



WASHINGTON STATE BEEF COMMISSION

2018-2019 ANNUAL REPORT

The Washington State Beef Commission is the beef producer funded and directed beef promotion, research and consumer information arm of the state's beef community. It is funded by a mandatory \$1.50 assessment paid by beef farmers and ranchers every time they sell a bovine animal. The program is authorized under both state and federal law to implement programs that increase demand for beef and build trust in beef production.



Dear Washington Beef Producers,

As beef producers, we can't be everywhere – we have our own operations to run, families to care for and communities to serve. That is why the Beef Checkoff is so important – my \$1.50 per head investment funds a program that operates year-round to tell our story, promote our product and defend our livelihood.

It has been a very productive year for the Beef Checkoff in Washington State - our digital advertising alone drove millennial consumers to view our videos

6.9 million times. Over half of those videos featured local beef producers sharing how they care for their animals and the land to build trust in Washington's beef community. Of course, beef recipe and nutrition videos were also included in the message mix as we work to remind consumers that beef is their top protein choice.

Whether it is telling your stories at consumer events, promoting beef to consumers in Japan, working with retailers on the Beef Counts program or taking food influencers on a tour of a ranch, feedyard, dairy and packing plant – your Beef Commission team is focused on delivering on our mission "to increase demand for beef by connecting and growing our beef community."

Beef Checkoff programs are working hard at the national level as well. According to the Return on Investment study conducted by Dr. Harry Kaiser of Cornell University in July 2019, every dollar invested in national Beef Checkoff activities between 2014-18 returned \$11.91 to beef industry producer profit.

On behalf of the Beef Commission Board of Directors, I am proud to present our annual report for the 2018-19 fiscal year. Please take a careful look at how we are putting your dollars to work in innovative ways that target consumers in Washington, the country and throughout the world.

Beef. It's What's for Dinner!

Liz Para, WSBC Chair



The Beef Commission

Board of Directors is comprised of representatives from every sector of Washington's Beef Community. They are nominated by the industry sector they represent and are appointed by the Washington State Director of Agriculture.

- **Liz Para**, Cattle Feeder, Othello, Chair
- **Kale McGuinness**, Livestock Market, Spokane, Vice Chair
- **Case VanderMeulen**, Dairy Farmer, Mesa, Treasurer
- **Kyler Beard**, Cow/Calf Producer, Ellensburg
- **Brett Tonne**, Cow/Calf Producer, Ephrata
- **Will Derting**, Cattle Feeder, Ephrata
- **Edward Avila**, Dairy Farmer, Moses Lake
- **Dave Stiner**, Packer, Toppenish
- **Dr. Brian Joseph**, Washington Department of Agriculture, Olympia
- **Cattlemen's Beef Board Representative**, Vacant

MISSION

INCREASE DEMAND FOR BEEF BY CONNECTING AND GROWING OUR BEEF COMMUNITY



2018-19 STRATEGIC PRIORITIES

RESPONSIBLE BEEF

Earn and grow consumer trust in beef and beef production.



TASTE ADVANTAGE

Promote beef's taste advantage over alternative proteins.



NUTRITION & HEALTH

Communicate beef's nutrition and health benefits focusing on beef as a food for strength.



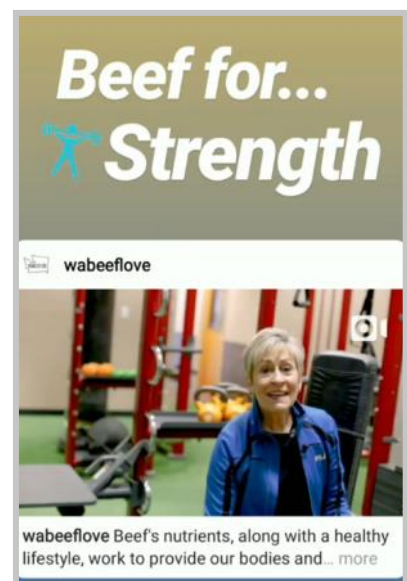
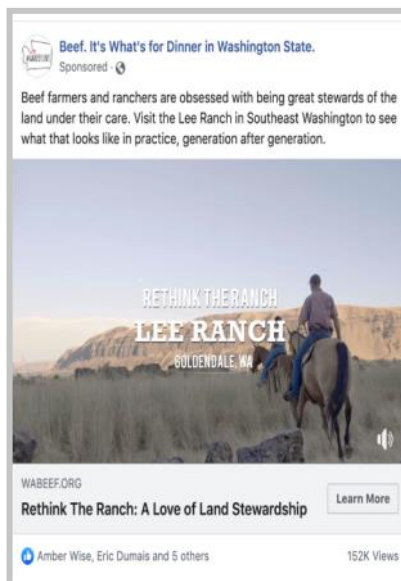
EXPORTS

Drive growth in beef exports.



Digital Advertising is Key Strategy for Delivering Beef Messages

Whether we are busting the myths surrounding responsible beef production, sharing tasty beef recipes or reminding consumers that beef helps build strong bodies, you can bet that your messages are reaching millennial consumers wherever they are — on their mobile phones. We focus our resources on reaching millennial parents in Western Washington on YouTube, Instagram, Facebook, Pinterest, Pandora, Twitter, and more all year long. We work to reinforce our consumers' love of beef and to eliminate the barriers that prevent them from eating beef more often. When they are served one of our digital ads or social posts, we invite them to visit wabeef.org to learn more about modern beef production, beef cookery or beef nutrition. How did we do last year? In the 2018-2019 fiscal year, your Beef Checkoff advertising in Washington achieved 6.9 million video views and 231,000 clicks to wabeef.org to learn more.



RESPONSIBLE BEEF

EARN & GROW CONSUMER TRUST IN BEEF AND BEEF PRODUCTION



Washington's Beef Community Featured in "Rethink the Ranch" Digital Advertising Campaign

When it comes to shining a positive light on Washington's Beef Community, your Beef Checkoff is getting the job done. Last year, the Beef Commission served *Rethink the Ranch* videos featuring local rancher stories to consumers via digital advertising platforms like Facebook, Pandora and YouTube. The campaign achieved **3.9 million video views** with over 71,000 clicks to Beef Checkoff funded websites to learn more about modern beef production. Almost half of the Beef Commission's digital advertising is dedicated to telling producer stories online to build consumer trust and confidence in beef and beef production.



Clay Schuster, Goldendale Rancher



El Oro Cattle Feeders, Warden



Jane Lee, Goldendale Rancher



Case VanderMeulen, Mesa Dairy Beef Producer

DID YOU KNOW?

Last year the national Beef Checkoff's Beef. It's Whats for Dinner digital advertising campaign was seen by consumers 22 million times.

Event Promoted Online with “MEAT YOUR RANCHER” Videos



The Beef Commission’s annual sponsorship of Seattle Met Magazine’s Cowabunga event in downtown Seattle is designed to put a positive face on Washington’s Beef Community and educate consumers about modern beef production. A key element of the sponsorship is the development of short videos featuring beef farmers and ranchers from throughout the state. The videos help promote the event and are shown on large screens during the event. The Commission then repurposes the videos for use in our digital media advertising throughout the year.



Beef Counts — Washington’s Cause Marketing Campaign

It’s a fact, millennial consumers prefer to support businesses and products that give back to their community. That is why Washington’s Beef Community joined forces ten years ago to provide nutritious beef to hungry families in need through *Beef Counts*. Over the past several years, we have partnered with retailers on both sides of the state and our program has taken on a life of its own. Haggen stores in Western Washington raised \$91,218 at the checkout stand in two and a half weeks to stock food banks in Western Washington with beef. In Spokane, Rosauer’s partnered with the Beef Commission and KREM Television to support *Beef Counts* with *Tom’s BBQ Forecast* all summer long. The program was promoted to consumers by the Beef Commission via digital, television and in-store advertising and featured our 2018 *Beef Counts* spokesperson family Jeff and Jaime Sackmann, who are ranchers from Warden. In 2019 Brandon and Tiffany Spencer from Ritzville began serving as the face of *Beef Counts - Washington’s Beef Community United Against Hunger*. Beef Counts digital advertising achieved over 2.5 million consumer impressions.



Washington Brewer's Festival Brings Ranchers To Town

When it comes to engaging millennial parents where they are at, nothing beats the Washington Brewer's Festival held at Marymoor Park on Father's Day weekend. The Beef Commission joined forces with our beef farmers and ranchers to put a positive face on Washington's Beef Community at our *Beef Brisket on a Biscuit and a Brew* tent where the Washington CattleWomen accepted donations for *Beef Counts* all weekend. This June over \$9,200 was donated by attendees to fund *Beef Counts* at Food Lifeline in Western Washington. Munching on expertly smoked beef brisket, donated by Agri-Beef, hanging out with ranchers and picking up a roping lesson are perfect ways for curious consumers to soak up answers about modern beef production.



Page Settings

Get the facts at bit.ly/BeefandSustainableDiet

BEEF BEEF SUSTAINABILITY: FACT VS. MYTH

FACT	MYTH
<ul style="list-style-type: none"> Beef production, including the production of beef, is responsible for only 14% of greenhouse gas emissions in the United States. 	<ul style="list-style-type: none"> Cattle are one of the leading sources of greenhouse gas emissions.
<ul style="list-style-type: none"> Cattle only consume 2.8 lbs. of grain per pound of beef, which is similar to pork and poultry, and nearly 50% of grain fed to cattle is inedible by humans. 	<ul style="list-style-type: none"> Cattle consume 16 pounds of grain or more per pound of beef and produce a pound of beef.
<ul style="list-style-type: none"> Clean grazing to feed beef cattle requires only 10% of harvested corn grain in the United States, or 2 million acres. 	<ul style="list-style-type: none"> We grow 500 million acres of corn just to feed cattle.
<ul style="list-style-type: none"> It only takes 108 pounds of water to produce a pound of beef, and most of the land is used for U.S. water withdrawal. Plus, this water is recycled. 	<ul style="list-style-type: none"> It takes up to 24,000 gallons of water to produce a pound of beef, and most of the land is used for water withdrawal.

8 Likes 9 Shares

1,760 people reached > Boost Post

Beef. It's What's for Dinner in Washington State.

Posted by Jackie Madill
February 12 at 11:12 AM · 🌐

It's a delicate balance of mother nature for Washington's farmers and ranchers this week. Our state's beef ranchers and dairy farmers are working around the clock to provide for the health and welfare of their animals in this hard winter weather. We're proud to work with such dedic... See More

Targeting 35,000 Facebook Followers

It's an everyday thing - the Beef Checkoff telling your story to over 35,000 consumers who follow us on Facebook and our other social media platforms. Our work seeks to build trust in modern beef production by showing beef farmers and ranchers on the job and then linking consumers to more details and science-based information on our Beef Checkoff funded websites.

Explore Beef Experience Arms Influencers with the Facts About Beef

Changing the hearts and minds of consumer thought influencers about modern beef production is the key outcome of the Beef Commission's annual Explore Beef Experience held each June. Consumer thought influencers from throughout Washington joined us for a tour of a ranch, feedyard, dairy, and packing plant to learn more about responsible beef production from farm to fork. The tour results in arming registered dietitians, food bloggers, retailers, chefs, culinary instructors and food distributors with first hand knowledge of how beef is raised here in Washington State.



BEEF'S TASTE ADVANTAGE

PROMOTE BEEF'S TASTE ADVANTAGE OVER ALTERNATIVE PROTEINS.



Mouthwatering Beef Recipes Served on Seattle Television

Inspiring consumers to serve beef during key holidays and special occasions throughout the year is a key strategy of the Beef Commission to promote beef's taste advantage over other proteins. Last year the Beef Commission conducted 15 television appearances demonstrating delicious beef recipes and cooking tips for consumers. Appearances included Back to School and "Crocktober", Thanksgiving and Christmas holiday entertaining, Valentine's Day, St. Patrick's Day, Memorial Day, and July 4th. As a result we reached over 683,000 households and drove consumers to our wabeef.org website to learn more.



Seattle YouTube Sensations Promote Beef's Hip Factor



The Beef Commission partnered with King TV's hip YouTube channel Local Lens to shine a light on the people and places doing delicious work with beef in the Seattle area. Whether a butcher shop, restaurant, cooking class or the ranch, over 200,000 consumers viewed our videos and learned a bit about beef's cool factor in the process. These videos have been promoted to interested consumers on YouTube, Facebook and Instagram over the last year.

Ibotta App Gives Consumers Incentive to Learn About Beef

Ground beef comprises half of all beef sales in the United States and the Beef Commission supported our consumer's love of the versatile product with a digital coupon delivered to consumers through the Ibotta digital app. The app required consumers to view a beef recipe video before the coupon can be redeemed. The advertising effort achieved 1.7 million impressions with over 50,000 consumers loading the coupon.



Influencer Partnership With Rustic Joyful Foods

Nothing is better than a third party endorsement for your product delivered to consumers by their most trusted online personalities. That is what the Beef Checkoff achieves when we partner with popular cookbook author, Instagram and TV food personality Daniel Kartes. Whether it is delicious Beef Stroganoff, Sheet Pan Beef Nachos or Quick and Easy Steak Tacos, the Rustic Joyful Food creator is the master of making simple beef meals look and taste delicious. Last year her posts achieved almost 100,000 consumer impressions and 35,000 story views on Instagram.



Positioning Beef as the Ultimate Protein Choice

Whether it is paid or earned media, your Beef Checkoff is delivering beef cooking tips and recipes all year with our “always on” campaign. The recipes are triple tested at the Checkoff funded Beef Culinary Center in Denver and used by state beef councils across the country in their programs throughout the year.



Nicely done, beef.
You've proven that meat substitutes are just that. Substitutes.

DID YOU KNOW?

Your national Beef Checkoff funds the Beef Culinary Center in Denver to triple test delicious beef recipes and inspire influencers to serve delicious beef.

Beef Commission Supports Launch of “Chuck Knows Beef”

Over 7,000 millennial consumers attended Cowabunga in October 2018 to sample delicious beef and meet the local chefs and beef producers. As a presenting sponsor for the event held in downtown Seattle near the Amazon campus, the Beef Commission had the honor of introducing Seattle to “Chuck Knows Beef”. “Chuck” is the only all-knowing beef expert powered by Google Artificial Intelligence and Seattle was the first major U.S. market to get to meet him. At Cowabunga the many technology-loving Amazon employees on hand were happy to ask “Chuck” questions about beef and learn from him while also helping his artificial intelligence accumulate more knowledge and answers. Over 2.7 million consumer impressions were achieved through the sponsorship of the 2018 Cowabunga.

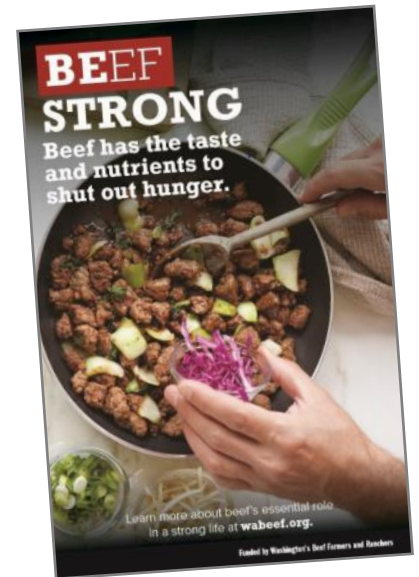


NUTRITION & HEALTH

COMMUNICATE BEEF'S NUTRITION BENEFITS FOCUSING ON BEEF AS A FOOD FOR STRENGTH.



Soccer Sponsorship Targets Millennial Soccer Moms with Beef Strong Message



A key strategy for reaching millennial parents with information about beef's role in building strong minds and bodies is the Beef Commission's sponsorship of the Tacoma Defiance Soccer Club. The ten-month program includes signage at games, program ads, a Beef Strong digital recipe contest and video advertising featuring young soccer players fueling their bodies with beef. This last fiscal year the sponsorship achieved over 133,662 combined consumer impressions, with the soccer club's season only half-way done.

Plate Full of Grace Blogger Partnership

Working with third party influencers allows the Beef Checkoff to provide critical beef nutrition research to consumers through trusted sources. Over the past year, more than 1,780,000 consumers viewed healthy how-to recipe videos based on Checkoff funded research that demonstrates that beef fits within a healthy family lifestyle and the popular Mediterranean diet.

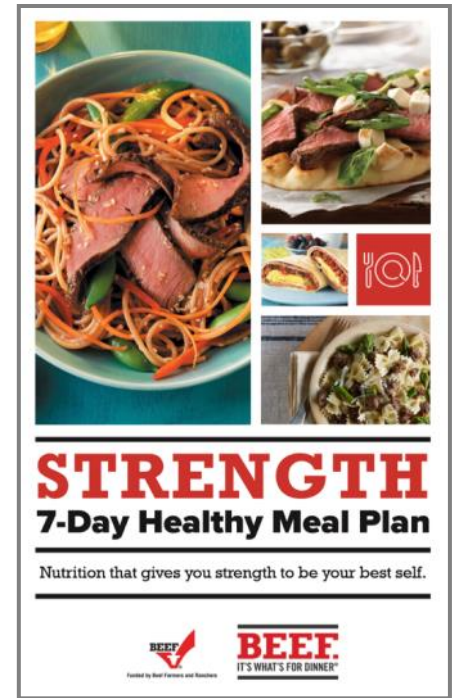
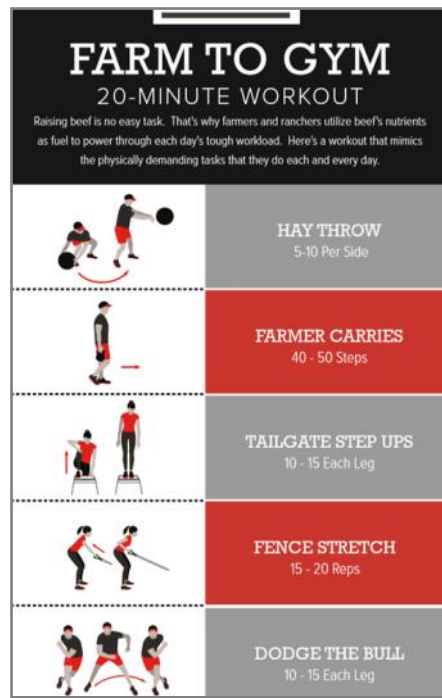


DID YOU KNOW?

Your national Beef Checkoff dollars are invested in beef nutrition research focusing on beef's role in fueling strength for consumers of all ages. Research results are published in peer reviewed journals and communicated at professional conferences throughout the year.

Dietitians Build Strength with Farm to Gym Workout

Sharing the science of beef's role in maintaining and building strength throughout life is a key nutrition message for the Beef Checkoff. Last year, the Washington State Beef Commission staged a farm to gym workout at the annual meeting of the Washington State Academy of Nutrition and Dietetics. Dietitians lifted hay bales instead of barbells at the tradeshow and learned how farmers and ranchers build strength every day. Participants also took home a copy of the *Strength Manual* written by researcher and strength expert Dr. Mike Roussell that shares the nutrition science behind strength along with beef recipes and meal plans that focus on including beef protein throughout the day.



Registered Dietitian Films Beef For Strength Videos for Digital Campaign



Beef and fitness took center stage in a series of videos featuring radio talk show host and sports nutritionist, Kim Larson. As a Registered Dietitian and Certified Strength and Wellness Coach, Kim's knowledge of food for strength and passion for educating consumers about the vital role of food in overall health was a perfect combination. Kim's videos focused on educating consumers about how to choose lean cuts of beef and create family-friendly recipes to fuel fitness throughout life. Larson also shared tips on incorporating lean beef into the Mediterranean Diet. Launched last summer, the video series is running on Facebook, Instagram and YouTube through the next year. In just two months the videos were viewed over 180,000 times.

Cowboy Ninja Competes in Tacoma for National Television Audience

Lance Pekus, the Idaho cattle rancher that has become known nationally as the "Cowboy Ninja" on American Ninja Warrior competed on the show's Regional Finals competition in Tacoma in May. With *Beef Its What's for Ninja* signs in hand, your Beef Checkoff team joined Lance's family, donned Cowboy Ninja t-shirts and black cowboy hats to capture the attention of the TV cameras and America during the show's filming. As a crowd favorite, Lance's fans also wore Cowboy Ninja t-shirts and hats creating an exciting organic public relations event during the two days of shooting the show. From his strong physique to his performance on the ninja course, Pekus embodies the physical strength that comes from hard work and high quality protein — like beef.



EXPORTS

DRIVE GROWTH IN BEEF EXPORTS



Partnership Builds Demand for Beef in Japan



Last year over \$323 per head was added to the value of fed cattle through sales in our export markets. Japan is a critical market for U.S. beef and especially for beef from the Pacific Northwest. That is why the Washington State Beef Commission partnered with the Oregon and Idaho Beef Councils and the United States Meat Export Federation to promote beef from the Northwest in Japan. The partnership included retail and foodservice promotions, newspaper advertising, participation in tradeshow and hosting Japanese trade teams that made the trip to visit ranches, feedyards and packing plants here in Washington State. The Beef Commission's \$25,000 investment combined with our PNW beef checkoff partners and marketing partners in Japan resulted in a generous bud-

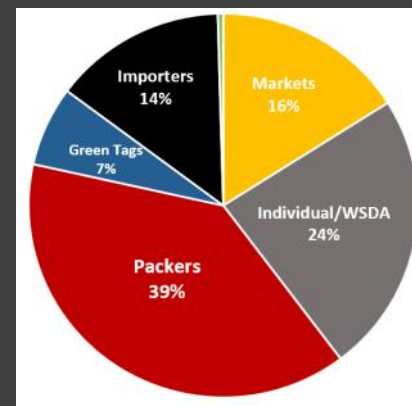
get of \$628,862 for promoting Northwest beef in Japan.

Beef Checkoff Hosts Japanese Media Team

As part of the Northwest Beef Promotion Initiative, the Beef Commission hosted a group of magazine reporters and bloggers at Ascend Prime Steakhouse in Bellevue, Washington. The group interviewed the chef about cooking and serving U.S. beef at the trendy Asian-inspired steakhouse in the urban heart of Washington State. The media team also visited B&E Meats, a group of popular family-owned butcher shops in Western Washington. The visit was one of several by Japanese reporters and influencers who toured and documented various aspects of Washington's beef community from farm to fork.



BEEF CHECKOFF ASSESSMENTS & EXPENDITURES



2018-19 Assessments in Washington

Your \$1.50 Beef Checkoff assessment is collected every time a bovine is sold in Washington state. Fifty cents is remitted directly to the Cattlemen’s Beef Board to fund national beef promotion and research programs, and \$1.00 is retained by the Washington State Beef Commission to fund local programs. A network of Designated Collecting Points collect and remit the Beef Checkoff to the Washington State Beef Commission at the time of sale and include auction markets and packers. Washington brand inspectors collect the assessments from individual producers, dealers/order buyers, at special sales and when cattle enter feedlots. The packers collect primarily from the feeders upon sale at the plant. The buyer is responsible for collecting the assessment from the seller and seller is responsible for paying the assessment to fund beef promotion and research programs in Washington State, throughout the country, and the world. You will find more information about those programs in this report.

CATTLEMEN’S BEEF BOARD (CBB)

Fiscal Year 2018 Expenditures

Promotion	\$9,225,692
Research	\$8,042,093
Consumer Information	\$7,345,798
Industry Information	\$3,560,607
Foreign Marketing	\$7,640,567
Producer Communications	\$1,179,898
Evaluation	\$230,795
Program Development	\$295,075
USDA Oversight	\$601,681
Administration	<u>\$1,811,956</u>
TOTAL EXPENSES:	\$39,934,161

WASHINGTON STATE BEEF COMMISSION

2018 Fiscal Year Financial Statements

REVENUES:

Total Assessments	\$1,812,607
Less CBB/State of Origin	(624,466)
Interest & Other Income	<u>296</u>
Total WSBC Net Revenue	\$1,188,437

EXPENSES:

Promotion	\$411,590
Consumer Information	253,519
Research	6,358
Industry Information	220,524
Foreign Marketing	25,757
Producer Communications	55,140
Collection Compliance	23,639
Administration	171,262
Federation of State Beef Councils	<u>20,117</u>
TOTAL EXPENSES	\$1,187,906