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Washington State Beef Commission

2010-2011 Annual Report

Basics about Beef for the Classroom
 Participation in the Washington Family and Consumer Sciences Educators' conference and e-mail offers resulted in state teachers ordering some 4,000 copies of the classroom beef cookery and safety resource, Basics About Beef. Students across Washington will benefit from learning how to choose, prepare and enjoy beef as part of a healthy, balanced diet.

Blind Tasting with Beef
 Farmers and ranchers at the Seattle Food and Wine Experience event challenged 1,200 consumers to "blind taste-test" three types of beef: branded Natural, Grass-Finished and Grain-finished. Participants were asked to choose their favorite and identify the production method. Consumers were also able to ask cattle ranchers and feeders questions about beef production methods. The overall message conveyed was that all beef is safe, natural and nutritious and people can feel good about eating their favorite - whichever one that might be!

Consumers Google, Bing and FB Through Summer Grilling
 When consumers hit their favorite Internet sites like Google this summer, looking for grilling tips and recipes, they found links to wabeeff.org. Internet advertising led consumers to beef grilling resources, doubling wabeeff.org web traffic for the month. With the addition of Facebook advertising, the summer grilling online campaign delivered more than 7.2 million consumer impressions.

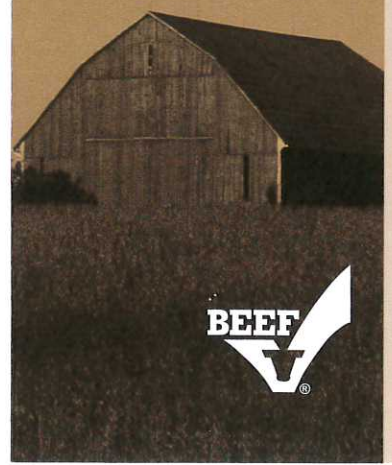
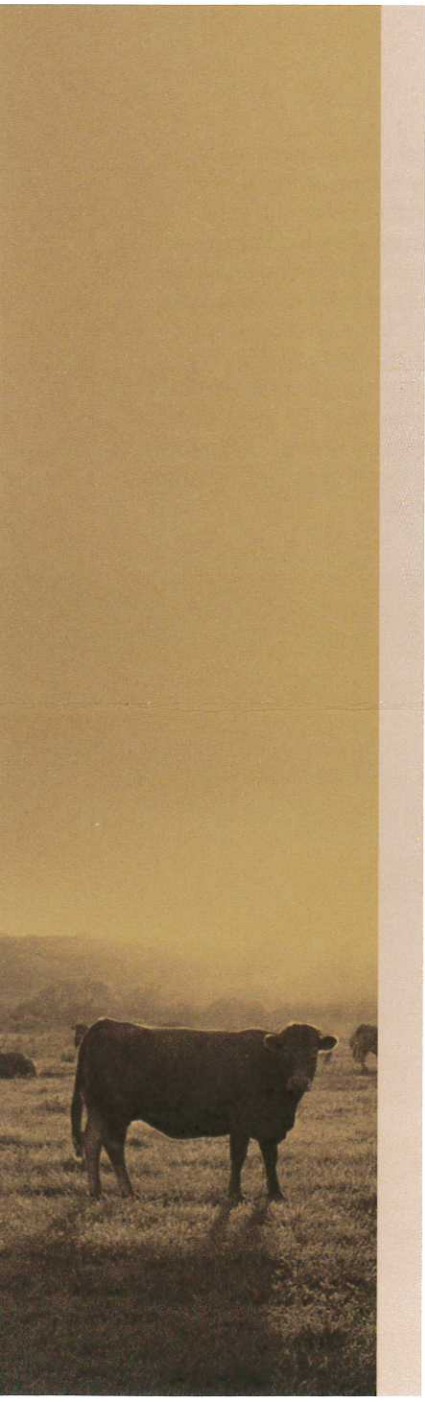
Twelve Days of Holiday Roasting
 In December, WSBC's Twelve Days of Roasting promotion conducted an online sweepstakes where consumers could enter to win their own holiday beef roast, one for a friend and 12 for a food bank. The contest received 574 entries and generated goodwill and an additional 1,558 wabeeff.org visits.

Washington State Beef Commission

Audited Financial Statements of the Year Ended June 30, 2011

REVENUE	
Total Revenue - \$1,635,432	
Less Beef Board and State of Origin	\$542,613
Interest	\$249
Total In-State Revenue - \$1,092,954	
EXPENDITURES	
Promotion	\$598,902
Consumer Information	\$168,166
Research	\$27,140
Industry information	\$95,037
Producer Communications	\$60,197
Collection Compliance	\$22,962
Administration	\$146,401
Federation of State Beef Councils	\$21,652

Total Expenses - \$1,142,093



Beef Sales Incentive for Restaurants
 The Washington State Beef Commission (WSBC) partnered with foodservice distributor Interbay Food Co. and 20 of its restaurant customers on a sales incentive to add two new beef items to menus. Top-producing wait staff received \$25 gift cards. The promotion resulted in nearly 4,000 pounds of additional beef sales.

"Steaks for the Summer" at Safeway
 Beef was king of the grill as WSBC partnered with Chateau Ste. Michelle on a "Win Steaks for the Summer" beef and wine radio promotion at Washington Safeway stores. A \$10 rebate was offered on beef purchases of \$20. In addition to tasty beef recipes displayed on wine bottles, shoppers could scan a code into their smart phones and visit a beef and wine pairing page on wabeeff.org.

Building Trust with Consumers
 Checkoff-funded advertising, featuring Washington farmers and ranchers, their families and a lean beef recipe, achieved more than 19 million consumer impressions. The spring 2011 ads ran in outlets such as *Sunset Magazine*, *Seattle Magazine*, *Seattletimes.com* and *Allrecipes.com*. Online ads linked to wabeeff.org for information about how each family cares for its cattle.

MBA Program Continues to Grow
 The network of Masters of Beef Advocacy communicators, equipped to tell the beef story to the public and media, grew during annual MBA training in Pullman last spring. Eighteen new graduates added to the total of 46 skilled, capable communicators who actively share the real story behind beef production on blogs, newspaper websites and in their local communities.

Taste of Washington Wines
 Local ranchers served Bourbon Braised Beef Short Ribs to 3,000 consumers at the VIP (very important protein) Beef Bar during the Taste Washington Wines event. A rancher explained beef production on the main cooking stage, while a chef demonstrated the recipe. Wine glasses held a 10 percent discount card on premium beef from TheDoubleRRanch.com and an entry to win steaks. More than 500 consumers entered the contest.

Bloomsday Trade Show
 WSBC and the Washington CattleWomen served about 15,500 Wasabi Beer-Braised Beef Brisket sandwiches and distributed thousands of healthy beef cooking recipe brochures during the two-day Bloomsday trade show. Two Spokane TV stations were broadcasting near the booth and conducted on-air interviews with beef producers.

Healthy Beef Boot Camp Adds Value to Nutrition Month Promotion
 A partnership with Haggen & Top Foods, promoting lean beef through radio advertising and in-store displays, generated a 30 percent increase in beef sales for the retailer in March. Working with a group of Seattle area radio stations, listeners were recruited to attend a Healthy Beef Boot Camp with their favorite DJ. Contest winners learned healthy beef cooking techniques and enjoyed a beef dinner of their creation. The event generated over \$50,000 in free added radio exposure, doubling the value of the campaign.

Washington's Beef Industry United Against Hunger
 Last year *Beef Counts* was launched to help beef producers donate funds or cattle to help feed families in need across Eastern Washington. Rollover auctions were held to raise donations, and producers participated in mobile food distributions, which WSBC promoted in the media and online. With a 50 percent match from partner AgriBeef Co., beef producers raised enough to distribute 23,552 pounds of nutritious, high quality beef to hungry families.

Improving Attitudes on Beef Production
 The fourth annual *Beef: From Pasture to Plate* tour gave 36 chefs, retail meat buyers, culinary instructors and dietitians a better understanding of how beef cattle are raised. With the increased knowledge and experience of visiting a ranch, feedlot and processing plant, tour participants' attitudes about beef production improved dramatically. Prior to the tour, only 44 percent had "very favorable" feelings about feedlot operators. That number was 90 percent after the tour. Overall attitudes about beef also improved, with 83 percent of post tour participants agreeing that "the positives of beef strongly outweigh the negatives," up from 62 percent prior to the tour.

WSBC on Twitter and Facebook
 WSBC has grown its presence online by posting beef recipes, tips and interacting with other beef enthusiasts on Twitter and Facebook. Social media is a valuable tool to communicate with Washington consumers and the media on behalf of beef producers and would be a crucial aspect of communicating to them in the case of an industry crisis such as a foreign animal disease outbreak.



Your 2011 National Beef Checkoff Program in Review

No matter the business, it's important to review what's getting done. In that spirit, this annual report summarizes some of what national checkoff-funded programs accomplished in FY 2011.

They reached out with positive messages and actions to this industry's diverse populations, from retailers and chefs, to dietitians, beef producers and environmental advocates. And states and national programs worked in partnership to implement and multiply the impact of producer dollars.

In FY 2011, beef councils also voluntarily re-invested funds from their 50-cent share of the checkoff to the Federation of State Beef Councils to augment national programs. By uniting messages and monies, the partnership works where it's needed most to drive consumer demand for beef.

Here's a look at your investments at work.

Advertising



In FY 2011, consumer advertising appeared in print, radio, online, in social media and on mobile phones to promote cuts such as the T-Bone and Top Sirloin as a delicious, lean protein. These messages were shared across other program areas, such as retail marketing and food communications, and through state beef council extension. Advertising put the producer's face on the beef brand via special ads that featured beef ranchers and farmers telling consumers about

their way of life, in their own words. These full-page advertorials were negotiated free-of-charge to the checkoff, and reached millions of consumers through nationally distributed publications.

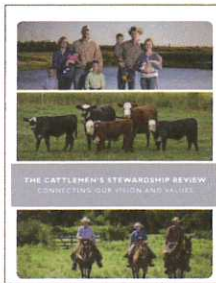
Foodservice Marketing



Last year, about 135 articles about beef in foodservice trade outlets reached 18 million professionals, helping to showcase beef as the leading center-of-the plate entrée. This level of visibility through paid

advertising would have cost more than \$1 million. In addition, the checkoff's new Pricing Resource Center on beeffoodservice.com provided operators with strategies and tips to address increasing costs while driving beef sales. And checkoff dollars helped create a brochure of all-day beef menu ideas, and a *10 Tips in 10 Minutes* guide featuring new beef cuts and cooking methods.

Issues Management



In FY 2011, the checkoff released the first-ever *Cattleman's Stewardship Review: Connecting Our Vision and Values*, offering a comprehensive look at the industry's influence on communities, the economy, public health and the environment. Materials were shared on ExploreBeef.org, and related interviews appeared in the *L.A. Times*, *Reuters*, *Dow Jones* and the *Associated Press*, among others.

Foreign Marketing

U.S. beef exports set a blistering pace through the first 10 months of FY 2011, totaling 1.04 million metric tons, valued at \$4.23 billion. This marks a 26-percent increase in volume and a 41-percent increase in value year-on-year. Exports to nearly every major market grew significantly, resulting in a new all-time monthly value record in July 2011 of \$513.1 million. Growth remained strong in key Asian

markets: Japan was up 52 percent; South Korea was up 53 percent; and Hong Kong was up 82 percent. Export growth was up 65 percent in the Middle East; and up 73 percent in Central/South America.

Producer Communications

Producer communications provided more than 28 million paid media opportunities for producers and importers to get to know their checkoff. This effort was supported through more than 125 mailings to ag media; producing more than 5,000 news articles; video news releases that aired on more than 600 stations; more than 160,000 online newsletters and other communications; and participation in a dozen industry trade shows. About 70,000 unique viewers accessed more than 265,000 pages during about 105,000 visits to MyBeefCheckoff.com and engaged with thousands of producers through checkoff social-media sites.

Nutrition Influencers

The Nutrition Influencer program capitalized on the launch of the 2010 Dietary Guidelines for Americans and MyPlate with e-newsletters and new educational materials showcasing lean beef.

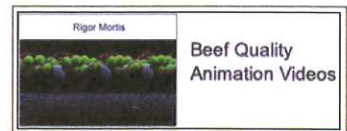


The popular Nutrition Seminar Program continued, in partnership with state beef councils, and the Interactive Meat Case on www.BeeftWhatsForDinner.com was featured as a resource to health professionals in the spring 2011 issue of *ADA Times*, received by some 59,000 American Dietetic Association members.

Public Relations

PR efforts utilized media pitches, fact sheets, recipes, cooking tips, social media and printed pieces to share positive beef information nationwide. The PR program generated more than 2.3 billion media impressions, with stories appearing in *Real Simple*, *Cooking Light*, *USA Today* and on *CNN*, in addition to numerous summer grilling articles in national consumer magazines. Media and spokesperson development efforts prepared farmers and ranchers to share their stories and worked to train third party spokespeople. The Masters of Beef Advocacy (MBA) program now has more than 2,500 graduates in 47 states engaging in discussions with consumers and thought influencers.

Product Enhancement



Last year, the checkoff created a new web-based educational tool that illustrates the technical processes involved in beef quality development. Staff conducted numerous cutting demonstrations, including a "Roaming Around the Round" demo at the 2011 NAMP Meat Industry Management Conference.

Beef Safety Research

Efforts focused on filling the knowledge gaps about pathogens and non-pathogenic threats to beef safety. The 2011 Beef Industry Safety Summit drew a record 240 participants, representing professionals in every segment of the production chain. Six regional safety meetings helped spread critical safety information to even more stakeholder audiences.



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Beef and Culinary Innovations



The Convenient Fresh Beef (CFB) program, created in FY 2011, provided consumers with a variety of fresh, convenient beef products through an array of beef cuts and appliance applications. The Culinary Innovations team continued to revise applied cookery information, developing scientific cooking times and generating checkoff-funded test data on skillet cooking that had not been updated since the mid-1990s.

Human Nutrition Research

This program has a multi-year focus and helps validate the positive contributions beef makes to good health. One state/national study, begun several years ago, revealed the value of quality protein in the diet of patients with Type 2 diabetes. By the end of 2010, this article in the *Diabetes Journal* had been downloaded about 35,000 times, underscoring the long-term payoff of the checkoff investment in research.

Research, Education and Innovation

The Research, Education and Innovation (REI) program covers beef safety research; product enhancement; human nutrition research; the Beef Innovations Group (BIG); Culinary Innovations; and Beef Quality Assurance (BQA).

Veal Marketing



Veal's "Go-to-Market Strategy" combined retail and foodservice activities, communications, issues management and quality assurance programs. In FY 2011, veal was featured in more than 7,000 retail stores nationwide through promotions that centered on diet and health, summer grilling and Columbus Day.

Beef Quality Assurance

BQA launched a social media campaign in FY 2011, as well as new video education modules to supplement the online and print materials available to state coordinators and BQA trainers. The program also held its 21st annual BQA State Coordinators' Conference, focusing on creating a BQA value system, improving youth, livestock and veterinarian outreach, and expanding the trainer community.

Retail Marketing



One retail promotional partnership introduced shoppers to the Slice 'n Save program in 47 corporate stores in eight states, with beef councils providing additional support in local communities. The promotion helped persuade an additional 233 independent retailers in 11 states to feature the Slice 'n Save program.

In addition, beef had a strong presence in a nationwide summer grilling BBQ tour that included 18 events in 17 states and attracted thousands of participants. In FY 2011, checkoff representatives also were featured as experts in some 30 stories in national outlets, such as *CNN Money*, *Bloomberg*, *Fast Company*, *Supermarket News* and *Progressive Grocer*.

Fiscal Year 2010 Expenditures

Promotion.....	\$17,372,674
Research.....	\$5,571,678
Consumer Information.....	\$4,256,384
Industry Information.....	\$2,297,946
Foreign Marketing.....	\$5,643,117
Producer Communications.....	\$1,816,072
Program Evaluation.....	\$218,564
Program Development.....	\$65,694
Total Program Expenses.....	\$37,242,129
USDA Oversight.....	\$186,108
Administration.....	\$1,793,470
Total Expenses.....	\$39,221,707

*Chart shows 2010 audited numbers. 2011 unaudited figures will be available in October 2011.