

# Ohio Beef Council

## STATE ANNUAL REPORT

# Established 1970



## TWENTY TWELVE

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### Striking Out Hunger Beef Promotion

During 2012, the beef checkoff teamed up with the Columbus Clippers, the Triple-A affiliate for the Cleveland Indians baseball team; Kroger; the Ohio Soybean Council; the Ohio Corn Marketing Program; and the Mid-Ohio Foodbank in "Striking Out Hunger with Lean Beef."

For each strikeout recorded by the Clippers' pitching staff in 2012, beef farmers donated one pound of lean ground beef to the Mid-Ohio Foodbank and Kroger matched each donation with a second pound of beef. In addition, a "Beef Night at the Ballpark" was held to draw attention to the promotion, with the first 1,500 attendees receiving a free "Striking Out Hunger with Lean Beef" T-shirt. Other elements of the promotion included stadium signage and videos that were used for ads that aired during television and radio broadcasts and during each home game before the first pitch and between selected innings. The Columbus Clippers' pitching staff recorded 1,045 total strikeouts resulting in a donation of more than 2,000 pounds of lean ground beef. The donation totaled more than 8,000 beef meals, as one pound of ground beef feeds a family of four. A recipe brochure was produced for the foodbank to distribute with the beef featuring inexpensive ground beef recipes, plus cooking and storage tips. The partners' websites and social media efforts, including [www.ohiobeef.org](http://www.ohiobeef.org) and the Ohio Beef Council's Facebook page, enhanced the reach of the successful program.



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### Ohio State Fair Beef Day

The beef checkoff sponsored a beef day at the 2012 Ohio State Fair and partnered with Kroger and the Columbus Clippers to extend the "Striking Out Hunger with Lean Beef" promotion at the fair. Kroger chefs coordinated a mammoth beef sampling event that included gourmet burgers and sirloin samples and also presented beef cooking demonstrations on the fair's Heartland Cuisine stage. The Clippers brought their speed pitch machine for fairgoers to test their pitching skills and drew in many additional fairgoers with the presence of one of their starting pitchers. A grill giveaway, recipes and activities for kids rounded out the well-attended event. In addition, throughout the 12-day fair the "Striking Out Hunger with Lean Beef" messages were reinforced in the beef council's meat cooler display that featured 12 different cuts of beef from the checkoff funded "Profiles" campaign.



### Classroom Education with Beefonomics



Beefonomics is an educational program that was introduced in 2012 to high school family and consumer science classes throughout Ohio. The program was developed because many of today's students are, on the average, three generations removed from farming, yet they are also part of a growing generation of consumers that are interested in where their food comes from and how it was raised. The course provides these future mealtime decision makers with the tools necessary to confidently utilize beef within a healthy diet. Beefonomics encompasses all aspects of the beef industry from pasture to plate, providing students with a better understanding of where beef comes from, how it gets to their plate and how to properly feature the product at dinnertime. Program administrators present a PowerPoint slide show and execute a cooking demonstration highlighting the ease of beef preparation.

### Ohio Beef Council Operating Committee

Bob Agle – South Vienna  
Jim Beattie – Greenwich  
Henry Bergfeld – Summitville  
Keith Burgett – Carrollton  
Bill Cleland, Jr. – Hicksville  
Dennis Corcoran – Chillicothe  
Steve DeBruin – Millersport  
Mel Earich – Williamsport  
Jamie Graham – Patriot  
Bret Layman – Utica

Marion Miller – Quaker City  
Brent Porteus – Coshocton  
Todd Raines – Seaman  
Beverly Roe – Hamilton  
Bill Sexten – Washington Court House  
Davis Denman – Ex Officio, CBB Representative  
David T. Daniels – Ex Officio, Ohio Department of Agriculture  
Elizabeth Harsh – Executive Director

### Ohio Beef Council

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### Ohio Beef Council Financial Report Statement of Revenue and Expenses for January 1, 2012 - December 31, 2012

#### Revenues:

Checkoff Assessments	\$1,108,391.45
Less: Remittances to	
States of Origin	(\$494,917.00)
Remittances to Beef Board	(\$306,785.78)
Net Assessments	\$306,688.67
Other Revenue	
Interest Income	\$815.65
Contract Services	\$5,849.61
Other Income	\$45,479.41
Total Other Income	\$52,144.67
Total Checkoff Revenue	\$358,833.34
Non Checkoff Revenues (Specify)	\$0.00
<b>Total Revenues</b>	<b>\$358,833.34</b>

#### Expenses:

National Program Investments	
U. S. Meat Export Federation	\$0.00
National Cattlemen's Beef Association	(\$14,000.00)
Other (Specify)	\$0.00
Total National Program Investments	(\$14,000.00)
Administration	(\$103,684.71)
Promotion	(\$73,105.65)
Consumer Information	(\$108,192.05)
Producer Communications	(\$23,567.51)
Industry Information	(\$49,573.20)
Collection & Compliance	(\$24,404.84)
Foreign Marketing (Non-USMEF Investments)	\$0.00
Research	\$0.00
Non-Checkoff Related Expenses	\$0.00
Total Program Expenses	(\$278,843.25)
Total Expenses	(\$396,527.96)
<b>Excess of Expenses Over Revenue</b>	<b>\$37,694.62</b>

#### Fund Balance:

Beginning of Period	\$314,831.23
End of Period	\$277,136.61

\*These figures represent the fiscal year end unaudited financial statements.



# HISTORY CREATES BASE

## for Proven Checkoff Program

When we learn from the past, we build a foundation for the future. Take the national Beef Checkoff Program, for example.

The current mandatory checkoff has its roots in demand-building efforts by the beef industry that began back in 1922, when agriculture's first checkoff effort was created in the National Live Stock and Meat Board. Adding to that foundation are state beef councils around the country, which were started as far back as the mid-1950s.

The first checkoffs were voluntary and collected at processing facilities. The assessments on producers were 5 cents per train carload, and a matching 5 cents a train

carload from packers, on cattle, hogs and sheep – an amount that was matched by progressive processing companies that participated in the program.

In 1963, the Meat Board created species divisions that would help provide focus to individual meats. That's when the Beef Industry Council (BIC) was formed, with guidance and support from state beef councils from



around the country.

When the mandatory \$1-per-head Beef Checkoff Program was instituted in 1986, the BIC was identified in the Beef Promotion Order as the Federation of State Beef Councils, which would help identify programs to fund and represent Qualified State Beef Councils (QSBC) at the national level. When the National Cattlemen's Association merged with the Meat Board in 1996, a Federation Division was created, making the new Federation of State Beef Councils the successor to the BIC.

While improvements have been made along the way, many of the concepts established back in 1922, with additional focus in 1963, are intact in 2012. Today, the Federation remains dedicated to supporting the work of both state beef councils and the national Beef Checkoff Program through its work in beef research, information and promotion.

## What's In a Name?

Why do some state promotion governing bodies have boards, while others have councils or commissions?

The answer is that the bodies are controlled by grassroots producers in each state, who establish all aspects of how beef promoting efforts will be run.

Regardless of their name, beef promotion entities in 45 states are considered QSBC, and authorized by the USDA to collect the full \$1-per-head national checkoff assessment. They remit half to the Cattlemen's Beef Board for national and international promotions, research and information programs. The other 50 cents remains under the control of the state's board of directors for investment in qualified demand-building programs.

Individual producers who get involved in all aspects of the decision-making process at both the state and national level assure grassroots control – something all beef producers can support.

## Did You Know...

- In the 1970s it was found that consumers were confused by different names for the same cut of meat, therefore a Uniform Retail Meat Identity Standards program was created by the Meat Board that helped make cut names more uniform nationally;
- In the 1960s and 70s, the BIC worked every year with the American National CowBelles (now the American National CattleWomen) on a "Beef For Father's Day" promotion across the country. Millions of consumers were reached through the campaigns;
- A consumer boycott of red meat in the Spring of 1973 highlighted the value of a checkoff-based industry response to societal issues (and underscored the need for more resources). The industry joined forces in a "Beef Steak Strategy" through the BIC to reach out to consumers, helping educate them through media outlets such as *The New York Times*, *The Wall Street Journal*, *Time*, *Newsweek*, and NBC-TV's *The Today Show*.



# GETTING A GRIP ON THE FUTURE

It doesn't take a crystal ball to know the beef industry has plenty of marketing changes in store over the next 50 years. If the decreasing cattle herd and changing weather patterns aren't good enough indicators.

Consumer demographic and behavioral trends suggest the beef industry can expect many changes. Based on current developments we would not be surprised to see:

### New merchandising options.

Households comprised of one or two persons now represent 62% of the total U.S. households. Retailers are going to need plenty of merchandising options as they reach out to these consumers.

### Technology driving decision-making.

Millennials – those 80 million consumers who were born between about 1980 and 2000 – use social media to make many of their

decisions, as well as increase their knowledge base. What kind of instant messaging will drive millennial decisions and knowledge tomorrow?

### Ethnic shifts change the marketing landscape.

Hispanics will grow from 16 to 30% of U.S. households from 2010 to 2050. Not only will culinary tastes shift, but the beef industry must be able to meet the needs of increasingly diverse consumer palates.

### More new beef cuts for the budget-conscious.

The beef industry has developed several new beef cuts (Denver Cut, Flat Iron Steak) that have helped make steak-eating more affordable, and increased the value of the carcass. Today, about half of U.S. households are at low to moderate income levels. Innovation is needed to find affordable beef options for all income levels.

### More convenient beef products.

Nearly one-third of consumers think that 40 minutes from start to table is too long to wait for their meals, 70% say that an hour is too long. In addition, 70% of women are now working, so convenience is paramount. While ground beef has been the "fall-back" product for the time-conscious, more convenient whole muscle cuts could boost demand.

### Summary

As we look down the road, these and other trends stand out as particularly relevant to beef producers. Obviously, no one can predict the future; however, it makes sense for the beef industry to be prepared for one.

## THE CHECKOFF IN 2012



Today, aggressive checkoff-funded programs are reaching their target audiences with positive messages about beef. These programs include:

**NUTRITION RESEARCH**, such as the Beef in an Optimal Lean Diet (BOLD) study that demonstrates eating lean beef every day can be good for heart health;

**SAFETY RESEARCH**, which searches for solutions to safety challenges to further enhance the industry's safety record;

**HEALTH PROFESSIONAL EDUCATION**, which extends scientific research about beef nutrition to the country's leading health professionals through organizations like the Academy of Nutrition and Dietetics;

**ADVERTISING**, which takes advantage of consumer recognition of the checkoff's "Beef. It's What's For Dinner" campaign through print, radio and online video advertising;

**FOODSERVICE AND RETAIL PROMOTIONS**, such as a new BEEFflexible for Foodservice campaign to promote the value and versatility of steak, and a refreshed version of the BeefRetail.org website;

**ISSUES MANAGEMENT**, which helps protect the industry against unfounded attacks and provides accurate information about beef issues. To help debunk beef myths, a FactsAboutBeef.com website was created to address animal care, the environment, nutrition and safety;

**BEEF QUALITY ASSURANCE**, where producers are encouraged to follow guidelines that encourage better beef production. Released in 2012, the 2011 National Beef Quality Audit provided industry guideposts for improving the U.S. beef supply;

**INFORMATION**, with booklets like Basics About Beef, a full color, 24-page booklet designed to help consumers get optimal value when buying beef;

**VEAL PROMOTION**, with a Facebook summer grilling photo contest generating awareness of veal and a Twitter handle posting local veal specials at retail and in restaurants; and

**INTERNATIONAL PROMOTIONS**, which are helping raise awareness of beef's value in dozens of countries around the world.

## CATTLEMEN'S BEEF BOARD

### Fiscal Year 2012 Expenditures

#### Expenditures

Program Expenses:

Promotion .....	\$18,497,850
Research .....	\$5,719,714
Consumer Information .....	\$4,513,478
Industry Information .....	\$3,866,592
Foreign Marketing .....	\$6,129,529
Producer Communications .....	\$1,745,326
Producer Evaluation .....	\$131,674
Program Development .....	\$198,498
<b>Total Program Expenses: .....</b>	<b>\$40,802,661</b>
USDA Oversight .....	\$211,064
Administration .....	\$1,632,467
<b>Total Expenses: .....</b>	<b>\$42,646,192</b>

\*Chart shows 2012 audited numbers