

PROMOTION PROGRAMS

Media and Advertising Programs Social Media

Coordinating the radio advertising campaign for maximum effect, radio ads direct consumers to friend the NMBC Facebook page, with offers of daily recipes, to become eligible for prizes, to visit the website NMBeef.com, and connect on Pinterest. The NMBC redesigned the website to make it more user and rancher friendly. A section that features a daily recipe was added and recipes are cataloged by interest or type of course: appetizer, entrée, sandwich, etc. A special tab was created called "Abuelita's Corner" which features favorite "New Mexico" beef recipes. This has proven to be the most visited page on the new website.



State Fair Beef Booth

The NMBC's beef booth in the Ag Building provided fairgoers with information on nutrition, beef preparation, new beef recipes and beef cuts.

Get Grilling Contest

Dina Reitzel, NMBC Executive Director, shared the judging stand with celebrity chef Graham Elliott at the inaugural Shamrock Foods "Get Grilling with Beef" contest. Three restaurants were selected to be part of the competition, held in conjunction with Shamrock Foods Expo.

AgFest

"Our Commitment to Care" was the theme of the NMBC booth at AgFest 2014. AgFest is an effective way to educate key leaders and business people about the importance of the beef industry to the state's economy. Beef Brisket Sliders topped the evening event.

Food Truck BEEF Throwdown



The NMBC's Food Truck BEEF Throwdown at Marble Brewery in Albuquerque was designed to showcase beef to the growing consumer market of Millennials. The event invited hundreds of the younger generation to sample beef dishes from six of

Albuquerque's most popular food trucks. NM CowBelles, the NMDA, and Dairy Producers of New Mexico were on hand to offer warm hospitality, beef samples and tastes of New Mexico produced foods to the nonstop crowds.

PRODUCER COMMUNICATIONS PROGRAMS

Annual Report Updates Producers on Checkoff Programs

Available to all NM producers, the NMBC's annual report informs the industry how checkoff dollars are invested to promote beef. The annual report is published in industry publications such as the *New Mexico Stockman* and made available on NMBC's website. Printed copies are distributed at producer meetings and events and are available from the NMBC office.

Bullhorn: Timely Industry News

Published each month in the *New Mexico Stockman*, the NMBC *Bullhorn* keeps producers in the loop on the beef checkoff, including current developments on beef research and beef marketing programs at the state, national and international levels. The NMBC *Bullhorn* is also available on the NMBC's website.

NMBC DIRECTORS

Darrell Brown, Chairman, Producer, Artesia, NM (575) 457-2650

Bernarr Treat, Vice-Chairman, Producer, Roswell, NM (575) 626-5355

Alicia Sanchez, Secretary, Purebred Producer, Belen, NM (505) 463-1993

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Mark McCollum, Feeder, Fort Sumner, NM (575) 799-2549

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EX-OFFICIO MEMBERS

Jane Frost, Region VI Federation Vice President, Producer, San Jon, NM (575) 357-2461

Wesley Grau, N.M. Beef Board Representative, Producer, Grady, NM (575) 760-7304

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NEW MEXICO BEEF COUNCIL

Audited Financial Statements
July 1, 2013 through June 30, 2014

REVENUE		
Checkoff and Interest	\$ 1,050,148	100.00%
EXPENDITURES		
Cattlemen's Beef Board	524,903	49.98%
National Program Investments	44,491	4.24%
Promotion Programs (1)	105,247	10.02%
Consumer Information Programs (2)	110,862	10.56%
Producer Communications	73,863	7.03%
Industry Information	2,207	0.21%
Collections	75,773	7.22%
*Administration Costs	68,094	6.48%
Carry forward to next year	44,708	4.26%
Total Expenditures	\$ 1,050,148	100.00%

1-Advertising, Media, Retail, Foodservice;

2-Health Educators, Education Programs, Events

* Administration costs after allocation to program development and implementation, as prescribed by the Cattlemen's Beef Board.



DEAR FELLOW PRODUCERS,



(NMBC) has had to eliminate marketing programs that are of value to NM beef ranchers and farmers.

Given the tremendous budget challenges, the NMBC is working hard to increase demand for our products by delivering targeted and effective beef advertising, education, and promotion programs to beef's new target consumers, the Millennials. By 2020, their spending will hit \$1.4 trillion a year and they will make beef-buying decisions for the next 40-plus years. Digital and social media will lead the way in sharing beef's messages with this generation of consumers.

A recently completed comprehensive study by Cornell University has concluded that each dollar invested in the Beef Checkoff Program between 2006 and 2013 returned \$11.20 to the beef industry. Domestic beef demand would have been 11.3% less and foreign beef demand would have been 6.4% less without the beef checkoff. The bottom line is, the increase in beef demand due to checkoff funded marketing efforts resulted in higher prices for beef producers and importers.

This is GREAT news, and underscores that we have wisely used the investment you have entrusted to the council. Currently, producers are considering a plan to re-establish the collection of our NM Beef Council Assessment. Additional marketing dollars would ensure we do not shortchange beef demand building programs, and future returns for beef producers. Please call me or any of your Beef Council Directors if you have any suggestions or questions.

Sincerely,

Darrell Brown

Chairman, NMBC

CONSUMER INFORMATION PROGRAMS EDUCATION PROGRAMS



NMBC Celebrates Ag Day with the Aggies

The NMBC joined forces with the NM agriculture community to support agriculture and New Mexico State University (NMSU). NMBC served as both an exhibitor and a sponsor

of the event, which was organized by the New Mexico Department of Agriculture (NMDA) and NMSU-ACES.

The day marked the home opener football game for the Aggies. Dozens of booths were set up to inform the crowds about all facets of New Mexico agriculture.

Youth Ranch Management Camp

In partnership with the NMSU Cooperative Extension Service, the NMBC helped sponsor the third annual Youth Ranch Management Camp at the Valles Caldera National Preserve in June. Twenty-eight New Mexico youth, ages 15 through 19, were selected to participate in this unique week-long training in all aspects of ranch management. The camp was taught by some of the west's most knowledgeable teachers and agriculture specialists.

The week-long camp included instruction in beef marketing and production, hands-on beef carcass fabrication, and range, forest, and wildlife management. On the final day, teams presented ranch management plans to a panel of beef producer judges. The plans delineated stocking rates, marketing plans and resource management objectives for successfully managing the Valles Caldera National Preserve.

2014 AgriFuture Educational Institute

NMDA, the NMBC and a dozen other organizations involved in New Mexico agriculture coordinated and hosted the 2014 AgriFuture Educational Institute for beginning/future farmers and ranchers, as well as those aiming for other careers in agriculture. The two-day event was held in Albuquerque.

Kids, Kows & More Brings the Beef Story to Elementary Students

Kids, Kows & More is an education program that takes place throughout the school year in 16 counties across New Mexico. For the 2013-2014 school year, more than 10,000 students, about 500 teachers and many volunteers and parents were provided information about the beef industry and the important role cattle play in peoples' lives. Eleven trained presenters representing the NMBC provided information, resources and hands-on experiences to the children as to where their food and fiber come from, and the critical importance of the agriculture industry and the families involved.

2014 NM Dietetics Lunch Keeps Beef at the Top of Diet Planners' Minds

The NMBC sponsored Dr. Kevin Maki, Ph.D., as the keynote speaker at the NM Association of Nutrition and Dietetics Annual Meeting. Dr. Maki presented his study "Diet and Metabolic Syndrome: Practical Approaches to Lowering Risks of Heart Disease and Diabetes". Over seventy dietitians from throughout the state attended the conference. In addition, the NMBC sponsored a delicious and healthy beef lunch for the dietitians.



DEAR FELLOW BEEF PRODUCERS,

There's only one measurement that really matters when it comes to your Beef Checkoff Program: Do you get more out of it than the \$1-per-head you put in?

Recent independent research shows you do, with a return of \$11.20 for every \$1 invested in the national program. Although not part of the national study, the programs conducted at the state level can only add to the overall effectiveness of our efforts. Obviously, the efforts we're making as cattle producers are worth it.

Even more exciting, though, is how it was accomplished. Direction of state and national checkoff programs are in the hands of producers themselves, not just purchased "off the shelf." While the return on investment is significant, the success comes about because of producers and importers participation in checkoff-directing boards and committees.

When you combine the return on investment with the process, it's a very impressive result. With increasing sophistication of the process and even more producer input, I hope to see even better returns in the future. Let's keep up the good work.

Yours truly,

Cevin Jones
Chairman, Federation of State Beef Councils



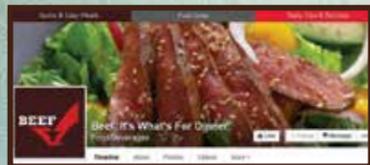
CATTLEMEN'S BEEF BOARD FISCAL YEAR 2013 EXPENDITURES

Administration	\$1,536,829	
USDA Oversight*	\$279,075	
Program Development	\$179,088	
Program Evaluation	\$179,590	
Producer Communications	\$1,529,824	
Foreign Marketing	\$6,036,724	
Industry Information	\$3,492,377	
Consumer Information	\$3,390,267	
Research	\$6,036,100	
Promotion	\$15,528,767	
Total expenses	\$38,188,641	

Audited numbers

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

NUMBERS DO THE TALKING



Nowhere do the numbers speak more clearly than in the new Beef. It's What's For Dinner digital campaign. Beginning in the spring of 2014, the campaign

differed significantly from mass media, reaching people who aren't immediately seeking beef information using an "under-the-radar" approach. It's a one-on-one communication through a consumer's computer, and aims to direct consumers to the BeefItsWhatsForDinner.com website, which contains recipes, tips, nutrition, safety and other information consumers want and need. Digital elements that drive consumers to the site include:

- **Banner Ads** on sites like AllRecipes.com and MensFitness.com, which inspire consumers to think about tonight's dinner with beef photos, recipes and information;
- **Search Advertising** on engines such as Bing and Google for people proactively searching for information on food;
- **A Beef. It's What's For Dinner Facebook page**, with almost 900,000 fans who receive recipe posts with photos on a regular basis;
- **Collaboration with other established recipe and nutrition-related websites**, such as Martha Stewart.com;
- **Videos** that run before online television shows; and
- **Other "cutting edge" elements in digital marketing** that allow the industry to target millennial consumers.

In just the first four months of the marketing campaign significant results were generated. More than 1.7 million consumers were reached through the campaign's website, and the "no-recipe recipe" videos were viewed more than 5 million times on YouTube and other video online channels.

Furthermore, associated social media sites hosted more than 1 million engagements, such as likes, comments, shares, re-tweets and click-thrus to checkoff resources, such as recipes. Because it's

available 24/7, the digital/social media tool is providing continual contact with consumers who are looking for meal solutions.

Unlike other kinds of outreach, almost all of that contact is positive in nature. Research shows that 97 percent of consumers have positive opinions about beef after visiting the Beef. It's What's For Dinner website.

RETAILERS GET IN THE ACT



A new "Go Tasty, Go Lean" toolkit for supermarket retailers was developed to help on-staff dietitians make their stores a health and wellness destination for consumers – and to help sell more beef in the process. Part of a multi-phase research project conducted through the Beef

Checkoff Program, the toolkit helped show that beef can provide a significant sales lift for retailers.

In fact, 84 to 94 percent of shoppers expressed purchase intent in the lean beef items they sampled during the test portion of the research, and significant increases in specific beef cut sales during the test were also generated.



The toolkit communicates beef's nutrient benefits at the same time as it generates these bottom-line benefits. The toolkit, developed in partnership with registered dietitians, demonstrates that promoting beef's positive attributes – nutrition, taste and ease of preparation – not only results in higher sales, but enables supermarket dietitians to be able to talk knowledgeably and confidently about beef.

NUTRITION RESEARCH HAS VALUE

More research now shows that a heart-healthy diet that includes lean beef can reduce risk factors for heart disease. A study funded by the beef checkoff and the national Institutes of Health-supported Penn State General Clinical Research Center and published in the June 19, 2014 issue of Journal of Human Hypertension found that a dietary pattern rich in fruits, vegetables and low-fat dairy that includes lean beef – even daily – can reduce risk factors for heart disease, including elevated cholesterol and blood pressure.

According to lead researcher Penny M. Kris-Etherton, "this research adds to the significant evidence, including work previously done in our lab, supporting lean beef's role in a heart-healthy diet." Researchers suggested the evidence supports the idea that it's the total protein intake – not the type of protein – that is instrumental in reducing blood pressure.

A NEW PRODUCT WITH OLD ROOTS



It looks, acts and smells like bacon – but it's beef. Schmacon™ is one of the latest checkoff-funded development projects that provides beef producers with extra alternatives for beef cuts. The smoked and cured glazed beef slices received the prestigious 2014 Food and Beverage Innovations (FABI)

Award by the National Restaurant Association at their restaurant, hotel and motel show.

Schmacon has less fat and sodium than bacon, and as a pre-cooked product ready for crisping in an oven cooks in a fraction of the time. In winning the FABI award, it was heralded as a product with "bold imagination" and "great potential to help operators capitalize on consumer trends and drive operator success." The product not only fits into healthy lifestyle trends, it also meets dietary needs of those religious or ethnic groups prohibited from eating pork products.

BEEF EXPORT VALUE ON RECORD PACE



Checkoff-funded efforts in the international arena are focused on some of the world's most promising markets for U.S. beef, and exports to those markets are growing rapidly. For instance, strong

performances in key Asian markets are putting U.S. beef export value on a record pace in calendar year 2014. Through July, exports totaled \$3.89 billion, up 13 percent from a year ago. Export volume was up 4 percent to 687,752 metric tons.

In 2013, Japan reclaimed its position as the No. 1 international destination for U.S. beef when an increase in the age limit for eligible cattle fueled a large increase in exports. U.S. exports to Japan have been mostly steady this year, while Japan's imports from other major suppliers such as Australia, New Zealand and Canada have declined.

Hong Kong, South Korea and Taiwan have also been strong growth markets for U.S. beef in 2014. In June, Hong Kong granted full access for U.S. beef for the first time since the December 2003 BSE case.

These results translate into remarkable returns for U.S. cattle producers. Export value per head of fed slaughter was nearly \$300 in June and July, and averaged \$273 for the first seven months of this calendar year. Per-head export value is up 13 percent from a year ago and has more than doubled in the past five years.

Whether promoting beef internationally or providing marketing support for the product in the United States, the Beef Checkoff Program has been committed to programs that build beef demand since 1986. The recent research showing a return of \$11.20 for every dollar invested is a strong validation of that work.