

ANNUAL REPORT

FOR THE FISCAL YEAR 2018 (July 2017 - June 2018)

The primary objective of the Idaho Beef Council (IBC) is simple: increase consumer demand for Idaho's beef and beef products. How that goal is accomplished, however, is far from simple. Effective marketing programs maximize industry dollars by investing in those activities that will best move the needle of demand. Over the past year, the IBC has put your check-off dollars to work on a variety of programs that aim to communicate beef's value, overcome consumer misperceptions and emphasize the heritage and commitment of Idaho's multi-generational family farms and ranches.

This brochure offers a snapshot of IBC programs during the July 2017-June 2018 fiscal year, to help the industry better understand the marketing efforts that are being undertaken to expand Idaho beef sales. While it's not possible to detail all the activities carried out with check-off funding, this brochure provides a recap of the major initiatives that are continuing to make beef the number one protein choice for Idahoans.



Consumer activities are at the heart of IBC's beef marketing program. By delivering positive messages about Idaho beef, promoting the health and lifestyle benefits of this high-quality protein, and promoting the industry's commitment to the Idaho community - IBC's consumer program is inspiring Idahoans to fuel up with beef.

ADVERTISING AND PUBLIC RELATIONS

CONSUMER ADVERTISING

The Idaho beef advertising campaign ran year-round, utilizing a mix of media to convey the value, nutrition, and convenience of cooking with beef. The campaign was integrated with the rest of IBC's programs to support and extend retail and consumer activities. To maximize funding and advertising impact, the IBC continued to partner with the National Cattlemen's Beef Association via use of the national advertising creative. This approach achieved consistent messaging while using funds efficiently.

During fiscal year 2018, IBC worked with a local advertising company to design a media plan to best reach Idaho's consumers and keep beef top of mind among in-state consumers. The plan combined outdoor, television, online and radio advertising, much of which strategically ran during high beef consumption times such as holidays and summer grilling time, as well as the fall months when people pull out their slow cookers.

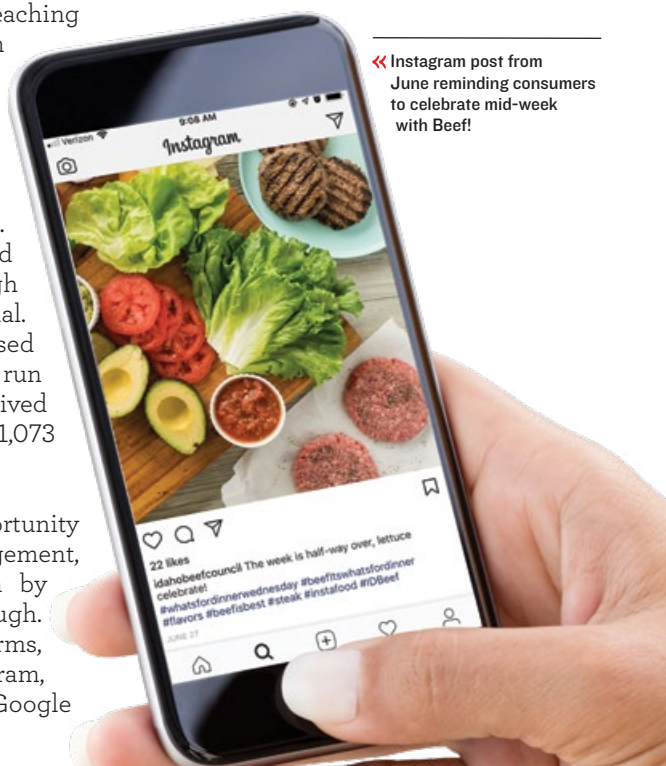
One highlight was television advertising that ran February 9-25th on NBC to coincide with the Winter Olympics in South Korea, thus taking advantage of

high viewership during that timeframe. A total of 154 spots aired, reaching an average of 75% of adults in target cities an average of 2-3 times.

Twenty-five outdoor billboards placed around the state supported Beef Month in July, reminding people to make memories with friends and family during this popular grilling season, and reaching 78% of IBC's target audience an average of 10 times. Throughout the year, thirty-two weeks of "live read" radio advertising targeted periods of peak listenership during traffic reports, resulting in nearly 1.2 million impressions. Online streaming radio continued to be an excellent venue through which to reach today's millennial. IBC used Pandora, the highest used and rated online radio brand, to run four months of ads, which received 4.04 million impressions and 1,073 clicks.

Digital media provided an opportunity to improve consumer engagement, and to motivate instant action by encouraging viewers to click through. IBC utilized five digital platforms, including Facebook, Instagram, Pinterest, Google Search and Google

Display Network. In total, the digital campaign achieved more than 19 million impressions. Among these, Facebook was one of the strongest digital channels for IBC, with beef checkoff ads far outperforming the average for click-through rates. Key to success was running ads with recipes that were relevant to the time of the year.



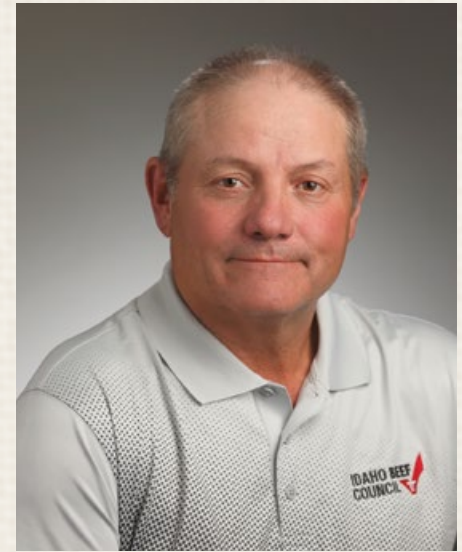
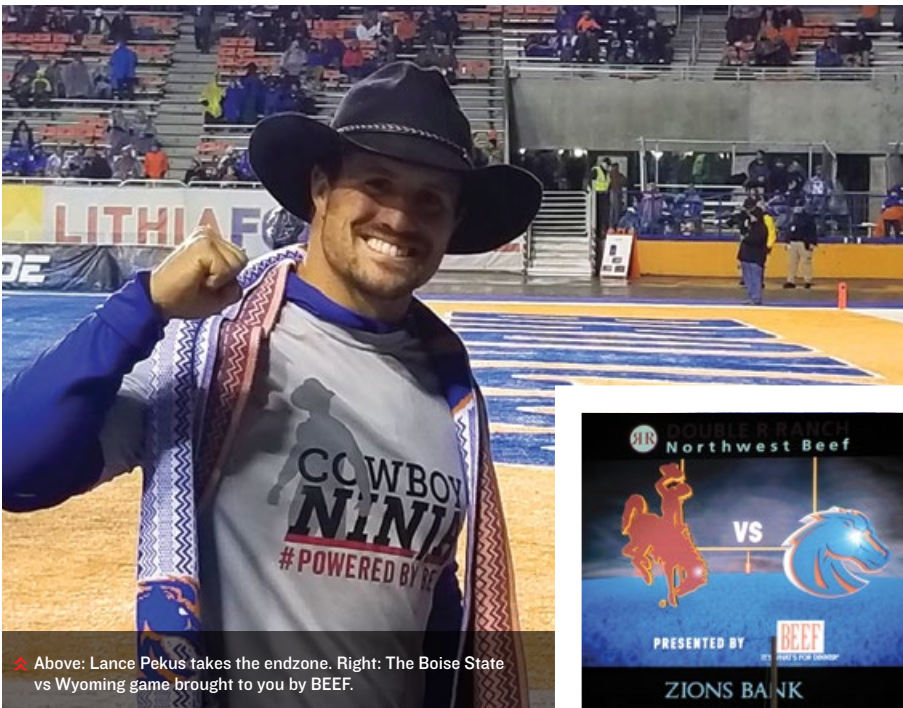
◀ Instagram post from June reminding consumers to celebrate mid-week with Beef!



BEEF MONTH

IBC kicked off the fiscal year with Beef Month in July 2017. The 16th annual month-long celebration of Idaho beef drew attention to the industry's many contributions to the state. Bubba, the Giant Steer, made his annual appearance at the Boise airport to educate travelers about Idaho's long tradition of cattle ranching. A variety of advertising and consumer events created a heightened profile for Idaho beef during the month. These included Beef Night at the Idaho Falls Chukars and Beef Night at the Boise Hawks. During these events, the Idaho beef industry was featured in promotional materials, signage, in-game promotions and game announcements. Half-price hamburgers and beef hotdogs increased concession sales. The IBC also sponsored the Snake River Stampede Rodeo in Nampa and the 4 Summit Challenge bike race in Cascade, providing further opportunities for Idaho beef advertising and publicity during July.

◀ Bubba welcomes visitors to Beef Country at the Boise Airport, inviting them to stop, pose and post to win free beef for a year!



From THE CHAIRMAN

As Chairman of the Idaho Beef Council (IBC), I am excited about the new direction of this organization. Earlier this year, the IBC undertook a survey of the Idaho beef industry to gather input regarding industry priorities. In May, the Board met to discuss these priorities and craft a vision for the future of Idaho beef marketing. Our goal with this strategic planning process was to identify the most important actionable strategies that will make the most impact on beef sales.

The result was a strategic plan focused on four core strategies:

- » Protect and enhance the business climate for beef
- » Grow consumer trust in beef and beef production
- » Promote and strengthen beef's value proposition
- » Drive growth in beef exports

As we move forward with these strategies in the current year, I'd like to recognize the hard-working staff at the IBC. In November 2017, T.K. Kuwahara took over as executive director. She has begun building a team to develop and implement innovative programs to make the most of your checkoff dollars. These will build on previous year's programs, like those highlighted in this brochure, to share the Idaho beef story with consumers, influencers, retailers and others, and drive increased beef consumption.

LOU MURGOITTO

Chairman
Dairy Beef Producer
Boise, ID

BEEF SCORES BIG ON GAMEDAYS

Sporting events continued to provide excellent opportunities to encourage consumption of beef products. In October, IBC partnered with the Boise State Broncos to feature Idaho beef at the Broncos-Wyoming Cowboys game. "Beef. It's What's for Dinner" received exposure on email blasts and press releases put out by the Broncos. The IBC held a chili feed for tailgaters prior to kickoff and promoted beef with in-game promotions, signage, digital board appearances and public address announcements. Besides the record crowd of 35,656 attendees, Idaho beef advertising during the game reached more than 300,000 radio listeners.

COMMUNITY EVENT SPONSORSHIPS

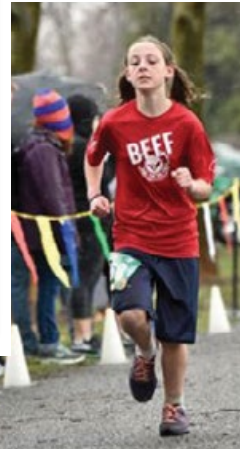
Beef sponsorships at events like the Mountain Home Air Force Appreciation BBQ, Festival of Trees Gala in Boise, Beehive Credit Union picnic and several more events around the state reminded consumers that Idaho's beef industry is an integral part of their community – and that beef is the best for picnics and grilling! These sponsorships helped build loyalty and shape positive consumer attitudes toward beef.

BEEF COUNTS GIVES BACK

Throughout the year, IBC sought opportunities to promote Beef Counts, a partnership program with the Idaho Foodbank, Idaho Cattle Association, Idaho Cattle Women Council, and Agri Beef. Beef Counts works to provide a consistent supply of high quality beef protein to food-insecure members of the Idaho community. In January, IBC sponsored Beef Night on the Ice with the Idaho Steelheads where one dollar of every ticket sold was donated to Beef Counts. During the game, IBC sponsored various promotions and giveaways as well as half-price burgers and beef hotdogs. The sell-out game resulted in the Steelheads donating more than \$3,000 to the Beef Counts Program. During the 2018 fiscal year, Beef Counts donated a total of \$66,266 to the Idaho Foodbank.



» Steelheads program ad and raffle ticket poster to benefit the Beef Counts program.



▲ Top Left: Team Beef racer, Reeder, crossing the finish line at the Race to Robie Creek. Above: Team Beef racer, French, running the Race to Robie Creek. Left: Team Beef Kids runner, Makayla Barber, running the St. Paddy's Day Race.

▲ Above: 2017 Race for the Steaks direct mail postcard. Left: T-shirts from the 2017 Race for the Steaks.



BEEF: FUEL FOR THE FINISH

Research continues to show that beef provides important fuel for healthy bodies, and beef's ability to build and replenish muscles during and after exercise makes it a great choice for athletes. Throughout the year, your checkoff dollars promoted beef as fuel for the finish through race sponsorships like Race for the Steaks in Boise in September and through Team Beef.

Team Beef is a group of beef-eating competitors who spread the word that beef is serious food for athletes. Team Beef has become a ubiquitous presence in the Idaho running community, wearing their trademark red shirts at running, cycling and triathlon events all over the state and elsewhere. During fiscal 2018, the Team's 86 adult and 36 youth members completed 372 IBC-approved races. It is also noteworthy that every year, team

members complete 200-300 extra races, which means even greater visibility for Idaho beef. Idaho's Team Beef also has a number of members who run marathons and ultramarathons, further demonstrating the value of fueling up with beef. IBC's red shirt could be seen this past year at the Boston marathon, the 50-mile Caballo Blanco Copper Canyon Ultra race in Chihuahua, Mexico, and the prestigious Marathon du Mont-Blanc in France, a 90-kilometer race in the Alps.

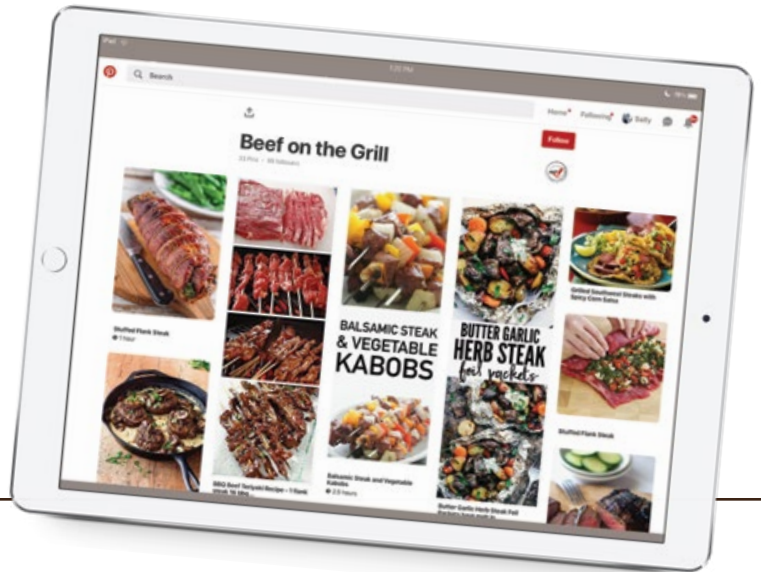
In addition to athletic competitions, Team Beef volunteers give back to the community. Members of Team Beef participate in more than 100 health education and community service projects annually, including ones that raise money and awareness for the Beef Counts program.

CONSUMER EDUCATION

BUILDING BEEF AWARENESS VIA MEDIA

The program stayed connected with consumers around the state using a variety of traditional and non-traditional media. Facebook and Pinterest posts provided opportunities to communicate the value of beef as well as recipes to spark new usage. IBC's health and wellness specialist appeared on seven segments on KTVB featuring recipes from BeefItsWhatsForDinner.com and also appeared on the Idaho Living Segment of KBOI-TV.

» The Idaho Beef Council Beef on the Grill Pinterest board offers consumers delicious recipes and tips for cooking with beef.



ADULT EDUCATION

Besides electronic media, IBC found face-to-face contact a great way to further spread the positive message of beef. IBC staff and volunteers participated in health fairs, agricultural pavilions and community expos to educate and inform thousands of people about Idaho's beef industry and the many benefits of beef. One highlight was participation in St. Luke's Fit One Healthy Living Expo, which provided an opportunity to reach a broad range of Idahoans with the beef nutrition message. IBC partnered with Lance Pekus, Cowboy Ninja, at this event. Pekus carried out an onstage healthy cooking demonstration, and was also available for photos at the IBC booth. Other health fairs IBC attended include the Idaho State University Health Fair, Franklin County Medical Center Health Expo and Malad Health Fair.

» Recipe cards handed out at the St. Luke's Fit One Healthy Living Expo, featuring a photo of Lance Pekus, Cowboy Ninja.

YOUTH EDUCATION

Tapping into the upcoming generation of beef consumers, the year's activities also included educational/community events for youth, such as a partnership with the University of Idaho extension to celebrate "National Ag Week" and participation in the "Celebrate Youth Expo" in Rexburg.

CONSUMER MATERIALS

Educational materials for consumers continued to provide a valuable way to spread the message of beef nutrition, safety, and versatility. Throughout its entire breadth of consumer activities, IBC and volunteers continued to hand out consumer materials aimed at ensuring that beef's value proposition is understood.

INFLUENCER EDUCATION

To put research-based beef nutrition information in the hands of key influencers, IBC continues to target members of the health and nutrition industries. From physicians to nurses to dietitians and nutrition educators, IBC is building and engaging a network of key influencers to promote positive beef messaging. Throughout the year, IBC brought the beef nutrition story to industry conferences and events, including the Idaho Perinatal Project, the Idaho Academy of Physician Assistants, the Idaho Academy of Nutrition and Dietetics, the Idaho Academy of Family Physicians, and Eatsmart Idaho. This included giving beef presentations at seven influencer conferences and staffing an Idaho Beef exhibit booth at these and other events. Attending conferences like these enables IBC to educate important members of the health community, many of whom are not accessible via other means.



» 8 ft x 3 ft banner created for use in Idaho Beef exhibit booths.



▲ Above: Facebook graphic to promote the Winco coupon. Inset right: Instagram graphic to promote Crockpot giveaway.



RETAIL PROGRAM

By targeting grocery retailers, IBC can empower this market segment to act as salespeople to push through net new sales of beef and beef products. During fiscal 2018, advertising tied into the retail program and Beef Month with a July 2017 coupon redemption program on Facebook that resulted in 634 saved offers. This was carried out in partnership with Winco Foods. IBC also continued its successful Crocktober Promotion, which partnered with Winco stores to promote beef all month during October, when consumers are looking for healthy, convenient, comfort foods to prepare in their crock pot. Supporting this were Instagram posts featuring crock pot giveaways and cooking tips. In the upcoming year, IBC plans to more heavily target retailers, including a variety of exciting new partnerships and tie-in promotions to highlight beef's value proposition at the point of purchase.

RESEARCH PROGRAM

Research continues to play an important role in offering beef products that consumers trust, in positively affecting consumer decisions to buy beef, and in understanding the evolving consumer market. The following research projects were funded during fiscal year 2018:

Controlling *Salmonella* spp. Invasion in deep lymphoid tissue in beef carcasses

Researcher:
Anne Laarman, University of Idaho

Currently, *Salmonella* infection of ground beef continues to occur at a rate of approximately 2%, and costs the U.S. an estimated \$3.7 billion, according to the USDA. While post-harvest interventions

have helped lower the risk, the persistence of this problem, combined with the negative impact on public perception of beef, drives the need for research to develop additional practical methods of reducing *Salmonella* contamination. This project has been working to analyze the impact of pre-harvest interventions, specifically dietary supplementation with butyrate. When completed in the current fiscal year, the two-year project hopes to determine the timing, strategy and impact of butyrate on *Salmonella* invasion in finishing beef cattle.

Consumer Survey

IBC partnered with the National Cattlemen's Beef Association in April 2018 to direct research on Idaho versus national consumers. The 11-question

FOODSERVICE PROGRAM

Foodservice continues to be an important channel for beef and beef product sales. In December 2017, IBC inaugurated a new activity, Boise Burger Week. During this promotion, participating restaurants offered a special burger or menu price, with a portion of the proceeds going to benefit Beef Counts. Events like this help IBC to promote new beef sales while creating goodwill and highlighting the beef industry's commitment to its community. IBC continues to tap into similar opportunities during the current fiscal year, and plans to increase its education and trade work with culinary professionals to create a stronger partnership with this vital marketing segment.



survey was fielded on the Toluna Quick Surveys platform and tapped opinions from 151 Idaho consumers and 501 national consumers. The survey measured the frequency of Idaho and national beef consumption versus other protein sources and evaluated consumers' image of beef and the beef industry, including taste, nutrition, safety, and treatment of animals. It also gathered data on the key factors that influence consumers to make beef purchases. The research enabled IBC to establish baselines for key consumer measurements, and will be a valuable tool to help direct marketing programs.

INTERNATIONAL MARKETING PROGRAM

International Markets Tap into Huge Customer Base

Ninety-six percent of the world's population exists outside the United States; moreover, Asia contains the world's fastest growing global middle class. This means that investment in international marketing is an investment in the future of beef sales. During fiscal 2018, the IBC once again partnered with the Washington Beef Council and the Oregon Beef Council to support international beef promotion in Japan via the Pacific Northwest Initiative (PNI). IBC contributed \$25,000 to the U.S. Meat Export Federation (USMEF) last year to fund PNI retail promotions with major chains in Japan as well as fund several teams of Japanese buyers traveling to the Pacific Northwest.

Under the PNI, IBC's dollars were leveraged with matching contributions from Washington and Oregon, plus contributions by USMEF and participating Japanese retailers. Thus, IBC's initial investment multiplied to more than \$300,000 invested in international activities. This enabled the PNI to reach millions of Japanese consumers and generate more than 873.5 metric tons - or 1.92 million pounds - in incremental beef sales during the 2018 fiscal year.

NATIONAL MARKETING PROGRAM

National Checkoff: Beef Promotion and Research Board

While this report details beef promotion programs administered by the Idaho Beef Council, checkoff dollars also fund a larger national effort. By law, 50 cents of the \$1.50 collected in Idaho goes to the Cattlemen's Beef Board (CBB). IBC also sends additional dollars to support the national effort. These funds are leveraged with funds from all state beef councils and used to carry out promotion, education and research programs conducted by CBB's Beef Promotion and Research Board.

Highlights of the national program administered by CBB include the October 2017 relaunch of the "Beef. It's What's for Dinner" campaign, which now includes a "Rethink the Ranch" element to help consumers connect to their food at its source. Through the refocused and strengthened campaign, visitors to the website over the past year have totaled more than 8 million - compared to about 3 million the year before. Videos that feature real ranchers and farmers and their real stories about how they produce beef were a valuable new addition. These have generated more than 765,000 video views and reached more than 3.5 million consumers. Other areas in which national funds were invested included industry research, the Beef Quality Assurance Program, and international marketing programs.



www.idbeef.org

INDUSTRY OUTREACH PROGRAM

Beef industry stakeholders, including producers, feeders, marketers and others, represent a wealth of resources and provide guidance to help strengthen the business climate for beef. To tap into these resources, and to ensure that industry members have the information they need about beef marketing programs, IBC participated in numerous industry meetings across the state and elsewhere during the year. It also continued to maintain a website and produced and distributed a newsletter in June and an annual report.

2017 Annual Report and Summer Newsletter



A retail display of beef in Japan.

2018
INCREMENTAL
BEEF SALES TO
JAPAN

1.92 MILLION
POUNDS



ABOUT THE IDAHO BEEF COUNCIL

The Idaho Beef Council is the beef producer funded and directed beef promotion, research and consumer information arm of Idaho's beef community. This includes Idaho's 9,700 beef producers and related industries. A mandatory \$1.50 assessment is paid by ranchers and farmers for every head of cattle sold. The program is authorized under state and federal law to implement programs that increase demand for beef on behalf of local beef producers.

IDAHO BEEF COUNCIL BOARD OF DIRECTORS (2017 - 2018)

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

Lou Murgoitio

Chair
(Boise)
Dairy

Jeff Johnson

Vice Chairman
(Parma)
Feeder

Trish Dowton

Secretary/Treasurer
(Ellis)
Cow/Calf Producer &
CattleWomen Rep.

Lee Bradshaw

(Caldwell)
Feeder

Bill Lickley

(Jerome)
Cow/Calf Producer

Matt Nelsen

(Jerome)
Dairy

Ira Brackett

(Homedale)
Cow/Calf

Steven Taylor

(Jerome)
Auction Market

Cattlemen's Beef Board Representatives

Jared Brackett

Rogerson

Lynn Keetch

Montpelier

Federation of State Beef Councils Representatives

Lou Murgoitio

Boise

Jeff Johnson

Parma

Trish Dowton

Ellis

USMEF Representatives

Morgan Evans

Downey (ex-officio)

Bill Lickley

Jerome

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