



2009 || 2010 ANNUAL REPORT

Dear Fellow Producers,

Looking back on fiscal year 2010 (FY10), it is quite simply remarkable. There is not a day that has gone by that I am not proud of the work our Beef Checkoff is doing. I sincerely wish every beef producer would take some time and commit to serving on the Idaho Beef Council Board of Directors, helping make those decisions on how to allocate our precious resources, or just volunteering to help at an event. Each year, our annual priorities are established based on market research and what is best for consumers and producers, then we allocate your resources accordingly.

FY10 is now behind us. Did we meet the goals set forth in last year's letter to all of you, our Producers? The answer is almost. As I stated last year, I am a firm believer in planning and setting goals, giving our organization the tools it needs to move forward. We developed a new Long Range Plan and revised our Idaho Beef Council Mission Statement, helping our staff and board plan for the future; this plan will be revisited as needed every several years. I am most proud of the work the Budget Committee did this year. The committee evaluated many funding requests, created a scoring matrix for measuring their weight against our priorities, and ultimately, recommended to the full board those proposals with the most leverage. We also began work on a comprehensive evaluation program. So often the best evaluation in the past has been impressions, and while that may still work to some degree, many of us like hard statistics.

We will continue work this year with an aggressive Marketing Plan that ties the above together into multiple program areas (Consumer Information, Promotion, Producer Communication, Industry Information, Foreign Marketing, Issues Management, and Research) while pushing to increase demand. When our Board of Directors sits down to conduct business, we're reminded that our duties include not only the critical fiduciary responsibility but also a commitment to take off our personal hats and do what is in the best interest of the entire beef industry.

And while I could have focused on some of the negative, such as collections, I like to think I am an optimist and pragmatist. Much like your businesses, we run the Idaho Beef Council very tightly and manage our resources conservatively. I invite you to visit us anytime...or step up and take your turn. You might be pleasantly surprised.

Here's to your profitability and increased beef demand,

Laurie Lickley
Chairman, Idaho Beef Council



Left to right: Billboard, Ironman KTVB interview, Earth Day print ad

BUILDING CONSUMER DEMAND

Advertising and Media

Beef advertising continues to fuel consumers' passion for beef. In 2010 a new campaign was rolled out to keep beef top of mind with consumers, strengthen beef's position as a healthful food and premier nutritional protein so consumers can feel good about the beef they love. More than a half million Idahoans were exposed to beef messaging through 12 weeks of statewide radio ads, 40 billboards placed in high-traffic areas throughout the state, and four on-air radio promotions in the Boise, Pocatello and Idaho Falls markets. Overall, in-state advertising, when combined with national efforts, reached 89% of our target audience and 22.4 million favorable consumer impressions resulted.

On Earth Day, in April, IBC took a proactive approach to fend off potential negative consumer feelings toward animal agriculture by placing an ad in the state's largest newspaper, the *Idaho Statesman*. Reaching over 80,000 households, the full-color, half page ad communicated a positive and factual message about the beef industry and reminded consumers that Idaho's cattle ranching families are environmentalists on Earth Day and every day.

IBC staff appeared on FOX 12 News, KTVB 7 Morning Show, and conducted numerous radio interviews around the state. Each month IBC staff pushed out multiple press releases and pitches to Idaho media resulting in beef being featured in a wide variety of news stories and articles in publications like the *Idaho Press Tribune*,

Times News, *Post Register*, *Standard Journal*, *Idaho Magazine*, and many other publications reaching more than 489,000 Idahoans. And, research indicates these individuals are significantly more likely to buy and spend more on beef.

Promoting Beef Products to Idahoans

The IBC promoted beef and provided samples, recipes, and nutrition and food safety information to consumers of all ages this past year. Over 168,000 consumers were reached through food events, cooking demonstrations, health and fitness expos, fairs and large events including the Women's Fitness Celebration, Taste of Idaho food show, Grill Master BBQ Beef Challenge, Idaho Air Guard Festival and many others. This is a 43% increase in the number of consumers reached versus the prior year, thanks to the Idaho checkoff increase.

The power of Beef was once again front and center to the 12,000+ athletes and spectators at the 2010 Boise Ironman Triathlon. Beef was visible at all pre- and race day activities including the 2-day sports expo, on-course race signage and the Beef Recovery Zone where athletes re-fueled themselves by dining on Beef Sliders. Team BEEF was back this year and bigger than ever. Nearly 70 Team BEEF competitors dawned "BEEF - Fuel for the Finish" race jerseys and created a huge buzz along the race course as they demonstrated the power of protein.

This event continues to provide an excellent vehicle to educate and inform
(Continued on inside)

CHECKOFF DOLLARS AT WORK OUTSIDE OF IDAHO

Beef Promotion and Cattlemen's Beef Board

By law, 50 cents of the \$1.50 collected in Idaho goes to the Cattlemen's Beef Board (CBB). These funds form the base for national beef promotion, education and research programs. For more information on how these funds are spent, contact the Idaho Beef Council or log onto www.mybeefcheckoff.com.

Federation of State Beef Councils

Idaho is one of 45 state beef councils who make up the Federation of State Beef Councils. In addition to the \$0.50 we send to CBB, the IBC contributes additional funds each year toward national promotion activities through the Federation of State Beef Councils. Last year the IBC contributed \$240,000 and the IBC Board of Directors specifically chose which national activities to fund based upon the IBC's strategic priorities.

In addition to our investment in the Federation of State Beef Council's, Idaho contributed an additional \$80,000 to a special fund for states with high populations and few cattle, such as New York, to assist in beef promotion activities.

International Marketing

With 96% of the world's population outside of the U.S., increasing beef demand outside our borders is important. The IBC contributed \$109,000 to the U.S. Meat Export Federation for continued support of beef promotion in international markets. IBC board member Jay Theiler represented Idaho producer's interest as a USMEF delegate.

The board is comprised of 8 appointed volunteers, representing various segments of the industry

- Laurie Lickley • Chairman • Cow/Calf Producer • (Jerome)
- Brenda Richards • Vice Chairman • Cow/Calf Producer • (Murphy)
- Jay Theiler • Secretary/Treasurer • Feeder • (Boise)
- Cevin Jones • Feeder • (Eden)
- Lynn Keetch • Dairy • (Montpelier)
- Dan Schiffler • Auction Market • (Jerome)
- Tom Dorsey • Dairy • (Caldwell)
- Judy Woodie • Cow/Calf Producer & CattleWomen • (Emmett)

Cattlemen's Beef Board Representatives

- Dan Hinman, Caldwell
- Kim Brackett, Castelford

Federation of State Beef Councils Representatives

- Laurie Lickley, Jerome
- Cevin Jones, Eden
- Judy Woodie, Emmett

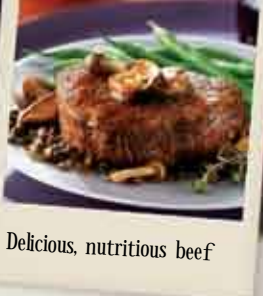
USMEF Representatives

- Jay Theiler, Boise

Idaho Beef Council Staff

- Traci O'Donnell, Executive Director
- Katlin Davis, Program Manager
- Janice Streng, Office Manager





Building Consumer Demand (continued)
 thousands of people about the many benefits of beef and build beef's position as the number one protein in consumer minds.

In June 2010 your beef checkoff created a unique promotion with KIZN (Kissin 92) radio station, the largest radio station in the Treasure Valley, to enroll consumers in BBQ Boot Camp. Held at the outdoor showroom at Pristine Pool & Spas, 60 listeners qualified to get down in the trenches and learn all things BBQ.

"I'M ACTUALLY DREADING BRUSHING MY TEETH TONIGHT BECAUSE I WANT THE TASTE TO LINGER A LIL' LONGER."
Response from attendee posted on the KIZN radio station webpage following the event.

Expanding Market Share

Retail Marketing Outreach
 As a result of the checkoff increase, in FY10 the IBC expanded its efforts in retail to reach more consumers at the primary place of purchase - the grocery store. Two new retail programs rolled out to stimulate beef sales included the Holiday Pop-Up Timer campaign and Summer Bundles.

Pop-Up Timers: In an effort to encourage consumers to create a holiday tradition with beef, the IBC conducted a pilot test with 29 Idaho supermarkets. In Winter 2009, the checkoff attacked holiday poultry sales and gave consumers a tool to increase their confidence in cooking a holiday beef roast with a new Pop-Up Timer promotion. From Thanksgiving to New Year's pop-up timers were inserted in oven roasts sold at Broulim's, Ridley's, Pauls and other select grocery retailers around the state. The timers pop at a perfect medium-done temperature to give consumers confidence and eliminate the fear of over cooking. A variety of in-store merchandising and weekly ad circulars brought attention to the campaign and ease of cooking a beef roast. A very successful program, every store reported an increase in roast sales versus the prior year, with 17 stores reporting increases of more than 40%.

Summer Bundles: IBC teamed up with Broulim's Grocery Stores in Eastern Idaho for a promotion called "Summer Beef Bundles." To compliment the summer grilling season, this promotion was aimed at the "buy in bulk" consumers who are watching their wallets and looking for value. Checkoff funded in-store merchandise brought

Stations included Burgers, Steaks, Beef 101, Prime Rib Rotisserie, Rubs & Marinades, and Grilling Fruit & Vegetables.

From the basics about food safety and preparing beef, to nutrition and the different types and grades of beef, to the secrets of making your steaks and burgers turn out perfect, Boot Camp participants honed their beef skills and enhanced their beef knowledge while tasting some amazing food. Post-event evaluations indicated we moved the needle on these consumers in their confidence in selecting and cooking beef, which should ultimately result in long term loyalty and an increase in the number of times they consume beef.

July is Idaho Beef Month
 July was once again declared Idaho Beef Month by Governor C.L. "Butch" Otter. This annual event celebrates Idaho's beef industry and promotes consumer awareness of beef's versatility, nutritional value and economic contributions to Idaho through special events, media coverage, and promotions.

Pop-Up Timer and Summer Grilling Bundles Promotions

attention to the various 10 to 20 pound bundle packs. With each purchase the consumer received a reusable beef-logo'd grocery bag. The results? More than 2,500 pounds were sold.

In addition to the above, 98 Idaho retailers were provided with in-store merchandising materials and consumer handouts. Product sampling/demonstrations took place in a number of supermarkets, and numerous promotions were executed to drive incremental purchases and maintain long-term beef demand.

Pasture to Plate Tour
 The battle for America's stomach is fiercely competitive. To arm Idaho's key restaurant and retail industry professionals with the knowledge they need to build and protect their beef business the IBC, in partnership with the Washington State Beef Commission, held a 2-day Pasture-to-Plate tour. The tour included a cow/calf and feed-lot operation, beef processing plant and comprehensive overview of consumer trends, new products and cutting demonstrations.

Foodservice Marketing and Outreach
 With consumers spending 49% of their food dollar on meals prepared away from home, marketing beef to foodservice professionals is a necessity for the beef industry. Through checkoff funded programs more than 2,100 chefs and foodservice providers statewide were introduced to new beef products, provided recipes and menu'ing ideas to keep beef the number one selling protein.

A sponsorship with the Snake River Stampede Rodeo, one of the top 20 rodeos in the nation, provided an excellent opportunity to bring exposure to beef and Idaho's Beef Industry to the 43,000 attendees. The sponsorship included a website presence, Beef...It's What's for Dinner rodeo flag proudly displayed on horseback, signage throughout the event and numerous beef facts announced during each performance of the 5-day rodeo. Plus, each night's attendees had the chance to win beef during the bareback event - beef's title sponsorship.

Other Beef Month activities included Beef Night at the Ballpark with the Idaho Falls Chukars and Boise Hawks baseball teams, outdoor billboards and radio promotions throughout the state.



The IBC teamed up with Food Services of America, one of the state's largest foodservice distributors, for a six-week sales promotion for their sales reps focused on generating new business. The promotion resulted in 120,000 pounds annually of new beef business.

To support the Beef Counts campaign, the IBC developed Raise the Steaks Against Hunger a promotion with eight of the Treasure Valley's top steakhouses. Radio and TV advertising brought awareness to the campaign and invited consumers to dine out on Thursday, May 20th. Marketing materials, such as in-restaurant table tents, posters and check inserts brought awareness to the campaign and a website was designed detailing all the participating locations. All restaurants reported an increase in consumer traffic and beef sales and many of them have already signed on for the 2011 event.

Protecting and Enhancing the Business Climate for Beef

BEEF COUNTS - Idaho's Beef Industry United Against Hunger

In 2010 your checkoff dollars helped develop BEEF COUNTS, a first of its kind community help campaign bringing together Idaho's beef industry, in partnership with The Idaho Foodbank, to provide hungry Idahoans with nutrient-rich beef.

Checkoff dollars were utilized to create the start-up items necessary for the campaign such as donation brochures, letterhead, envelopes, product handling and recipe brochures, packaging labels, and more. Checkoff dollars were also used to fund various marketing activities to increase the public's awareness of our industry's efforts. PSA-style radio announcements have been airing on numerous radio stations throughout the state, delivery trucks with the BEEF COUNTS logo on the sides can be seen up and down the highways and publicity events generating news media have been just a few of the ways we've captured consumer's attention of this innovative campaign and provided a consistent, high quality supply of beef to The Idaho Foodbank.

Promoting Beef's Nutritional Advantage

Checkoff-funded research continues to provide strong evidence that beef does not contribute to heart disease, cancer or other chronic diseases. It's critical we educate health gatekeepers about the nutritional benefits of beef in the diet and the unintended consequences of omitting or reducing beef, while reinforcing the accessibility and popularity of the 29 lean beef cuts.

IBC maintained a high level of visibility and distributed educational resources to over 660 health professionals at conferences held by the

Id. Academy of Family Physicians, Id. Medical Assoc., Id. Academy of Physician Assistants, Id. Dietetic Assoc. and the Id. Nurses Association.

Checkoff dollars enabled us to bring in third-party, nationally known speakers such as Felicia Busch, MPH, RD, FAD, a leading nutrition expert and former President of the American Dietetic Association, as the keynote speaker to the 2010 Id. Dietetic Association convention. Felicia's presentation "What the Future Holds for Food, Health, and Healthy Lifestyles" showcased beef protein's role in optimal health.

Reaching Key Audiences through Health Organizations

Partnering with reputable health organizations helps reach thousands of consumers and creates a positive correlation between beef and health. This past year these included the American Heart Association, American Cancer Society, Mercy Medical Center, St. Luke's Hospital, and various community health and wellness groups.

Sponsorships of events such as the American Heart Association's Go Red for Women, a signature Boise event focused on women's heart health, is one way we break down myths and misperceptions about beef and promote beef's nutritional value. The multi layer sponsorship included beef as the item served at lunch, an IBC led educational breakout session, visibility in pre-event marketing and a checkoff-funded keynote speaker. Dayle Hayes, a registered dietitian and member of the highly esteemed National Council for Women's Nutrition Solutions, was the keynote speaker and brought a message of common sense, moderation and variety for good health to the 300+ audience at the event.

Youth Programs

Educating the next generation of beef consumers is very important as today's youth represent our future beef shoppers. Close to 19,200 students were reached with a beef message through age-appropriate educational materials and teacher resource programs funded by the checkoff.

IBC staff presented at state teacher conventions and Ag in the Classroom workshops to ensure beef's role in a healthy diet continues to be a focus in the classroom as well as share with educators the importance of Idaho's cattle industry and ways they can incorporate beef into their classroom lessons.

Throughout the year IBC distributed more than 27,000 pieces of beef nutrition, cooking information and curriculum materials to teachers and youth leaders across the state.

Research for Our Future

Research is an integral part of our continued success in the beef industry. The following research projects were funded in 2009-2010 and will continue through completion with the University of Idaho:

- Improving tenderness of beef Bottom Round steaks (Matthew Doumit Ph.D)
- Evaluating muscle glycogen storage capacity, meat color, and color stability in cattle genetically selected for efficiency EPD's (Gordon Murdoch, Ph.D.)
- Idaho BQA vaccine management and practices (Scott Jensen)



Idaho Beef Council Statement of Activities	
July 1, 2009 - June 30, 2010	
REVENUE:	
Checkoff Assessments	\$8,236,091
Less Remittances to Beef Board	(780,310)
Net Assessments	1,469,361
Interest Income	3
Other Income	2
Net In-State Revenue	1,469,366
EXPENSES:	
National Programs	340,861
International Programs	117,882
Promotion/Marketing Programs	328,381
Consumer Information Programs	75,466
Research Programs	89,294
Industry Information	44,075
Producer Communications	44,847
Collection Fee Paid to State Brand Dev.	118,960
Administration	143,285
Depreciation	8,710
Total Expenses	1,278,391
Loss on Disposal of Asset	0
Increase in Net Assets	190,998
NET ASSETS:	
Beginning of Year	104,389
End of Year	398,354