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## vision

A beef industry that is profitable, growing and sustainable for future generations

### MISSION

**MOBILIZE all U.S. cattle and beef industry participants to prosper amid growing competition by solidifying U.S. beef's position as the world's most preferred protein**

### 4 PRIORITIES

**creating value**  
THROUGH BEEF PRODUCTION

**creating growth**  
THROUGH CONSUMER MARKETS

**creating sustainability**  
THROUGH A FAVORABLE BUSINESS CLIMATE

**creating opportunity**  
THROUGH GLOBAL COMPETITIVENESS

### FOR THESE RESULTS BY 2010

**Succeed against domestic competition**

- Increase beef demand 10% by 2010
- Establish a consumer satisfaction index by the end of 2006 and set target for 2010

**Succeed against international competition**

- Increase U.S. beef exports from 1 billion pounds in 2005 to 3 billion pounds by 2010
- Improve the balance of trade by becoming a net exporter in terms of value by 2010

# 4

## beef production priorities

## consumer markets

### creating **value** through beef production

#### DESIRED OUTCOME

A productive beef industry that creates profit opportunities for every segment and produces beef products that meet consumers' needs for flavor, safety, healthfulness, consistency, convenience and value

#### GIVEN

- Age/process/source verification : Continue creating opportunities for beef producers to receive value from their ability to verify product or production methods

#### NEW FRONTIERS

- Accessible Information: Promote information accessibility so that every segment of beef production can make knowledge-driven decisions to respond to market signals
  - ◆ Rebuild producer education and production research infrastructure
- Opportunity for All : Create opportunity for all industry segments to grow and for participants to pass their ranch, farm or business on to the next generation
  - ◆ Develop multiple production models that add value at each stage in the production chain and provide profit opportunity for all beef producers
  - ◆ Motivate, inform and create tools to help industry participants create value for cattle, beef and byproducts
  - ◆ Create opportunities for successful generational transfer, including the permanent elimination of estate taxes
- Critical Links in the Chain
  - ◆ Reinforce the role of the cow-calf producer as the foundation of the beef value chain
  - ◆ Increase beef's presence at point of sale (retail grocery and food-service) by creating and communicating the business case for beef; reinforce beef as a retail destination and a menu highlight for consumers

### creating **growth** through consumer markets

#### DESIRED OUTCOME

A growth industry that capitalizes on U.S. and international opportunities and achieves increasing beef demand, consumer satisfaction and enhanced carcass value

#### GIVENS

- Demand Growth : Continue addressing the beef demand drivers (food safety, nutrition, convenience, flavor, positive eating experience and value)
- Public Opinion: Promote and defend the image of beef and beef production in the court of public opinion by showcasing the wholesomeness of the product, animal stewardship practices and the advantages of cattle production to the environment
- Point of Consumer Contact: Engage retailers and foodservice operators as partners in creating consumer preference for beef

#### NEW FRONTIERS

- Beef's Uniqueness: In the face of growing competition, identify new opportunities to create differentiation and relevance for the U.S. beef supply with domestic and international consumers, capitalizing on beef's unique standing with consumers
  - ◆ Strong beef demand
  - ◆ Consumer passion for beef
  - ◆ Beef's unique nutrient profile, especially important to certain populations such as youth
  - ◆ Beef as the premier protein in foodservice (menu prominence) and retail (a grocery destination point)
  - ◆ Global uniqueness of U.S. grain-fed beef and variety meat
- Market-By-Market Product Strategy: Enhance carcass value by matching each beef product and byproduct with the right U.S. or international market opportunity
- Consumer Trends: Capitalize on domestic and international consumer trends
  - ◆ Changing consumer demographics and preferences
  - ◆ Emerging middle class around the world with more disposable income and a desire for high quality protein

business  
climate

global  
competitiveness

## creating **sustainability** through a favorable U.S. business climate

### DESIRED OUTCOME

A beef industry that operates in a favorable U.S. business climate that continues to support beef production and consumption

### GIVENS

- Proactive Government Policy: Actively pursue critical policy areas such as environmental regulations, taxes, trade, food safety, nutrition, product labeling, technology use, cattle marketing, land use and property rights to ensure our competitiveness in the global marketplace
- Free Enterprise: Preserve individuals' freedom to choose business models and marketing methods by limiting government involvement in business decisions and enhancing government's knowledge, understanding and trust of the industry

### NEW FRONTIERS

- Political Clout: Use knowledge and networking to increase the industry's impact on government policy decisions
- Industry Advocacy: Foster industry understanding around key policy issues and involve the industry in effectively executing policy positions
- Telling the Production Story: Relate what the industry does to produce beef in a way that preserves the environment, respects cattle welfare and ensures beef's safety in order to counter activists' misinformed attacks on beef production
- Crisis Preparedness and Management: Create an industry and government partnership to prevent and respond to industry crises

## creating **opportunity** through global competitiveness

### DESIRED OUTCOME

A globally competitive industry that has greater access to international markets

### GIVENS

- Managed Trade: Ensure government places high priority on trade matters and aggressively pursues both access to global markets and accountability with trade partners, including effective mechanisms to police trade agreements and re-open markets
- Animal ID: In light of trade disruptions and concerns about animal health, launch an industry-led national animal identification system in 2006 and work aggressively to achieve 100% adoption among industry participants by 2007, providing beef producers with information and tools to successfully meet this timeframe
- Herd Health: Continue to address existing animal diseases and protect the U.S. cattle population from the risk of imported animal diseases; ensure government has the necessary funding and tools in place to prevent or address health challenges
- Regain Lost Ground: Re-open export markets and surpass previous export levels
- Government Involvement: Ensure government regulations don't unnecessarily create a competitive disadvantage for the U.S. beef industry in the global marketplace

### NEW FRONTIERS

- Comprehensive Trade Strategy: Establish a global trade strategy for the U.S. beef industry that prioritizes markets and product opportunities based on:
  - ◆ The U.S. beef industry's competitive advantage: high quality grain-fed beef and the ability to sell selected cuts, such as variety meat, in large volumes
  - ◆ Global market opportunities: For enhancing product and carcass value
  - ◆ The competition: Identify the global beef competitors and their strengths and weaknesses
- Trade Information: Communicate to beef producers that global trade increases the value of U.S. beef and cattle

# Industry long range planning group guiding principles

The U.S. beef industry is uniquely independent and interdependent

## WE BELIEVE

the goal of beef production is to increase value for industry participants

## WE BELIEVE

cow-calf producers are the foundation of the beef production chain

## WE BELIEVE

in the freedom to choose your own business models, marketing techniques, partnerships or organizations

## WE BELIEVE

it is only by working together toward a shared vision that we will produce the world's most preferred protein, resulting in increased profit opportunities and growing beef demand

## These challenges and opportunities create the need for the plan's 4 priorities

### TODAY, THE U.S. BEEF INDUSTRY FACES:

#### Intensified Competition

- Chicken and other proteins challenging beef on multiple fronts, including price, volume and preference
- Increased global protein production and competition, coupled with regaining lost export markets
- Continued challenges from groups that are anti-beef and anti-beef production

#### Changing Consumers

- Aging baby boomers
- Increased ethnic diversity
- Continued emphasis on convenience and health
- A generation of youth who are being raised on poultry and meatless options
- A global consumer with more disposable income and a desire for high quality protein

#### Critical Issues

- Animal disease, agri-terrorism and pathogen prevention/management
- Government's ability to respond to crises
- Environmental regulations
- Land use
- Taxes
- Global trade
- Government-created dietary guidelines
- Animal ID
- Lack of industry unity
- Finding markets for increasing beef supplies

### WORKING TOGETHER, THE U.S. BEEF INDUSTRY CAN:

#### Grow the Industry

- Build consumer demand
- Increase consumer expenditures
- Expand product offerings to meet consumer needs
- Brand products to increase value
- Sell U.S.-produced beef to more of the world

#### Enhance Productivity and Efficiency

- Minimize unnecessary government regulation
- Manage financial risk
- Adopt new technology
- Enhance efficiency from farm to fork

#### Create Business Opportunities

- Develop opportunities for future generations of beef producers
- Increase access to and attract capital investment
- Differentiate through a variety of cattle production, processing and marketing practices
- Increase value through age, genetic, process and source verification programs

### HOW WE MEET THESE CHALLENGES & OPPORTUNITIES WILL INFLUENCE:

Your profitability, your sustainability and your ability to grow for the next generation of your family

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