



# Wyoming Beef Council

## FY 2016 Marketing Plan

### WBC MISSION

*Increasing beef demand domestically and internationally  
for the benefit of Wyoming farmers and ranchers.*

### WBC VISION

*The WBC will be the most respected and trusted beef marketing organization in Wyoming by  
ensuring responsible and effective allocation of checkoff funds to improve the marketing  
climate for beef and beef products.*

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## **Organization Information**

### **Background**

The Wyoming Beef Council (WBC) was created in 1971 by Wyoming cattlemen to administer the self-financed state beef checkoff; a program to develop, maintain and expand markets for beef. In 1985 when the National Beef Promotion Research Act was passed as part of the 1985 Farm Bill, the WBC became Wyoming's official organization qualified to collect and administer the national beef checkoff. Upon implementation of the national beef checkoff, the WBC ceased in-state collections authorized through the state statute. Since October, 1986 WBC programs have been conducted with Wyoming funds collected under the national \$1-per-head beef checkoff.

According to the Beef Promotion Research Act and Order, it is mandatory that fifty cents of each dollar collected be sent to the Cattlemen's Beef Board. The expenditure of the remaining fifty cents is determined by cattlemen in the state who serve on the WBC. At the discretion of the WBC, additional revenue may be sent to the Federation of State Beef Councils and the U.S. Meat Export Federation to support national and international marketing efforts.

Through industry-wide effort, the beef industry has established a long-range plan to provide focus and to guide programs for the betterment of the industry. This plan is determined by grassroots beef producers in coordination with other industry partners. As the Qualified State Beef Council in Wyoming, the WBC supports the visions and priorities established in the Beef Industry Long-Range Plan 2013 through 2015 (appendix A).

### **Role of the Wyoming Beef Council**

The WBC is a state agency and functions under both the laws of the State of Wyoming and the Beef Promotion and Research Act. Under these laws, the WBC is charged with:

- Collection of the beef checkoff.
- Monitoring compliance.
- Coordinating the checkoff program in Wyoming with the Cattlemen's Beef Board and national contracting organizations.
- Implementing state programs that support the vision and priorities of the Beef Industry Long-Range Plan.

All programs funded with beef checkoff dollars in Wyoming must meet the criteria set forth in the Beef Promotion Research Act and Order.

## **Procedure for Planning and Prioritizing**

In January 2014, the members of the WBC met to review Wyoming's cattle and human population statistics, consumption data for the United States, industry trends and beef checkoff funded consumer research. Throughout a two-day exercise, the WBC with the assistance of other industry partners determined four strategic priorities for consumer related programs and two strategic priorities related to producer communications. The plan was again reviewed in January 2015. Direction set at this meeting was based on a more in-depth look at the summary information that follows.

## **Industry & Customer Analysis**

### **Cattle Numbers**

Beef cattle numbers in Wyoming have been declining since 2001. As reported by the Wyoming Agricultural Statistics Service, the January 1, 2015 inventory of all cattle and calves in Wyoming totaled 1.30 million head, up 2 percent from the January 1, 2014 inventory. Beef cows, at 694,000 head, were unchanged from the previous year. Wyoming's 2014 calf crop, at 660,000 head, is up 3 percent from 2013. Wyoming's largest head count of cattle and calves was established in 1975 at 1.69 million head. Similarly, as a nation, the US has the smallest cattle herd since the early 1950's.

### **Financial Trends**

As cattle numbers decline, beef checkoff revenue also declines. Minor fluctuations within the downward trend can be seen and are attributed to weather conditions, cattle prices, feed prices, available grazing land and other market conditions or industry trends that motivate ranchers to either retain or sell cattle.

In addition to revenue lost from reduced cattle numbers, the WBC has also been impacted by inflation. The WBC began collecting the \$1-per-head checkoff in 1986. By comparison, that would be equivalent to \$2.14 per-head today. That disparity increases when the shrinking cow herd and heavier carcass weights are factored in.

### **National Consumer Trends**

As of 2014, the United States' total population was 318.9 million with 82% of the population residing in cities and suburbs. The Millennial Generation, those born between 1980 and the early 2000, is the largest segment of the US population, numbering 80 million. Among the older half of millennials, those between ages 25-34, there are now 10.8 million households with children. Further, with millennials accounting for 80% of the 4 million annual U.S. births, the number of new millennial parents stands to grow exponentially over the next decade.

The Beef Checkoff has conducted extensive research to understand the spending habits, beef knowledge and cooking comfort of this population segment. Some of the key findings of this research include:

- More than any other generation, Millennials wish they could eat home-cooked meals more often but say they just don't have the time.
- The vast majority want easy beef recipes that take 30 minutes or less to make.
- Millennials look to social media as a source for tips about preparing beef, much more so than other consumer segments.

- 80% of millennial shoppers look for easy beef recipes, but are also looking for new cuisines, flavors and dishes with “wow” factor.
- Millennial parents want to make the best food choices for their families and are willing to learn.
- Millennials are interested in food processing, food production and its effects on the environment.
- Millennials are knowledge seekers. 75 percent want information about steaks and how to prepare and cook them and 55 percent want information on preparing and serving beef to their children.

Getting the news out about healthy beef benefits and convenience is critical in fully convincing this generation to feel comfortable and confident in choosing beef. In particular, special attention should be focused on millennial parents, who tend to be more concerned about the healthfulness of beef than those without children. Children raised on less beef are likely to be less beef focused in their own dietary choices later in life.

### **Wyoming Consumer Trends**

According to the U.S. Census Bureau, Wyoming’s population was estimated at 584,153 in 2013, making it the least populous state of the United States. Wyoming is home to approximately 135,000 millennials with 93,000 of those falling into the primary household purchaser age range.

Compared to the Wyoming cattle inventory, there are approximately 2.22 cattle to every person, leading to the logical assumption that the majority of beef produced in Wyoming is actually purchased and eaten by consumers outside of the state. It is also important to recognize that while domestic demand for beef has remained relatively consistent in recent years, global demand for premium protein is expected to increase 68% by 2018.

According to the USDA Economic Research Service, beef consumption in the United States averages 67 pounds per person, per year. Annual beef consumption per person is highest in the Midwest (73 pounds), followed by the South and West (65 pounds each), and the Northeast (63 pounds). Rural consumers eat more beef (75 pounds) than urban and suburban consumers (63 and 66 pounds).

In 2010, Wyoming partnered with four other geographically and demographically similar states to further assess the local marketing climate. The resulting report, referred to as the WINS-M Report includes consumer survey data from Wyoming, Idaho, North Dakota, South Dakota and Montana to achieve a statistically valid sample. This study clearly shows that WINS-M consumers are more frequent preparers and heavier consumers of beef than their urban counterparts. In addition, the WINS-M area has a much larger core group of consumers who eat beef more than once a week (16% higher) and WINS-M consumers show a greater preference for beef than chicken or other proteins. The survey also shows WINS-M consumers are not as concerned about food safety, nutrition, health and environmental issues as the national average.

### **Investor Trends**

Wyoming is home to approximately 5,600 beef ranchers who are all required to pay the beef checkoff. The beef checkoff is a mandatory program and state beef councils have the responsibility of ensuring investors and constituents are aware of how their money is being

spent. A survey of Wyoming cattlemen conducted January 2015 showed nearly eighty percent of Wyoming producers feel informed about the beef checkoff compared to 68 percent nationally. However, the survey also showed a five percent decrease in the number of Wyoming producers who approve of the beef checkoff when compared to 2012 survey results.

## **Results of Industry & Customer Analysis**

The current Wyoming Beef Council Strategic Plan was developed in 2015. While the plan has a five-year lifespan, the WBC reviews the plan annually and makes necessary adjustments based on changes in consumer demographics and the industry. The core strategies and tactics that follow have been developed to specifically address the priorities in the Strategic Plan while following the requirements of the Beef Promotion Act and Order and coordinating with the Beef Industry Long Range Plan.

### **WBC MISSION**

Increasing beef demand domestically and internationally for the benefit of Wyoming farmers and ranchers.

### **VISION**

The WBC will be the most respected and trusted beef marketing organization in Wyoming by ensuring responsible and effective allocation of checkoff funds to improve the marketing climate for beef and beef products.

### **FUNDING PHILOSOPHIES**

- A. Wyoming checkoff dollars have the greatest potential to affect a positive change in consumer behavior when pooled with dollars from other state beef councils and when used in high-population areas where beef is consumed rather than where it is raised.
- B. The WBC is accountable to all Wyoming cattlemen and is responsible for ensuring that investors are aware of how their beef checkoff dollars are spent.

### **STRATEGIC PRIORITIES**

1. ***Support the mission and vision of the beef industry long range plan.***
  - A. Capitalize on Wyoming's ranching culture and heritage to improve the image of the beef community among millennial parents and key thought leaders.
  - B. Entice millennial parents to cook beef and share recipes by providing recipes that showcase Wyoming's culture and heritage.
  - C. Proactively educate influencers about environmentally, socially and economically sustainable beef production practices.
  - D. Educate health and nutrition influencers about the nutritional benefits of beef.
2. ***Increase understanding of and support for the beef checkoff.***
  - E. Increase percentage of Wyoming beef producers who feel informed about the checkoff to 80% by January 2017.
  - F. Increase approval rating of the beef checkoff in Wyoming to 75% by January 2017.



## **Core Priorities, Tactics and Goals**

### **I. Support the mission and vision of the beef industry long range plan.**

#### **Priority A: *Capitalize on Wyoming's ranching culture and heritage to improve the image of the beef community among millennial parents and key thought leaders.***

1. Utilize wybeef.com and social media to share Wyoming ranching stories with millennial parents and thought leaders across the globe. Increase website traffic by 5 percent. The website will feature six producers in a twelve month period. Quips, quotes and information about Wyoming, the rancher, his/her family and lifestyle will be shared during that time through social and traditional media.
2. Reach 130,000 consumers nationally with a full-color half-page ad in the Wyoming Traveler's Journal. The ad's call to action will be for readers to visit the WBC "Meet our ranchers" web page.

#### **Priority B: *Entice millennial parents to cook beef and share recipes by providing recipes that showcase Wyoming's culture and heritage.***

3. Through financial investment in the Federation of State Beef Councils the WBC will support the industry in its effort to develop convenient beef recipes and share them with millennial parents through beefitswhatsfordinner.com and social media outlets.
4. Utilize wybeef.com and social media to share recipes endorsed by Wyoming ranching families featured on the wybeef.com "Meet our ranchers" page. Increase website traffic and social media engagement by 5 percent.

#### **Priority C: *Proactively educate influencers about environmentally, socially and economically sustainable beef production practices.***

5. Through financial investment in the Federation of State Beef Councils, the WBC will support the industry in its effort to define, promote and educate consumers about environmentally, socially and economically sustainable beef production practices.
6. Reach 50 Wyoming educators who influence children in their classrooms through sponsorship of the Wyoming Ag in the Classroom Natural Resource Science Institute where beef production will be a key focus of the tour. Attendees will be surveyed about their beef industry knowledge before and after the session.

#### **Priority D: *Educate health and nutrition influencers about the nutritional benefits of beef.***

7. Through financial investment in the Federation of State Beef Councils, the WBC will support the industry in its effort to identify health influencers and share research and science based facts about the nutritional value of beef.
8. Reach 60 health professional influencers through partnership or interaction with the Wyoming Association of Nutrition and Food Service Professionals, Wyoming Academy of Nutrition and Dietetics, Wyoming Diabetes Management, Wyoming Department of Health, Wyoming School Nurses Association, Wyoming Department of Education, Women Infants and Children, UW County Extension Service and Wyoming Comprehensive Cancer Control Consortium.
9. Increase number of subscribers to the WBC nutrition e-newsletter to 100 and distribute two e-newsletters.

## **II. Increase understanding of and support for the beef checkoff.**

### **Priority E: *Increase percentage of Wyoming beef producers who feel informed about the checkoff to 80% by January 2017.***

10. Produce an online annual checkoff report and call attention to it through contract advertising and media relations.
11. Produce and e-mail a minimum of six informational e-newsletters to inform cattlemen about checkoff programs
12. Reach 5,400 cattlemen seventeen times with information about the use of beef checkoff dollars through quarter-page, two-color ads in the Wyoming Livestock Roundup.
13. Reach cattlemen with information about the expenditure of beef checkoff dollars through 26 weeks of locally produced radio aired on 17 Northern Broadcasting stations.
14. Obtain 200 email addresses to be added to the producer communications electronic database through social media, print media, trade show booths, Website advertising and industry events.

### **Priority F: *Increase approval rating of the beef checkoff in Wyoming to 75% by January 2017.***

15. Through public relations and visible presence the WBC will strive to display transparency and accountability to checkoff investors.

#### **ADDITIONAL RESPONSIBILITIES—Collections Compliance**

16. Maintain an inter-agency agreement with Wyoming Livestock Board, brand division, to ensure continued beef checkoff collection.
17. WBC will conduct a fiscal year audit with McGee, Hearne & Paiz, LLP according to CBB and State of Wyoming standards and requirements.
18. WBC will provide all documentation and cooperation required by the Cattlemen's Beef Board during the fiscal year to fulfill the role of a qualified state beef council.
19. WBC will return state of origin money to originating states.

#### **ADDITIONAL RESPONSIBILITIES—Administration**

20. WBC staff will provide administrative support services to all program areas and projects approved by the WBC members.
21. WBC staff will reimburse travel expenses for WBC members who travel to conduct Council business.
22. WBC Executive Director will conduct new member training and review fiduciary responsibility and liability of board members annually.
23. WBC will review strategic plan annually as required by the State of Wyoming.
24. WBC will evaluate all programs according to the goals set in the FY2016 Marketing Plan.

## Appendix A—Beef Industry Long Range Plan

### Beef Industry Long-Range Plan 2011-2015



**2015 Update**

#### Vision

*An industry united around a common goal of being the world's most trusted and preferred source of beef and beef products.*

**Emphasize trust and proactive transparency across the supply chain and among consumers.**

#### Mission

*To provide the safest, highest-quality, most consumer-friendly beef and beef products in an environmentally and economically sustainable manner.*

**Emphasize diversity of value.**

#### Strategic Intent Statement

*Our industry will achieve a Wholesale Beef Demand Index of 110+ by capitalizing on the quality, safety and taste of U.S. beef while communicating the health, nutrition and convenience benefits of beef and beef products to targeted domestic and international markets.*

#### Core Strategies and Goals

##### Improve domestic consumer preference for beef

GOAL: Increase the Consumer Beef Index preference measure from 28% to 31%

##### Capitalize on global growth opportunities

GOAL: Increase value of exports 25% per head

##### Strengthen the image of beef and the beef industry

GOAL: Increase the Consumer Image Index preference measure from 17% to 20%

##### Protect and enhance our freedom to operate

GOAL: Reduce those saying regulations make it more difficult to operate freely to 72%

##### Improve industry trust, openness and relationships

GOAL: Increase to 86% those with trusting/open relationships  
Increase to 67% those saying industry works together

##### Position the U.S. cow herd for growth

GOAL: Increase bred heifer retention to 18% while stabilizing U.S. beef production at a minimum of 26 billion lbs.

#### Critical Success Factors

- The development of a resourcing plan to achieve desired outcomes of the long range plan
  - Increase checkoff resources
  - Increase non-checkoff resources
- The adoption of a practical and effective industry-wide animal disease traceability program
- *Ensure lean red meat maintains its position as a recommended protein source in the 2016 dietary guidelines.*

#### Long Range Plan Task Force Members (2014 Advisory Group highlighted below)

Charles Miller—C&J Cattle Co. (Co-Chair)		R. Rebholtz/ <u>Jay Theiler—Agri-Beef</u> (Co-Chair)
Ron Bryant, Intervet/Schering-Plough	<u>Homer Buell, Shovel Dot Ranch</u>	Barry Carpenter, NAMA
Jack Cowley, Cow/Calf	Mark Eganhouse, Wendy's QSCC	<u>Mike Engler, Cactus Feeders</u>
Robert Fountain, Cow/Calf	Ted Greidanus, Calftex Corp.	Paul Heinrich, Sysco Corp.
David Kent, Kroger	Leo McDonnell, U.S. Cattlemen's Assoc.	Charlie Mostek, Tyson
M. Mackey/ <u>D. Harris, Livestock Mktg. Assoc.</u>	Billy Perrin, Livestock Mktg. Assoc.	<u>Homero Recio, USMEF</u>
<u>Joe Schechinger, Wendy's QSCC</u>	<u>Don Schiefelbein, Schiefelbein Farms</u>	Todd Schroeder, Albers Feedlot
Don Stewart, Stewart-Miller, Inc.	Mark Van Buskirk, Kroger	Bob Young, American Farm Bureau Fed.



## Core Strategies and Strategic Initiatives 2013/2014/2015 Updates Below

### Improve domestic consumer preference for beef

- Identify and capitalize on growth opportunities with targeted market segments. **Focus on highest opportunity Millennials.**
- Create stronger relationships and more consistent communication with meal-time decision makers. **Focus on Social Media.**
- Develop and execute creative communication initiatives (e.g., social media) to improve confidence in, and preference for, beef (value, taste, health & nutrition, safety and convenience). **Increase emphasis on evolution of mobile opportunities.**
- Educate, enable and engage key influencers and opinion leaders (e.g., celebrity chefs, nutritionists, etc.) in communicating the positive health and nutrition benefits of beef. **Take advantage of and effectively communicate beef's nutrient density (e.g., design new nomenclature). Focus on opinion leaders/mediums that most influence Millennials. Take advantage of growing food trends that favor beef (e.g., protein, real food).**
- Collaborate with industry stakeholders (Producers, Processors, Foodservice, Retail) to develop and implement demand generation initiatives based on consumer needs and preferences. **Engage industry stakeholders to inspire innovation that creates consumer experiences that drive consumption of beef.**
- Identify and track domestic consumer needs and preferences.

### Capitalize on global growth opportunities

- Increase access to export markets. **Address production technology issues and challenges (e.g., beta agonists). Clarify to include emphasis on both production and processing (e.g., carcass wash) technologies.**
- Leverage the brand equity of the U.S. beef industry (e.g., cattle ranching, beef production, product development, etc.) to promote U.S. beef in foreign markets. **Proactively tell the story of U.S. beef production in foreign markets to highest opportunity customers (e.g., countries, companies, buyers).**
- Educate beef cattle producers on the significance of the beef export market.

### Strengthen the image of beef and the beef industry

- Engage all industry segments to develop and consistently communicate our positive beef production story. **Emphasize transparency. Simplify complex issues (i.e., provide clarity). Increase focus on effective communication of key research and science outcomes to consumers and industry stakeholders.**
- Capitalize on the history, heritage and brand equity of family-based production agriculture and the farming/ranching lifestyle. **Expand purpose beyond maintaining family-based lifestyle business model to include feeding family, friends and neighbors.**
- Implement and communicate continuous improvement efforts to enhance consumer trust in our product and production practices. **Emphasize transparency and sustainability. Simplify complex issues (i.e., provide clarity). Place urgency on understanding (e.g., situation assessment) and effectively communicating the antibiotic resistance issue.**
- Promote our industry's commitment, ongoing investment and progress in ensuring beef safety.
- Strengthen efforts to proactively anticipate and rapidly respond to attacks on beef and the beef industry. **Focus on current and potential consumer concerns with production technologies. Emphasize preparation, education and communication. Immediately coordinate industry-wide effort to address the threat of potential dietary guideline outcome.**
- Develop and implement programs to enhance beef's image among American youth.

### Protect and enhance our freedom to operate

- Define and communicate sustainable beef production. **Simplify complex issues (i.e., provide clarity).**
- Identify and track the cost of government regulation on all segments of the beef industry.
- Educate policy makers and regulators on structure, operation and value of the beef industry.
- Strengthen partnerships/alliances with organizations outside the beef industry that share similar values/interests. **Focus on those who can lend credibility by telling our story for us.**
- Coordinate lobbying efforts among like-minded beef industry advocates.
- Proactively address and counter activist organizations that seek to limit our use of technology and/or interfere with our freedom to operate and care for our land and cattle. **Emphasize strong partnerships and active lines of communication.**
- Continue to proactively develop and employ best practices for animal welfare. **Communicate efforts and results.**

### Improve industry trust, openness and relationships

- Establish industry-wide, cross-sector panel or a task force to identify issues and develop recommended solutions to intra-industry trust issue.
- Establish tools, meetings, and programs to facilitate dialogue and increase transparency among all sectors of the industry.
- Develop industry-wide leadership development program to improve industry relationships and ensure a pipeline of informed, prepared and competent industry leaders.

### Position the U.S. cow herd for growth

- Secure resources to support public policy efforts to strengthen rural America and encourage growth in the U.S. cow herd.
- Develop and invest in programs that attract talent and capital into the beef industry.
- Promote the intrinsic value of the farming and ranching lifestyle.
- Invest in educating current and prospective cow/calf producers to capitalize on opportunities and improve their profitability/sustainability.
- Promote the adoption of technology to improve the overall efficiency and profitability of the beef industry (e.g., production technologies, genetics, nutrition, etc.).

Updated January, 2015