

2018

North Dakota Beef Commission Annual Report

Building beef demand by inspiring, unifying and supporting an effective state and national checkoff partnership.

BEEF



Dear Friends in the Beef Industry:

**Research. Marketing. Promotion.
Education. and Communication.**

These are just a few of the program highlights of this past year that your beef checkoff dollars were invested in through the North Dakota Beef Commission. As we are all well aware, the market place is a tough place to compete. We battle labels that mean little yet claim to say so much. We face regulations and rules passed in far-off countries that imply that the products we raise are not to the highest standards. We see advertising in our own neighborhoods that call into question our integrity as beef producers. And yet, through it all, one of our best tools is right at our finger tips. It's our beef checkoff program, and it's succeeding in making sure that our beef...our product...our hard work...receives the attention and esteem that it deserves.

So how is our checkoff working? The following pages will give you details, numbers and statistics. But let me fill you in on what the numbers may not fully say – **YOUR CHECKOFF DOLLARS ARE WORKING HARDER THAN EVER!** The beef industry is gaining ground in our state, country and around the globe on some amazing fronts that we have been challenged with. Research on beef's nutritional value, product innovation, and adding value to our product is being funded at a level greater than ever before. And supporting our loyal customers while also developing new markets here and around the world are at the forefront of our battle zone.

But it's not just about investing dollars into programs and research. The North Dakota Beef Commission is working hard to ensure that the return on these investments is one that is not only a positive for our state's beef producers, but provides a positive benefit and reflects well on all of North Dakota agriculture. We proudly stand behind the amazing and exciting projects that we have undertaken and are blessed to be a part of. We also are encouraged as we begin to see the results of these endeavors.

In closing, I want you to know that every Beef Commission member is just like you. In fact, they could be your neighbor or friend. And, just like you, they work hard on their ranches, but they continue that work in the board room. We all want beef at the forefront of people's minds, but more importantly, we want to make sure beef is on people's dinner plates and in their grocery carts. There are days where the job seems tougher than some, but at the end of the day, we all rest easier knowing that the work that's been completed has helped to ensure a brighter future for the next generation.

Mark Wagner
NDBC Chairman

Over 3 Million Consumers Reached Through Statewide Sports Events

Reaching consumers across the state with positive beef messages that literally sell the sizzle of beef is a high priority for the NDBC. The ND Class A and B high school sports state championships and NDSU Bison football helped to deliver that sizzle. Beef TV ads aired statewide resulting in over three million consumer impressions while hundreds of thousands of consumers saw enticing print ads as well.



Beef the Favorite at Holiday Food & Wine Event

As the doors opened to the 2018 Holiday Food & Wine event in Bismarck, over 1000 people made their way to the NDBC booth as word spread that there was delicious prime rib to sample. Three hours later and with over 78 pounds of prime rib carved and sampled in bite-sized pieces, many went home thinking prime rib would be a great idea for holiday entertaining.



North Dakota Helps Increase U.S. Beef Exports



Over 96% of the world's population is located outside of the United States. A growing middle class in many foreign countries means increased purchasing power and PROTEIN RICH FOODS like beef are one of the first items added to their grocery list. It's up to us to make sure that US BEEF is the preferred choice.

The US Meat Export Federation (USMEF) has a long history of promoting and educating customers in foreign markets about the benefits of US Beef. That's why the ND Beef Commission (NDBC) has supported their efforts for decades. Commission members,

your friends and neighbors, sit on the USMEF board of directors and help to make these decisions.

Clark Price of Hensler, ND, also is a member of the USMEF's Beef Steering Subcommittee, the highest position a North Dakota representative has ever held. Price also serves in the export arena as an NDBC representative and co-chairman of the National Global Growth Committee, a joint committee of the NCBA Federation of State Beef Councils and the Cattlemen's Beef Board.

Over the last two years, the NDBC has increased their level of financial support of export programs. Programs initiated in Japan with 13 retailers in hundreds of Japanese grocery stores as a result of ND beef checkoff funding resulted in increases in US beef sales ranging from 13 to 88% during the promotion periods year over year. That translates to 3,532,700 pounds of US beef! This is good and powerful news! It also contributes to the fact that total beef exports account for over \$321 per head of fed slaughter.

NDBC directors participated in the 2018 World Meat Congress in Dallas, TX, hosted by the USMEF and the International Meat Secretariat. This world event drew close to 700 participants from more than 40 countries. The NDBC is also very pleased that the ND Soybean Council and the ND Corn Council have shown their support of the red meat industry and both are now members of the USMEF.



ND Beef Commission and ND Corn Council directors in attendance at the 2018 World Meat Congress in Dallas, TX. L to r – ND Corn Council director, Robert Ferebee, Halliday; ND Beef Commission directors- Mark Wagner, Monango, Jerry Effertz, Velva, Travis Maddock, Davenport.

Military Events Huge Success

With the largest turnout ever, well over 1600 military members and their families enjoyed a roast beef picnic at the ND State Fair when the beef industry hosted the 14th Annual Military Appreciation Day. Following that event, the NDBC worked with the Grand Forks Air Base and participated in a base-wide event serving over 500 hamburgers and 500 all-beef hot dogs to active military members and their families.



NDBC Committed to supporting national beef checkoff programs – Taking the beef message to Millions of Consumers



The more consumers that are reached every day for beef, the greater the opportunity to strengthen positive attitudes and turn around those that are not as supportive of beef in their diets. To reach these

consumers, promotion, research and education programs need to be put in places where the people are, not simply kept in the areas where the cattle and the beef checkoff dollars are.

That's why beef councils across the country work together. They pool checkoff dollars in the Federation of State Beef Councils to extend national programs and increase the chance of reaching consumers who live in huge population centers in the US. These people are usually NOT located where the cattle are.

North Dakota has been fortunate recently to have beef producers from our state lead these efforts. In 2018, Jerry Effertz, a Velva cattleman, completed his term as the chairman of the Federation of State Beef Councils, leading these efforts for the beef industry. He also served as Vice Chair of the Beef Promotion Operating Committee that determines what national programs receive national checkoff funding. Clark Price of Hensler recently also began his first term on the Beef Promotion Operating Committee.



Jerry Effertz

Meet Your Commissioners, National Representatives and Staff



Mark Wagner
Chairman
Beef Producer, Monango



Weston Dvorak
Vice Chairman
Cattle Feeder, Manning



Travis Maddock
Secretary/Treasurer
Beef Producer, Davenport



Sharon Kickert-Gerbig
Beef Producer At-Large
Amidon



Fred Helbling
Beef Producer
Mandan



Lilah Krebs
Dairy Producer
Gladstone

Research is Leading the Way

Five new research studies were approved this past year focusing on two priorities:

- Beef's role in human nutrition
- Product quality

The investment in these five new studies totals over \$371,000. While this sounds like a very large amount, and it is, the impact of research discoveries through these projects will be far greater and beneficial for the beef industry.

Research projects supported with beef checkoff dollars include:

- A study to look at beef as a healthy alternative to high-sugar diets during pregnancy and the effects on obesity and diabetes in the next generation conducted by Dr. Allison Ward at NDSU.
- A beef quality study on the influence of ractopamine hydrochloride supplementation on the metabolome of skeletal muscle and impacts on meat quality in beef, by Dr. Kasey Carlin at NDSU.
- A study by Dr. Rob Maddock at NDSU looking at whether the size and shape of retail beef cuts affect consumer purchasing decisions.
- A study on the Dietary Reversal of Type 2 Diabetes incorporating beef in a high protein diet by Dr. James Hill at the University of Alabama-Birmingham and Dr. Drew Sayer at the University of Colorado, Anschutz.
- Research conducted by Dr. J. Thomas Brenna at the University of Texas at Austin on Beef as a unique source of healthy Branched Fats.

ND Protein Researchers Recognized as National Experts



Sherri Stastny

Sherri Stastny, a professor and registered dietitian in the department of Health, Nutrition and Exercise Sciences at NDSU, and Shanon Casperson, a research biologist with the USDA ARS Grand Forks Human Nutrition Research Center, were invited to participate in the Strength Summit held in San Antonio, TX, funded by the Beef Checkoff and hosted by the National Cattlemen's Beef Association research staff, a contractor to the Beef Checkoff.



Shanon Casperson

Approximately 40 guests, including world class nutrition researchers and influencers from across the US, participated in the discussion centering around the role of diet in supporting measures of physical, mental and emotional aspects of strength, contributing to overall good health, resilience and well-being. Activities that were part of the Strength Summit included networking opportunities, a farm-to-gym workout led by Cowboy Ninja Warrior Lance Pekus, scientific presentations and discussions, and delicious beef.

Both Stastny and Casperson currently are receiving beef checkoff funding for protein-related research in the human diet and the role that beef protein can play in strength, weight control and more.



NORTH DAKOTA BEEF COMMISSION

Combined statement of revenues, expenditures
and changes in fund balances

JULY 1, 2017 – JUNE 30, 2018

Revenue:

| | |
|-------------------------------------------------|-------------|
| Checkoff Assessments | \$2,410,115 |
| Less Remittance to States of Origin..... | (20,998) |
| Less Remittance to Cattlemen's Beef Board | (596,434) |
| Less Refunds | (128,710) |
| Net Assessment Revenues | \$1,663,973 |

| | |
|--------------------------------------------------|-------------|
| Other revenue- interest & receipts..... | 11,510 |
| Other revenue- Beef Gift Certificate sales | 405 |
| Total Revenues | \$1,675,888 |

Expenditures:

| | |
|----------------------------------------------|-------------|
| International promotion..... | 45,002 |
| Promotion | 159,665 |
| Domestic/International Special Projects..... | 60,000 |
| Industry Information | 20,960 |
| Research | 403,296 |
| Consumer Information | 161,581 |
| National program development | 298,484 |
| Beef gift certificates | 405 |
| Administration/Operations..... | 360,433 |
| Total Expenditures | \$1,509,826 |

| | |
|-------------------------------------|-------------|
| Revenues over (under) expenses..... | \$166,062 |
| Fund Balance, July 1, 2017 | \$1,596,533 |
| Fund Balance, June 30, 2018..... | \$1,762,595 |



Matt Lachenmeier
Livestock Markets
Mandan



Gloria Payne
Beef Producer At-Large
Elgin



Mark Voll
Beef Producer At-Large
Sidney, Mont.



Clark Price
Ex officio
Cattle Feeder, Hensler

**FEDERATION OF STATE BEEF
COUNCILS NATIONAL DIRECTORS**
Weston Dvorak, Travis Maddock
Clark Price, Mark Wagner

US MEAT EXPORT FEDERATION
Clark Price

**BEEF PROMOTION
OPERATING COMMITTEE**
Clark Price

Nutrition Influencers Critical to Reaching Consumers

Solid partnerships with nutrition-related organizations over the years have been key to getting the latest nutrition information in the hands of those that teach and reach consumers every day. These partners range from dietitians to doctors, nutrition educators to cardiopulmonary rehab, school food service directors to extension service and public health professionals, and long term care to the American Heart Association.

The **ND Nutrition Council** members heard a nationally renowned and award-winning dietitian, Melissa Joy Dobbins, as the keynote speaker at their annual conference thanks to beef checkoff sponsorship. Dobbins has presented across the country for the beef industry and is a member of the national speaker bureau.



Melissa Joy Dobbins

The **ND Academy of Nutrition and Dietetics**, the **Upper Plains Cardiopulmonary Rehab Association**, and the **ND Academy of Family Physicians** are important partners that the NDBC works with on an on-going basis. Whether it's a speaker on a beef-related topic, a booth at their conference with the latest research information, a break featuring a beef snack, or a learning lunch where a nutritious beef meal is provided and NDBC staff has a part of the program, these partners are very valuable and agree that lean beef is a healthy part of a balanced diet.

ND Long Term Care Association members attending their state conference had an opportunity to have a refresher on protein's very important role in the diet with registered dietitian Deb Strand and then learned about new beef cut options and tasted new beef recipe ideas with NDBC Executive Director, Nancy Jo Bateman.

A partnership with the **American Heart Association** has people thinking beef. The highlight this past year was having well over 200 people enjoying beef at the Bismarck Go Red For Women annual event. The featured recipe was created by the beef checkoff's culinary center in Denver and met all AHA guidelines to have the AHA's Heart Check mark displayed on the cards placed at each plate.



Beef Education for All Ages

MOOS, EWES & MORE is a project of the NDSU Animal Science Department and brings close to 1500 young children and their families in to learn about where their food comes from. As a partner, the NDBC made breakfast available for the first 500 in attendance that included fruit, milk and a beef breakfast burrito.

THREE LIVING AG CLASSROOM EVENTS

conducted in Fargo, Minot and Bismarck target 4th grade students who are learning about North Dakota. Annually, between 4000 and 5000 students participate. To date, over 100,000 children have learned how their food gets from the Farm to their Fork, through this partnership between approximately 12 ND Ag commodity groups and farm organizations.



"CUTTING UP" IN THE CLASSROOM with 26 Ag education instructors took on a different look as they sharpened knives and learned how to cut beef themselves so they could then teach their students. The workshop was held in Oakes and the beef was sponsored by the beef checkoff.



ND FFA and **4-H** members receive benefits from the beef checkoff through program partnerships. Meats



judging education efforts are supported for both programs at the state level.

ND CattleWomen play an important part in local beef promotion and have been a partner with the NDBC for decades. They volunteer their time to carry out extensive elementary education programs, beef promotions including home, garden and sport shows, and other local beef promotion efforts.



Nancy Jo Bateman
Executive Director



Joan Hoovestol
Collection and
Compliance Director



Robin Berger
Office Manager



Funded by Beef Farmers and Ranchers

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Beef Commission**
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Rethinking the Ranch

In October 2017 the Beef Checkoff Program relaunched its iconic *Beef. It's What's For Dinner.* campaign, with exceptional results. The campaign sought to drive more consumers to the checkoff's *BeefItsWhatsForDinner.com* website, where information on all things beef could be obtained.

Created 25 years ago, *Beef. It's What's For Dinner.* was introduced with promotion that included television and print advertising that captured the imagination and taste buds of consumers. Times change, however, and while the concept is still strong, the ways consumers get their information is different than it was in the early 1990s. Social and digital media have become the key ways information is delivered to consumers today.

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. The primary purpose for visiting for many consumers are the recipes, cut information and nutrition advice found on the site. Increasingly, however, consumers want to know even more about how the beef they eat is raised. A new feature of the campaign called Rethink the Ranch is giving consumers an up-close-and-personal look at the people who make beef possible. The campaign features real ranchers and farmers and their real stories about how they produce beef.

Last summer a camera crew traveled 3,800 miles across the United States, visiting six different cattle operations in four states. They captured more than 100 hours of video, as well as images and stories about the people who raise beef animals. The images and video they developed have become a big part of the checkoff's new consumer outreach.

Nationally, the videos have generated more than 765,000 video views, and reached more than 3.5 million consumers. State beef councils have downloaded Rethink the Ranch content for use on their own social media properties and other consumer and thought leader outreach.

It's the first time *BeefItsWhatsForDinner.com* has promoted both the product and the people who produce it, a story focused on promoting beef's greatest strengths: unbeatable taste, variety and ease of cooking, nutritional attributes that can't be matched and the people that make it all possible, caring for the animals and environment with appreciation and respect.

State beef councils are also extending the campaign, exciting their states' consumers about beef's many benefits. Of special interest has been the campaign's Rethink the Ranch anthem video and related video spots showcasing real farmers and ranchers from around the country.

Dear Fellow Producers:

Surveys show beef consumers are interested in knowing more about the beef they eat. They still want it to be tasty, tender, convenient and provide value, of course. But today they also want to know that the animal was raised with care and in an environment that is wholesome and environmentally sound.

That desire led the Beef Checkoff Program to include a "Rethink the Ranch" element to its *Beef. It's What's For Dinner.* relaunch. The component gives consumers – the majority of whom have very little connection to agriculture, let alone the beef they buy – a chance to see how beef producers are combining good husbandry and production practices with new technology to assure the best possible results in terms of care and products.

The promotion's added direction compliments the broader messages within the *Beef. It's What's For Dinner.* brand and campaign. Those messages highlight the most critical aspects of what consumers expect from the beef they buy, taste being the most important. Recipes, nutrition and cut information and more is available on the industry's upgraded website and is being broadly promoted digitally. Let's face it: Beef will always be among the preferred meats because it tastes so good.

The relaunched national campaign features opportunities for state beef councils to join in outreach and messaging to consumers and marketers at the state level. This creates a state/national team with which our industry is having a real impact on demand for our products.

You can read all about it in this report. Thanks for your support and engagement in continuing to make beef what's for dinner.

Yours truly,

Dawn Caldwell

Dawn Caldwell
Edgar, Nebraska
Chairman, Federation of
State Beef Councils

Cattlemen's Beef Board Directors



James Schmidt
Menoken



Ray Erbele
Streeter

It's important consumers understand how committed producers are to serving as faithful stewards of the valuable natural resources that have been entrusted to them. That's part of the Rethink the Ranch message. It's why the website provides consumer-friendly, easy-to-understand information on how beef producers are being effective stewards of the land and resources, from drones to help observe and manage cattle to solar technology to generate power and help operate water systems, cattle producers are using technology responsibly.

An independent survey of beef producers has found 74 percent continue to approve of the Beef Checkoff Program. That's 5 percent higher than it was a year earlier. The survey found that the more producers know about the program, the more supportive they are.

Seventy eight percent said the checkoff has value, even when the economy is weak, and 71 percent say the checkoff represents their interests. The survey was conducted from December 2017 to mid-January, 2018.

Good and Getting Better

Of course, cattle producers have always prided themselves in their dedication to animal welfare, beef quality, sustainability and community involvement. Recent research shows they are getting better in all four of these areas.

The checkoff-funded Cattlemen's Stewardship Review gathered data from an independent 2017 telephone survey of beef producers to deliver a comprehensive profile of the U.S. beef community today. The research showed improvements in all four areas, compared to a 2010 checkoff-funded benchmark survey.

It found that the well-being of cattle is the top priority for 95 percent of producers, that 97 percent of cattle farmers and ranchers believe producing safe beef is crucial to the future of the industry, and that 95 percent of producers believe conservation of land is extremely important to them.

Results of the research were shared with key national media.

More Foundation from Research

Checkoff-funded research providing answers to complex questions about beef production is helping create clarity to issues such as beef sustainability. The checkoff-funded sustainability research program has developed a series of 19 fact sheets that explain many benefits of U.S. beef production, such as how the global impact of beef production could likely be dramatically reduced if other countries could achieve the same productivity as U.S. beef – the most efficient beef production system in the world. To see these fact sheets, go to www.beefresearch.org.

BQA Certifications Add to Evidence

Further strengthening the case that cattle producers recognize their societal role is the fact that online certifications in the beef checkoff-funded Beef Quality Assurance program have surpassed 20,000. First available in early 2017, online BQA certifications join those conducted at in-person training

events offered by state beef councils, cattlemen's affiliates, extension programs and other local efforts.

Both in-person and online certifications show how common-sense husbandry techniques can be coupled with accepted scientific knowledge to raise cattle under optimum management and environmental conditions, helping beef producers capture additional value from their market cattle and reflecting a positive public image for the beef industry.

Producers Telling Their Stories

The Raising Beef section of the new Beef. It's What's For Dinner. website has featured several graduates of the checkoff-funded Masters of Beef Advocacy program. MBA graduates – who now number nearly 11,500 – are helping people rethink the ranch by sharing their personal stories on the site. The collaboration between programs is an example of how the beef checkoff-funded Beef Advocacy Training and Engagement program works to help members of the beef community leverage their advocacy and spokesperson skills, benefiting many checkoff programs.

Expanding International Beef Demand

Thanks in part to beef checkoff-funded efforts to promote to and educate our international customers, global beef demand was up in 2018, with markets outside of the United States buying a larger share of U.S. beef production at higher prices. According to USDA data compiled by the U.S. Meat Export Federation, through June, U.S. beef and beef variety meat exports set a record pace in both volume (662,875 metric tons) and value (\$4.03 billion). In previous years, export value had never topped the \$4 billion mark before August.

The same data suggests the U.S. has exported 13.5 percent of its total 2018 beef production, up from 12.8 percent last year. Export value per fed steer or heifer slaughtered averaged \$317 – up 18 percent from a year ago.

Noteworthy export markets in 2018's first half included Japan (\$1.02 billion – up 12 percent from last year's pace), South Korea (\$802.1 million, up 52 percent), China/Hong Kong (\$510.8 million, up 43 percent) and Taiwan (\$249.7 million, up 39 percent). Also showing strong demand for U.S. beef were Mexico (\$506.7 million, up 10 percent), Central America (\$38.8 million, up 26 percent) and South America (\$63.9 million, up 20 percent).

Cattlemen's Beef Board Fiscal Year 2017 Expenditures

| | |
|-------------------------------|--------------|
| Promotion | \$7,871,078 |
| Research | \$9,102,863 |
| Consumer Information | \$7,913,258 |
| Industry Information | \$4,180,808 |
| Foreign Marketing | \$8,140,797 |
| Producer Communications | \$1,498,613 |
| Evaluation | \$202,832 |
| Program Development | \$292,090 |
| USDA Oversight | \$465,853 |
| Administration | \$1,796,725 |
| TOTAL EXPENSES | \$41,464,917 |

Audited Numbers

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Beef Commission**
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