help share information about nutrient rich beef available through media relations, consumer outreach and web sites such as BeefFromPasturetoPlate.org, BeefItsWhatsForDinner.com and BeefNutrition.org.

**YOUTH EDUCATION**

A growing body of research shows regular family mealtimes have a positive impact on all aspects of a child's development – physical, mental, behavioral, social and educational. To help reach parents with this important message, the Beef Checkoff has produced Enriching Family Mealtimes, a kit that provides school leaders, health professionals, and parent volunteers the tools needed to promote family mealtimes in their schools or youth organizations. Contents include "how-to" tips, advice, simple recipes, shopping lists, conversation starters plus many other resources.

FOREIGN MARKETING

U.S. beef is back in nearly all international markets and due to trade requirements, many boneless beef items are in tight demand. USMEF (United States Meat Export Federation) has

focused on marketing underutilized U.S. beef cuts to offer buyers in many markets alternative cuts at more affordable prices. Through July 2007, beef sales amounted to 425,394 metric tons (937.8 million pounds), worth more than \$1.4 billion.

CBB COMMUNICATIONS

CBB communications outreach included production of the 2006 Beef Board Annual Report, as well as tracking activity at checkoff meetings via the Beef Board meeting blog, at www.beefboardmeeting.com. In addition, these producer communications efforts took a CBB presence to seven industry trade shows, and provided CBB members and other producers information and materials to help them tell the checkoff story to the country.

**NATIONAL BEEF COOKOFF®**

The 27th National Beef Cook-Off was held in September 2007 with publicity running at record pace. The Food Network spent days filming the event and will air a second hour-long special devoted to the Cook-Off in mid-2008. In addition, nearly 2,000 stories reaching over 317 million consumers appeared about the Cook-Off in the past year—all of which reinforce the integral role beef plays in America's kitchen.

**CATTELMEN'S BEEF PROMOTION AND RESEARCH BOARD
FISCAL YEAR 2007 EXPENDITURES**

Does Not Include State Beef Council Investments

