

OHIO STORIES

The Ohio Beef Council (OBC) launched a producer image campaign centered around sharing the passion that farmers have for their land,



livestock and livelihood. This image campaign's flagship effort is a video series that shows consumers that beef farmers ultimately do what's best for their land and animals no matter the circumstances. OBC empowered the Vollborn family

of Bidwell, and the Clark and Hollowell families of Covington, to share their families' stories during the first few installments of the Ohio Stories video series. The videos have been viewed over half a million times.

VIRTUAL FIELD TRIPS

During 2017, the beef checkoff and the OBC hosted a series of virtual field trips that provided students across Ohio with the opportunity to experience a beef farm.

From the comfort of their own classrooms, nearly 1,000 students and teachers visited Corry Farms of Xenia, via live video conferencing technology in the month of October. Different than a



computerized simulation, these one-of-a-kind virtual field trips allowed students to have conversations with a farmer in real-time, while having the ability to view cattle and learn about life on an Ohio beef farm.

PROSTART OHIO

OBC and Ohio ProStart partnered to create a beef culinary competition for students, who competed to determine the best burgers based on taste, appearance, menuing, safety, cleanliness and use of time. Judges included chefs and executives from Wendy's, White Castle, Cameron Mitchell Restaurants, The Rail, The Culinary Institute of America and Michael Symon Restaurants. This new



concept was well received by contestants, judges and attendees. A second installment of the competition was held during the Ohio State Fair and proved to be just as successful.

OHIO STATE FAIR

For many state fairgoers, the closest they will get to a farm is the barns at the fairgrounds. With this in mind, OBC created engaging displays, activities and materials that resonate with attendees of all



ages. The most exciting addition to this year's beef barn activities was a 3D video experience. This interactive video allowed viewers to simulate life on the farm and its various activities such as mixing feed, climbing a grain bin, feeding cattle and even sorting cattle on horseback.



2017 OHIO Beef Council Annual Report

MISSION "Engage with Ohio's producers and consumers to strengthen the demand for beef."

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BURGER WEEK PROMOTIONS

In 2017 OBC was a presenting sponsor of the third annual Cincinnati Burger Week in July and the second annual Columbus Burger Week in September. The Cincinnati promotion featured over 50 restaurants advertising a \$5 burger. The Columbus Burger Week promotion continues to grow with over 100 participating locations. Digitally the burger weeks reach over several thousand consumers. Participating restaurants reported even larger volumes of customers and burger sales than previous years.

NUTRITION INFLUENCERS/ KROGER LITTLE CLINIC

The month of September is family meals month, and to help celebrate this month, OBC partnered with the National Cattlemen's Beef Association and Kroger to educate and equip families to put the protein packed power of beef on the dinner table more frequently. Throughout September, participating Kroger stores distributed booklets on how to purchase, store and prepare a variety of beef cuts and dishes. Alongside these booklets, in-store health professionals did a variety of events to help educate customers on the benefits of feeding beef to their families. Activities included: cooking demonstrations, nutrition counselling and guided shopping experiences.

BLOGGING ABOUT BEEF

Throughout the year OBC partnered with six food bloggers from across the state to celebrate multiple campaigns: Valentine's

Day Dinner for Two, Fitness and Nutrition, Grilling, Back to School Lunch Ideas, Veal, Crocktober, and Roasting and Toasting the Holidays. Thanks to the large



number of shares of beef recipes on social media, the blogs reached several million consumers through Facebook, Twitter, Instagram and Pinterest. In addition, OBC hosted several interactive Twitter parties with the food bloggers that reached over 200,000 consumers each time. The beef checkoff provides the resources to continue to educate these food bloggers by hosting them for farm tours and chef workshops.

4 MILER RACE

In October, OBC partnered with the Ohio State 4-Miler as a presenting sponsor of the race. OBC was featured on all race materials, promotion and advertisements throughout the months preceding the race. This year's event featured 15,500 runners, maintaining its reign as the largest 4-Miler in the United States. During the race OBC distributed lean beef jerky and information about beef in the diet.



In addition to the race day activities, OBC partnered with Shelley Meyer, wife of head football coach Urban Meyer, to create a recipe video promoting beef in an active lifestyle.

This video has been viewed across digital platforms nearly 250,000 times and was included in prerace information materials for participants.

TASTES & TRADITIONS

During the last half of the year, OBC partnered with the Ohio State University Department of Athletics as the presenting sponsor of the Buckeye Tastes and Traditions magazine. Over 250,000 magazines were distributed across Ohio at a variety of locations including at the stadium on game day. Campaign elements included a social media contest for recipe generation with winners featured on the score board of each home football game.

As part of the Taste & Traditions promotion, OBC once again partnered with Shelley Meyer to showcase one of her favorite beef recipes for tailgating. Shelley appeared in a Tasty style recipe video and was also featured in the magazine. National Cattlemen's Beef Association Executive Chef, Dave Zino, was on hand to help with styling and video production. The video and recipe has been viewed nearly 300,000 times.



OHIO BEEF COUNCIL FINANCIAL REPORT

STATEMENTS OF REVENUE & EXPENSES FOR JANUARY 1, 2017 - DECEMBER 31, 2017

Revenues:

Federal Checkoff Assessments	\$ 1,114,943
Less: Remittance to States of Origin	(\$449,795)
Remittances to Beef Board	(\$331,282)
Net Assessments	\$333,866
State Checkoff Assessments	\$512,264
Less: Refunds	(\$5,809)
Net Assessments	\$506,455
Other Revenue	\$34,068
Total Revenues	\$874,389

Fund Balance:

Beginning of Period	\$690,571
End of Period	\$702,988

Expenses:

National Program Investments	
U.S. Meat Export Federation	(\$14,000)
Federation SBC Investments	(\$14,000)
Total National Program Investments	(\$28,000)
Administration	(\$130,212)
Innovation	(\$271,606)
Stewardship	(\$135,452)
Nutrition	(\$100,508)
Issues Management	(\$75,825)
Producer Communications	(\$83,766)
Collection & Compliance	(\$29,333)
State Checkoff Expenses	(\$7,271)
Total Program Expenses	(\$703,760)
Total Expenses	(\$861,972)
Excess of Revenues Over Expenses	\$12,417

DEAR FELLOW PRODUCERS,



Beef and great, unforgettable meal experiences seem to go together. A succulent steak on your birthday, juicy summer hamburger straight from the grill or wonderful Sunday pot roast

with the family not only create immediate and delicious taste sensations, but plant wonderful memories in the brain.

Assuring that the beef in these situations is the best it can be is important. But what beef attributes are most important to consumers when they sit down to enjoy a beef meal? And how do we measure how well we're doing in producing high quality beef for them? How can we make these beef-eating experiences even more memorable?

Those are just a few of the questions we ask ourselves through the Beef Checkoff Program to assure that we're not just meeting consumer expectations for wonderful beef experiences, but exceeding them. This report shows how the checkoff helps provide measurements for beef quality that are quantifiable, guidelines that are reasonable and consumer insights about quality that are helpful and valuable. You will also learn about some of the tools we're using to communicate quality and value to consumers.

The pursuit of quality is never-ending, but at the same time satisfying and rewarding. Beef is a great product that already fills a consumer want. Making it better is the icing on the cake.

Yours truly,

Jerry Effertz, Chairman
Federation of State Beef Councils



Funded by Beef Farmers & Ranchers

THE QUALITY EQUATION

When they sit down for a meal, more than anything else consumers want food that tastes great. Beef producers have a product that both tastes good and is good for them. What should the beef industry do with this fact?

Through its checkoff program, a wealth of knowledge about beef and beef eaters becomes the foundation for research, education and promotion programs that establish benchmarks for beef quality, while providing guidelines for delivering even more of those beef qualities that consumers want.

Obviously, it starts at the beginning.

THE 2016 NATIONAL BEEF QUALITY AUDIT



What cattle producers do to raise beef has an impact on quality. Every five years since 1991 the beef industry, through its Beef Checkoff Program, has provided a set of guideposts and measurements for cattle producers and others to help determine quality conformance of the U.S. beef supply. Results from the National Beef Quality Audit have helped lead to improvements in cattle and beef production through the years, including reductions in carcass blemishes and fewer lost opportunities related to branding and other practices.

Reported in 2017, results from the 2016 NBQA, conducted for steers and heifers as well as cows and bulls, show that the industry continues to improve the quality of its product, and identifies where improvements can still be made. Among the findings was a significant increase in USDA Choice and Prime carcasses, and a high mobility score for cattle entering packing plants, which shows an improvement in animal handling. The number of blemishes, condemnations and other attributes that impact animal value remain small.

Improvements can still be made, however. The NBQA for steers and heifers identified lost opportunities in hitting optimum carcass yield and grade targets and reducing offal condemnation rates, particularly for livers, while among other issues the cow and bull report identified opportunities to make progress by implementing measures to eliminate carcass bruising on the farm, in transport and at the packing facility.

To help tell the positive beef story, the checkoff-funded Beef Quality Assurance Program, managed by NCBA as a contractor to the Beef Checkoff Program, helps beef producers understand the do's and don'ts of raising high quality beef.

Consumers can learn more about how beef is produced through many checkoff-funded programs that tell that story. The multiple efforts to connect with consumers about issues have been highly successful. For example, research conducted by IPSOS Public Affairs in 2016 showed that over 80 percent of consumers graded fresh beef an A or B for safety.

Safety isn't the only beef attribute on the radar. The checkoff-funded Consumer Beef Index (CBI) shows that more than 70 percent of consumers consider beef to be a good balance of taste and nutrition.



A TRAIL TO TENDERNESS

The checkoff-funded National Beef Tenderness Survey demonstrates tenderness has improved significantly since 1990. In fact, there has been a 34 percent improvement in beef tenderness over that time.

Improvements in beef tenderness have remained fairly steady over the past five years despite drought and other challenges that could have derailed its progress. The 2015/2016 survey found that beef is delivering a good eating experience to consumers. It also suggested the industry is keeping its eye on the ball when it comes to protecting the improvements in tenderness it has made.

Most steaks surveyed were considered tender. While cuts from the round have a wonderful flavor profile they remain an industry tenderness challenge. Increased efforts to optimize aging practices and checkoff-funded consumer education on proper cooking for cuts from the round and other primals will help provide greater consumer satisfaction with tenderness.

AN EVOLVING CONSUMER

Knowing what the consumer wants, and how they go about purchasing it, is at the heart of beef checkoff consumer research and marketing efforts. The research is conducted by the checkoff's market research team using a variety of surveys and data-driven consumer behavior and attitude research tools.

For instance, CBI research shows that beef performs well on key quality attributes important to consumers. Almost 90 percent of consumers say beef is great tasting as well as a great source of protein. A checkoff-funded steak satisfaction tracker supports this, showing in a current survey that 90 percent of consumers say they were very satisfied with their recent beef eating experiences.

Consumers who say they are planning to consume more beef give their reasons as:

- They prefer the taste (85 percent);
- They want to add protein to their diet (77 percent);
- They believe there is better availability of cuts (76 percent); and
- They say beef is more of a family favorite (73 percent).

REACHING BEEF'S FINAL STOPS

The beef checkoff's Masters of Beef Advocacy (MBA) program had acquired 10,000 graduates by 2017, providing consumers with a link to producers who put quality beef on their tables. Started in 2009, this group of beef and dairy producers – along with chefs, teachers, doctors, dietitians and others in the beef community – are equipped to engage with consumers and encouraged to participate in advocacy efforts.

MBA graduates have put their skills to use in many ways, from providing a rancher's perspective for a magazine article to promoting an MBA campaign. The Top of the Class, a next-level advocate training program, regularly taps its members for media interviews, speaking engagements and other national opportunities.

Building on the program's initial success, a new set of MBA lessons were released in 2015, and an interactive app for iPhone and Android introduced in 2016, giving MBA graduates access to beef information at their fingertips.

Consumer beef marketing efforts use digital media that include social and entertainment platforms such as Facebook, YouTube, Instagram, Hulu and others. The Beef. It's What's For Dinner Facebook (www.facebook.com/BeefItsWhatsForDinner/) page has more than 1 million followers, and the BeefItsWhatsForDinner.com website has circulated more than 1.4 million recipes.

The beef checkoff will have had more than 40 million video views in 2017. This past year Facebook Live, for instance, hosted a "Be Your Own Butcher" from the checkoff's Culinary Center that provided hands-on cutting demonstration by a meat cutting expert, reaching nearly 140,000 consumers.



OUTSIDE OUR BORDERS

Whether working to expand high-end chilled beef exports to Asia, or helping find new destinations for beef liver, the Beef Checkoff Program's international marketing efforts are boosting global demand for U.S. beef. In the first six months of 2017, U.S. exports totaled 606,876 metric tons (mt) – an increase of 12 percent over the first half of 2016. Export value increased 15 percent to \$3.35 billion, which equates to

about \$270 for every fed steer and heifer slaughtered – up 8 percent year-over-year.

Beef exports to leading market Japan exceeded last year's pace by 23 percent in volume (150,812 mt) and 28 percent in value (\$905.8 million). Exports to South Korea were up 13 percent in volume (83,357 mt) and 21 percent in value (\$527.7 million). Chilled beef exports to Japan and Korea were up 40 percent and 83 percent, respectively, as the U.S. captured more than 50 percent of both countries' chilled beef market.

The beef checkoff will also play a major role in reintroducing U.S. beef to meat buyers in China, which in June reopened to U.S. beef for the first time since 2003.

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

Unaudited Numbers

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