

Idaho BEEF Council

ANNUAL FISCAL 2012 Report

BUILDING CONSUMER DEMAND

Advertising and Media Fuel Consumers' Passion for Beef

When it comes to building awareness about beef and Idaho's beef industry - advertising and media play a critical role. In fiscal 2012 we expanded our reach and frequency to consumers with a comprehensive plan involving radio, TV, print, billboard and online social media. Through the use of media we keep beef top of mind with consumers, reinforce their passion for beef and promote beef's healthy qualities.

More than a half million Idahoans were exposed to beef messaging through 12 weeks of statewide radio ads, 5 weeks of TV ads, 48 billboards placed in high-traffic areas around the state, a print ad campaign for Earth Day and 5 on-air radio promotions in the Treasure Valley, Eastern Idaho and Magic Valley markets.

Internet and social media continues to evolve as the primary way consumers seek information and share opinions. IBC expanded its online media efforts in FY12 by launching the IBC Facebook page and conducting an informational grilling campaign with a series of banner ads on the state's number one online site, KTVB.com, during the month of June.

IBC appeared in featured news segments on TV stations in the Treasure Valley, Pocatello, Idaho Falls and Magic Valley markets and conducted numerous media interviews around the state. Each month IBC staff pushed out multiple press releases and pitches to Idaho media resulting in beef being featured in a wide variety of news stories and articles in the Idaho Statesman, Idaho Press Tribune, Times News, Post Register, Lewiston Tribune, Standard Journal, Idaho Magazine, and many other publications.

Overall, in-state advertising, when combined with National efforts, reached 89% of our target audience and over 26 million favorable consumer impressions resulted. And, research indicates these individuals are significantly more likely to buy and spend more on beef.

Promoting Beef Products To Idahoans

FY12 was another busy year for checkoff-funded

consumer education and outreach. The IBC promoted beef and provided samples, recipes, and nutrition information to consumers of all ages across the state. Over 197,000 consumers were reached through food events, cooking demonstrations, health and fitness expos, fairs and large format events.

The power of Beef was once again front and center to the 10,000+ athletes and spectators at the 2012 Boise Ironman Triathlon. Beef was visible at all pre- and race day activities including the 2-day sports expo, on-course race signage and the Beef Recovery Zone where athletes re-fueled themselves by dining on Beef Sliders. The Beef Swat Team worked various locations throughout the 70.3 mile race course passing out beef jerky, Powered by Beef cheer signs, cow bells and Team BEEF noise-makers. Team BEEF was back this year with the biggest team ever! Over 80 Team BEEF competitors donned "BEEF - Fuel for the Finish" race jerseys and created a huge buzz along the race course as they demonstrated the power of protein. This event continues to provide an excellent vehicle to educate and inform thousands of people about the many benefits of beef and build beef's position as the number one protein in consumer minds.

BBQ Boot Camp was held once again in FY12. Now in it's third year, this unique consumer event continues to grow in popularity and attendance. Not only is there a wait list for attendees, but we actually have consumers trying to buy tickets to the event! This year 82 attendees got down in the trenches and learned all things BBQ and beef. Stations included Burgers, Steaks, Beef 101, pairing beef with wine and more. From the basics about food safety and preparing beef, to nutrition and the different types and grades of beef, to the secrets of making your steaks and burgers turn out perfect, Boot Camp participants honed their beef skills and enhanced their beef knowledge while tasting some amazing food. Plus, new in 2012, BBQ Boot Camp included a celebrity guest. Tuffy Stone, a celebrity chef and TV personality on the reality show BBQ Pitmasters, co-hosted the event sharing tales from the world of competitive barbecuing and tips on how to create the best beef eating experience in your home. Post-event



Continued inside »

1. 2012 Ironman Team BEEF
2. Tuffy Stone at BBQ Boot Camp
3. BBQ Bootcamp Demonstration
4. Print Ad and Billboard Campaign
5. Online Banner Ad





Continued from cover

evaluations indicated we moved the needle on these consumers in their confidence in selecting and cooking beef, which should ultimately result in long term loyalty and an increase in the number of times they consume beef.

Beef Producers Reach Thousands

"Beef - It's What's For Dinner...and for Tailgating" was the message 32,000 consumers received at the 2nd annual Boise State University football

game. To continue enhancing beef's reputation and enticing consumers to purchase beef, a unique program has been developed with BSU athletics for beef to be the game day sponsor. Multiple consumer touch-points occurred, both inside the stadium as well as during the tailgating pre-game hours. More than 55 ranchers, cattle feeders and industry partners volunteered and served close to 5,000 samples of chili in the Beef VIP tent prior to the start of the game as a way to connect consumers to the men and women who raise beef. Football fans witnessed beef messaging all throughout the game via the stadium jumbotron, announcements, signage, on-field activities at kickoff, half-time contests and more. Such events as the Boise Ironman and Beef Day at BSU Football are strategically chosen on the basis of target audience density, event profile, and anticipated cost per consumer touch. Such an approach ensures your producer dollars are well spent as we drive demand for beef and build beef's position as the top protein in consumer minds.

July is Idaho Beef Month

July was once again declared Idaho Beef Month by Governor C.L. "Butch" Otter. Since 2001 this annual event celebrates Idaho's beef industry and promotes consumer awareness of beef's versatility, nutritional value and economic contributions to Idaho through special events, media coverage and promotions.

The month kicked off with Flat Iron Fridays a promotion with The Eagle 96.9, a top radio

station in the Treasure Valley, to bring consumer's attention to the Flat Iron steak, a beef value cut whose development was funded through checkoff dollars, and to celebrate grilling season. During the month of July radio DJ's promoted the campaign through on-air and social media, gave out facts about the Flat Iron steak and Idaho's beef industry, and encouraged listeners to enter the contest to win a Flat Iron Steak BBQ for their office. A winning business was chosen every Friday in July and received a special tailgate grill party featuring Flat Iron steaks. A radio station DJ hosted each BBQ, which included live broadcasts, on-air interviews with IBC staff and more.

For the third year, the Idaho Beef Checkoff partnered with the Snake River Stampede rodeo as a chute sponsor. The chute featured the Beef - It's What's For Dinner logo. The Snake River Stampede is one of the historic sporting events in Idaho, but it also boasts more than 45,000 Idaho consumers over the five day event. Being an urban-style rodeo, the event presents a unique opportunity to reach our target audience and build awareness.

Other Beef Month activities included Beef Night at the Ballpark with the Idaho Falls Chukars, Idaho Special Olympics Summer Games, the 4 Summit Bike Challenge in Cascade, and the GrillMaster Beef BBQ Competition with Broulim's grocery stores.

1. Sponsor of the Boise State University football game
2. Beef VIP tent serving free chili

PROTECTING & ENHANCING THE BUSINESS CLIMATE FOR BEEF

Promoting Beef's Nutritional Advantage

With obesity, heart disease, cancer and other chronic diseases on the rise, the clamor to change American eating habits has led to confusion about the role of beef in the diet. Many consumers have the misperception that beef must be eliminated or reduced from their diet. It's imperative we keep health professionals armed with the most recent scientific information on dietary recommendations, the nutritional value of beef and how beef easily fits into a balanced, healthy lifestyle - while reinforcing the accessibility and popularity of the 29 lean beef cuts.

The IBC maintained a high level of visibility and distributed educational resources to over 1,150 doctors, dietitians, nurses and health professionals at conferences held by the Id. Dietetic Assoc., Id. Medical Assoc., Id. Academy of Family Physicians, Id. Nurses Assoc., and Id. Academy of Physician Assistants.

Checkoff dollars enabled us to bring in third-party, nationally-known speakers who endorse beef and add credibility to beef's nutrition message. Dr. Nikki Withrow, MS, RD a leading nutrition expert and former board member of the American Dietetic Association presented on "Nutritional concerns for children with autism" at the 2011 Id. Dietetic Association Convention. Georgia Kostas MPH, RD, LD, award-winning nutritionist and co-founder of the prestigious Cooper Clinic, was the keynote speaker for the Eastern Idaho Chronic Disease Partnership Conference. Ms. Kostas' presentation "The nature of health - lifestyle choices for disease prevention and health promotion" showcased beef's role in optimal health.

Partnering with reputable health organizations helps reach thousands of consumers and creates a positive correlation between beef and health. The Idaho Beef Checkoff sponsored two American Heart Association events to communicate how lean beef easily fits into a heart-healthy diet. This relationship is very important to the beef industry because it helps enhance the image of beef as part of a heart-healthy lifestyle. In addition, it showcases our partnership with the AHA, an organization perceived positively by 98% of Americans. The Idaho Beef Checkoff was a top-tier sponsor of the AHA's Heart Ball Gala. The sponsorship included a lean beef entrée at dinner as well as visibility and signage at the event. We were also a sponsor of the AHA Heart Walk where close to 3,000 walkers were exposed to the great taste and nutritional benefits of including beef in their diet.

In addition, your checkoff dollars placed beef on the menu at several other high profile events to reinforce the link between beef and good health.

Educating The Next Generation Of Beef Consumers

Today's youth represent our future beef shoppers. More than 19,000 students were reached with a beef message in fiscal 2012 through educational materials and programs funded by the checkoff. And, 20,700 pieces of beef nutrition, cooking information and curriculum materials were distributed to educators across the state.

IBC staff presented a workshop at the Family & Consumer Science Teachers of Idaho annual conference and various Ag in the Classroom workshops to ensure beef's role in a healthy diet continues to be a focus in the classroom as well as share with educators the importance of Idaho's cattle industry.

As most of today's youth are two or three generations removed from farming and ranching, and the amount of agricultural-related lesson plans continues to decrease in our schools, a checkoff program launched in 2011 to K-6 schools was the Cattle Are Amazing! Drawing Contest. Now in the second year, the goal of the program is to provide a fun way to engage educators in the beef story and facilitate a lesson plan in their classroom. To participate, educators must teach a 30 minute lesson plan on such topics as beef nutrition, cattle and the environment or how cattle enrich our lives. Students then illustrate, or draw, how cattle are amazing. Over 2,000 students participated in the contest in fiscal 2012 and prizes were awarded in various age groups. Not only did this program educate our youth about the important role cattle play in our lives it also garnered attention in various newspapers around the state.

Informing and Engaging Producers

The IBC works to provide beef producers with information and programs to help them learn ways of increasing the quality, consistency and value of the beef they produce. Through partnerships with the University of Idaho Extension, Idaho's Beef Quality Assurance (BQA) program continues to grow. In fiscal 2012 over 30 BQA workshops, presentations and educational events were conducted in Idaho. Seven certification events and special trainings resulted in 190 BQA certifications/re-certifications. In January the Idaho Beef Summit was held in Twin Falls. Conducted in partnership with the University of Idaho Extension, the 3-day event of educational speakers and hands-on workshops provided science-based information to producers to help them make sound management decisions on how to produce high quality, consistent beef product for consumers.

IDAHO BEEF COUNCIL

Audited Financial Statements

For the Year Ended **June 30, 2012**

REVENUE:	
Checkoff Assessments	\$2,387,683
Less Remittance to Beef Board	(797,760)
Net Assessments	1,589,923
Interest Income	198
Net In-State Revenue	1,590,121

EXPENSES:	
National Programs	236,144
International Marketing Programs	97,302
Promotion Programs	327,111
Consumer Information Programs	201,945
Research Programs	155,794
Industry Information	76,268
Producer Communications	64,576
Collection Fee Paid to State Brand Dept.	138,248
Administration	147,377
Depreciation	4,033

Total Expenses	1,448,798
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Increase in Net Assets	141,323
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NET ASSETS:	
Beginning of Year	329,391
End of Year	470,714



EXPANDING MARKET SHARE

Retail Marketing Outreach

Grocery retailers represent the primary interface with consumers buying beef, so the IBC makes it a priority to develop impactful programs with this segment of the industry. IBC worked with retailers across Idaho to develop campaigns reminding consumers to choose beef for their holiday and summer grilling meals. Checkoff-funded Holiday Roast and Summer Grilling point-of-purchase merchandising kits were distributed to 104 retailers to grab consumer attention in the meat case and stimulate beef purchases. IBC also provided 26,000 recipe and informational brochures to Idaho retailers to hand out to their customers.

A new retail program rolled out in FY12 to stimulate beef sales was a Tri Tip promotion with Fred Meyer stores. The IBC partnered with Washington and Oregon beef councils to conduct a Pacific Northwest promotion at 140 Fred Meyer locations featuring Tri Tip steaks and roasts. The campaign included Beef It's What's for Dinner radio ads, on-pack labels with peel off recipes and cooking information, weekly ad circulars to bring attention to the campaign and Tri Tip tastings in the stores. A very successful program, all stores reported an increase in sales and on average the chain saw a 296% increase in pounds of Tri Tips sold over the same time period the prior year.

Other retail campaigns conducted throughout the year included beef training programs with

Associated Grocery Store retailers, a Summer Bundles program and Holiday Roast Pop-Up Timer campaign with 18 retailers, and a promotion during Beef Month at Treasure Valley Albertson's locations which resulted in a 14% increase in beef sales versus the same time period the prior year.

Idaho Receives Beef Baker Award Two Years in a Row

The Beef Checkoff's National Beef Backer Award honors retailers and foodservice operations that are doing an outstanding job of marketing and merchandising beef. Broulim's Fresh Foods, a regional grocer chain in Eastern Idaho, was recognized as the winner in the "Independent Retailer" category for the 2012 National Beef Backer contest. This is the second year in a row Broulim's has received this prestigious award and illustrates the effective ways your checkoff dollars have been used to build successful retail programs. Entries for this award program originate at the state level.

In the foodservice category, Coeur d'Alene Casino and Resort was honored as the "Innovator of the Year" for its outstanding use of beef and innovative recipes at the casino's eight restaurants.

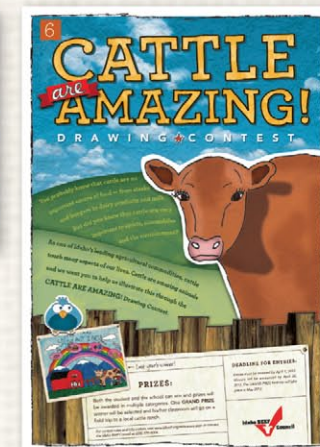
Foodservice Marketing & Outreach

One-half of the beef sold in the U.S. is served at restaurants, but it takes work to keep it on the menu, especially as supplies get tighter and

prices go higher. Through checkoff-funded programs foodservice providers statewide were introduced to new beef products, provided recipes and menu'ing ideas to keep beef the number one selling protein in the foodservice sector.

The Idaho Beef Checkoff partnered with Tri-City Meats, one of the leading restaurant distributors in the state, for a seven-week sales promotion for their sales reps focused on increasing sales of beef in the foodservice channel. The program included a sales rep training and was designed to incentivize food service sales staff to increase beef sales and generate new beef business. The promotion resulted in 11% increase in sales versus the prior year.

To reach menu influencers, the IBC held four workshops with chefs and foodservice professionals from various restaurants, hotels and culinary schools to increase beef knowledge. Workshop participants received a hands-on demonstration of new chuck roll cutting techniques and also were provided with resource packets specifically for foodservice. The IBC, in partnership with the Washington State Beef Commission, held a 2-day Pasture-to-Plate tour for over 40 chefs. The tour provided the chefs a complete picture of the beef industry and included visiting a cow/calf and feedlot operation, beef processing plant and comprehensive overview of consumer trends, new products and cutting demonstrations.



1. Retail Holiday Merchandise
2. Broulim's Holiday Roast Ad
3. National Beef Backer Award Winners
4. Cutting Demo with Chefs
5. AHA Heart Ball Ad
6. Cattle Are Amazing! Drawing Contest Poster
7. Cattle Are Amazing! Drawing Contest Winner



GREETINGS

fellow beef producers:

I am writing you about all the great things your checkoff dollars are doing today. First off, I would like to extend my thanks to outgoing board members Brenda Richards and Lynn Keetch. Their leadership and input will be missed and I thank them on behalf of the industry for their tireless efforts on the board. I would also like to welcome our new board members to the IBC; Bruce Mulkey from Salmon and Frank Teunissen from New Plymouth. I look forward to working with them and value their input as we move forward.

I have been fortunate to represent Idaho the last three years, on the Beef Promotion Operating Committee, which funds the national programs. Through this process I can assure you that your checkoff dollars are being invested wisely and efficiently. We are all focused on the declining value of our dollars, not only in purchasing ability but also in total program dollars as a result of decreased cattle numbers. This has made us focus on how we invest those limited resources to maximize the return to you, the producer. The Evaluation Committee is making great strides in the evaluation process which will result in even better utilization of the checkoff resources. All combined, look for even better results and effectiveness of your checkoff dollars on the national level.

This last year at the NCBA annual convention the Federation of State Beef Councils adopted a new committee structure along with the Cattlemen's Beef Board. This new structure will greatly streamline and focus the effectiveness of the programs into a more cohesive overall strategy to increase demand for beef in the future.

On the State level, I am so excited about the programs and the staff we have to make things happen. The IRONMAN, that takes place in Boise each year, continues to be our signature event and has been a great success for us. Many states are now following our lead with programs like this. What a great feeling it is to have so many people wanting to join "Team Beef" and represent our industry by being spokespersons and representatives on our behalf. Please take the time to read all about the exciting things the checkoff is doing in Idaho.

As we move forward we will continue to focus on our priorities. We will continue to collaborate with key beef influencers such as the Culinary, Foodservice, and Health Professionals, to help build demand for our product. We are building retail partnerships with a focus on product diversity and the positive nutritional aspects of beef. And we are working to strengthen the image of beef through positive nutritional messages using social and traditional media.

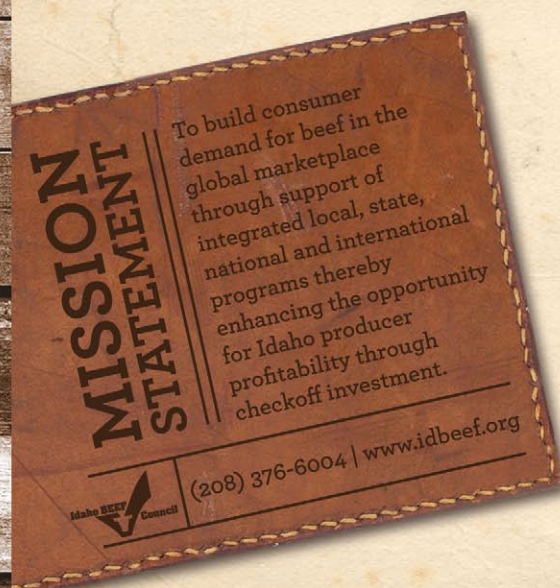
I would like to extend an offer to any industry organization that would like an IBC representative to come talk to their group about the great things the checkoff is doing so please feel free to contact us and we will make every effort to accommodate your request.

Thank you for your support,



Cevin Jones, Chairman

Idaho Beef Council
2118 Airport Way
Boise, ID 83705



CHECKOFF DOLLARS AT WORK OUTSIDE OF IDAHO

Beef Promotion and Research Board

By law, 50 cents of the \$1.50 collected in Idaho goes to the Cattlemen's Beef Board (CBB). These funds form the base for national beef promotion, education and research programs. For more information on how these funds are spent, contact the Idaho Beef Council or log onto www.mybeefcheckoff.com.

Federation of State Beef Councils

Idaho is one of 45 state beef councils who make up the Federation of State Beef Councils. In addition to the \$0.50 we send to CBB, the IBC contributes additional funds each year toward national promotion activities through the Federation of State Beef Councils. Last year the IBC contributed \$164,000 and the IBC Board of Directors specifically chose which

national activities to fund based upon the IBC's strategic priorities.

In addition to our investment in the Federation of State Beef Council's, Idaho contributed an extra \$50,000 to a special fund for states with high populations and few cattle, such as New York and California, to assist in consumer-driven beef promotion activities.

International Marketing

Expanding the opportunity to sell beef around the globe, the IBC contributed \$95,500 to the U.S. Meat Export Federation (USMEF) for continued support of beef promotion in international markets. IBC Board Member Cevin Jones represents Idaho producer's interests as an USMEF delegate.



The board is comprised of 8 appointed volunteers, representing various segments of the industry

Cevin Jones • Chairman • Feeder • (Eden)
Dan Schiffler • Vice Chairman • Auction Market • (Jerome)
Judy Hinman • Secretary/Treasurer • Cow/Calf Producer & CattleWomen • (Emmett)
Scott McNeley • Feeder • (Grand View)
Frank Teunissen • Dairy • (New Plymouth)
Bruce Mulkey • Cow/Calf Producer • (Salmon)
Tom Dorsey • Dairy • (Caldwell)
Morgan Evans • Cow/Calf Producer • (Downey)

Cattlemen's Beef Board Representatives

Dan Hinman, Emmett
Kim Brackett, Castleford

Federation of State Beef Councils Representatives

Cevin Jones, Eden
Judy Hinman, Emmett
Dan Schiffler, Jerome

USMEF Representatives

Cevin Jones, Eden

Idaho Beef Council Staff

Traci Bracco, Executive Director
Janice McGehee, Program Manager
Becky Miller, Office Coordinator



(208) 376-6004 • www.idbeef.org