

2002 THE BEEF CHECKOFF

Tracking Your Investment
From Pasture to Plate



A Review of State and
National Checkoff Programs



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Dear Fellow Beef Producers,

The beef industry has faced some weighty challenges during the last year or so — an oversupply both of our product and competing meats, in addition to false rumors of FMD, the terrorist attacks on the U.S., and a general economic slowdown. But despite those hurdles, we have some tremendous success stories to tell — as individual producers, as an industry, and as a nation.

Certainly, the Beef Checkoff Program cannot single-handedly turn around a weak market but our industry's volunteers have continued to focus checkoff funds on programs aimed at moving our product. Even as beef production continued to increase, the Cattlemen's Beef Board attempted to meet the challenge through its checkoff programs, including a \$2.8 million summer grilling promotion, which combined advertising, promotions, food communications and public relations to partner with retailers to feature beef and consumers to grill beef more often.

In more general terms, checkoff money has been dedicated to a wide array of information, promotion, education and research programs — all aimed at increasing demand for beef and beef products. In fact, beef demand has been heading upward for more than three years now, after nearly 20 years of decline. And while it is difficult for some producers to feel positive about the effects of increasing beef demand during downturns in our cyclical industry, we must only stop and imagine how much worse things could be if demand did not increase during such periods.

As you read through the accounting of checkoff investments on the pages of this report, you'll see how each dollar collected through the beef checkoff is invested to try to further improve our product and help create a more favorable business climate for producers. And as a producer and a volunteer member of the Beef Board, I'm proud to be a part of those efforts.

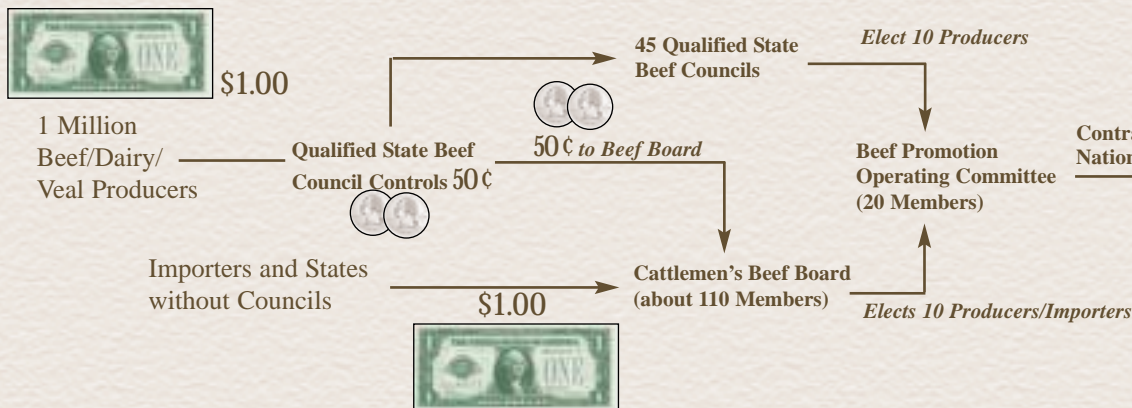
Sincerely,

Dee Lacey
Chairman, Cattlemen's Beef Board
Paso Robles, CA

The Beef Checkoff. Highlights

- ALL PRODUCERS AND IMPORTERS PAY THE SAME \$1 PER HEAD.
- ONE-HALF OF THE MONEY COLLECTED BY STATE BEEF COUNCILS – 50 CENTS OF EVERY DOLLAR – IS CONTROLLED BY PRODUCERS IN THAT STATE. THE OTHER HALF GOES TO THE BEEF BOARD.
- ALL CHECKOFF-FUNDED NATIONAL PROGRAMS ARE BUDGETED AND EVALUATED BY THE BEEF BOARD, AN INDEPENDENT ORGANIZATION OF ABOUT 110 CHECKOFF-PAYING VOLUNTEERS.
- BEEF BOARD MEMBERS ARE NOMINATED BY PRODUCER ORGANIZATIONS IN THEIR STATE.

How the checkoff works



Contracting Organizations:
By law, the Beef Promotion Operating Committee reviews and approves checkoff programs and must contract with national industry-governed organizations. Some of the primary contractors have been the National Cattlemen's Beef Association (NCBA), American National CattleWomen (ANCW) and the United States Meat Export Federation (USMEF).

All checkoff expenditures must be approved by USDA.

International Programs



Exports of U.S. beef and beef variety meats to Mexico reached a record 242,800 metric tons in 2001, up 10 percent from 2000.

United States “Enjoy Beef”

In 2001, U.S. beef exports totaled 1.15 million metric tons with a value of \$3.2 billion and accounted for 10.5 percent of domestic production, a big increase over its 6.3 percent share in 1990. Overall, however, U.S. beef exports dropped 6 percent in 2001 from the record-breaking numbers in 2000. A strong U.S. dollar, high U.S. beef prices for much of 2001 and weaker international economic conditions, compounded by the BSE outbreak in Japan during the fourth quarter, pushed exports lower for the year. Given recent trends — and yet another BSE case discovered in Japan in May 2002 — U.S. exports to Japan are expected to dip another 20 percent in 2002. While increased exports to other countries are expected to offset that drop somewhat, total U.S. exports are projected to decline for the second consecutive year in 2002.

Longer term, recovery of beef consumption in the Japanese market in 2003, coupled with strong global economic growth, is expected to result in double-digit export growth in 2003.

Japan “アメリカンビーフを楽しもう”

- A slowing economy, weak currency and a BSE outbreak contributed to a 6.7 percent decline in Japan's beef imports in 2001. And after economic factors slowed U.S. export growth in Japan during the first half of the year, the BSE outbreak late in the year sent beef consumption in that country plummeting by 70 percent in the short term, despite significant price discounting by retailers. By December, year-on-year beef imports had dropped 40 percent. Despite these factors, however, total U.S. beef and beef variety meat exports to Japan topped 468,000 metric tons with a value of more than \$1.54 billion for the year.
- With support from producers through their beef checkoff in early 2002, the U.S. Meat Export Federation launched a consumer-directed campaign aimed at helping Japanese housewives understand that U.S. beef is safe and encouraging them to make it a part of their family's diet. The overriding goal of this focused marketing campaign is to raise consumption of U.S. beef and beef variety meats in Japan back to year 2000 levels by 2003.

Mexico “Disfruta la Carne de Res”

- Mexico is the second largest market for U.S. beef exports, representing 21 percent of total exports. And sustained economic growth and a strong currency versus the U.S. dollar made Mexico a bright spot in 2001. Exports of U.S. beef and beef variety meats to Mexico reached a record 242,000 metric tons in 2001, up 10 percent from 2000. These trends are expected to continue through 2009 based on continued economic prosperity in Mexico and shortage of supply in the Mexican beef industry.
- Checkoff dollars help build demand for U.S. beef at Mexican grocery stores by focusing on underutilized cuts and by initiating promotions and educational programs to develop customer loyalty. Emphasis also has been placed on educating importers and distributors about less-expensive cuts of U.S. beef.

Korea “최상의 선택-미국산 쇠고기”

- Despite its close proximity, the BSE outbreak in Japan did not seem to have an adverse effect on beef consumption in Korea. In fact, the loss of Japanese demand effectively lowered prices on beef products that consumers in both Korea and Japan eat. Growth in U.S. export volume to Korea partially offset lost sales to Japan, though tonnage moved at lower prices. Korea imported 146,000 metric tons of beef with a value of more than \$385.6 million in 2001. In 2002, continued weak demand in Japan is expected to increase Korean imports of U.S. beef significantly.
- In an effort to educate Korean consumers about the safety of U.S. beef and to familiarize them with U.S. beef products, checkoff dollars were invested in large-scale U.S. beef promotions in Korean “hypermarts” or grocery supercenters.

Russia “Наслаждайтесь великолепным вкусом американской говядины!”

- During 2001, U.S. beef faced strong competition in Russia against low-priced muscle cuts from the European Union. Nonetheless, U.S. exports of beef liver — the leading beef export from the U.S. to Russia — held strong. American beef liver exports reached 50,000 metric tons in 2001, with total exports to Russia of 60,000 metric tons, valued at \$46.3 million.
- Opportunities exist in Russia to build sales of high-quality steak items through the checkoff-funded American Beef Club and sales of U.S. beef trimmings for sausage production.

National Programs



More than 4,200 stores signed on to participate in the summer grilling promotion to encourage consumers to grill beef more often.

Consumer Advertising

- With consumer recognition of the checkoff's "Beef. It's What's for Dinner."[®] advertising tagline at an all time high 86 percent, beef industry advertising efforts remain on course in 2002. Beef convenience and nutrition ads are being broadcast a total of 1,400 times in three flights of advertising during the year. It is estimated that 92 percent of the beef industry's primary target audience, moms ages 25-54 with kids at home, will see these ads about 10 times each in 2002. A total of nine new radio spots featuring Sam Elliott's voice are being broadcast this year. The summer grilling promotion is supported by five of the spots, with the remaining four ads featuring nutrition and convenience messages.

New Product Development/ Mark of Quality

- The new line of 14 Beef Value Cuts developed through checkoff investments includes new steaks and roasts to compete with other moderately priced proteins in retail and foodservice markets. Value cuts have turned the underutilized chuck and round into new cuts that aim to help cattle producers improve overall profitability while supplying more options to consumers. The benefit to consumers is that they can enjoy a great-tasting steak or roast that is moderately priced and convenient to prepare. Two national restaurant chains have introduced several of the cuts on their menus, while more than 100 independent restaurants are offering the "flat iron steak" (beef top blade), among the most popular of the new value cuts.
- The beef industry also is teaming with manufacturers in distributing samples of branded beef products to consumers at state fairs and other events. In addition, checkoff dollars were used to create a brochure called *Understanding and Using the Beef Industry's Mark of Quality*, which will be updated quarterly as new products are approved. A new video provides an overview of the program and shows some of the approved beef products in the retail marketplace, and a Web site is in development. The objective of the Mark of Quality program is to help develop beef's positioning as a competitive quality product and to enhance the value of beef. Each quarter, the Brand-Like Commission, a nine-member panel of U.S. beef producers, reviews branded beef products for potential use of the Mark of Quality. Approved products may display the Mark of Quality on packaging, signifying that the product delivers the great taste, quality and satisfaction consumers expect from beef. Currently, 56 convenient beef products from 16 branded manufacturers are approved to carry the beef industry's Mark of Quality.

Retail Marketing

- Studies indicate that although 67 percent of consumers are aware of convenient beef products, only 35 percent of them know where to find those products in the store. In response, the beef checkoff's Convenience Continuity Program helped retailers develop beef convenience sections in their stores, incorporating advertising to increase awareness of convenience products and sections, public relations efforts to drive consumers to the stores for beef, and in-store promotions to direct consumers to beef products in the convenience sections of the meat case. The program was tested in about 800 U.S. stores.
- The checkoff-funded Beef Made Easy[™] retail meat-case simplification program is being enhanced with more consumer-friendly labels, and market research is being conducted to improve understanding of consumers' perception of the program. To date, retail companies representing more than 12,000 stores in the U.S. have initiated the program, which has an overarching goal of making it easier for consumers to buy and prepare more beef.
- The checkoff's "Build a Better Burger" promotion — run Memorial Day through Labor Day in about 5,000 stores nationally — is aimed at driving consumers to pick up a package of ground beef and submit their favorite recipe into the Build a Better Burger promotion, culminating with a burger cook-off.
- The checkoff-funded Summer Grilling promotion in 2002 is aimed at moving all types of beef grilling cuts at retail during summer months but focuses specifically on the chuck, round and middle meats. This program comprises radio advertising in six major grilling markets nationwide. More than 4,200 stores signed on to participate in the promotion to encourage consumers to grill beef more often.

Foodservice Marketing

- The checkoff's 2002 "Beeflexible" advertising campaign appeared in leading national foodservice trade publications, including *Nation's Restaurant News*, *Restaurants* and *Institutions and Food Arts*. The campaign delivered promotional messages about beef to menu decision makers throughout commercial and noncommercial foodservice segments, making nearly 8 million impressions. A series of six ads feature the flat iron and ranch-cut Beef Value Cuts steaks.
- At the International Foodservice Editorial Council meeting, the checkoff's foodservice team meets with managing editors of



The Beef Checkoff Program's 2001 National Beef Cook-Off generated a record 4,875 recipe entries and garnered 293 million positive media impressions.

publications to pitch beef stories for the next year. Resulting feature stories and product announcements net 7 million additional beef impressions annually.

- The checkoff partnership with Taco Bell® continued in 2001 and 2002 with promotions for the “Steak Grilled Stuft Burrito” and the “Steak Quesadilla.” All told, Taco Bell invested more than \$65 million on checkoff partnership promotions during less than a year’s time, compared to a checkoff investment of just \$500,000. Taco Bell’s new core menu of steak items translates into sales of more than 30 million pounds of beef annually.
- As founding sponsors of the International Food Safety Council, the Beef Checkoff Program invested in development of the ServSafe® — serving safe beef — program for the foodservice industry.

Veal Promotion

- The *vealstore.com* Web site was launched in December 2001 to offer a channel for selling veal to consumers who do not have veal available at local retail stores. The site also offers veal nutrition information and recipes and spotlights various chefs presenting their best veal dishes. The checkoff also funded placement of veal banner ads on Internet sites including *foodtv.com* and *about.com*. In a move to increase potential profitability of all industry segments, the veal industry adopted a new Veal Long Range Plan aimed at increasing veal demand 3 percent between 2002 and 2005 and enhancing the business climate for veal.

Food Communications

- Desk-side visits with syndicated food writers and top food editors of national magazines allowed the beef industry to share samples of fully cooked Ground Beef Crumbles and to update this influential group of journalists about the growth of the heat-and-serve category of beef products. Beef safety and cookery information also were highlighted during these visits. Total circulation of the magazines visited was more than 38 million.
- A separate specially designed beef gathering (R&D Ranch) introduced Beef Value Cuts to a group of highly influential food editors and writers. The group represented national food publications with a total circulation of more than 20.6 million. Publications included *Good Housekeeping*, *Woman’s World*, *Better Homes and Gardens*, *Cooking Light* and *Southern Living*.

- The American National CattleWomen’s biennial National Beef Cook-Off® is one of the nation’s premier amateur cooking contests. The fall 2001 Cook-Off generated a record 4,875 recipe entries and garnered 293 million positive media impressions. More than 255,000 recipe brochures containing the 20 winning beef recipes were distributed to consumers. The 2003 competition marks the 25th anniversary of this event.

Nutrition Public Relations, Education and Research

- The checkoff-funded Council for Women’s Nutrition Solutions (CWNS), now in its third year, continues to spread the message about beef’s role in a healthful and balanced diet. The all-women advisory board of doctors, dietitians, and nutrition researchers expanded its involvement with Speaking of Women’s Health (SWH), a women’s health and wellness foundation. In 2002, CWNS members are speaking at five SWH events nationwide, reaching more than 10,000 women and health professionals. The program generated more than 51 million media impressions during the first seven months of the 2002 fiscal year.
- Several members of CWNS presented new scientific information at the American Dietetic Association’s annual conference, which drew more than 9,000 dietitians and nutrition leaders.
- Multiple checkoff-funded nutrition studies also are under way. Major topics of research include beef’s role in diet and cancer prevention, the health benefits of beef lipids — including CLA — the parity of beef to other protein sources and updated nutrient composition data.

Youth Education

- An aggressive public-relations program aimed at “tween” girls (aged 8 to 12) is resulting in positive beef stories in youth magazines and on Web sites. A youth print advertisement and much of the public relations work centered around world-class figure skater Sasha Cohen and by May 2002 had reached 14 million girls with messages about beef enjoyment and nutrition.
- More than 250,000 kids visited the checkoff’s *www.burgertown.com* Web site and learned about nutrition, fun ways to cook beef, and food safety. The total number of page viewings for the Web site in 2001 reached 1.4 million. “Sasha’s Corner” ties into the youth public relations and advertising program, so that girls can learn about Sasha Cohen and discover



Rural News Service releases are distributed to more than 3,000 rural news outlets in 33 states to get current checkoff program information to producers through their local newspapers.

why she considers beef a key part of eating smart. Visitors even had an opportunity for an online chat with Sasha before the 2002 Winter Olympics.

- The new "Fit for a Princess" Girl Scout patch program marks the first beef industry program for local Girl Scout troops. This program conveys the "ZIP" message — that zinc, iron and protein are found in abundance in beef. Fit for a Princess is being introduced to local troop leaders and is expected to reach about 50,000 Junior Girl Scouts and their moms in 2003.
- The Beef Checkoff Program continues to reach youth through teachers and schools, with development of a new classroom program for fourth and fifth graders near completion. About 7,000 new multicultural video kits will teach kids about foods from other regions and cultures, showcasing the global popularity and wholesomeness of beef.

Issues Management & Public Relations

- Checkoff dollars fund issues management and communications efforts aimed at protecting the market for beef. The spread of bovine spongiform encephalopathy (BSE) in Europe and the foot-and-mouth disease (FMD) outbreak in the UK were heavily covered by U.S. media in 2001. To ensure consumer confidence in U.S. beef, the Beef Checkoff Program initiated an intensive public relations and issues management effort, monitoring media coverage and disseminating accurate information about these issues to producers, industry partners, the media and the public.
- The Harvard BSE Risk Assessment Report, released in November 2001, indicated that steps taken by the U.S. beef industry and government have helped prevent introduction of BSE in the U.S. and that the risk of the disease being introduced in the U.S. is very low. Checkoff dollars helped relay this message to producers and the public, extending the reach of the study findings. A December 2001 survey indicated that consumer confidence in U.S. beef being safe from BSE was at an all time high 89 percent.

Industry Communications

- Quarterly checkoff reports reach producers with concise updates about how checkoff dollars are being invested in promotion, consumer information, industry information and research programs. The reports are inserted into national beef and dairy magazines with a total circulation of nearly 1 million.

- After more than a year in development, the newly redesigned *beef.org* Web site was launched in March 2002. It was funded in part by the checkoff. The new database-driven site is easier to navigate and is used by more than 1 million visitors a month.
- Six Rural News Service press releases are being distributed in 2002. The RNS releases are distributed to more than 3,000 rural news outlets in 33 states to get current checkoff program information to producers through their local newspapers. Upon distribution, articles are developed from the press releases and are made available to State Beef Councils to use in their local producer communications efforts.

Food Safety & Product Enhancement

- Ground beef accounts for a major percentage of "non-intact" beef products on the market. Other products include beef that has been injected with enhancing solutions such as marinades, mechanically tenderized by needling, cubing or pounding, or reconstructed into formed products. These non-intact beef products have come under scrutiny from regulatory agencies because of the potential risk that external contamination could be transferred to the inside of the products during processing. In response, the Beef Checkoff Program has funded several research projects to evaluate the risks that may be associated with these products. Safety interventions, including cooking, also are being studied.

Quality Assurance

- Working with leaders in all areas of the beef industry, the beef checkoff's Quality Assurance program was developed to be the industry's voluntary quality control program. The intent of the national and state quality-assurance programs is to raise production and quality standards and to increase communication between people involved in different phases of beef production and marketing. The program encourages producers to make changes over time to improve the quality of the beef they are producing, always keeping in mind the end product and the consumer. Science, research and education initiatives have been used to develop guidelines and to be aggressive in promoting production practices to producers that affect the safety, wholesomeness and quality of beef and beef products.

State Programs



Beef

...and your good health



Alabama's "Marinate and Grill Backyard BBQ" promotion moved an extra 350,000 pounds of chuck and round cuts relative to sales from the previous year.

Alabama

- The Alabama Cattlemen's Association (ACA) partnered with Western Supermarkets, Moore's Marinade and WZZK Radio to promote the sale of beef cuts from the chuck and round during the summer grilling season. The "Marinate and Grill Backyard BBQ" promotion ran for three weeks and included beef demonstrations and radio ads. The promotion moved an extra 350,000 pounds of chuck and round cuts relative to sales from the previous year.
- In the midst of the global media frenzy about foot-and-mouth disease, the Alabama Cattlemen's Association held a two-day informative "Master Your Media Message" workshop, which drew producers, county extension agents, state and area veterinarians, an Alabama Department of Education nutrition specialist, Auburn University beef specialists and ACA staff. Participants were updated on FMD and BSE and were trained by a media specialist about how to give effective interviews.

Alaska

- Youth in Alaska and throughout the nation are reached through the beef industry's *burgertown.com* Web site. The site offers kids a host of activities that teach them about beef in entertaining ways — including arcade games based on beef nutrients, kid-friendly beef recipes and a party zone where they can design their own burger party invitations. Olympic figure skater Sasha Cohen also is featured on the site in "Sasha's Corner." Sasha gives diary updates about her career and shares advice about fitness, nutrition and how beef fits into a healthy diet.

Arizona

- The Arizona Beef Council (ABC) continued to expand retail marketing efforts by teaming with the Arizona State Cowbelles and a major retailer on a chuck and round promotion. Cowbelles cooked chuck steaks three different ways to demonstrate the versatility of the cut. Arizona also worked on a six-month retail Convenience Section promotion by helping the Fry's and Albertson's chains set aside single cases exclusively for heat-and-eat products. The promotion focused on informing consumers about these products and showing consumers where to find them.
- The ABC is a major presence at the four-day "U.S. West Festival of the West." The more than 5,000 Arizona children who attended the festival on "Kids Day" were treated to teaching games and chuck wagon cooking. In addition, they got to make their own cattle brands and enjoy blacksmith and butter-churning demonstrations, while teachers gathered recipes and nutrition information.

Arkansas

- The Arkansas Beef Council (ABC), with assistance from the state's CattleWomen, was prominent at the 2002 Arkansas Women's Expo. The event, sponsored by the local ABC TV-affiliate, drew more than 3,000 people and featured 100 exhibits focused on women's health and leisure. The ABC exhibit served samples of new beef products to nearly 1,000 participants and conveyed beef's key health and nutrition messages.
- The ABC has teamed with Little Rock's AA minor league baseball franchise for a summer promotion. The "Beef. It's What's For Dinner.®" message will be broadcast when the first home run is scored in each of the 70 home games. Average season attendance to these games exceeds 250,000. One game during the season carries a "Beef Night" theme, and features imprinted giveaway items, special beef signs and prize drawings.

California

- After publication of an article in the March 2001 issue of *Science Magazine* entitled "The Soft Science of Dietary Fat," the California Beef Council (CBC) made nutrition communications a priority. The article exposed the faulty science and politics behind the war on fat. The CBC used information from the article and other sources to develop a nutrition brochure, "Beef and Your Good Health," which features Stanford University physician and CBC member Dr. Bert Johnson with a message about how beef can serve as the cornerstone of a healthy diet. More than 40,000 brochures are being distributed at fairs, meetings and other events during 2002. In addition, the CBC leveraged *Science Magazine's* positive nutrition information through public-relations outreach, advertising, and the organization's www.calbeef.org Web site.

Colorado

- To help educators navigate through beef industry materials, the Colorado Beef Council (CBC) correlated beef-educational materials with Colorado State Standards. With a new brochure, educators now know what standards they are fulfilling when they use specific beef industry educational materials. And one educational program teachers continue to use is the "Ag in the Classroom" monthly reader series, which is free to teachers and reaches 65,000 students monthly. The CBC supports two of the monthly readers, which focus on beef messages.



“Beeflexible” ads appeared in publications including *Nation’s Restaurant News*, *Restaurants and Institutions*, and *Food Arts*, with a total of nearly 8 million impressions nationwide.

- The CBC promoted the flat iron steak to Colorado chefs through two presentations, which led to inclusion of the cut on some of the state’s best restaurant menus. All three major foodservice distributors now carry the product in Colorado. In addition, the 16 Black-Eyed Pea Market Grills of Colorado are making the flat iron steak a permanent part of their menus. The CBC is supporting introduction of the cut with table tents featuring the flat iron steak and a wait staff promotion.

Connecticut

- Influential menu decision makers in Connecticut and throughout the country hope to benefit from the “Beeflexible” foodservice advertisements run in fiscal 2002. The ads appeared in leading national foodservice trade publications, including *Nation’s Restaurant News*, *Restaurants and Institutions*, and *Food Arts*. The campaign made nearly 8 million impressions nationwide with beef’s message to professionals throughout both commercial and noncommercial sectors of the foodservice industry.

Delaware

- Delaware is among 10 states that developed “Beef. It’s What’s for Dinner.” placemats, which aim to reinforce the Beef Checkoff Program’s ad-campaign tagline and promote beef at the local level. The placemat design features the beef checkoff logo and interesting beef facts and statistics from the 10 states that participated in the program. The placemats are being used throughout 2002 at various consumer and producer events where beef meals are served.

Florida

- Prime rib and burgers were featured during a two-month promotion at 12 TGI Friday’s restaurants in Florida. Patrons were enticed to try Classic Prime Rib, Blackened Prime Rib, Jack Daniel’s Prime Rib, Jack Daniel’s N.Y. Strip Steak and Friday’s Beef Burgers. Menus promoting the featured items were placed on every table and an incentive program rewarded servers who sold the greatest number of featured beef items. Radio ads invited consumers to try the new beef specials.
- Ale House Restaurants’ “Great Steaks” were highlighted at 12 Ale House Restaurants throughout Florida for two months. The promotion included introduction of a separate beef menu featuring a 14 oz. T-bone; a 14 oz. T-bone with a pound of crab legs; a prime rib dinner; and a blackened prime rib sandwich. Sales of the promoted items increased by as much as 200 percent at some restaurants during the promotion.

Georgia

- The Georgia Beef Board partnered with Harris Ranch Beef Co. to sponsor a tent at the NAPA 500 in Atlanta. Staff members and Beef Ambassadors from throughout the nation served more than 5,500 samples of Harris Ranch heat-and-eat products in three days.
- The Georgia Beef Board, along with Publix Supermarkets and the University of Georgia, launched the Georgia Beef Team Program. This team worked in Publix during spring and fall, assisting shoppers and answering questions about meat selection, cooking methods, nutrition and food safety. They also disseminated recipes and nutrition brochures.
- The Georgia Beef Board partnered with a media outlet and reached 114 stations in the state during an annual media tour. Two 60-second spots ran daily on all stations for two weeks. The Georgia Propane Gas Association partnered in this campaign and donated two gas grills for a giveaway. During the tour, 16 radio and television interviews were conducted, resulting in more than 2.8 million media impressions in Georgia.

Hawaii

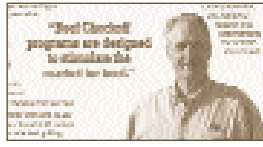
- Through checkoff-funded food communications programs, beef producers in Hawaii and nationwide reached millions of consumers with new beef recipes in 2002. Color food pages distributed to newspapers contain recipes that utilize quick and easy beef dishes with appealing beef-dish photographs and nutrition information. The pages and recipes focus on beef’s convenience and are printed in newspapers nationwide to reach more than 8 million readers each throughout the year.

Idaho

- A priority of the Idaho Beef Council (IBC) is to increase the value of the chuck and round by introducing beef buyers to Beef Value Cuts. The IBC made presentations to retail and foodservice operators and introduced consumers to the flat iron steak through the media. To introduce Value Cuts to chefs, IBC teamed with the Washington State Beef Commission to present “Bistro Cooking with Beef.” More than 140 chefs and culinary students from northern Idaho and eastern Washington attended the workshop, led by a chef instructor from the Culinary Institute of America. In addition to introducing new chuck and round cuts, the instructor demonstrated menu applications. Chefs then teamed up in the kitchen to create new entrées featuring the new cuts.

Illinois

- The Illinois Beef Association (IBA) has been working with the Minnesota Beef Council to educate leaders and consumers



Nationally produced checkoff quarterly reports are inserted into national publications that reach nearly 1 million readers. The reach is extended further when states insert them into their local publications.

about electronically irradiated ground beef. At the Food Safety Symposium sponsored by the Illinois departments of public health and agriculture, IBA's booth featured beef samples and irradiation information. Nearly every speaker during the event addressed the issue of *E.coli* O157:H7, which kept a constant crowd flowing to the booth. Plans are underway to feature irradiated ground beef at the Illinois State Fair in the "Food Safe Patio," which is a public education project developed by the Council on Food and Agricultural Research (C-FAR). Samples and literature about irradiated beef have also been given out at a Women's Lifestyle Show, the Independent Food Retailers show, the Illinois Beef Expo, and the Illinois Products Expo. Nearly 8,000 people have tasted and learned about irradiated ground beef through these events.

Indiana

- Indiana Beef Cattle Association joined with Purdue University and others to develop a statewide beef team. Among participants are extension educators, the state veterinary medical association, the Indiana commissioner of agriculture, livestock organizations and beef producers. This diverse group will make the program work, as different team members have the expertise to contribute in different ways. The team is developing a program to raise production and quality standards in a step-by-step process and to increase communication between people in the various phases of beef production and marketing, so that producers can make changes over time to improve the quality of the beef they are producing.

Iowa

- The Iowa Beef Industry Council partnered with the Iowa Dietetic Association during March Nutrition Month by offering Iowa's 800 registered dietitians four new nutrition presentations on compact disk. The CD was developed around the Dietary Guidelines Alliance's "It's All About You!" nutrition education campaign and contains presentations about cancer, diabetes, heart disease and family eating.
- Checkoff dollars funded a holiday roast promotion, featuring radio commercials that encouraged families to choose a beef roast for their holiday dinner, purchase beef certificates for holiday gifts, and visit www.iabeef.org for beef information and recipes. Public-relations efforts focused on print, TV and radio stories about beef roasts and the distribution of "How to Prepare the Perfect Prime Rib" to consumers at retail meat cases.
- Iowa beef producers also participated in their fourth trade mission, an educational seminar for chefs and buyers, followed by sales contacts with beef processors. This year's mission was to China, as the Chinese market offers growth potential for variety meats and lower value cuts from the chuck.

Kansas

- The Kansas Beef Council (KBC) conducted training seminars for nearly 150 culinary students at Johnson County Community College, one of the top culinary schools in the nation. The students participated in "Beef Topics, Issues and Cuts... Everything You Wanted to Know About Beef," covering foodservice trends, inspection, yield and quality grading, wet versus dry aging, storage and handling practices, menu applications and diet and health aspects. Hands-on cutting demonstrations taught students the proper way to cut and prepare cuts of beef found on menus.
- The KBC helped put beef center-plate and top-of-mind for nearly 1,600 women during the fourth annual Kansas City Public Television's Speaking of Women's Health Retreat. Nutritious beef was served with fruits, vegetables and grains to showcase the nutrient density of great-tasting, healthy foods.

Kentucky

- Kentucky was one of the first states to begin working with the Girl Scouts to convey a positive beef message to groups of young girls. The Kentucky Beef Council began using the "Princess Zip" character to reach "tween" girls (aged 8 to 12 years) with the message about the positive nutritional attributes of beef. The program also includes various hands-on activities in beef preparation. The program reached thousands of Girl Scouts statewide in 2001 and continued in 2002.

Louisiana

- Nationally produced checkoff quarterly reports are inserted into national publications that reach nearly 1 million readers. The reach of the reports is extended further when states such as Louisiana insert them into their local publications and distribute them as handouts within their states. The quarterly publication reports back to producers about where their checkoff dollars are being invested and gives updates on checkoff-funded programs.

Maine

- In celebration of the 15th anniversary of the beef checkoff, the Maine Beef Industry Council (MBIC) hosted an "Industry Update," inviting producer leaders, auction markets, dealers, Farm Bureau, and local and government officials to hear about checkoff results. The MBIC presented an informative historical overview — from initial passage of the referendum to today's multifaceted programs targeting increased demand. Excellent media coverage extended exposure about the positive results of checkoff programs. Leaders gained increased appreciation for the programs and efforts that have been accomplished through state-national partnerships.



The Minnesota Beef Council has distributed more than 200,000 samples of electronically irradiated ground beef at the Minnesota State Fair, women's expos, food shows and consumer events.

Maryland

- Teachers in Maryland and other states can visit the *teachfree.com* Web site to request education materials developed through the Beef Checkoff Program. Many of the materials are free of charge to educators and provide them with nutrition information and classroom activities to help pass on positive messages about beef to today's youth — and tomorrow's grocery shoppers.

Massachusetts

- Producers from Massachusetts join their counterparts throughout the nation in investing checkoff dollars in research aimed at improving the final beef product. Many checkoff-funded research studies have resulted in innovations and positive changes in beef to develop a safer and more enjoyable beef product. Quality Assurance programs help producers integrate these proven methods into their beef production.

Michigan

- The Michigan Beef Industry Commission teamed with the checkoff's Culinary Center and the Minnesota Beef Council to present a Beef Value Cuts and Beef Irradiation workshop for key decision makers in retail, foodservice, packing, processing, extension and community health arenas. Participants learned how to add value to the beef carcass with underutilized cuts from the chuck and round. The group also learned about food safety through irradiation.
- The Michigan Veal Committee presented veal production, processing and nutrition facts to the Michigan Chef's Association. The chefs were interested in learning about how calves are raised and marketed, and the presentation — along with veal cut school folders, the *Veal Truth* brochure, and veal recipes — were well accepted.

Minnesota

- Research shows that education is the key to consumer acceptance of irradiated food products, and Minnesota Beef Council began informing consumers about the benefits of irradiated ground beef nearly five years ago. Since then, the council has distributed more than 200,000 samples of electronically irradiated ground beef at the Minnesota State Fair, women's expos, food shows and consumer events.
- Minnesota-based Huisken Meats is leading a wave of food processors using irradiation and two years ago became the first in the nation to use electricity to eliminate the threat of *E. coli* O157:H7 in their products. Since then, distribution of its "Be Sure" products has grown to thousands of supermarkets in 35 states, and sales have increased more than 35 percent.

Minnesota-based Schwan's and Omaha Steaks also are marketing irradiated ground beef nationally.

Mississippi

- In conjunction with The Mississippi Network, the Mississippi Beef Council (MBC) sponsored Women's Health Screenings throughout the state. At each location, beef nutrition information, along with recipes and children's beef activity booklets were distributed. In targeted locations, dietitians were on hand to discuss diet/health issues with participants. Fifteen doctors in the state partnered with health clinics and other physicians' offices to perform the screenings. The Mississippi Network, which reaches 1.2 million listeners each week, aired the screening messages through its 70 news and 20 urban networks.
- The Mississippi Beef Council sponsors "A Kid's World" at the Mississippi State Fairgrounds each year, and more than 20,000 parents and children attend. This year, the MBC offered samples of Hormel's Beef Tips with Gravy. Along with coupons for the product, the beef council provides participants with educational and nutritional information. An extensive marketing campaign that includes television spots and hundreds of radio spots also accompanies the sponsorship.

Missouri

- Missouri Beef Industry Council staff appeared on 15 television programs to promote beef's convenience and nutrition. The MBIC also emphasized beef's nutrition message through activities and exhibits targeting dietitians, nurses, health and fitness organizations and educators. Presentations were given at the annual meeting of the Missouri Dietetic Association, a conference for school foodservice directors and health professional members of the Missouri Nutrition Network. As a liaison member of the Governor's Council on Physical Fitness and Health, the council also is involved in statewide discussions about nutrition guidelines, exercise goals and public information programs. And as a sponsor of the Show-Me State Games, MBIC is reaching thousands of young athletes and their parents with positive beef messages.
- Convenience was the theme for in-store demonstrations, cooking classes and consumer events such as the Working Women's Survival Show in St. Louis. During May, more than 40 local groups participated in Beef Month promotions, and more than 150 retail stores are using the "Beef Made Easy" meat case program in Missouri.



Studies currently under way address beef's role in diet and cancer prevention, health benefits of beef lipids, including CLA, and parity of beef to other protein sources.

Montana

- To maintain the growth momentum of heat-and-serve beef items at retail, the Montana Beef Council (MBC) launched a pilot project in the Billings area. The objective of the program was to facilitate repeat purchases of value-added products in grocery stores. A retail team conducted demonstrations of new products in a variety of sites from February through May. Various companies donated new beef products for the demos, and each team member was trained in consumer behavior, retail marketing trends and food safety. Upon completion of the pilot program, the MBC will explore expanding the concept to other major markets in the state.

Nebraska

- The food editor for the *Omaha World Herald*, Jane Palmer, covered the 1st Annual Cattle Crawl. The flat iron steak was featured at the event, and Palmer raved about the steak in a front-page article, touting it as a new discovery in the beef industry. The Nebraska Beef Council conducted Beef Value Cut workshops and created an incentive program with Pegler-Sysco that resulted in the sale of an additional 7,000 pounds of flat iron steaks. To date, more than 70 restaurants carry or feature the flat iron steak and more than a dozen retailers in Nebraska carry the Value Cuts.
- A redesign of the Nebraska Beef Council Web site was aimed at making the site more user- and consumer-friendly. Traffic to the new site more than doubled during its first few months of operation. A radio promotion conducted during the holidays featured a brochure and recipe of the month, and a "May is Beef Month" promotion helped guide visitors to the Web site.

Nevada

- The Nevada Beef Council (NBC) partnered with Wolf Pack Meats to fund development of three new beef breakfast products — beef bacon, beef ham and beef sausage. The products were launched at the University of Nevada-Reno's College of Agriculture. Representatives of the college, Nevada Beef Council, Nevada Cattlemen's Association, Scholari's Food and Drug, Sausage Factory and several media representatives learned about the new products, which were developed to build demand for beef in Nevada by utilizing lower-value cuts. All of these fully cooked items are lean and heart healthy and are available through retail and foodservice.
- NBC partnered with Harris Ranch on a booth at "Taste of Las Vegas," a three-day premier food- and wine-tasting event that attracted more than 10,000 people. Nevada CattleWomen served more than 300 pounds of tri-tip samples and delivered a positive message about beef.

New Hampshire

- Producers from New Hampshire and across the nation funded nutrition research efforts with checkoff dollars. Studies currently under way address beef's role in diet and cancer prevention, health benefits of beef lipids, including CLA, and parity of beef to other protein sources, in addition to efforts to update nutrient composition data.

New Jersey

- Health professionals in New Jersey and throughout the country can be educated about beef's nutrient value through the checkoff-funded Council for Women's Nutrition Solutions. CWNS spreads the message about beef's role in a healthful and balanced diet. The all-women advisory board of doctors, dietitians, and nutrition researchers are speaking at five Speaking of Women's Health events nationwide, reaching more than 9,000 women and health professionals in 2002.

New Mexico

- More than 8,000 people visited the New Mexico Beef Council and Cowbells exhibit booth at the New Mexico State Fair. The booth includes a fully equipped demonstration kitchen and a recipe center from which Cowbells distribute beef recipes and administer the educational Beef Trivia Quiz. The quiz is the sign-up sheet for fairgoers to win free beef. National fully prepared beef products and local New Mexico beef products are demonstrated and sampled each day. Another component of the fair was the Beef Extravaganza, a beef show hosted by Chef Jim White. Chef White taped six segments of his show live for fair visitors. All the segments featured beef and were aired during his show, "The Kitchen Minute."

New York

- There's a new employee at the New York Beef Industry Council (NYBIC) — a cowboy superhero named Beefman. The NYBIC nutrition mascot educates children about the importance of the ZIP (zinc, iron and protein) found in beef. Thanks to checkoff funding, Beefman has been introduced to thousands of youth throughout New York state. With the word "beef" across his chest and "ZIP" on his hatband and belt buckle, Beefman reaches out to children to spread the good word about beef's nutritional benefits. The NYBIC introduced Beefman on Beef Day at the New York State Fair. Beefman attends youth activities and engages children in "Beefman's Pyramid Power," a lesson about the food guide pyramid that demonstrates how beef fits into a healthy diet. In 2002, the Northeast Farm Communicators recognized Beefman as "Farm Communicator of the Year" for his messages that benefit agriculture and the beef industry.



The Pennsylvania Beef Council teamed with the Pennsylvania Department of Agriculture to promote veal consumption through retail channels and consumer marketing venues.

North Carolina

- The North Carolina Cattlemen's Beef Council (NCCBC) teamed with NBC television affiliate WNCN to feature a beef recipe and cooking section on the network's Web site. Visitors can link to the "Recipes and Cooking" section from the NBC17 home page to get a new beef recipe each week. To enhance traffic to the page, NCCBC works with the North Carolina Department of Agriculture to share costs and feature a fruit or vegetable recipe to accompany the weekly beef selection. The recipes draw consumers to the site, where they can find links to other beef industry sites with more cooking ideas and nutritional facts. The NBC partner produces television spots to drive consumers to the recipes. Last year, the site reached more than 41,000 consumers with positive beef messages.
- Through a joint effort with 10 other states, the beef industry was a sponsor of the "2002 Southern Living Cook-Off." This sponsorship garnered a full-page ad in *Southern Living* magazine, featuring the versatility of fully cooked beef products. More than 230,000 readers in North Carolina saw the ad.

North Dakota

- Educating young people from kindergarten through college is a high priority for the North Dakota Beef Commission (NDBC). This commitment led to sponsoring a new \$1,000 beef judging scholarship at North Dakota State University. NDSU team members participate in the meats judging contest affiliated with the American Royal Livestock Show and are rewarded with scholarships based on their final scores. The scholarship is designed to help defray costs and promote achievement of future beef industry leaders.
- The NDBC worked aggressively for several years to educate fourth grade students in Fargo, Minot and Valley City through the "Living Ag Classroom" program. In the spring of 2002, more than 4,500 students experienced hands-on learning about the beef industry. They were amazed to learn that North Dakota has three cattle for each person, that 1,800 quarter-pounders come from one 1,000 pound steer, and that sports equipment they play with is made of the leather from cattle.

Ohio

- In an effort to increase veal consumption, the Ohio Beef Council teamed with *Cincinnati Magazine* for a month-long veal promotion. Fourteen Cincinnati-area restaurants were invited to participate. Each restaurant highlighted a veal dish for the entire month of April. To publicize this promotion, the Ohio Beef Council sponsored a full-page, four-color ad in *Cincinnati Magazine* that enticed consumers with a full description of the veal dishes that the restaurants were featuring.

Oklahoma

- A three-day Beef Quality Summit gives producers, retailers, foodservice professionals and packers the hands-on information they need to maintain and improve a high standard of beef quality. The summit covers multiple topics, including live cattle yield and quality grading, carcass evaluation and fabrication, food safety, value-added products and current trends in the beef industry. Sponsored by the Oklahoma Beef Industry Council with beef checkoff dollars, the Summit is held at Oklahoma State University during the spring, summer and fall of each year.

Oregon

- Teachers received checkoff-funded teaching kits at The *Oregonian's* Teacher Resource Fair in Portland. Reaching 700 teachers in one day is an efficient, cost-saving method to get materials into the hands of educators. Volunteers from OSU Animal Sciences and the Oregon CattleWomen worked with Oregon Beef Council OBC at the annual Beef Blitz, visiting 19 Portland area schools and reaching 2,500 students with beef information.
- Danielson's Fresh Marketplace partnered with the OBC in a retail test introducing the flat iron steak to Oregon grocery customers. To prepare for the test, Danielson's implemented the Beef Made Easy program and participated in Meat Manager training to learn more about how to cut the new steak. The introduction included in-store demonstrations, recipe card distribution, on-pack flat iron stickers and a consumer survey.

Pennsylvania

- The Pennsylvania Beef Council (PBC) teamed with the Pennsylvania Department of Agriculture to promote veal consumption through retail channels and consumer marketing venues. The department's grant program stimulated retail veal sales in the Pittsburgh market. During a one-week scaloppini feature at Giant Eagle stores in Pennsylvania and Ohio, the grant funded 50 in-store demonstrations and advertisements in key newspapers. The promotion moved 130 incremental cases of veal. In addition, all 210 stores implemented the Veal Made Easy program in their meat cases.
- Partnership dollars also helped reach more than 25,000 gourmet enthusiasts at two consumer food shows in Philadelphia. Visitors to the Book & The Cook Fair and the Gourmet Show sampled five veal dishes and received a new veal recipe and nutritional tear pad courtesy of PBC, the Pennsylvania Department of Agriculture and Catelli Brothers Veal.



In Asia, Eastern Europe, the Caribbean and Central and South America, Texas Beef Festivals are showing thousands of foreign beef consumers the benefits of underutilized cuts of U.S. beef.

Rhode Island

- Producers in Rhode Island and throughout the United States have made food safety a priority. Checkoff dollars have been invested in sponsoring the International Food Safety Council to develop the “ServSafe®” program for the foodservice industry. The program sets guidelines for proper food handling in the foodservice industry.

South Carolina

- The South Carolina Beef Board (SCBB) demonstrated how to enjoy a safe, nutritious irradiated hamburger at Farm-City Week’s “Taste and See” in Saluda. More than 1,200 people were served samples of Huisken’s “Be Sure” beef patties supplied by Winn Dixie and the SCBB. Consumers who tried the irradiated burgers said they thought the beef was delicious. More irradiated beef promotions continue in 2002.

South Dakota

- Research funding is one of several program priorities for the South Dakota Beef Industry Council. The organization has doubled its spending in research during the last few years. Projects funded for research at South Dakota State University include studies into further utilizing the chuck and the round, identifying gene markers for increased tenderness, a study about the effects of diet manipulation on meat tenderness, development of consumer-friendly grilling methods for steaks, and the impact of late banding of weaned calves on meat quality and tenderness. Another research project, jointly funded with the South Dakota Corn Utilization Council, focuses on the influence on beef quality when feeding wet and dry distiller’s grain.

Tennessee

- Tennessee checkoff dollars helped make the “Beef Up with Peyton Manning Sports Nutrition Camp” possible. The goal of the camp was to present key health messages in a fun and memorable way targeting 10 to 12-year-olds with important nutrition and exercise messages. Sports nutrition dietitian Lynn Henderson and quarterback Peyton Manning talked about the importance of good nutrition and why beef is important in a healthy diet. Manning encouraged young people to fuel their bodies with foods rich in nutrients, like beef, which can help their performance on the field and in the classroom.
- In addition to distributing summer grilling news releases promoting July as Beef Month, Tennessee maximized its relationship with NFL quarterback Peyton Manning. Peyton was on the cover of an eight-page newsprint tabloid and in a beef ad that reached about 1 million Tennessee households.

Tennessee also developed and distributed free July Beef Month recipe centers and “It’s Grilling Time in Tennessee” posters featuring Peyton Manning to 300 retailers in the state.

Texas

- In Asia, Eastern Europe, the Caribbean and Central and South America, Texas Beef Festivals are showing thousands of foreign beef consumers the benefits of U.S. underutilized cuts of beef. The Texas Beef Council (TBC) and the U.S. Meat Export Federation jointly conduct festivals through the Beef Checkoff Program. Texas cuisine — including smoked brisket, chicken-fried steaks, carne guisada, and fajitas — is renowned for its use of beef chuck and round. USMEF finds the festivals to be important tools for introducing new U.S. cuts to foreign trade. They also showcase beef’s variety to help foreign chefs, retailers and consumers understand the low cost and high value of underutilized cuts from the Select grade that yield more saleable lean meat than their Choice counterparts. Last year, USMEF and TBC conducted 19 Texas Beef Festivals and are holding seven more in 2002.

Utah

- The Utah Beef Council worked with area restaurants ensuring that beef was featured and had a prominent place in Olympic dining. *Utah Business* reported “Beef. It’s What’s for Dinner at the Olympic games” with beef hot dogs, beef chili and even vegetable soup made with beef stock at the concession stands. The demand for beef at the Olympics proved to be strong. The nearly 500,000 beef hot dogs supplied for the Olympics were gone only halfway through the games.

Vermont

- Vermont’s beef, veal and dairy producers reached nearly 250,000 consumers with beef ads placed in the *Burlington Free Press*, the state’s largest daily newspaper. The ads encouraged consumers to visit the *beef.org* Web site for grilling and holiday meal recipes featuring beef and veal. The ads included the “Beef. It’s What’s for Dinner.®” tagline, reinforcing the national beef checkoff advertising campaign. The Vermont Beef Industry Council and the Vermont Cheese Council ran an ad in the May/June issue of *Vermont Magazine* entitled, “Cheeseburgers are a Grills Best Friend.” The ad celebrated May as Beef Month and June as Dairy Month. The Maine and Vermont Beef Councils exhibited new beef and veal products at the Northeast Foodservice & Lodging Trade Show in Boston. Fresh beef and fully cooked beef and veal Products from CAB, Jordan’s, David Mosner and Wolf Neck farm were sampled during the show.



The Wisconsin Beef Council has contracted with 15 registered dietitians across the state to provide health and wellness programs focused on nutrition.

Virginia

- Cooking school shows and women's shows provided a venue for introducing consumers to new convenient beef products. Virginia Beef Industry Council (VBIC) provided consumers with beef recipes, nutrition and food safety information at the Hampton Roads Woman's Show, Richmond Southern Women's Show, and the Southern Living Cooking School shows. Beef demonstrations and pot roast samplings were conducted, and the product got great consumer reviews for taste and convenience.
- Virginia home economics teachers have the opportunity to educate future consumers about beef. To assist them, VBIC sent a beef resource packet to 850 teachers, offering them a beef video and \$25 beef mini-grant for classroom beef preparation needs. The packet contained a wealth of beef recipes and nutrition information, plus highlighted industry Web sites. In addition, VBIC hosted an exhibit at the annual meeting of the Virginia Association of Teachers of Family and Consumer Sciences and presented a beef workshop for Fairfax County home economics teachers.

Washington

- Washington consumers were introduced to fully cooked beef entrees through partnerships with manufacturers including Harris Ranch, King's Command, Hormel, and Ortega. The promotions generated awareness for fully cooked beef through a "Beef. It's What's For Dinner." radio advertising campaign in Seattle and Spokane that resulted in more than 28 million consumer impressions.
- Sampling played an important role in reaching consumers in grocery stores and at consumer events. More than 533 new product samplings were conducted in grocery stores throughout the state in 2002, increasing sales more than 160 percent on average during each promotion.
- Pot Roast Quesadillas and Beef Tri-tip with Sweet Onion Jam and Gorgonzola were served to more than 25,000 participants in the Northwest Women's Show and Seattle Cooks!


West Virginia

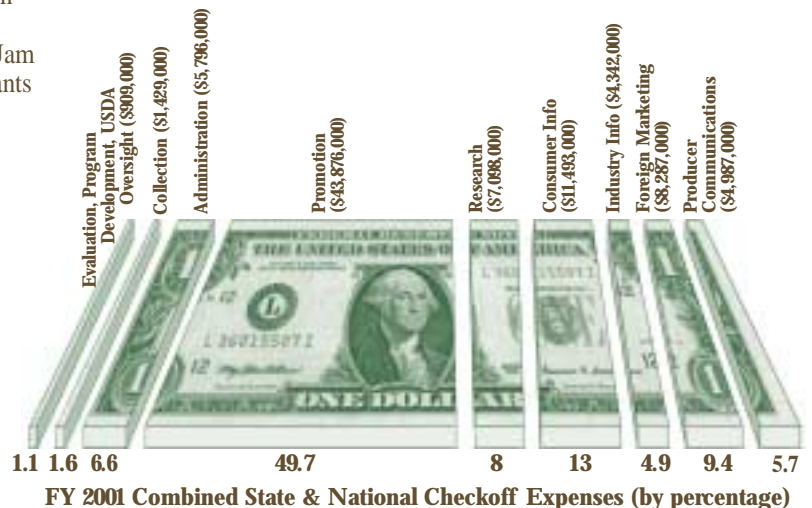
- The Beef Made Easy program continues to expand into retail outlets in West Virginia and throughout the country. On-package labeling, signage and cooking instructions make the fresh beef case easier to navigate and make beef easier to choose, all with the goal of increasing beef sales.

Wisconsin

- The Wisconsin Beef Council (WBC) has contracted with 15 registered dietitians across the state to provide health and wellness programs focused on nutrition. The seminars include videos, handouts and, in some cases, food demonstrations. Since inception in October 2001, the WBC Speaker's Bureau has completed 21 seminars, reaching more than 1,340 people, and has many more scheduled. The programs are offered free of charge to groups of 20 or more and have been marketed through the Wisconsin Dietetic Association, Wisconsin Wellness Council, University of Wisconsin-Extension Family Living Agents, 4-H Youth Development Agents and Girl Scout Councils.

Wyoming

- The Wyoming Beef Council introduced the top blade muscle and flat iron steak at a Nobel Sysco district meeting. Eight Nobel Sysco marketing associates watched the Beef Value Cuts video and received hands-on practice cutting the top blade into steaks, which then were cooked and served for lunch. A foodservice partnership with the Applebee's chain in Cheyenne resulted in an additional 2,091 pounds of beef being sold during the seven-week promotion. 



Combined Statement of Beef Checkoff Activities

for the Fiscal Years Ended During 2001, 2000, 1999, and 1998^(Note 1)

	2001	2000	1999	1998
Revenues:				
Assessments	\$85,444,000	\$88,042,000	\$83,542,000	\$83,109,000
Interest	3,024,000	2,872,000	2,739,000	2,804,000
Other ^(Note 2)	334,000	375,000	501,000	319,000
Total Revenues	88,802,000	91,289,000	86,782,000	86,232,000
Expenses:				
Program				
Promotion	43,876,000	44,676,000	39,854,000	42,929,000
Research	7,098,000	6,392,000	5,985,000	6,461,000
Consumer Information	11,493,000	12,962,000	12,677,000	12,245,000
Industry Information	4,342,000	4,260,000	5,203,000	5,184,000
Foreign Marketing	8,287,000	7,968,000	6,988,000	8,315,000
Producer Communications	4,987,000	4,261,000	5,619,000	3,427,000
Evaluation	75,000	165,000	121,000	93,000
Program Development	664,000	914,000	1,161,000	703,000
Total Program Expenses	80,822,000	81,598,000	77,608,000	79,357,000
Department of Agriculture Oversight	170,000	195,000	173,000	171,000
Collections	1,429,000	1,393,000	1,508,000	1,461,000
Administration ^(Note 3)	5,796,000	5,900,000	5,648,000	5,368,000
Total Expenses	88,217,000	89,086,000	84,937,000	86,357,000
Excess (shortage) of revenues over (under) expenses^(Note 4)	\$585,000	\$2,203,000	\$1,845,000	(\$125,000)

Note 1 - Financial Information Presented

The accompanying combined statement of activities for the beef checkoff has been prepared by combining the Beef Board's financial information with information provided by the qualified state beef councils and national, industry-governed organizations. The information included in this statement is based upon these organizations' various fiscal years ended March 31 through December 31, 2001, 2000, 1999, and 1998. This statement is presented to provide an overview of the activities funded by the beef checkoff. It is not intended to present the revenues and expenses of the beef checkoff in accordance with generally accepted accounting principals.

Note 2 - Other Revenues

Other revenues consist primarily of fees collected on late payments, sales of beef certificates, sales of materials and gains on sales of assets.

Note 3 - Administration Expense

The Act limits Beef Board expenditures for administration to 5 percent or less of projected revenues, but qualified state beef councils and national, industry-governed organizations are not subject to this limitation. The Beef Board's administration expenses were below the 5 percent limitation during 2001, 2000, 1999, and 1998, as well as all previous years.

Note 4 - Excess or Shortage of Revenues

Excess of revenues represents funds available and committed for expenditure in the following year. Shortage of revenues represents expenditure of funds received and committed in previous years.

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*By law the Beef Board must
contract with national industry
governed organizations for program
implementation. Some of the
primary contractors are:*

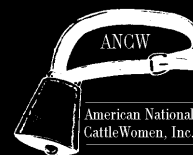


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