

TWIN CITIES LIVE



Twin Cities Live is an afternoon program that airs on KSTP. Minnesota Beef Council (MBC) featured beef at least one segment a month, along with the 12 Days of Grilling campaign that generated over 948,000 household viewer television impressions and 260,000 digital advertising impressions. Our featured recipes were consistently the top viewed stories on their website.

THE MOM SHOW

MBC was a featured host of the MOM Show on MyTalk 107.1 in the Twin Cities. This station specializes in talk radio for women and beef was featured on one-hour long segments for 6 months on this program.

HEALTH AND NUTRITION

MBC provided nationally recognized speakers to present the health benefits of beef in two locations: Medtronic Twin Cities Marathon Health & Fitness Expo and the Minnesota Academy of Nutrition and Dietetics Annual Conference. The speakers spoke about the tremendous value of high quality animal protein for peak performance in athletes. Over 300 people were reached with these messages.



FOOD EVENTS

Through various food events, such as Minnesota Monthly Food & Wine Experience, Iron Fork Competition, Grillfest, Twin Cities Burger Battle and others, MBC engaged with over 14,000 attendees, providing education about beef selection and preparation.

BEEF AND BREW

Beef and Brew was held at Bent Brewstillery in February, with over 40 attendees. Attendees visited stations to learn how beef is raised, processed, and prepared. To understand more about beef cuts, Dr. Ryan Cox from the University of Minnesota Meat Lab conducted a meat fabrication demonstration. Culinary experts provided outstanding food samples that paired with craft beer from the brewery.

BEEF BACKER AWARDS



The Exchange Food and Drink was selected as the 2017 Minnesota Beef Backer Restaurant Award winner. The Exchange Food and Drink is located in New Brighton, MN, which was originally a lumber and livestock exchange with a rich history with beef. The restaurant is family-friendly, approachable, yet provides great culinary creativity, particularly with their beef offerings.

Greg's Meats of Hampton, MN was selected as the 2017 Minnesota Retail Beef Backer Award winner. For nearly 40 years, Greg's Meats has prided themselves on quality cuts of beef for every customer. They age specific cuts much longer than industry average to gain the best flavor. Their smoked meats are nationally award winning and each holiday season they sell close to 10,000 pounds of prime rib.



2017 MINNESOTA Beef Council Annual Report

MISSION "We are dedicated to strengthening beef demand by responsibly providing a safe, wholesome, healthy and delicious eating experience."

LOCAL SUPPORT

MBC contributed nearly \$7,000 through the Local Producer Promotion Program to local organizations promoting beef to consumers.

BEEF. IT'S WHAT'S FOR DINNER

The Beef Checkoff Program works to build demand for beef by reaching consumers on a digital platform. The BIWFD webpage had over 5.7 million visitors last year. The beef checkoff videos generated over 40 million views.

STATE FAIR



Each year, the Minnesota State Fair attracts nearly 2 million consumers. The MBC booth is located in the heart of traffic and this past year featured the theme “Beef: Nourishment to Thrive”. Visitors stopped by to participate in our beef toss

educational game, win fabulous prizes, get their hands on great recipes and ask questions about how cattle are raised.

ISSUES MANAGEMENT

The Beef Checkoff Program monitors and tracks media stories related to our industry. When needed, responses to misinformation are disseminated in an effort to deliver factual information related to how our cattle are raised and processed, along with the nutritional components of our product.

BEEF QUALITY ASSURANCE TRAINING

In the past year, 317 beef farmers and ranchers were certified in the Beef Quality Assurance Program. Several hundred additional producers have been trained, meaning they attended a seminar but had not completed the test and applied for certification.

MINNESOTA BEEF COUNCIL FISCAL YEAR 2017 EXPENDITURES BY CATEGORY JULY 1, 2016 – JUNE 30, 2017

Consumer Education	\$179,280
Industry Information	\$134,042
Producer Communication	\$58,703
Promotion	\$192,795
Research.....	\$48,351
Administration (Non-Staff Overhead).....	\$51,999
Administrative Staff Costs	\$61,788
TOTAL.....	\$726,958

BOVINE EMERGENCY RESPONSE PROGRAM



MBC, with sponsorship from AgStar Financial Services, hosted three Bovine Emergency Response Program (BERP) trainings last October. The BERP

training provides a platform and framework for emergency responders, law enforcement and livestock owners to address accidents involving transported cattle. The training in Minnesota had more than 60 attendees.

RESEARCH

Funds are allocated to various research projects related to beef product enhancement, nutrition of beef, beef safety and beef sustainability.

FUNDING PRIORITIES

Every year, the MBC board and staff work to reduce administrative expenditures. We have reduced administrative expenditures by over 50% in a 5-year period. This reduction in administrative expenses was made to provide increased funding toward our primary program categories: research, education and promotion.

MBC STAFF



Karin Schaefer, Executive Director
Katie Davis, Business Manager
Royalee Rhoads, Director of Industry Relations
Becky Church, Communications Director
Ashley Kohls, Beef Quality Assurance Coordinator
Renee Korczak, Consulting Dietitian

MBC BOARD OF DIRECTORS



The board is comprised of 16 beef producers who are elected volunteers, representing geographic districts in the state of Minnesota. Meet the board at www.mnbeef.org.

DEAR FELLOW PRODUCERS,



Beef and great, unforgettable meal experiences seem to go together. A succulent steak on your birthday, juicy summer hamburger

straight from the grill or wonderful Sunday pot roast with the family not only create immediate and delicious taste sensations, but plant wonderful memories in the brain.

Assuring that the beef in these situations is the best it can be is important. But what beef attributes are most important to consumers when they sit down to enjoy a beef meal? And how do we measure how well we're doing in producing high quality beef for them? How can we make these beef-eating experiences even more memorable?

Those are just a few of the questions we ask ourselves through the Beef Checkoff Program to assure that we're not just meeting consumer expectations for wonderful beef experiences, but exceeding them. This report shows how the checkoff helps provide measurements for beef quality that are quantifiable, guidelines that are reasonable and consumer insights about quality that are helpful and valuable. You will also learn about some of the tools we're using to communicate quality and value to consumers.

The pursuit of quality is never-ending, but at the same time satisfying and rewarding. Beef is a great product that already fills a consumer want. Making it better is the icing on the cake.

Yours truly,

Jerry Effertz, Chairman
Federation of State Beef Councils



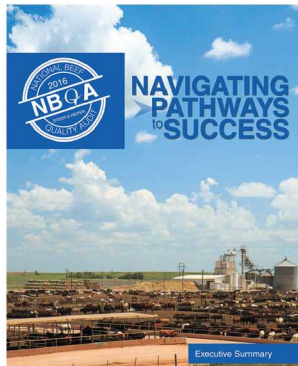
Funded by Beef Farmers & Ranchers

THE QUALITY EQUATION

When they sit down for a meal, more than anything else consumers want food that tastes great. Beef producers have a product that both tastes good and is good for them. What should the beef industry do with this fact?

Through its checkoff program, a wealth of knowledge about beef and beef eaters becomes the foundation for research, education and promotion programs that establish benchmarks for beef quality, while providing guidelines for delivering even more of those beef qualities that consumers want. Obviously, it starts at the beginning.

THE 2016 NATIONAL BEEF QUALITY AUDIT



What cattle producers do to raise beef has an impact on quality. Every five years since 1991 the beef industry, through its Beef Checkoff Program, has provided a set of guideposts and measurements for cattle producers and others to help determine quality conformance of the U.S. beef supply. Results from the National Beef Quality Audit have helped lead to improvements in cattle and beef production through the years, including reductions in carcass blemishes and fewer lost opportunities related to branding and other practices.

Reported in 2017, results from the 2016 NBQA, conducted for steers and heifers as well as cows and bulls, show that the industry continues to improve the quality of its product, and identifies where improvements can still be made. Among the findings was a significant increase in USDA Choice and Prime carcasses, and a high mobility score for cattle entering packing plants, which shows an improvement in animal handling. The number of blemishes, condemnations and other attributes that impact animal value remain small.

Improvements can still be made, however. The NBQA for steers and heifers identified lost opportunities in hitting optimum carcass yield and grade targets and reducing offal condemnation rates, particularly for livers, while among other issues the cow and bull report identified opportunities to make progress by implementing measures to eliminate carcass bruising on the farm, in transport and at the packing facility.

To help tell the positive beef story, the checkoff-funded Beef Quality Assurance Program, managed by NCBA as a contractor to the Beef Checkoff Program, helps beef producers understand the do's and don'ts of raising high quality beef.

Consumers can learn more about how beef is produced through many checkoff-funded programs that tell that story. The multiple efforts to connect with consumers about issues have been highly successful. For example, research conducted by IPSOS Public Affairs in 2016 showed that over 80 percent of consumers graded fresh beef an A or B for safety.

Safety isn't the only beef attribute on the radar. The checkoff-funded Consumer Beef Index (CBI) shows that more than 70 percent of consumers consider beef to be a good balance of taste and nutrition.

A TRAIL TO TENDERNESS

The checkoff-funded National Beef Tenderness Survey demonstrates tenderness has improved significantly since 1990. In fact, there has been a 34 percent improvement in beef tenderness over that time.

Improvements in beef tenderness have remained fairly steady over the past five years despite drought and other challenges that could have derailed its progress. The 2015/2016 survey found that beef is delivering a good eating

experience to consumers. It also suggested the industry is keeping its eye on the ball when it comes to protecting the improvements in tenderness it has made.

Most steaks surveyed were considered tender. While cuts from the round have a wonderful flavor profile they remain an industry tenderness challenge. Increased efforts to optimize aging practices and checkoff-funded consumer education on proper cooking for cuts from the round and other primals will help provide greater consumer satisfaction with tenderness.

AN EVOLVING CONSUMER

Knowing what the consumer wants, and how they go about purchasing it, is at the heart of beef checkoff consumer research and marketing efforts. The research is conducted by the checkoff's market research team using a variety of surveys and data-driven consumer behavior and attitude research tools.

For instance, CBI research shows that beef performs well on key quality attributes important to consumers. Almost 90 percent of consumers say beef is great tasting as well as a great source of protein. A checkoff-funded steak satisfaction tracker supports this, showing in a current survey that 90 percent of consumers say they were very satisfied with their recent beef eating experiences.

Consumers who say they are planning to consume more beef give their reasons as:
 They prefer the taste (85 percent);
 They want to add protein to their diet (77 percent);
 They believe there is better availability of cuts (76 percent);
 and They say beef is more of a family favorite (73 percent).

REACHING BEEF'S FINAL STOPS

The beef checkoff's Masters of Beef Advocacy (MBA) program had acquired 10,000 graduates by 2017, providing consumers with a link to producers who put quality beef on their tables. Started in 2009, this group of beef and dairy producers – along with chefs, teachers, doctors, dietitians and others in the beef community – are equipped to engage with consumers and encouraged to participate in advocacy efforts.

MBA graduates have put their skills to use in many ways, from providing a rancher's perspective for a magazine article to promoting an MBA campaign. The Top of the Class, a next-level advocate training program, regularly taps its members for media interviews, speaking engagements and other national opportunities.

Building on the program's initial success, a new set of MBA lessons were released in 2015, and an interactive app for iPhone and Android introduced in 2016, giving MBA graduates access to beef information at their fingertips.

Consumer beef marketing efforts use digital media that include social and entertainment platforms such as Facebook, YouTube, Instagram, Hulu and others. The Beef. It's What's For Dinner Facebook (www.facebook.com/BeefItsWhatsForDinner/) page has more than 1 million

followers, and the BeefItsWhatsForDinner.com website has circulated more than 1.4 million recipes.

The beef checkoff will have had more than 40 million video views in 2017. This past year Facebook Live, for instance, hosted a "Be Your Own Butcher" from the checkoff's Culinary Center that provided hands-on cutting demonstration by a meat cutting expert, reaching nearly 140,000 consumers.

OUTSIDE OUR BORDERS



Whether working to expand high-end chilled beef exports to Asia, or helping find new destinations for beef livers, the Beef Checkoff Program's international marketing efforts are boosting global demand for U.S. beef. In the first six months of 2017, U.S. exports totaled 606,876 metric tons (mt) – an increase of 12 percent over the first half of 2016. Export value increased 15 percent to \$3.35 billion, which equates to about \$270 for every fed steer and heifer slaughtered – up 8 percent year-over-year.

Beef exports to leading market Japan exceeded last year's pace by 23 percent in volume (150,812 mt) and 28 percent in value (\$905.8 million). Exports to South Korea were up 13 percent in volume (83,357 mt) and 21 percent in value (\$527.7 million). Chilled beef exports to Japan and Korea were up 40 percent and 83 percent, respectively, as the U.S. captured more than 50 percent of both countries' chilled beef market.

The beef checkoff will also play a major role in reintroducing U.S. beef to meat buyers in China, which in June reopened to U.S. beef for the first time since 2003.

CATTLEMEN'S BEEF BOARD FISCAL YEAR 2017 EXPENDITURES

Promotion	\$7,871,078
Research	\$9,102,863
Consumer Information	\$7,913,258
Industry Information	\$4,180,808
Foreign Marketing	\$8,140,797
Producer Communications	\$1,498,613
Evaluation	\$202,832
Program Development	\$292,090
USDA Oversight	\$465,853
Administration	\$1,796,725
TOTAL EXPENSES	\$41,464,917

Unaudited Numbers

*This total also includes CBB's costs associated with Freedom of Information Act requests and legal fees associated with lawsuits.