

NORTH DAKOTA BEEF COMMISSION Annual Report 2020



Funded by Beef Farmers and Ranchers

Enhance Beef Demand By Strengthening Consumer Trust and Exceeding Consumer Expectations

Fellow Beef Producers,

What a year to discuss. This year, while a struggle, has seen the ND Beef Commission (NDBC) holding true to its mission of “Enhancing beef demand by strengthening consumer trust and exceeding consumer expectations.” We work hard every day to operate by this mission. This past year was unlike any other, and the NDBC adapted ways to operate.

Over the past year, consumer spending habits and choices were turned upside down. The closure or reduced capacity of retail dining led many consumers to in-home cooking and consumption of beef. This paradigm shift in consumer habits opened new doors to promotion and education. The Beef Checkoff was instrumental in empowering consumers to be not just a cook, but a home chef. Websites like ndbeef.org and beefitswhatsfordinner.com are influential in linking grocery store cuts with simple and quick recipes to let consumers understand the type of preparation and ingredients needed to prepare a mouthwatering beef-based meal. Consumers truly trust beef, and it showed through an increase in per capita beef consumption even with COVID-19 this year. Confidence in beef is at an all-time high.

While the pandemic didn't disrupt the daily operations on the ranch, the beef industry forged ahead full steam. The United We Steak promotional campaign was extremely effective. Consumers had the unique ability to meet those dedicated and essential people providing the premier protein for their plate. This also increased trust in their choice of beef.

Continuing to reach and connect with consumers has been a priority for the NDBC this year. An effective way to keep beef on the minds of consumers is through targeted social media promotion and digital advertising. The Beef Checkoff invested dollars aimed at consumers in highly-populated metro areas. We reached millions of consumers and delivered an “Eat Beef” message not only in North Dakota, but throughout the whole country. We teamed up with other state beef councils to effectively target a much larger population of consumers with a larger disconnect to the beef industry.

In addition, beef exports continue to increase as demand for high-quality beef is reversed by the world's rapidly-growing, more affluent middle class. The NDBC is committed to promoting U.S. beef around the world. We continue to support the efforts of the U.S. Meat Export Federation and expect more growth in this vital area in 2021.

Educating the next generation is also a top priority of the NDBC. A new program being worked on called **Build Your Base** holds promise in helping student athletes fuel up and improve performance through good nutrition centered around beef. **Build Your Base** will be a game changer in educating the youth about the importance of beef in their diet. The future looks bright!

Weston Drorak

NDBC Chair



Human Nutrition Research Making an Impact

Human nutrition research is a priority for the NDBC, which has funded several critical nutrition studies adding valuable information about beef's role in healthy diets to scientific literature. The federal government's *2020-2025 Dietary Guidelines for Americans (DGAs)* are a cornerstone for federal food, nutrition and health policies and serve as the basis for nutrition and health experts' recommendations. Keeping beef in the *DGAs* is critical to every beef producer and a priority for the NDBC.

Meat's relationship to human health was part of the process as the *2020-2025 DGAs* were developed, as the role of protein in the diet was an area of concern. The long-term investment into beef research, funded by North Dakota beef producer checkoff dollars, came into play. Published research



Dr. Stastny

by ND State University protein researcher Dr. Sherry Stastny and her team led *DGA* committee members to better understand that increasing the ratio of animal-based protein (beef) relative to plant-based protein in the diet may help to mitigate age-related losses of muscle mass and strength, as well as the essential role protein plays in preserving function in older Americans.

The NDBC has also supported research by Dr. Tom Brenna, professor at Dell Medical School in Austin, TX, who served on the 2015 Dietary Guidelines Advisory Committee. Dr. Brenna researched understanding beef as a unique source of healthy branched fats, which are a saturated fat that are part of the healthy newborn gastrointestinal tract. While this research is too novel to be used in the *DGAs*, it is a building block to better understanding saturated fats. Dr. Brenna and other nutrient scientists have advocated for the dietary guidelines to lift limits on saturated fat.

Five additional human nutrition research studies are currently underway, supported by NDBC checkoff funds, covering topics including muscle and heart health, inflammation, Type 2 diabetes remission, and beef's role in gut health.

USMEF Partnership Brings North Dakota Beef to the World

The NDBC's partnership with the U.S. Meat Export Federation (USMEF) helps bring high-quality beef to the other 96 percent of the world's population. With market development activities in more than 80 countries, the USMEF creates demand for beef through marketing, trade servicing and market access programs. The USMEF is funded through state and national beef checkoff dollars, pork, lamb, and grain checkoff support, associated industries, and federal funds.



Japan remains the leading volume and value market for U.S. beef and is a critical destination for both muscle cuts and variety meats, especially U.S. beef tongues. This is one of the reasons the NDBC has partnered with USMEF the last four years, investing additional funds in the Japanese market. More than \$1 billion dollars' worth of additional beef product exports adds value to the carcass and helps bring more dollars to U.S. cattle producers. The export market annually adds around \$8 billion dollars to the U.S. beef business and accounts for more than \$300 per head of fed cattle.

United We Steak

Getting beef on the grill over the summer was the goal of a new multi-pronged state/national partnership beginning in late May through Labor Day. The United We Steak campaign encouraged Americans to unite around a shared love of beef on the grill. The campaign's centerpiece was 50 hand-carved state-shaped steaks, featured in a variety of *Beef. It's What's For Dinner.* content.

The campaign drove users to *BeefItsWhatsForDinner.com* or *UnitedWeSteak.com*, where each state had a state profile page, complete with state-themed beef recipes, a "meet your state beef producer" section and other fun and informative facts. The campaign was further promoted through radio ads, online influencers and earned media stories.



Beef has long been the number one grilling protein of choice among consumers. Today, 96 percent of consumers eat beef, and more than 70 percent of consumers consume beef at least once a week or more.



Digital Advertising Reaches ND Consumers

In July 2020, the NDBC began the second year of its digital (online) advertising campaign targeting state consumers through YouTube and Google Search. The target audience of older millennial parents aligns with the national *Beef. It's What's for Dinner.* target audience. The campaign focused on increasing the perception of beef through recipe inspiration, confidence in cooking beef and increasing consumer trust in those who raise beef by driving consumers to *ndbeef.org* and *BeefItsWhatsForDinner.com*.

Since the start of digital advertising, the campaign has generated more than 2.1 million video views and clicks through Google Search and YouTube. The 2019 and 2020 campaigns reached consumers in every county in North Dakota with nearly 4.5 million impressions.

NDBC Supports National Digital Advertising

Unlike North Dakota, in many states, people outnumber cattle several times over. Consequently, those state beef councils don't have the budgets to effectively reach all their consumers. To enhance digital marketing in several U.S. population centers during the 2020 summer grilling season, "beef surplus" states like North Dakota joined forces with beef councils in these high population states marketing beef through Google Search and YouTube. This resulted in 36,984,364 engagements with consumers who clicked on a beef ad or viewed a beef video. And all of this at the cost of about a penny per engagement.



Meet Your Commissioners, National Representatives and Staff



Weston Dvorak
Chair
Cattle Feeder, Manning



Gloria Payne
Vice Chair
Beef Producer At-Large
Elgin



Travis Maddock
Secretary/Treasurer
Beef Producer, Davenport



Sharon Kickert-Gerbig
Beef Producer At-Large
Amidon



Fred Helbling
Beef Producer
Mandan



Lilah Krebs
Dairy Producer
Gladstone

Consumer Outreach

The NDBC works throughout the year to promote the state's beef industry to consumers and industry partners through online efforts, feature videos and events.

Producer Features

Two producer features were completed for the *ndbeef.org* website to highlight cattle men and women. Each producer discussed their role in the beef chain and how they care for the animals and the environment, as well as shared their favorite beef cut or recipe. Producer features will be completed on all NDBC board members in the future.

Beef Industry Videos

The NDBC produced two videos highlighting the beef industry in North Dakota. The first video provides an overview of feedlots, featuring Alan Heim of Heim Cattle Company, and can be viewed at *ndbeef.org*. The second video, titled "What We Love," is a three-minute feature of the Heim Family exploring why the family works in the beef industry and the future of agriculture and farming. These videos connect the producer to the consumer by providing education on beef production and the care producers take to raise healthy cattle and provide high-quality protein – beef!



Health Care Heroes Event Recognizes Frontline Workers

Health Care Heroes Appreciation Day was held Sept. 11, in partnership with the ND Stockmen's Association, to thank health care workers on the frontlines of the COVID-19 pandemic. North Dakota beef producers showed their gratitude in the best way they know how – serving beef, a safe, wholesome, nutritious product they are proud to produce. With over 750 pounds of beef prepared, the NDBC and ND Stockmen's Association served approximately 1,100 beef meals to these deserving health care workers in what might have been the state's largest "drive-up" food event held during the pandemic.



Living Ag Classroom

The NDBC reached more than 4,000 fourth grade students at three Living Ag Classroom events held in Fargo, Bismarck and Minot. The Living Ag Classroom is designed to teach students about the diversity of North Dakota's agriculture industry, and

the key role it plays in bringing food from the farm to the dinner table. To date, this message has been shared with more than 109,000 fourth graders across the state.

NORTH DAKOTA BEEF COMMISSION

Combined statement of revenues, expenditures and changes in fund balances
JULY 1, 2019 – JUNE 30, 2020

Revenue:

| | |
|---|-------------|
| Checkoff Assessments | \$2,275,536 |
| Less Remittance to States of Origin..... | \$17,443 |
| Less Remittance to Cattlemen's Beef Board | (\$563,238) |
| Less Refunds..... | (\$136,075) |
| Net Assessment Revenues | \$1,558,780 |

| | |
|--|-------------|
| Other revenue- interest & receipts..... | \$19,154 |
| Other revenue- Beef Gift Certificate sales | \$0 |
| Total Revenues | \$1,577,934 |

Expenditures:

| | |
|--|-------------|
| International promotion..... | \$245,930 |
| Promotion | \$283,376 |
| Domestic/International Special Projects..... | \$0 |
| Industry Information | \$84,572 |
| Research..... | \$423,287 |
| Consumer Information | \$165,641 |
| National program development | \$281,663 |
| Beef gift certificates | \$0 |
| Administration/Operations..... | \$400,335 |
| Total Expenditures..... | \$1,884,804 |

| | |
|--------------------------------------|-------------|
| Revenues over (under) expenses | (\$306,870) |
| Fund Balance, July 1, 2019 | \$1,793,872 |
| Fund Balance, June 30, 2020 | \$1,487,002 |



Matt Lachenmeier
Livestock Markets
Mandan



Mark Voll
Beef Producer At-Large
Sidney, Mont.



Jason Zahn
Beef Producer
Towner



Clark Price
Ex officio
Cattle Feeder, Hensler



Jerry Effertz
Ex officio
Beef Producer, Velda

FEDERATION OF STATE BEEF COUNCILS NATIONAL DIRECTORS
Weston Dvorak, Travis Maddock
(Executive Committee),
Gloria Payne, Fred Helbling,
Mark Voll

FEDERATION OF STATE BEEF COUNCILS NOMINATING COMMITTEE
Jerry Effertz

BEEF PROMOTION OPERATING COMMITTEE
Clark Price

Nutrition Influencer Partnerships Critical

Long-term partnerships with nutrition influencers have been critical to getting a positive beef nutrition message to the public in North Dakota. Whether it is dietitians, nutrition educators, doctors, school food service directors, extension food specialists, public health professionals, or others, these partnerships are based on trust and beef nutrition facts grounded in strong science.



Barbe

ND Academy of Nutrition & Dietetics and **ND Nutrition Council** members enjoyed learning how to polish up their culinary techniques at their state conferences. The NDBC sponsored speaker, Judy Barbe, RD, a nutrition book author and newspaper columnist, went to work teaching them how to maximize flavor and increase the “deliciousness” of foods, including beef.

Fargo Moorhead Academy of Nutrition & Dietetics members received an in-depth lesson on “Everything Beef” when NDBC Executive Director Nancy Jo Bateman guided them through cooking their own low-fat/low-salt beef breakfast burrito, beef grades, types and brands of beef, selecting cuts of beef, and calibrating a meat thermometer.



Bateman

Youth Education

Programs in and out of school provide valuable opportunities to teach students about beef. The challenges the COVID-19 pandemic presented to teachers, parents, youth organizations, colleges, and others meant beef education programs had to become much more flexible. As a result, printed materials for classes went online, video became an important teaching tool, Zoom presentations became standard, and even learning to grill went “virtual” with the 4-H “Chef-For-A-Day Grill Off.” Congratulations to our partners including NDSU Extension, 4-H, FFA chapters, family and consumer science and ag education teachers for being so creative and still teaching about beef.



Addie Skoglund,
Chef-For-A-Day winner



Power in Partnership – Federation of State Beef Councils

The NDBC has been part of the Federation of State Beef Councils since its start in 1973. By pooling resources, expertise and targeted promotion, research and consumer efforts, the Federation has helped make a unified national beef message possible across the country. Producers representing state beef councils, like the NDBC, are at the reins and set the course for promotion, research and education programs.

North Dakota is fortunate to provide leadership to the Federation. The NDBC has five national directors on the Federation board. Currently, Travis Maddock has also been selected as the Region 7 (ND, SD, NE, KS) Federation of State Beef Councils vice president and a member of the National Cattleman’s Beef Association Executive Committee. Clark Price, NDBC past chair and ex-officio member, also was elected for his third term as one of the ten state beef council members on the national Beef Promotion Operating Committee. These ten members, along with ten members of the Cattlemen’s Beef Board, determine the national programs that receive national checkoff funding each year. Jerry Effertz, NDBC past chair, Federation chair and Beef Promotion Operating Committee member, also is representing Region 7 as a member of the Federation nominating committee.



Maddock



Price



Effertz



Nancy Jo Bateman
Executive Director



Joan Hoovestol
Collection and
Compliance Director



Robin Berger
Office Manager



Nicole Wardner
Consumer Marketing &
Industry Relations Specialist

North Dakota Beef Commission

4023 State Street • Bismarck, ND 58503
Phone: (701) 328-5120 • www.NDBeef.org



Funded by Beef Farmers and Ranchers

Dear Fellow Producers,

When state beef councils in 1963 pushed for a national beef promotion effort through what was then the Beef Industry Council, they created the Federation of State Beef Councils. Since then, the Federation and states have enjoyed a synergistic state/national partnership that combines the strengths of national expertise, unity and coordination with state agility, on-the-ground energy and grassroots producer support.

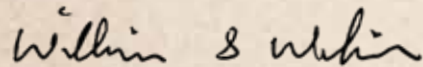
It follows a common theme. When a mandatory national beef checkoff started being discussed in the 1970s and 80s, survey after survey delivered the same producer request: We want a national program that works, but we want state beef councils to retain their independence. After all, some councils had been in operation since the 1950s. I believe our system achieves that aim and continues to build on a strong foundation laid by those forward-thinking volunteers and staff who served before us.

Today, more than 700 producers sit on state beef councils around the country and make decisions for work by their states. States send more than 100 representatives to serve as Federation directors at the national level. This unified effort is one of the reasons yearly producer attitude surveys show continued strong support for the Beef Checkoff. Some of the national and international programs those producers help direct are described in this report.

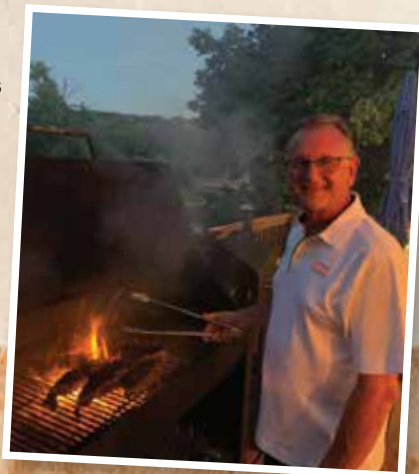
The United We Steak grilling promotion campaign is another example of state and national cooperation. The campaign allowed states to benefit from national expertise and organization while showcasing an effort that was decidedly state-friendly. This cooperative effort, funded through the Beef Promotion Operating Committee, further demonstrates the value of a strong partnership between state beef councils and the national Beef Checkoff.

Our approach shows that together, there's little we can't accomplish to increase demand for beef.

Yours truly,



Buck Wehrbein
Mead, Nebraska
Chairman, Federation
of State Beef Councils



United We Steak

Summer wouldn't be summer without steaks on the grill. The Beef. It's What's For Dinner. brand took advantage of that in 2020 with an aggressive United We Steak grilling campaign.

Funded by the Beef Checkoff and managed by NCBA, a Beef Checkoff contractor, the effort encouraged families to unite in their love of beef. The centerpiece of the campaign was 50 hand-carved state-shaped steaks featured in a variety of *Beef. It's What's For Dinner.* content. Still photographs and a new series of videos were served to consumers on social media platforms as well as through Connected TV and YouTube advertising.

Consumers were reminded that the grilling season was brought to them by beef farmers and ranchers, who work day-and-night to ensure that Americans have access to great beef. A video was released on social media to showcase that beef farmers and ranchers are helping keep beef on grills.

The campaign drove users to [BeefItsWhatsForDinner.com](https://www.beefitswhatsfordinner.com) or [UnitedWeSteak.com](https://www.unitedwesteak.com), where they found an interactive map with all 50 state-shaped steaks forming the nation. Each state's profile page had state-themed beef recipes, a "meet your state beef producer" section and fun and informative state facts.

No Substitute for Beef

While plant-based meat substitutes remain a media darling in some circles, in 2020 the Beef Checkoff made sure beef maintains its position as the consumer protein of choice.

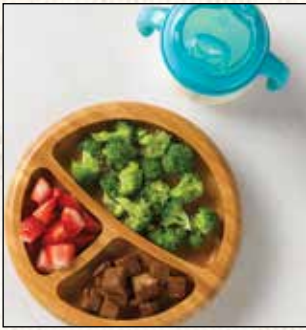
Last year the *Beef. It's What's For Dinner.* brand conducted an online search campaign that served up a *Beef. It's What's For Dinner.* ad to consumers who Googled new plant-based burger options and linked them to [Beef. It's What's For Dinner.com](https://www.beefitswhatsfordinner.com) to give them mouthwatering real beef recipes.

It also conducted a webinar for supply chain professions from the retail, foodservice, manufacturing, distributing and packing industries featuring updates on the regulatory and labeling landscape for meat substitutes, insights on consumer research and facts about beef's nutrition and environmental sustainability.

A fact sheet and infographic were distributed to key audiences showing how ground beef and meat substitutes stack up when it comes to nutrition profile and ingredients. The *Beef. It's What's For Dinner.* brand continues to be active in protecting beef's number one protein position in both traditional and social media.



Funded by Beef Farmers and Ranchers



Dietary Guidelines

The Beef Checkoff-funded human nutrition team has been engaged throughout the Dietary Guidelines process. In 2019 and 2020 NCBA, as a Beef Checkoff contractor, submitted 21 sets of public comments and more than 100 research studies in support of beef's role in a healthy diet to the Dietary Guidelines Advisory Committee.

DGAs are important because they provide Americans with a roadmap for healthy eating and are the foundation for federal nutrition programs along with school, military, hospital and nursing home menus. They are also the basis for many expert nutrition recommendations.

The 2020 DGAC report included meat in a healthy dietary pattern, highlighting beef's nutrients in the first years of life, but they continued to exclude other high-quality evidence demonstrating beef's role in a healthy diet. The Beef Checkoff's role in providing relevant and science-based research to the process continues to be important.

BQA Continues Success

The Beef Quality Assurance program continues to grow, with more than 100,000 cattle producers now certified through its online learning system. Since the program was initiated in the



early 1990s hundreds of thousands have become BQA-certified through in-person and online training, with an estimated 85 percent of the U.S. fed beef supply now touched by BQA-certified operations.

The BQA program is also now recognized as an industry-leading animal welfare program. The USDA has reviewed and certified that the BQA program complies with the International Organization for Standardization (ISO) Animal Welfare Management/General Requirements and Guidance for Organizations in the Food Supply Chain. This recognition will mean the BQA program is listed on USDA's Quality Assessment Division website as being compliant with the ISO specification.

A World View

There is sustained demand for U.S. beef in other countries, thanks in part to efforts of the U.S. Meat Export Federation, a Beef Checkoff subcontractor. From January through May of 2020, most Asian economies experienced significant economic slowdowns. But in countries like South Korea, consumers are still buying red meat, with a 10 percent sales growth at discount retail stores in that country during that period. U.S. beef sales in South Korea recorded an 18 percent sales increase, on average.

Responding in a Crisis

These COVID-19 times have caused significant hardships for beef farmers and ranchers. These include challenges to the industry's Beef Checkoff-funded promotion, research and

education programs. To address the quickly emerging issues and help maintain energy and continuity, checkoff programs used consumer and market research to adjust to meet changing consumer, influencer, supply chain and media needs.



The efforts have been well-directed. As the supply chain started to recover, a checkoff-funded research tracker, managed by NCBA as a Beef Checkoff contractor, showed consumers remained largely positive toward beef. When asked if the current U.S. and global environment has changed their overall perception of beef, nearly 90 percent of consumers said their attitudes have not changed or have gotten even more positive. In fact, the percentage who said they are more positive steadily increased from a low of 12 percent in early April to 26 percent in early May.

NCBA continued to monitor the issue and adjust programming to meet the needs of consumers, stakeholders and state beef council partners throughout the COVID-19 pandemic.

Cattlemen's Beef Board Directors



Mary Graner,
Huff



Ray Erbele
Streeter

Cattlemen's Beef Board Fiscal Year 2020 Expenditures

| | |
|------------------------------|---------------------|
| Promotion | \$10,206,858 |
| Research | \$8,349,734 |
| Consumer Information..... | \$7,260,148 |
| Industry Information..... | \$3,392,835 |
| Foreign Marketing | \$6,933,262 |
| Producer Communications..... | \$1,553,796 |
| Program Evaluation | \$202,046 |
| Program Development..... | \$388,847 |
| USDA Oversight *..... | \$761,214 |
| Administration..... | \$1,505,256 |
| TOTAL EXPENSES | \$40,553,996 |

* Included in the USDA Oversight amount is approximately \$600,000 paid by the Cattlemen's Beef Board to USDA for oversight fees during the year. The remaining \$161,000 is related to cost incurred by Cattlemen's Beef Board for litigation, meetings with USDA, freedom of information act requests, settlement requests, and authorization requests.

Audited Numbers



4023 State Street
Bismarck, ND 58503
701-328-5120 • www.ndbeef.org

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