

GEORGIA

BEEF BOARD

2015

Annual Report

GEORGIA NATIONAL FAIR



One of the highlights of our year is the Georgia National Fair. As always, we had a blast! We were set up in the Georgia Grown Building again, giving us an opportunity to interact with thousands of families and share with them our beef story. Families that we talked to were looking for nutritious and convenient

meal options and we were able to fulfill their needs, supplying them with cook booklets, cut sheets, and educational material about beef and beef cookery. The kids enjoyed learning about by-products and received coloring books while the parents made their own beef rub for steaks. We attracted a younger, millennial-aged crowd this year with our photo station; participants could take pictures with our Instagram cutout, post them on their social media sites, and share with their family, friends, and followers how much they loved beef, and receive their own "Beef On Georgia's Mind" cup. We had something for everybody and our booth attracted crowds of all ages!

BEEF TAILGATE



Georgia Beef Board (GBB) teamed up with Craft Box Girls to host a #GABeefTailgate. This was an invite-only tailgate at the University of Georgia/Alabama game, where we hosted Atlanta bloggers, nutritionists, media, and influencers. Despite the soggy weather, we had a great turnout!

Influencers were bused from Atlanta to Athens to enjoy a beef-inspired tailgate, goodies, photo booth, and of course some great giveaways. GBB along with Abraham Baldwin Agricultural College's Beef Team Ambassadors spent the day building relationships and discussing future partnerships with Atlanta influencers. There were a lot of great conversations about beef nutrition, environmental and antibiotic stewardship, and beef processing. Our guests were very curious about the industry and it gave us an incredible opportunity to share our passion for the industry and beef products. Though the weather was dreary and the Dawgs lost, we consider the day a success and are looking forward to what those partnerships will bring us in the future!

SOUTHERN WOMEN'S SHOW



We traveled to Savannah again this year for the annual Southern Women's Show, and for several days we got to talk to women about preparing beef at home. We gave out over 1,800 cook booklets, cut sheets, giveaways, and talked with attendees about preparing

and cooking beef. We had great opportunities to answer questions about our industry and beef nutrition. Not only was our Instagram cutout a hit with the younger crowd, but we also sponsored Emily Elyn from the Food Network and she brought so much energy to our booth. Emily hosted four cooking demonstrations during the weekend and each of her demos attracted and captivated crowds large enough to fill up the cooking area. She prepared a Tri-Tip beef taco recipe on stage and allowed everyone to sample her creation. Having an opportunity like this one, to be in a major market city with a large consumer group that has a lot of influence in buying decisions for the home, is a reason why we love these big events!

BEEF TEAM AMBASSADOR PROGRAM



Kendall Singleton, Zach Postin, Hillary Pope, and Amanda Murphy applied, interviewed, and were accepted this past fall as Beef Team Ambassadors representing Abraham Baldwin



Agricultural College. They have spent the school year accompanying GBB in the annual events: Georgia National Fair, Beef Tailgate, Sunbelt Ag Expo, Atlanta Women's Expo, Southern Women's Show, and State FFA Convention. They have had a very busy year working with us in

our many events and have done an incredible job advocating on behalf of our producers and industry. On top of the events they have spent several Saturdays hosting cooking demos and sending a positive beef message at Carroll's Sausage and Meats in Ashburn. They featured the Flat Iron and New York Strip steaks and used a variety of different seasonings to show the versatility of the cuts. They reported having wonderful conversations about the industry, noting that many people would leave their demo area and walk straight to the butcher counter to grab some steaks to take home. This set of students also served at Georgia Cattlemen Association's annual convention as interns to top off their year.

~ GEORGIA BEEF BOARD'S TEAM BEEF ~



It has been a wonderful year of growth for our Team BEEF program here in the state. We have over 200 trained runners that are doing incredible work representing our producers and industry. Team members have commented having had great conversations with other

runners about Georgia's beef industry and how the protein in beef fuels them from start to finish. GBB also had the opportunity to be an exhibitor at the Peachtree Road Race Health and Fitness Expo in Atlanta this past summer. We were able to speak with thousands of consumers and athletes about beef and how it is vital for their diets. Along with our goodies and giveaways, we highlighted different online resources for them to use to gain knowledge on beef nutrition and how to utilize lean cuts in their programs. We also did onsite training for 35 people who were eager to be a part of our program. During the actual race day, runners from all around the world ran the streets of Atlanta and we were so proud of our team members that ran and represented our industry so well!

~ HELMS COLLEGE BEEF 101 TOUR ~



GBB, Bentley Farms, and Farmers Livestock hosted three culinary tours for Helms College culinary students. The program began with a morning meeting with the students in the classroom that featured a brief introduction about the Beef Checkoff

Program and GBB. After introductions we made our way to Bentley Farms, covering basic beef industry vocabulary on the way. At the farm they received an overview of beef production ranging from genetics to grasses. The students guided the tour with their questions and comments about the beef industry. It was great seeing the excitement on their faces as they dug deeper into the industry, gaining a pasture-to-plate experience and a better understanding of the finished product they work with each day. Before heading back to the classroom we stopped by Farmers Livestock for lunch and we went over livestock marketing. We are so grateful to have developed this great relationship with Helms College and these students who will become leaders in the foodservice industry.

~ BEEF COUPONS ~



GBB made connections with a local Kroger in the Macon area and hosted a beef coupon promotional deal. Shoppers that came into the store could receive a \$5 off coupon on any fresh beef products in store that day. GBB staff was there at the beef counter to talk to customers

about their cut options and gave resources on recipes and nutrition. The event was a hit and we had a great time engaging with shoppers right there at the meat counter, answering questions and guiding them to the perfect cut.

GEORGIA BEEF BOARD, INC. STATEMENTS OF REVENUES AND EXPENSES MODIFIED CASH BASIS For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Gross assessments	\$564,925	\$606,165
Assessments remitted:		
Cattlemen's Beef Promotion and Research Board	(267,755)	(292,167)
Other states	(29,414)	(21,832)
	<u>(297,169)</u>	<u>(313,999)</u>
Net assessments	267,756	292,166
Beef certificate revenue	-	296
Gain (loss) on disposal of assets	(250)	-
Grants and other revenue	<u>67,336</u>	<u>30,048</u>
TOTAL REVENUES	<u>334,842</u>	<u>322,510</u>
EXPENSES		
Program services:		
Promotion	18,063	16,910
Consumer information	183,030	185,989
Industry information	5,592	6,326
Producer communication	31,712	20,110
National programs	<u>14,000</u>	<u>14,000</u>
Total program services	<u>252,397</u>	<u>243,335</u>
Supporting services:		
Collection and compliance	1,461	1,524
Administration	<u>53,745</u>	<u>49,322</u>
Total supporting services	<u>55,206</u>	<u>50,846</u>
TOTAL EXPENSES	<u>307,603</u>	<u>294,181</u>
INCREASE IN NET ASSETS	27,239	28,329
NET ASSETS - BEGINNING OF YEAR	<u>227,527</u>	<u>199,198</u>
NET ASSETS - END OF YEAR	<u>\$254,766</u>	<u>\$227,527</u>

GEORGIA BEEF BOARD

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 /Georgia Beef Board

 @GABeefBoard

 GeorgiaBeefBoard

DEAR FELLOW BEEF PRODUCERS,



Many Americans have become afraid of the food they eat. It's no wonder. Headlines admonish them to avoid fat. Newscasters gravely announce the latest study about one food ingredient or another. Bloggers rant about pesticides, hormones, antibiotics and/or their pet dietary restrictions. Every neighbor, it seems, touts his or her favorite diet regimen.

Meanwhile, beef and other good, basic foods have often fallen from the discussions, at least the ones that present our products – and our industries – accurately.

Without a bottomless funding source, it would be impossible to counter all of the swirling, often internet-based negative information. However, through your Beef Checkoff Program a tremendous amount of work is being done to increase understanding of beef, and present positive impressions of beef producers.

The information in this report isn't the whole story of those efforts, but it will give you an overview of the progress being made on your behalf with consumers. Through the partnership between your state beef council and the national Beef Checkoff Program, we are having success in building more demand for what we produce and trust in how we produce it.

For more information on beef checkoff efforts, please contact your state beef council. I want you to know that I and other beef producers on voluntary boards helping direct these efforts always have your interests – our interests – at heart.

Yours truly,

Jennifer Houston, Chairman, Federation of State Beef Councils



Funded by the Beef Checkoff.

PROTEIN STAGES A COMEBACK



After decades of taking a back seat to publicity about carbohydrates and fat, protein is making a comeback. Today, the macronutrient is the focus of both research and positive information, and reasserting itself as a key component of a healthful diet.

It makes sense. Protein is essential to the diet, while protein from animal foods is more rapidly and readily absorbed than

plant protein in our diets. A 3-ounce serving of lean beef provides 25 grams of protein – as well as 10 essential nutrients – in just 154 calories.

The beef industry has been promoting the message of protein and its value for years, but the Beef Checkoff Program took it to a new level in 2015 by helping coordinate the Protein Challenge, a 30-day step-by-step way for consumers to understand how protein intake could be balanced to optimize good health through the diet. The idea was for consumers to work their way up to eating 30 grams of protein at every meal, giving them the chance to feel the difference in their everyday lives.

Studies show doing this would not only improve health, but control food cravings at critical times during the day. It will help consumers take control of their appetites and kick-start benefits of balancing protein consumption.

During a national program introduction in April 2015 more than 10,500 consumers were actively participating in the program by subscribing to a daily inspirational email, which helped them succeed in keeping to their protein intake goals. The program's website landing page had become the most visited page on the www.beefitswhatsfordinner.com website, with more than 70,000 visits over the first month, thanks to state and national efforts to promote it.

A SHARPENED TOOL FOR DEFENDING THE INDUSTRY



Having producers trained and able to defend their product and their practices is an important element of a successful “on the ground” strategy. The Beef Checkoff Program’s Masters of Beef Advocacy (MBA) program, with about 6,000 graduates to date nationwide, is an effort to properly arm producers with the facts they need when in contact with consumers.

A new version of the MBA program called MBA 2.0 was launched this past year, allowing beef and dairy producers to step up and be true “advocates” for their industry. Building on the success of the original MBA program, MBA has new content based on consumer research that tackles current questions about the beef industry and its end product. The new elements of MBA 2.0 take about an hour to complete.

Those who complete the MBA program say it allowed them to gain a clear and useful understanding of beef industry issues that are important to consumers, and as a result are important for producers to share. To sign up for the MBA program go to www.beef.org/mba.

FIVE KEY FINDINGS OF THE CONSUMER BEEF INDEX

- An overwhelming majority of millennials (79 percent) believe the positives of beef outweigh the negatives.
- Among the beef industry’s core audience (millennial parents) more than four of five (82 percent) think the positives either strongly or somewhat outweigh the negatives.
- For the first time, when asked “which do you prefer to eat for dinner,” an equal proportion of consumers (34 percent) prefer beef as prefer chicken. (As recently as 2012, 38 percent preferred chicken, while 29 percent preferred beef).

- After nearly a decade of recession, lower supply and higher beef prices, the decline in beef consumption appears to have stabilized at an average of two servings per week.
- More Americans intend to increase beef consumption in the future as intend to decrease it (18 percent versus 15 percent).

The Consumer Beef Index is a semi-annual national survey completed with more than a thousand U.S. consumers ages 13-65. Initially developed in 2006, it is used by the Beef Checkoff Program to track changes in consumer perception of beef, assess the impact of the industry's communications efforts, monitor areas of relative strength and potential vulnerability for beef and provide input for national checkoff strategies.

DIGITAL ADVERTISING CONTINUES TO BUILD

This past summer the Beef Checkoff Program made the biggest push yet for its "Beef. It's What's For Dinner" digital campaign, reaching consumers in a variety of ways, across different platforms:

- The BeefItsWhatsForDinner.com website, which serves as the go-to resource for recipes and meal inspirations, cooking tips and techniques, and nutrition information. A new landing page supporting the grilling season was launched;



- New videos, with three new "No-Recipe Recipe" advertising spots created to inspire new meal ideas and cooking techniques, while showing how beef can help bring a delicious and nutritious meal to life;

- Social, Banners, Search Advertising, used throughout the summer to drive traffic to the website and various content assets throughout the year, such as recipe collections, videos and the grilling season landing page; and

- The Protein Challenge, launched in April 2015, which was the most popular page on the website. Search and Facebook advertising efforts motivated more than 10,500 consumers to subscribe to daily Protein Challenge e-mails.

SUPPORT GROWS AS KNOWLEDGE IMPROVES

Research shows three of four producers support the Beef Checkoff Program, and that the more they know about the program the more supportive they are. That same research shows the number of producers who say they do not support the program is the lowest ever found – 10 percent.

The survey of beef and dairy producers nationwide was conducted by an independent research firm in June and July. It found a vast majority of beef and dairy producers continue to say their beef checkoff has value for them by contributing to a positive trend in beef demand, contributing to the profitability of their operations, representing their interests and being well-managed.

BEEF EXPORTS DELIVER STRONG VALUE FOR PRODUCERS

Beef exports continue to deliver excellent returns for producers, as the value per head of fed slaughter was nearly \$292 in 2015. While the tightening of U.S. beef supplies has constrained overall export volume growth for the past three years, international demand has remained strong as customers have paid higher prices, supporting record export values.

With USDA forecasting a 4.5 percent increase in U.S. beef production next year, there will be greater availability of U.S. beef cuts that command a premium overseas, including short ribs, short plate, skirts, chuck rolls and tongues. Checkoff-funded efforts conducted by the U.S. Meat Export Federation around the world are focused on those markets that maximize potential for U.S. beef exports.

CATTLEMEN'S BEEF BOARD FISCAL YEAR 2015 EXPENDITURES

Administration	\$1,541,927	
USDA Oversight*	\$246,889	
Program Development	\$315,491	
Program Evaluation	\$202,093	
Producer Communications	\$1,555,711	
Foreign Marketing	\$7,661,822	
Industry Information	\$1,781,595	
Consumer Information	\$10,660,349	
Research	\$9,776,601	
Promotion	\$8,092,825	
Total expenses	\$41,835,303	

Unaudited numbers

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