

20 Years of PRIDE & PROGRESS



The \$1-per-head beef checkoff celebrated 20 years of helping all cattlemen take pride in the product they produce.

BY WALT BARNHART

Cattlemen should take pride in the Beef Checkoff Program as it enters its third decade of existence. The program, which assesses cattle producers a dollar each time an animal is sold, turned 20 years old on Oct. 1, 2006. The Beef Checkoff builds beef demand through research, promotion and education.

“There shouldn’t be any question in any beef producer’s mind,” according to Bob Josserand, a past TCFA and NCBA president and Cattlemen’s Beef Board member from 1986 until 1992. “The checkoff has greatly improved the product, as well as the perception of the product with the consumer. It has been a magnificent effort by a lot of volunteer leaders and paid staff.”

Established as part of the 1985 Farm Bill, numerous factors have influenced the success of the beef checkoff over the past two decades, resulting in an increase in beef demand.

Evolving Efforts

Jay O’Brien, a past TCFA president who chaired the Beef Board in 2006 and served as a member for six years, says creat-

ing options for consumers is one way the checkoff has helped producers. “New product development has been a tremendous win” for the industry, he says. Increased value of the chuck and round is the result of the “beef value cuts” program, which identified underutilized muscles from the chuck and round that could produce new steak concepts. These muscles, such as the Petit Tender and Flat Iron Steak, were previously ground. Turning them into steaks has added about \$60 dollars to the value of every carcass, O’Brien says.

In addition, issues management has been a behind the scenes effort that has provided “tremendous return on investments,” according to O’Brien, a cattleman from Amarillo and a previous Texas Beef Council (TBC) chairman and member. Not only did the checkoff program help protect and expand consumer confidence in beef during the BSE scare, it helped get many groups such as the Centers for Disease Control and Prevention, the U.S. Department of Agriculture and the beef industry on the same page when it came to discussing the disease.

Leo Vermedahl is in his seventh year on the TBC board of



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IT'S WHAT'S FOR DINNER.®

directors and was its chairman in 2006. He also served as a member the Cattlemen's Beef Board for six years. He says promotion efforts have been crucial to the program, and the money spent on advertising has been money well spent.

A particularly effective consumer advertising effort has been the "Beef. It's What's For Dinner®" campaign, with television and radio commercials featuring actor Sam Elliot's distinctive voice and the captivating Rodeo music by Aaron Copland. The advertising is still popular after 14 years and, according to checkoff-funded research, is recognized by more than 80 percent of consumers.

However, "we all learned, that there's much more to this whole business than just advertising," Vermedahl says. Food safety, for instance, is another area in which the checkoff has played a key role.

"We could have had a major problem if it hadn't been for checkoff involvement," he says. Vermedahl, a past TCFA president, says funding research to find ways to control *E. coli* O157:H7 in packing plants has made a huge impact in giving the industry an upper hand on the problem.

Vermedahl also points to development of quick, convenient products such as microwaveable roasts as positive steps forward for the industry. He was on the Joint New Market Initiatives Committee in the late 1990s when some of those steps



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were taken.

There have been a multitude of new products developed as a result of what the checkoff helped start, says Vermedahl. "A lot of the increase in demand over the past 10 years has been the result of these new products," he says.

Checkoff-funded market research has also helped the industry, Vermedahl says. "With consumers, we used to take the approach 'here

it is, buy it', but the checkoff has helped us pay more attention to the consumers and opened our eyes. Not all consumers think like we producers do."

Nutrition a Key

Josserand, O'Brien and Vermedahl agree that, while advertising programs were crucial early in the checkoff, nutrition education has been an even more important element of the checkoff's 20-year history. The three producers expect nutrition education to continue to be important in the future.

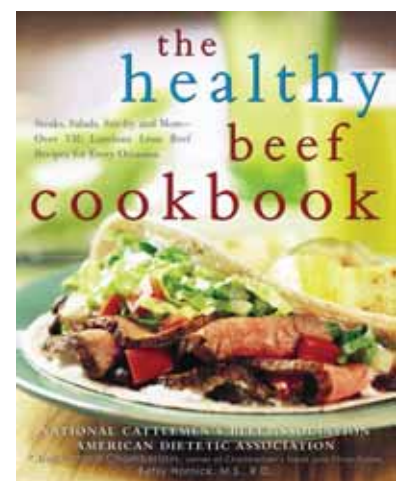
As the checkoff matured, people came to realize that influencing opinion shapers "is as important or more important to the success of the program," says Josserand, who has served in many state and national capacities, including on the board of the TBC. "It has made a tremendous difference."

"We obviously have a good advertising campaign," says O'Brien, who notes that some of the advertising is moving towards more targeted messaging that focuses on nutrition. "We have to give (the consumers) a call to action – a reason to buy beef, for which they have a passion for, while in the supermarket or restaurant."

Vermedahl saw the nutrition focus come to life while serving as vice chairman of the industry's checkoff-funded Health Influencer Subcommittee. During that time, *The Healthy Beef Cookbook*, developed in collaboration with the American Dietetic Association, was introduced. "Knowing that I helped make a difference in that project has been extremely rewarding," he says.

O'Brien believes more funds should be spent in the nutrition education and nutrition research areas, especially as they pertain to children. "We can't deprive young people of the nutrition beef can give them," he says.

An advertising campaign targeted to pregnant women would be a valuable investment, O'Brien says. This campaign would stress the importance of iron and zinc for children's cognitive development and would be well received "by motivated consumers who would react well to the incredible story we have to tell" about beef.



In fact, O'Brien is most proud of the renewed focus on youth while he has been on the Beef Board. "We really have gotten this youth initiative under way."

State Role

From the beginning, state organizations have played an important role in the Beef Checkoff Program. In fact, it was Texas volunteer producer leaders in the Texas Cattle Feeders Association (TCFA), the Texas and Southwestern Cattle Raisers Association (TSCRA) and the Texas Farm Bureau who helped generate acceptance and support for the national program.

Although they don't always see eye to eye on every beef industry issue, the groups in Texas joined forces and were key to the success of the national program, as well as the development and effectiveness of the state beef council in Texas.

"Of course, there will always be differences on how the money should be spent," says Vermedahl. "But whenever producers come into meetings, they are willing to take off their organizational hat and work for the TBC."

Richard Wortham, TBC executive vice president, says the strong state-national partnership has been key in the planning and execution of checkoff efforts, and the Federation of State Beef Councils "allows the states to do what they do best, while giving them what they need to conduct programs effectively." The Federation of State Beef Councils is a national initiative that coordinates the efforts of state beef councils.

The states, he says, provide the "boots on the ground" for programs that are coordinated at the national level. Meanwhile, state producers play a critical role with committees and in leadership positions at the national level.

"The partnership (between states and the national program) has been great," says Wortham. "It's as strong as it's ever been. Every day we're working to maximize returns and minimize costs."

That sense of teamwork was also evident at the start of the program.

"We received a lot of support from the different organizations," says O'Brien. "We had many believers in the concept that we can do more collectively than we can do separately."

It isn't just money and leadership that are sent from Texas to the national level, Wortham says. Many ideas that get started at the state level are adopted as others recognize their importance. "Some ideas percolate up from the states," he says.

For instance, efforts to reach Hispanics in Texas have helped stimulate similar programs at the national level.

"Hispanics enjoy beef, and are great consumers of it, but sometimes use the product in different ways than the general

market," says Vermedahl. "If we can spread our experience about this on a national basis, we can help that market continue to grow."

The export market has been another program area that has expanded, thanks in part to the encouragement of Texas beef producers, Vermedahl says. By pooling its funds with those of other groups in the U.S. Meat Export Federation (USMEF), he says, they have leveraged dollars and helped create "a very successful program."

A recent TBC effort in Japan is a case in point. TBC sponsored a country-themed booth to reintroduce Japanese consumers to U.S. beef, in tandem with USMEF's "We Care" campaign, which helps reassure Japanese consumers of the safety and wholesomeness of U.S. beef.

More than 20,000 Japanese consumers attended the music festival and had the opportunity to enjoy beef at the booth sponsored by the Texas Roadhouse restaurant – one of the most popular sites at the event.

In addition, when Hong Kong reopened its doors to U.S. beef, Vermedahl was there to represent Texas producers, spending 12 days visiting with consumers and leaders to extol the virtues of U.S. beef. "It gave me a lot of satisfaction that I made a difference," he says. Vermedahl continues to make a difference, representing TBC on the Federation of State Beef Councils and serving on the executive committee of the National Cattlemen's Beef Association.



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A Worthwhile Journey

The checkoff hasn't always followed an easy path, these industry leaders admit. "Anytime you start up a major initiative like this, you're going to have some growing pains," says Wortham.

When the checkoff started, for instance, Jossierand says producers weren't experienced in overseeing this kind of program. "We were all new, stumbling at how to get our hands around all of this," he says. "But I never saw a group of people pull together any better, and we had some great staff leadership."

What has made the program special, according to O'Brien, has been the producer's "belief in it."

"It took us a while to get geared up," says Vermedahl. "But we've become smarter with our tight budget. It's been an education process over the last 20 years. I'm very happy with the progress that we've made."

Jossierand looks forward to additional progress that will be made in the future. "There's not one area where we couldn't do a better job," he says. "The main problem today is that the dollar simply does not go as far as it used to." And fewer marketed animals add to the restricted funding in all program areas.


He also says cattle-rich states can do a better job of pooling their dollars into parts of the country that have more people. While Jossierand believes Texas has done better in this area than some, and some in-state effort can be justified, the bulk of the money "could be used more effectively" if it was pooled nationally.

Producer Leaders

The roles Jossierand, O'Brien and Vermedahl have played in moving the \$1 per head program forward and helping develop and oversee its programs are important. But these producers are quick to point out other Texans have made equal, lasting contributions to the effort.

O.J. "Jim" Barron, who died in 2005, was a tireless supporter of the checkoff concept, "practically deserting his business," Jossierand says, to travel the country and generate support. The late Charlie Ball, who was a longtime TCFA executive vice president, was an articulate person and fine writer who expended significant effort in support of the idea and program. Also making a significant contribution was Hilmar Moore, who represented the TSCRA and was chairman of the Beef Industry Council of the Meat Board in the early 1980s.

"I'm very proud of the industry and its leaders who took the checkoff from the very beginning," says Jossierand. "They helped bring the needs into a much broader focus and laid the groundwork for this successful program."

"The organizations rapidly came to the realization that this was needed by the industry. We were working together like we'd never seen before," he says. "It was impressive what we could do as a team." 

Changes Suggested in Beef Checkoff Program



A lot can happen in 20 years. That's why a task force of cattle industry representatives was established this past year to review the Beef Checkoff Program and determine the changes needed to bring it up to date.

The 18 members of the Industry-Wide Beef Checkoff Task Force represented a dozen industry organizations and six states and met three times to discuss how the checkoff could be improved. It was co-chaired by Jamie Willrett, Malta, Ill., representing the National Cattlemen's Beef Association, and Scott VanderWal, Volga, S.D., who was representing the American Farm Bureau Federation.

Tracy Brunner, a Kansas representative on the Task Force, told a session at the Cattle Industry Convention in Nashville in February that the Task Force agreed the checkoff has played a significant role in demand growth.

"Producers have seen the value in the checkoff and have been getting benefits from it over the last 20 years," he said. Nevertheless, over two decades many questions have been raised about how the Beef Checkoff Program is structured and what changes might make it more effective. For that reason, the Task Force focused on improvements to the program, sticking to their mission statement:

To review, study and recommend enhancements to the Beef Act and Order for the purpose of Strengthening the Checkoff for the common good of the beef industry.

After reviewing all of the data and information shared with it, the Task Force in its third session, on super majority (2/3) votes, came up with four recommendations for enhancing the checkoff:

- 1) **Provide an opportunity to petition for a referendum.** The Task Force suggested a process similar to the Soybean checkoff, where every five years producers are provided an opportunity to sign up at their county offices. If 10 percent request a referendum, one would be held within a year.
- 2) **A checkoff rate adjustment.** The Task Force recommended that to offset 20 years of inflation, the per head checkoff rate go to \$2. (This change would have to be approved through a referendum.)
- 3) **Enhanced understanding of the Federation of State Beef Councils.** The Federation represents State Beef Councils at the national level, but it and the process by which it manages checkoff funds is poorly understood in the country.
- 4) **Making the checkoff more inclusive.** A rule in the Act and Order prohibits non-profit organizations formed after the checkoff was established from contracting for checkoff-funded projects. It's recommended that this rule be eliminated.

John Huston, the facilitator for the Task Force, said the group began by identifying strengths, weaknesses and opportunities for the checkoff. As they went through this analysis, the possible enhancements began falling into three areas: funding needs, control and accountability.