

North Dakota Beef Commission ANNUAL REPORT 2019

Enhance Beef Demand By Strengthening
Consumer Trust and Exceeding
Consumer Expectations



Funded by Beef Farmers and Ranchers

Fellow Beef Producers,

The ND Beef Commission (NDBC) is dedicated to enhancing beef demand by strengthening consumer trust and exceeding consumer expectations. As its mission, the Commission lives and operates by this statement. I am honored to serve as your chairman and rest assured the board members serving on your behalf over the ND beef checkoff go to work each meeting with this mission in mind. Each commissioner is passionate, motivated and excited about advancing promotion, education, research, and consumer and producer confidence in the beef we produce.



Each year NDBC establishes a marketing plan to identify goals for the upcoming year. The past couple of years, it has made a concerted effort in the all-important areas of research and consumer confidence through in-state promotion and education. This year, we devoted more attention to promotion of beef through export markets as well as increasing presence with millennial consumers, while still increasing beef's center of the plate message here in North Dakota.

US beef exports continue to set records and lead the world in value! This is an exciting time to be in the beef industry; the upside potential is only beginning to reveal itself. USDA numbers show the world demands and craves US beef. The Japan and EU trade agreements taking effect in January will boost the growing popularity of the mouthwatering flavor only US beef can provide. Your checkoff dollars were used, in conjunction with those of other states, to promote US beef in Japan through our partner, the US Meat Export Federation. Two commissioners traveled to Japan to see first-hand how your investment is being utilized. The response exceeded expectations. Foreign consumers love to see who produces their beef and want to learn more. We plan to invest more in this area in the future to increase the beef export value that currently exceeds \$310 per head.

NDBC is increasing its emphasis on making your beef the first thing millennials, the new major consumers, think about when deciding what's for dinner. We have launched into the world of Facebook, so "like" our page as there are frequent updates and new ideas to keep beef the center of every meal decision. We also updated our webpage, www.ndbeef.org, and are looking at increasing beef's role in the student athlete's diet. This year was the 15th annual Military Appreciation Day where we honored those who serve and protect our freedoms. We could not accomplish the promotional and educational aspects without great partners like the ND Cattlewomen and NDSU BBQ Bootcamp. They reach thousands of in-state consumers through various events like Bison tailgating and telling beef's story to our next generation of beef consumers in schools. The future looks bright!

Weston Duorak
NDBC Chairman

NDBC dives into digital advertising

The ND Beef Commission jumped into the exciting world of digital (online) advertising this year with a campaign targeting millennial consumers through YouTube and Google Search. This is a new audience that may not be reached through traditional promotion.

In five short months, YouTube advertising has reached people 895,000 times with 40 percent watching an entire 30 second beef promotional video. Google Search advertising has driven more than 3,300 consumers to www.ndbeef.org to view beef recipes.

The digital marketing campaign aligns with national consumer outreach efforts by targeting the older millennial parent (ages 25-34) and using messaging focused on the areas of the **PEOPLE** behind the product, the value of the **PROTEIN**, and the **PLEASURE** of the beef meal. The available national resources have also allowed the North Dakota checkoff dollars to go further in reaching the millennial consumer.

According to a recent consumer perception survey conducted for NDBC, North Dakota has more weekly beef eaters and less weekly consumers of other proteins when compared to the total United States. This is good, but NDBC's job isn't done.



NDBC will continue to embrace new ways to reach consumers to ensure beef is positioned as the top protein.

EXPORTS

NDBC supports US beef exports

Why support exports?

With 96 percent of the world's population living outside the United States, and many foreign countries experiencing growth in their middle class, there is ample opportunity for US beef to become the preferred choice for millions of consumers around the globe.

That is why NDBC has been a long-time supporter of the US Meat Export Federation (USMEF), the red meat industry's foreign marketing arm. USMEF has a long history of educating meat buyers, retailers, the food service trade and consumers in over 80 countries around the world. US beef exports also currently contribute well over \$310 per head of fed cattle slaughtered.



Focus on Japan

Over the last three years, NDBC has increased its financial support to USMEF for US beef promotions in foreign markets, with a focus on Japan. According to USMEF, Japan imports half of its calories, leaving the United States well-positioned to feed Japan's growing appetite for beef. Results of several retail promotions, made possible in part with NDBC support, have shown great impact on the sale of beef to Japanese consumers.

Two NDBC members traveled to Japan in September



Clark Price and Mark Voll in a retail grocery store.

as part of the Heartland Trade Team. Their focus was to learn about the world's most competitive red meat import market and demonstrate their commitment to serving the Japanese

market. Clark Price, a Washburn beef producer, and Mark Voll, a ND beef producer from Sidney, attended market briefings from the Foreign Ag Service and Ag Trade Office, met with key players in the Japanese meat trade, toured retail and restaurant sectors, learned about Japanese domestic beef production, and participated in US red meat promotions and consumer events.

Military salute continues at 15th annual event

The ND State Fair played host to over 1,500 at the 15th Annual ND Beef Industry Military Appreciation Picnic.



Over 4 million reached through TV, radio, social media, and events

This year, NDBC reached new faces in new places! The sizzle of beef was heard, seen and enjoyed across the region on the NDSU Bison Football radio and TV broadcasts, beef tailgating in Thunder Alley, recipes to NDSU Bison Facebook fans over 600,000 times, TV ads during ND State Class A and B high school sports championships, and consumer Beef Insight radio spots.

The iHeart Media Holiday Food & Wine Experience in Bismarck influenced consumers to try prime rib for the holidays. NDBC's newly designed website, www.ndbeef.org, is the destination for all things beef for consumers as well as providing beef checkoff

information for beef producers. And NDBC can also be found on Facebook with a consumer-focused page designed to deliver great recipes, cookery ideas and information specific to beef in the diet.



Bison fans pose as they wait for "Umami" Beef Burger Sliders hot off the grill.



Meet Your Commissioners, National Representatives and Staff



Weston Dvorak
Chairman
Cattle Feeder, Manning



Mark Voll
Vice Chairman
Beef Producer At-Large
Sidney, Mont.



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 a Major Priority

Having the research to verify claims about beef is critical to the success of all beef checkoff-funded programs. Since 2015, with additional funding made available through an additional \$1 per head state beef checkoff, NDBC has actively increased the base of research available in two important areas:

- Beef's role in human nutrition
- Beef product quality

Four new research studies were approved this past year totaling over \$384,000. This investment in research, while large, shows promise of having a greater impact on the beef industry.

Research projects supported with

beef checkoff dollars include:

- A study by Dr. Eric Berg at North Dakota State University on replacing starch carbohydrate energy and plant protein with beef tallow energy and beef protein in an isocaloric, balanced diet to determine the impact on growth, development and susceptibility to chronic disease in a swine biomedical model.
- A human nutrition study defining beef and meal frequency as key components of a healthy eating pattern for muscle health and well-being conducted by Dr. Nicholas Burd at the University of Illinois.
- A study by Dr. Hannah Holscher at the University of Illinois delineating the influence of the gut microbiota on the impact of regular beef consumption on training induced gains in muscle strength and performance in healthy adults.
- A human nutrition study by Dr. Stephan vanVliet at Duke University on the effects of regular beef consumption as part of a whole food diet on plasma inflammatory and cardiometabolic health signatures in middle-aged adults.

Federation of State Beef Councils spreads beef message to millions



Price

There is power in numbers and power in team work. That's why NDBC supports the programs of the Federation of State Beef Councils, the checkoff arm of the National Cattlemen's Beef Association (NCBA). State beef councils across the country pool beef checkoff dollars in the Federation helping extend programs that reach consumers in major metropolitan centers across the United States. Beef councils also extend the national programs and coordinated messages about beef in their respective states.

North Dakota provides input to these national efforts through national directors. Two NDBC members are also in national leadership positions. In 2018 and 2019, Clark Price has served as the national co-chair of the industry's Global Growth Committee and also has been elected as one of 10 state beef council members from across the



Maddock

country on the Beef Promotion Operating Committee that determines the national programs that receive national checkoff funding.

Travis Maddock was recently selected as the Region 7 Federation of State Beef Council's vice chair on the NCBA Executive Committee. In this position, Maddock represents the beef councils from North Dakota to Kansas.

NORTH DAKOTA BEEF COMMISSION

Combined statement of revenues, expenditures and changes in fund balances
JULY 1, 2018 – JUNE 30, 2019

Revenue:

Checkoff Assessments	\$2,295,591
Less Remittance to States of Origin.....	(\$20,357)
Less Remittance to Cattlemen's Beef Board	(\$568,207)
Less Refunds.....	(\$135,217)
Net Assessment Revenues	\$1,571,810

Other Revenue - Interest & Receipts.....	\$24,462
Other Revenue- Beef Gift Certificate Sales.....	\$225
Total Revenues	\$1,596,497

Expenditures:

International Promotion	\$35,230
Promotion	\$135,142
Domestic/International Special Projects.....	\$75,000
Industry Information	\$25,234
Research.....	\$375,950
Consumer Information	\$258,782
National Program Development.....	\$284,341
Beef Gift Certificates	\$225
Administration/Operations.....	\$375,316
Total Expenditures	\$1,565,220

Revenues Over (under) Expenses.....	\$31,277
Fund Balance, July 1, 2018	\$1,762,595
Fund Balance, June 30, 2019.....	\$1,793,872



Matt Lachenmeier
Livestock Markets
Mandan



Gloria Payne
Beef Producer At-Large
Elgin



Mark Wagner
Beef Producer
Monango



Clark Price
Ex officio
Cattle Feeder, Hensler

FEDERATION OF STATE BEEF COUNCILS NATIONAL DIRECTORS
Weston Dvorak, Travis Maddock (Executive Committee),
Gloria Payne, Clark Price, Mark Voll

US MEAT EXPORT FEDERATION
Clark Price

BEEF PROMOTION OPERATING COMMITTEE
Clark Price

Reaching Consumers through Nutrition Influencers

From dietitians to doctors, nutrition educators to cardiopulmonary rehab specialists, school food service directors to extension service agents and public health professionals, the long-term partnerships NDBC has established with nutrition influencers has made a difference. These partnerships are based on trust and beef nutrition facts supported by strong research. These relationships are not taken for granted. Nutrition influencers are the key to getting the latest nutrition information into the hands of thought leaders and consumers every day.

ND NUTRITION COUNCIL held its 40th anniversary conference where NDBC provided a national speaker. Judi Adams, RD, reflected on the changes and advances in nutrition and beef over those 40 years.

ND ACADEMY OF NUTRITION AND DIETETICS represents all registered dietitians, nutritionists and student dietitians across the state. NDBC provided conference speakers, the latest nutrition information, and was honored to conduct a program with Concordia College's dietetic students on the important role dietitians play in the beef industry.

ND ACADEMY OF FAMILY PHYSICIANS and the **UPPER PLAINS CARDIOPULMONARY REHAB ASSOCIATION** are long-term partners with NDBC. These relationships have spanned decades. To continually remind these medical professionals about the value of beef in the diet, NDBC is a sponsor of an annual beef luncheon at their annual conferences and also provides appropriate speakers on nutrition topics when requested.



Learning about beef – in and out of the classroom



LIVING AG CLASSROOM EVENTS, hosted by approximately 12 agriculture and commodity groups across the state, have touched over 105,000 4th grade students since the beginning of these events in Minot, Fargo and Bismarck. As students learn about where their food comes from, they also learn that beef and all foods are made possible by farm and ranch families.

ND CATTLEWOMEN work with NDBC to bring education and beef promotion programming to the local level across North Dakota. As industry volunteers, they are the “boots on the ground” for beef promotion and have been a partner with NDBC since its beginning in 1973.



BEEF BRISKET BOOT CAMP was a big success as NDBC partnered with NDSU's Meat Science staff to teach close to 50 BBQ enthusiasts everything they ever needed to know about seasoning and smoking brisket. Then it was off to the meats lab to put their newfound knowledge to work preparing their own brisket. The next day, the public was invited to sample each brisket and vote for their favorite.



ND FFA, 4-H and NDSU's MOOS, EWES & MORE programs take learning out of the classroom and into the real world. These each provide great beef education opportunities for young people. Whether it's sponsorship of an FFA or 4-H meats judging program, education materials for teachers and leaders, a 4-H “Chef for-a-Day Grill Off” project, or a “Beef Breakfast on the Farm,” the beef checkoff is involved in partnerships with organizations willing to educate young people about agriculture.



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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Dear Fellow Producers,

Cattle producers have their feet firmly planted in two worlds: the world of tradition, using knowledge and skills handed down through the years that help result in vibrant, healthy animals producing the best beef in the world; and the world of technology, using the most up-to-date information to help us manage our businesses, market our animals and stay abreast of our situations.


Truth be told, most of us are probably more comfortable in the first world. After all, knowing and caring for animals comes naturally. Technology can be intimidating and moves so quickly these days that it's just difficult to stay current.

Stay current we must, however, especially when it comes to marketing beef. Consumers no longer get their information about beef from friends or the sales flyer in the weekly newspaper. The internet, social media, smart phones, artificial intelligence, and other emerging technologies are influencing how we must talk with and educate those who buy our products.

Our Beef Checkoff is staying abreast of new technologies, using them effectively to reach both current and potential beef buyers. Thanks to your checkoff investments, we're able to keep beef front-and-center with those who consume our product and those who market it.

Research suggests we're on the right track. A recent independent evaluation of the national Beef Checkoff found that for every dollar invested, \$11.91 is returned to the beef communities' profitability. That's technology we can take to the bank.

Yours truly,



Laurie Munns
Hansel Valley, Utah
Chairman, Federation of State Beef Councils



BEEF

Funded by Beef Farmers and Ranchers



Riding technology into the future

Twenty-five years ago, having a website meant you were on the cutting edge of technology. No longer. Today a website is merely the foundation. In 2018, there were more than 1.8 billion websites globally, competing for the attention of consumers.



The Beef Checkoff's *Beef. It's What's For Dinner.* brand has successfully attracted a following of consumers through many channels, including an updated www.BeeftlsWhatsForDinner.com digital website, which answers questions consumers have about beef from pasture to plate. Since its relaunch, more than 15 million people have visited the new website. But that's just the beginning of the Beef Checkoff's technological footprint.

To keep up with the evolving marketing landscape, a new tool called Chuck Knows Beef was introduced in 2019. Powered by Google Artificial Intelligence, Chuck Knows Beef is a guide to all things beef – recipes, cooking tips, cut information, production background – helping source its customized responses from content found on the BeeftlsWhatsForDinner.com website.

Chuck Knows Beef is based on the emerging trend toward smart speakers, such as the Google Home and Amazon Alexa. It can help the 70 percent of consumers who say technical support would help them when shopping for beef. Like the BeeftlsWhatsForDinner.com website, Chuck Knows Beef represents a prime opportunity for the beef industry to utilize technology to help increase consumer demand, giving consumers confidence in selecting and preparing beef.

Maximizing millennial reach

In 2014, Beef Checkoff advertising went 100 percent digital primarily to reach older millennial parents, who are more digitally connected. A new “Keep Sizzlin” collection of online beef advertising, for instance, shows beef being cooked by grilling, smoking, stir-fry, sous vide and cast iron. In addition to providing consumers with drool-worthy content, the ads lead consumers to BeeftlsWhatsForDinner.com, where they learn to prepare the perfect beef meal.



New videos utilize the “Nicely done, beef” slogan and highlight the attribute consumers say distinguishes beef from other protein options: its great taste. Appearing on popular websites and social media platforms, Nicely Done advertising uses tongue-in-cheek humor and beef's swagger to help position beef as the top protein. Nicely Done through social media, search or display ads have had more than 98 million video views, creating more than 4 million engagements, and resulted in more than 500 million consumer impressions.



Beef. It's What's For Dinner. has also made a significant impact on Facebook and Instagram. Thirteen Facebook Live videos, featuring recipes and cooking tips from checkoff

culinary experts were produced and posted over the past year, with almost 65,000 views. These videos continue to live on the *Beef. It's What's For Dinner.* Facebook page. In addition, six Instagram TV videos were posted in 2019 reaching thousands more consumers.

Technology also influences how the Beef Checkoff educates and motivates those who market beef. A test last year with Instacart, an online delivery service available to more than 80 percent of American households, demonstrated that *Beef. It's What's For Dinner.* ads at digital point-of sale increased beef purchases among users and proving to retailers the program's greater-than-average return on investment.

Partnering with other third-party content sites can also be useful in addressing complex beef issues. For instance, the Beef Checkoff has worked with Quartz, Greenbiz and Nativo to ensure consumers see balanced information about how beef is both healthy and sustainable. Articles with these groups have garnered almost 8.5 million impressions.

Technology is also helping improve international marketing. To share beef farming and ranching with audiences across the globe, *Beef. It's What's For Dinner.* is making its virtual ranch tours available in Korean, Japanese, and Spanish. The 360-degree videos virtually transport the viewer to a US ranch to show how cattle are raised and cared for. Originally created by NCBA as part of checkoff-funded *Beef. It's What's For Dinner.* Rethink the Ranch outreach, the videos are giving audiences around the world a chance to experience US beef production practices.

The Beef Checkoff-funded Beef Quality Assurance program has utilized technology to enhance success with cattle producers. More than 50,000 individuals have gone online to obtain BQA certification since 2017. Free online training and certification is accessible 24/7, making it a convenient option for busy farmers and ranchers. BQA certifications are also available at in-person training events. An estimated 80 percent of the US fed beef supply is touched by BQA-certified operations.



Boosting international demand

Of course, current technology will not be a component of all Beef Checkoff programs, such as international programs that boost international beef demand. US beef exports, in fact, reached a record-shattering \$8.3 billion in 2018, a year-over-year increase of 15 percent. While



Japan solidified its position as the leading international destination for US beef, much of the year's growth was driven by South Korea and Taiwan. 2019 has seen continued momentum for these two markets, with both achieving double-digit growth through the first half of the year.

The US Meat Export Federation, a subcontractor to the Beef Checkoff, uses checkoff support to promote the unique attributes of US beef worldwide, including to

key buyers in the Korean and Taiwanese foodservice sectors, where dry-aged US beef is increasingly popular.

In the United States, many other efforts not requiring enhanced technology – including personal and face-to-face interactions – reach both consumers and those who influence them, such as farm-to-fork tours for influencers, discussions with dietitians and health professionals, farm-to-fork tours for chefs and other influencers and dozens of other outreach efforts.

Being on the front line in today's marketplace, however, requires the beef industry to keep pace with the needs of consumers who buy its products. Thanks to beef producer investments in the Beef Checkoff, technology and beef can go hand-in-hand.

Cattlemen's Beef Board Directors



James Schmidt
Menoken



Ray Erbele
Streeter

Cattlemen's Beef Board Fiscal Year 2019 Expenditures

Promotion.....	\$10,580,409
Research	\$9,891,043
Consumer Information.....	\$7,571,245
Industry Information	\$3,357,876
Foreign Marketing	\$8,347,484
Producer Communications	\$1,637,234
Evaluation	\$158,875
Program Development	\$435,772
USDA Oversight	\$596,367
Administration	\$1,729,852
TOTAL EXPENSES	\$44,306,15

Unaudited Numbers



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