

TEAM BEEF



The GBB has had another successful year with our Team BEEF Program! We have about 300 members on our team that are wearing their jerseys in races all over the state and having wonderful conversations with people about our industry and beef product. We are overjoyed at the success of this program, as our runners share experiences of conversations they were able to have with other athletes about the

benefits of beef in the diet. Protein plays a vital role in training, performance, endurance and recovery, and we want athletes choosing beef as their protein source. We are looking forward to continue to grow the success of this program!

GEORGIA SOUTHERN TAILGATE



Georgia Southern University has their first-ever agriculture tailgate and game, and GBB had an opportunity to be a part of it. We cooked and handed out hundreds of beef hotdogs, and talked with attendees about Georgia's

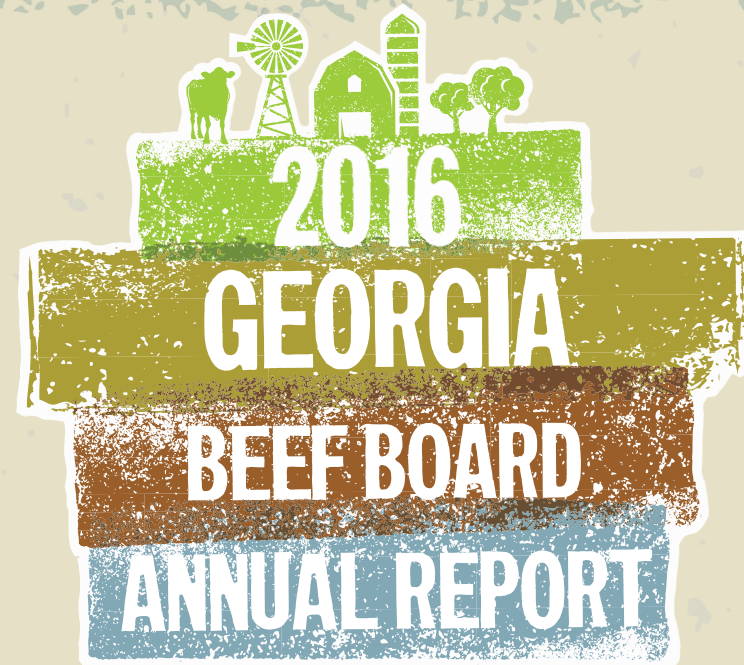
beef industry. Along with Farm Bureau, other commodities were there representing the other aspects of Georgia's agriculture industry. The highlight of the night was the viewing of a video that was created to pay tribute to Georgia's farmers. GCA President Kyle Gillooly and his beef operation was one of the farmers/farms highlighted, and it made for a wonderful video that was shown during the halftime feature.

COLLEGIATE BEEF TEAMS

We have been very blessed to have nine wonderful students from University of Georgia and Abraham Baldwin Agricultural College serve as Beef Team members for the GBB this year. Each of these students applied, was interviewed, and after selection was trained, each gaining knowledge of the beef industry in Georgia, beef nutrition, and the Beef Checkoff so they would be prepared to speak with both producers and consumers during the school year. These students traveled the state with GBB, taking part in many programs, activities, events and grocery store cooking demonstrations throughout the year. They have all done an outstanding job and we are very proud of them.

GEORGIA BEEF BOARD, INC. STATEMENTS OF REVENUES AND EXPENSES MODIFIED CASH BASIS FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
REVENUES		
Gross assessments	\$566,925	\$564,925
Assessments remitted:		
Cattlemen's Beef Promotion and Research Board	(263,314)	(267,755)
Other states	(40,303)	(29,414)
	<u>(303,617)</u>	<u>(297,169)</u>
Net assessments	263,308	267,756
Interest income	94	-
Beef certificate revenue	526	-
Gain (loss) on disposal of assets	-	(250)
Grants and other revenue	<u>80,084</u>	<u>67,336</u>
TOTAL REVENUES	<u>344,012</u>	<u>334,842</u>
EXPENSES		
Program services:		
Promotion	5,939	18,063
Consumer information	202,142	183,030
Industry information	4,938	5,592
Producer communication	28,541	31,712
National programs	<u>14,000</u>	<u>14,000</u>
Total program services	<u>255,560</u>	<u>252,397</u>
Supporting services:		
Collection and compliance	1,500	1,461
Administration	<u>68,025</u>	<u>53,745</u>
Total supporting services	<u>69,525</u>	<u>55,206</u>
TOTAL EXPENSES	<u>325,085</u>	<u>307,603</u>
INCREASE IN NET ASSETS	18,927	27,239
NET ASSETS - BEGINNING OF YEAR	<u>254,766</u>	<u>227,527</u>
NET ASSETS - END OF YEAR	<u>\$273,693</u>	<u>\$254,766</u>



#ATLBURGERWEEK



The Georgia Beef Board (GBB) partnered with Creative Loafing to sponsor the first ever Atlanta Burger Week April 2016. There were over 40 participating restaurants, each creating a \$5 specialty burger. The people of Atlanta then spent a week trying out all the burgers, getting stamps in their event passports, and voting for their favorites. We are proud to say that this event was incredibly successful as well as tons of fun! Participating restaurants reported selling over 200 of their burgers each day, and some restaurants were selling out before the day ended. GBB got incredible coverage with our name and logo in each restaurant and all over Atlanta, and the event was even picked up by Fox 5's Burgers with Buck. We increased our social media traffic and followers; and the event street team gave out beef promotional materials and goodies at the restaurants throughout the week. This was such a great event to be a part of, as people gathered together to eat delicious and beefy burgers for a whole week!

PEACHTREE ROAD RACE



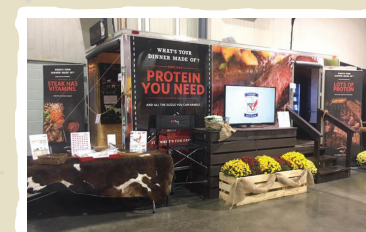
We were a part of the Health and Fitness Expo for the Peachtree Road Race July 2-3 in Atlanta, speaking to runners about the benefits of beef in the diet and its role in a healthy lifestyle. Some of the conversations included opportunities to bust beef myths and tell the true beef story, share information on lean beef and correct portion control misconceptions, and much more. Beef jerky we handed out was a hit for the crowds, like always. We also cheered on our several dozen Team BEEF athletes who were running that weekend!

BEEF RECIPE VIDEOS



Exciting things happened in the Culinary Kitchen at the Georgia Cattlemen's Association (GCA). We invited a film crew to assist us in creating beef recipe videos and created several videos that were used in last year's beef month campaign. We then invited Holly Chute, Executive Chef for Georgia Grown, to come in and create beef recipes with us that incorporated Georgia Grown flavors and ingredients. We had thousands of views on these videos, and if you haven't seen them, check out our social media and YouTube.

GEORGIA NATIONAL FAIR



We had another wonderful year at the Georgia National Fair, with a record fair attendance of over 350,000. It was a blast sharing our beef story with attendees with whom we had the pleasure of interacting. We were able to turn our trailer into an attraction that was geared toward creating a conversation about purchasing beef in a grocery store. We displayed several beef cuts and were able to talk with guests about what the cuts were, what primal it comes from, and how best to prepare it. We also has conversations about how to select cuts based on marbling, as well as the different labels in our industry (grain-fed, grass-fed, and organic). The beef lifecycle was also displayed to give attendees an understanding of pasture-to-plate in the beef industry. As always, we shared lots of recipes that were a hit with everyone. We had a wonderful 10 days sharing our beef story and helping consumers gain more confidence in our wonderful beef product.

MY FELLOW BEEF PRODUCERS,



When you load the truck bed with feed and turn on the ignition in your pickup, there's a good chance you know your destination ahead of time. When you invest in your Beef Checkoff Program, that knowledge of destination is just as important.

The Beef Industry Long Range Plan 2016-2020 provides beef producers an important sense of direction and purpose. Its 2020 Strategic Objective – to increase the Beef Demand Index measure by 2 percent annually over the next five years – delivers a goal that allows industry leaders and the staffs of contracting organizations to measure their progress for the work they are doing. It also gives producers a key tool to help them determine how well their checkoff dollars are working to build demand for beef.

State beef council and national leaders are already working toward the goals it presents. The four areas you will read about below give us focus to deal effectively with the myriad of issues with which we struggle as an industry. They are a thoughtful, serious effort to make sure our work as an industry has tangible results.

As we struggle with limited budgets and increasing needs, this kind of focus is crucial. There's no question that within our states we have varying priorities and different sets of needs. With an eye toward better management of checkoff dollars, though, our Beef Industry Long Range Plan is a way to get everyone headed toward the final destination.

Yours Truly,

Steve Hanson, Chairman
Federation of State Beef Councils



DRIVE GROWTH IN BEEF EXPORTS

Promote unique attributes of U.S. Beef in foreign markets.

Example: With the support of the Beef Checkoff Program, the U.S. beef industry is finding exciting new opportunities in Japan, one of the most important export markets for its products. In fact, the popularity of U.S. beef in Japan is well-illustrated in the 2016 beef export results. June exports to Japan were the largest in nearly two years, up nearly 30 percent year-over-year. January-June exports climbed 12 percent in volume and 5 percent in value. Japan's import data also show a strong rebound in market share for U.S. beef at 38.5 percent – up from 33 percent in the first half of 2015.



One key focus of this effort is to educate retail and foodservice buyers about the wide range of U.S. beef cuts that appeal to their customers. While Japan has traditionally been known as a destination for forequarter cuts and "thin meats," consumers

are responding very positively to high-quality U.S. middle meats as well as barbecue cuts such as brisket, chuck roll and short ribs. The U.S. Meat Export Federation's (USMEF) checkoff-supported Urban BBQ campaign is designed to show Japanese consumers that American-style barbecue meals can easily be prepared without large smokers or other professional equipment. Through the campaign, the organization explains that preparing American-style barbecue is fun and easy, widening the range of U.S. beef cuts that appeal to Japanese consumers.

Beef tongue also continues to be a mainstay item for Japan. About two-thirds of the tongues harvested from U.S. fed cattle go to that country.

PROTECT AND ENHANCE THE BUSINESS AND POLITICAL CLIMATE FOR BEEF

Develop crisis management plans and attract, develop and enable the next generation.

Example: The beef industry faces many issues not of its own making that could have a negative impact on beef producers and their livelihoods. Playing good defense in cases where bad publicity might impact our industry has been recognized as a crucial element of the Beef Checkoff Program.

In the fall of 2015 the World Health Organization's International Agency for Research on Cancer issued a report that identified red meat as "probably carcinogenic to humans," and processed meats as "carcinogenic to humans." Sensational headlines naturally followed, and significant media exposure assured it would be one of the biggest news days in red meat history. What could have turned out negative ended up balanced, however, thanks partly to experienced preparation and management of the issue by the beef checkoff.

Through spokesperson appearances, releases, fact sheets and many other forms of outreach, the industry responded, and these checkoff-funded efforts were combined with consumer reactions and skepticism that resulted in a stunning occurrence – the WHO clarified its position by saying "the latest IARC review does not ask people to stop eating processed meats" and that it was a "shortcoming" of IARC's classification process that led to its original report.

The efforts did not go unnoticed in the agricultural community. In recognition of the beef industry's checkoff-funded work, the Agricultural Relations Council presented the beef checkoff top honors in the Golden ARC Awards, including first place in the Issues Management category and the Golden ARC de Excellence, the organization's highest honor recognizing excellence in agricultural public relations.

PROMOTE AND STRENGTHEN BEEF'S VALUE PROPOSITION

Revolutionize beef marketing and merchandising, research and communicate beef's nutritional benefits, and connect and communicate directly with consumers.

Example: Beef isn't just for lunch and dinner anymore. And the beef industry has research to back up that statement.



The research was featured in both the *American Journal of Clinical Nutrition* and the *Nutrition Journal*.

"Protein at breakfast appears to be a good target to increase protein intake," Leidy says. "A high-protein breakfast seems to reduce food craving-based neural signals, and improve overall diet quality."

Other research funded through the Beef Checkoff Program verifies the benefit of balancing protein intake throughout the day.

This kind of independent research helps the industry promote healthy diets and optimal protein intake and is used in promotions such as the checkoff-funded 30-Day-Protein Challenge provides sound scientific support to encourage consumers to include beef in their meals throughout the day. Thousands of consumers have become active in the Challenge, thanks to both state beef council and national efforts to promote it.

CATTLEMEN'S BEEF BOARD FISCAL YEAR 2016 EXPENDITURES

Promotion	\$7,483,378
Research	\$9,755,701
Consumer Information	\$7,279,544
Industry Information	\$3,054,637
Foreign Marketing	\$8,123,678
Producer Communications	\$1,460,199
Program Evaluation	\$203,164
Program Development	\$265,182
USDA Oversight	\$349,025
Administration	\$1,746,258
TOTAL EXPENSES	\$39,720,766

Unaudited Numbers

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

GROW CONSUMER TRUST IN BEEF AND BEEF PRODUCTION

Ensure beef safety, protect beef's image and engage beef advocates.

Example: The checkoff-backed Beef Quality Assurance program delivers to producers a set of best practices for generating quality beef. It does this by supporting practices that focus on good record keeping and protecting herd health, all the way from raising and feeding through transportation, for both traditional beef and dairy operations.

BQA manuals provide straightforward information to U.S. beef producers and a framework for national consistency. At the same time, BQA is state-administered, allowing individual states to determine the best programs that will meet the needs of that state's producers.

The BQA program also gives consumers positive assurances about the beef they eat. It delivers a positive message about the common sense husbandry techniques, founded on accepted scientific knowledge, used in cattle raising today, and reinforces a message about the already strong safety and wholesomeness of the U.S. beef supply. The premise of the program is that when better quality cows leave the farm and reach the marketplace, the producer, packer and consumer all benefit.

BQA is a widely accepted and broadly adopted routine throughout the beef industry. It's estimated that 90 percent of the fed cattle being raised for beef are produced under BQA management practices.



Throughout the past year BQA has worked to grow its resources and tools for beef producers, including revisions and updates of the Feedyard Assessment and a partnership with the dairy industry on the widely accepted Farmers Assuring Responsible Management (FARM) program. The updated Feedyard Assessment, originally developed in 2009, brings the industry accepted-document up-to-date and draws producers' attention to industry topics of

importance, including antibiotic stewardship practices. By partnering with FARM the BQA program will now be able to deliver to dairies throughout the United States important husbandry techniques that can improve the quality of beef coming from the dairy sector.

