

## AUTHORIZATION REQUEST FOR FY 2013

**AR Title: MARKET RESEARCH**

**Name of Contractor: National Cattlemen's Beef Association**

**CBB Budget Component: Research**

### I. OVERVIEW

**A. AR Description:** This AR includes plans and programs for conducting market research with consumers and other beef industry influencers. It supports several strategies including Product, Industry Resource and Nutrition. One major goal of this program is to provide the industry with insights into consumer/influencer attitudes and behavior to facilitate improved program planning, maintain a strong marketing climate for beef and help drive beef demand. A second major goal is to gather key tracking data as a basis for spotlighting opportunities or challenges and guiding response for the industry.

**B. Costs Requested from this AR\*: \$1,300,450**

Source of Funding	Total Costs	Direct Costs	Implementation**
Beef Board/BPOC	\$1,128,560	\$1,128,560	
Federation of SBCs (FSBCs)	\$171,890	\$171,890	
Other Sources ( <i>describe</i> )			
<b>Total Funds Requested</b>	<b>\$1,300,450</b>	<b>\$1,300,450</b>	

\* Only Direct Costs are being requested in this AR.

Total estimated Implementation for this AR is \$707,723; implementation by Tactic in Table IV.

\*\* Implementation for this and other RESEARCH ARs requested in separate AR R-08-2013.

**C. Start date: 10/1/2012**

**Completion date: 12/31/2013**

### II. PLANNING INFORMATION FOR THIS AR

**A. Long Range Plan Core Strategies/Strategic Initiatives Addressed by This AR:**

- **Improve domestic consumer preference for beef**
  - Identify and track consumer needs and preferences
  - Collaborate with industry stakeholders (Producers, Processors, Foodservice, Retail) to develop and **implement demand generation initiatives based on consumer needs and preferences.**
  - **Develop and execute creative communication initiatives to improve consumer understanding of the beef production system and increase consumer confidence in the safety of beef.**

- Create stronger relationships and more consistent communication with meal-time decision makers.
- Identify and capitalize on growth opportunities with targeted market segments (e.g. ethnic, generational, attitudinal, etc.).
- **Strengthen the image of beef and the beef industry**
  - Engage all industry segments to develop and consistently communicate our positive beef production story.
  - Capitalize on the history, heritage and brand equity of family-based production agriculture and the farming/ranching lifestyle
  - Promote our industry's commitment, ongoing investment and progress in ensuring beef safety.
  - Strengthen efforts to proactively anticipate and respond to attacks on beef and the beef industry
- **Priorities Addressed by This AR:**
  - **Increase consumer confidence in selecting and preparing beef**
  - Contemporize beef to capitalize on consumers' diverse needs
  - Establish beef as an everyday part of a healthy diet
  - Provide consumer/operator guidance on economizing with beef
  - Unite and lead the industry to solve beef safety issues
  - Demonstrate beef is socially responsible
  - Reshape the conversation about modern beef production

**B. Committee That Reviewed This AR:** Joint Market Research Working Group

**C. Committee Recommendations for This AR:** The Joint Market Research Working Group recommends this AR to the Operating Committee for funding in FY 2013.

### III. PROGRAM INFORMATION FOR THIS AR

**A. Strategy 1: Product** – Strengthen the value equation of beef in the marketplace.

**Strategy 1 Proposed Direct Cost:** \$890,450

**Specific Tactic Information:**

**Tactic 1A. Foundational Product Research** – Foundational product research involves the purchase/gathering of tracking information related to consumer attitudes/usage of beef, plus beef's ongoing competitive position in the marketplace. This information is analyzed to further industry perspective and support program development. **Insights are widely disseminated, with findings integrated into internal planning presentations, consumer and influencer PR, state trend overviews and channel member presentations focused on opportunities for increasing demand.**

#### NPD/NATIONAL EATING TRENDS

Purchase and synthesize National Eating Trends (NET) data that provides in-home eatings/servings across a wide number of criteria (e.g., demographics, form, day

parts, etc.). An in-depth annual report on beef consumption trends is received. Data is updated quarterly, allowing for strategic ad hoc inquiries throughout the year. Information is used to provide insights for key planning meetings and to respond to ongoing requests from key industry stakeholders (e.g., packers, channel partners, etc.). Data is collected via NET's in-home diary methodology among 2,000 consumers per annum. This information has been collected for over 20 years by NET, providing the industry's most comprehensive and ongoing in-home eatings data set. It thus provides the most objective, comprehensive measurement of how beef is actually being consumed in-home, and how successful beef is at matching up with typical meals being served in America today.

#### FOODSERVICE VOLUMETRIC STUDY

The annual foodservice volumetric study captures current pounds and dollars of beef and chicken sold into major segments of the foodservice channel. In the past, this study has been conducted against both commercial (full service, limited service) and non-commercial sectors (e.g. lodging, education) of the industry. Research is conducted in the September-October timeframe among foodservice procurement executives nationwide. Information provides tracking intelligence for the checkoff foodservice program as well as supporting other channel related efforts like advertising and new product development.

#### ADVERTISING AND BRAND TRACKER

The checkoff advertising and brand tracker provides an annual measurement of how beef's current advertising and brand is performing relative to chicken, pork, turkey, shellfish and fish. The tracker measures attitudes and behaviors about beef among a nationally representative sample of 600 consumers in the target audience (food and health involved and food and health involved/moderate beef consumers). The value is measured by comparing attitudes of consumers who have seen or heard the advertising versus those who have not. The advertising program sets benchmarks based on this data and targets for improvement year over year.

- **Measurable objectives:**
  - Provide two presentations of NPD/NET trends to key program managers (e.g., product, nutrition, culinary) to help shape strategic direction.
  - Provide summary report of foodservice sales to channel marketing team to help shape their communication and interaction with key stakeholders.
  - Provide summary report of ad/brand tracker results by December 31 to advertising program management in support of potential adjustments to current campaigns.
- **Proposed Direct Cost:** \$300,000

**Tactic 1B: Channels of Distribution** – Identify new opportunities for promoting the sales of beef items in the retail and/or foodservice channels.

#### CONVENIENT FRESH BEEF IN-MARKET SUPPORT

In 2012, the Convenient Fresh Beef (CFB) line is being trialed in 2 major grocery tests. Typically there are many questions to be resolved after a test ... can the line be expanded, why did some items do especially well or underperform, will the

products increase beef usage long-term, are the support materials promoting the line as well as possible? In addition, will the products perform in venues other than grocery ... for example, on food trucks, or as a quick prep item for hotels that need a late night alternative for guests? A follow-on study will be conducted in the area that represents the highest perceived potential for increasing sales of the CFB items.

#### BAM+ IN FOODSERVICE

The states recommended an effort to determine the appeal of the Beef Alternative Marketing (BAM) cuts in foodservice. Other recent promotional efforts by the BTB team (especially the Greystone event) found that high-level chefs were intrigued by some of the new cut options that the product enhancement and culinary teams have been optimizing. An in-market test is proposed for 2013, to see how 2-3 new cut solutions will perform on a test partner's menu.

- **Measurable objectives:**
  - Conduct an incremental test of the benefits of Convenient Fresh Beef products to the consumer, either as follow-on in one of the 2012 test markets, or in a completely new venue.
  - Conduct an in-market test in foodservice of 1-2 new beef items (preferably including a BAM cut) that have been spearheaded by the checkoff product enhancement and new product efforts.
- **Proposed Direct Cost:** \$125,450

**Tactic 1C: New Product Development** – Support the introduction of new products through consumer and/or chef testing.

#### NEW PRODUCT SUPPORT

The product enhancement and new product teams will continue their efforts to add value to the carcass, and seed the market with convenient beef items. Early pipeline work includes the effort to look at new carcass breaks, and to look at new cut solutions. Often new cuts of this type are tested with chefs initially. Building off the 2012 exploration of “platforms” that could stimulate incremental beef demand, ongoing culinary work will proceed to move prototype products forward for further testing. In addition, existing value cuts could go through additional refinement to boost their appeal. Finally, the new product team helps channel members further test products they are refining. A focus is on products that are unique, and thus serve as a new means to enhance beef demand.

- **Measurable objectives:**
  - Conduct a test with high volume and/or leading edge chefs of the benefit to their operations of new cuts, or new applications of existing cuts.
  - Push 1-2 “product platforms” forward into testing. This could be either 1, an online test of a broad range of new product concepts, or 2, a sensory test of 6-8 new product prototypes.
  - Test manufacturer prototypes, most likely in a sensory facility to provide guidance on flavor and interest. This type of assistance has been found to keep “the ball rolling” with key players in the channel.

- **Proposed Direct Cost:** \$180,000

**Tactic 1D: Enhancing the Beef Experience** – The beef experience centers on the product, but expands beyond that - into aromas, descriptive words, shopping behaviors, cooking techniques, logos, perceptions, and memories. This tactic focuses on understanding and documenting these “equities” of beef and the beef experience. Supermarket and restaurant executives are very interested in the overall beef experience; they draw on industry knowledge in designing their meat case and/or menu. In 2013, this tactic will focus on understanding industry imagery and associated words, the tradeoff the consumer makes between taste and nutrition, how to increase the value of ground beef and support for summer grilling promotions. All of these studies will help to inform internal teams on the best approach for interacting with consumers.

#### EQUITIES OF BEEF

A brand equity study typically documents and rates the functional and emotional associations or potential associations with a product. This effort will document the iconic value of beef through the eyes of the consumer – hitting awareness, **perceived value, and potential associations**. Equities to study include:

- Words that elicit premium responses to beef (grades, leanness, grilling, smoking, aging, etc.);
- Rituals and preparation techniques that consumers associate with beef (choosing one’s doneness, adding spices, etc.):
- Sensory reactions (sizzle, aroma):
- Logos, including the Beef Backer, Beef It's What's for Dinner; Beef Quality Assurance and Checkoff marks:

In addition, this study will also document the touch points and technologies that can best be used to communicate these equities, including the menu or meat case, social media, apps, videos, etc.

#### GROUND BEEF SUITE

Ground beef is increasingly important for the industry, as our sales mix in both foodservice and grocery shifts slowly towards a greater percentage of ground beef sales. In addition, ground beef is often the first product prepared by a new beef cook. This research effort will bolster our knowledge of ground beef, both the upside and issues that may pull back demand. Areas to study could include:

- Expanding and contracting uses of ground beef.
- Value perceptions of ground beef, especially versus competitive products such as ground turkey. Quality perceptions, including use of lean designators, or terms such as ground sirloin. Documentation of the primary benefit of ground beef, including family appeal and convenience.
- Perceived issues related to ground beef, including food safety, nutrition, grinding, portion sizes, and store practices. What limits use?
- As follow-on to work being completed in 2012, interest in new defrosting methods that could speed ground beef to the table.

#### PRODUCT QUALITY

A deeper dive on product quality attributes focused on taste and nutrition tradeoffs for beef. Combining sensory and nutritional data, this will help to identify the

consumer's preference when faced with a trade-off between lean and marbling, plus the premium that the consumer will assign to either.

### GRILLING SURVEY

An annual grilling survey provides data for Food Communications to use in programs to promote summer grilling. This survey is developed in coordination with Food Communications and is designed to gather basic data on consumers' relationship with beef and the grill as well as data to support specific summer grilling promotional themes.

#### ▪ **Measurable objectives:**

- Research with consumers on beef equities, starting with IDI's (in-depth interviews), getting to the associative power of words and logos the industry uses. As follow-on, an online study of 1000 consumers will be conducted, to document the industry's most powerful associations.
- An internal study will be conducted of the ground beef "facts" that will most help ongoing communications. This will be followed by an online study with 700- 800 consumers on ground beef benefits, issues, language, and solutions to issues. Data reports and presentations will be ready by the summer of 2013 to help internal teams and work on strategies to increase consumer acceptance and use of ground beef.
- In late spring/summer 2013, conduct a study among 1,000 beef consumers (perhaps using the CBI data file of those who prefer beef rare vs. well done) to better understand the trade-offs consumers make between lean and marbled beef. This will be done in conjunction with the culinary and product quality teams.
- In Spring 2013, conduct a study of 1,000 beef eaters who grill; work with Food Communications to incorporate survey data into press releases, fact sheets, state presentations and other consumer communications materials to promote summer grilling of beef.

- **Proposed Direct Cost:** \$285,000

**B. Strategy 2: Industry Resource** - Provide knowledge resources and strategic guidance to help strengthen the marketing and business climate for beef.

**Strategy 2 Proposed Direct Cost:** \$385,000

**Tactic 2A: Strategic analysis - Analysis of trends affecting beef acceptance and consumption;** Consumer Index trackers: to provide annual tracking update of consumer perceptions most correlated with beef satisfaction and **consumer perceptions of beef production that affect acceptance of beef**, plus access to an outside resource on evolving issues in agriculture. The index trackers provide measures of Long Range Plan core strategies.

### TRENDS INTELLIGENCE FOR THE AGRI-FOOD CHAIN

Synthesize and disseminate information from Food Foresight, the University of California Davis Center for Food and Agriculture Research trends intelligence program. Food Foresight data supports anticipating, planning for and managing

trends and issues that can impact the agri-food chain and the beef industry. Food Foresight supports management of food trends and issues for Consumer Marketing, Issue Management and Food Communications and informs Market Research regarding consumer trends to be analyzed from the beef industry perspective. It will also support planning for 2014 priorities and initiatives.

#### CONSUMER BEEF INDEX (CBI) TRACKER

Conduct two CBI studies (February and July FY 2013) to measure consumer attitudes and behavior related to beef and competitive proteins, and perceptions of the beef industry. Each study will be completed online with a total of 1,000 nationally representative consumers. Analysis will be conducted to dig deep into special targets of interest (e.g., generations) and to discover attitudes that are correlated with superior or inferior beef preference and image. The CBI provides the tracking measure for the Long Range Plan core strategy of improving domestic consumer preference for beef.

#### CONSUMER IMAGE INDEX (CII) TRACKER

Conduct an annual tracking study (October 2013 to analyze public perceptions of beef and beef production. The study will be conducted online with 1,200 nationally representative consumers. The data from the study will provide strategic guidance for programs to strengthen beef's image as a responsible industry that provides social, economic and environmental value and creates a sustainable future. A deeper analysis will focus on socially conscious consumers and development of a strategic foundation for creating a dialogue with this group to improve perceptions of beef production. The CII provides the tracking measure for the Long Range Plan core strategy of strengthening the image of beef and the beef industry.

- **Measurable objectives:**

- Provide trends intelligence information from the Food Foresight to checkoff program managers, planners and researchers and to the Beef Issues Quarterly Trends Advisory Panel members.
- Conduct 2 waves of the CBI online with 1000 consumers, in February/March and July/August. Conduct 1 wave of the CII with 1200 consumers in October, 2013.
- Present current findings and trends analysis of the CBI and CII to program staff, state execs, industry executives and producer leadership throughout the year. Expect 30+ presentations that include this data.
- Include 2 stories in the Beef Issues Quarterly based on CBI results, and at least 1 based on CII results.

- **Proposed Direct Cost:** \$135,000

**Tactic 2B: Consumer communications support:** Consumer research to support communications designed to increase consumer satisfaction with beef and to strengthen the image of beef and the beef industry.

### THE FACE OF TWO CRITICAL BEEF TARGET AUDIENCES

An in-depth drill down into: 1) the Food & Health Involved (FHI) moderate beef eating consumer that drives demand generation efforts; and 2) the Socially Conscious Consumer, a target audience for issues management communications. Analysis will focus on behavior relative to lifestyle, motivation, where and how they shop, sources of information, **what drives and what dissuades beef use, what can drive a change in attitude about beef.** This information helps both internally and in interactions with agencies on the target audience for beef communications.

### LEVERAGING BE2

The Brand Enhancement 2 research conducted in 2011 began to shape communications in 2012. The next step is to further identify the means to make Brand Enhancement 2 communications even stronger by determining what words to use related to nutrition and taste, the partners we should keep company with (fruits, vegetables) to enhance message impact, and imagery and language do's and don'ts. The results of this effort will help the demand generation communications team in shaping an overall communication's guide to help make outreach more powerful and consistent.

#### ▪ **Measurable objectives:**

- Identify the key attributes of both the demand generation target audience (Food & Health Involved/Moderates) and image audience (Socially Conscious Moderates). A survey with 1200 consumers will be completed. The findings will be published in a form that provides communicators with a deeper understanding of these two audiences – their demographic characteristics, relationship with food and preferred sources for information.
- Initially there will be three focus groups to help identify words and language that reinforces the Brand Enhancement 2 message. As a second stage, 500 Food & Health Involved target audience members will complete an online study on the strongest associative words, images and partners for demand generation communications.

- **Proposed Direct Cost:** \$140,000

**Tactic 2C: Issue communication support:** Consumer and influencer analysis to provide strategic guidance in communicating about beef industry sustainability, supporting development of an issues aggregation website and responding to emerging issues (examples have included FTLB/pink slime, BSE, modified air packaging).

### SUSTAINABILITY – INFLUENCING THE INFLUENCERS

Conduct a benchmark study of perceptions of beef industry sustainability among influencers attending the January 2013 Beef Industry Sustainability Summit. This is foundational work for a future dialogue with influencers on sustainability and will serve as a benchmark to track success in sustainability communications.



IMAGE/ISSUE COMMUNICATIONS

Assist in the development of communication strategy and content on the issues management issues aggregation web site through analysis to prioritize content and assessing the site's ability to effectively communicate with influencers.

EMERGING ISSUES SUPPORT

If needed, provide rapid response research and analysis (with turnaround times ranging from overnight to one week) of emerging issues that threaten consumer confidence in beef (e.g., human disease outbreaks associated with beef, product recalls, incidents of animal mishandling, animal disease outbreaks, beef production/ingredient concerns).

- **Measurable objectives:**

- Conduct an online survey of influencers attending the January 2013 Beef Industry Sustainability Summit. Develop a set of attitudinal data on broad perceptions of beef industry social responsibility including environmental, economic and social sustainability performance. Based on the data, work with the issues and reputation management team to develop strategies for ongoing sustainability influencer outreach and communications.
- Provide key support for the development of the issues management aggregation site, either pre-development (hierarchy of items to include) or during development (navigational likes and dislikes).
- Provide program managers with a quickly implemented survey to assist with key information that helps handle the industry response to an emerging issue. If unneeded, the monies can be redeployed to add sample size to another survey within this strategy.

- **Proposed Direct Cost:** \$70,000

**Tactic 2D: Quality/production communications support:** Producer research to help further roll-out of the BQA program.

ENHANCING PERCEPTIONS OF BEEF QUALITY

Previous research has shown that the Beef Quality Assurance program (BQA) represents a quality promise for consumers regarding animal health and animal welfare that is believable and increases confidence in beef. Increasing the number of cow-calf producers who obtain BQA certification will increase the strength of this message to consumers. A producer study will be conducted to identify barriers to obtaining BQA certification and identify what can help drive BQA adoption back into the pre-feedyard segment of the production chain.

- **Measurable objectives:**

- Conduct a beef producer telephone survey in summer 2013 to assess barriers to BQA certification and identify motivators that can increase the likelihood for producers (specifically cow-calf producers) to obtain certification. Present findings to the BQA Advisory Board and work with that group to develop strategies that can communicate the value of BQA and persuade producers to seek certification.

- **Proposed Direct Cost:** \$40,000

**C. Strategy 3 – Nutrition** – Strengthen beef’s position as a healthful food and as a premier source of protein so consumers and influencers feel good about the beef they love.

**Strategy 3 Proposed Direct Cost:** \$25,000

**Tactic 3A: Nutrition communications support:** Assist the nutrition team in strengthening their messaging on the nutritional benefits of beef, to either consumers or nutrition influencers. The Consumer Beef Index and Limiters of Demand studies continue to show how significant a hurdle nutritional perceptions are in limiting beef consumption. The monies noted here will provide some flexibility in providing support to the nutritional team.

#### NUTRITION COMMUNICATIONS SUPPORT

Over the last several years, the market research team has provided ongoing assistance in measuring perceptions and identifying opportunities for enhanced nutritional messaging, with both consumers and dietitians.

- **Measurable objectives:**
  - Conduct a very small scale study on nutritional perceptions with either RD’s or consumers. If nutrition influencers, the monies allocated would allow for 2-3 mini focus groups in 1 city. If a consumer study, a small online study would be conducted
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- **Proposed Direct Cost:** \$25,000

#### IV. DETAILED BUDGET SUMMARY

Strategy and Tactic	Program Manager	Completion Date	Total Est. FY 2012 Budget	Total Direct Cost	Direct Cost by Funding Source			Est. Impl.
					CBB/BPOC	FSBCs	Other	
Foundational	J. Lundeen/ W. Neuman	12/31/13	\$355,502	\$300,000	\$260,347	\$39,653		\$55,502
Channels of Distribution	J. Lundeen/ W. Neuman	12/31/13	\$220,106	\$125,450	\$108,868	\$16,582		\$94,656
New Product Development	J. Lundeen/ W. Neuman	12/31/13	\$236,872	\$180,000	\$156,208	\$23,792		\$56,872
Enhancing the Beef Experience	J. Lundeen/ W. Neuman	12/31/13	\$426,251	\$285,000	\$247,329	\$37,671		\$141,251
<b>Product Total</b>			<b>\$1,238,731</b>	<b>\$890,450</b>	<b>\$772,752</b>	<b>\$117,698</b>		<b>\$348,281</b>
Strategic Analysis	R. McCarty	12/31/13	\$284,473	\$135,000	\$117,156	\$17,844		\$149,473
Consumer Communications Support	J. Lundeen/ R. McCarty	12/31/13	\$173,282	\$140,000	\$121,495	\$18,505		\$33,282
Issue Communications Support	J. Lundeen/ R. McCarty	12/31/13	\$140,772	\$70,000	\$60,748	\$9,252		\$70,772
Quality/Production Communications Support	R. McCarty	12/31/13	\$127,121	\$40,000	\$34,713	\$5,287		\$87,121
<b>Industry Resource Total</b>			<b>\$725,648</b>	<b>\$385,000</b>	<b>\$334,112</b>	<b>\$50,888</b>		<b>\$340,648</b>
Nutrition Communications Support	J. Lundeen	12/31/13	\$43,794	\$25,000	\$21,696	\$3,304		\$18,794
<b>Nutrition Total</b>			<b>\$43,794</b>	<b>\$25,000</b>	<b>\$21,696</b>	<b>\$3,304</b>		<b>\$18,794</b>
<b>AR Totals</b>			<b>\$2,008,173</b>	<b>\$1,300,450</b>	<b>\$1,128,560</b>	<b>\$171,890</b>		<b>\$707,723</b>

#### V. SUPPLEMENTAL INFORMATION

##### A. Will all of the work detailed in this AR be completed by the end of the fiscal year? If not, please provide an explanation.

- The market research AR extends until December 31, 2013. All work is planned for completion by that time.

##### B. Changes from FY 2012 Approved AR:

- Tactic 2A: The Consumer Image Index is established as an annual foundational consumer tracker in support of the LRP core strategy of strengthening the image of beef and the beef industry.
- Tactic 2C: The Industry Resource strategy includes emerging issues support to provide rapid response research to support management of unexpected issues and events such as Finely Textured Lean Beef (aka "pink slime") that occurred in 2012.
- Tactic 2C: A study of sustainability influencers will provide support to issues and reputation management efforts to develop a dialogue with these influencers

regarding beef industry sustainability and can serve as a benchmark to track success in sustainability communications.

- No safety dollars as in previous AR's. If needed, dollars could be spent from the emerging issues funds in Tactic 2C.
- This AR also may pursue opportunities to leverage checkoff funding with third party investments. The cost, both direct and implementation, related to pursuing these opportunities will be allocated between this AR and any other NCBA funding sources which receive the benefit of these opportunities.

### C. Subcontractor information:

- **Name of proposed subcontractor:** IPSOS U.S. Public Affairs for consumer issues research. NPD NET for in-home eatings of beef. Technomics will conduct the foodservice volumetric study. Other contractors will be selected based on expertise in respective areas (e.g., nutrition). Most work conducted related to the target audience (ex. Consumer Beef Index & Consumer Image Index) will be conducted by Pelegrin Research Group due to their deep knowledge of how to recruit this audience, and compare results to historical research conducted. Turover Straus has unique intellectual property in the area of convenient fresh beef solutions that make them a unique partner for a portion of the new product work. Core Insights will be used for most in-home use studies due to their extensive expertise in this area and demonstrated ability to consistently deliver excellent results at a substantially lower cost than other vendors as evidenced in a number of previous competitive bid situations for this type research.
- **Will all work with subcontractors be competitively bid? If not, why not?** Yes, unless the chosen contractor is one of very few contractors with unique credentials to do the job, the contractor has run previous waves of the same research (allowing for most robust comparisons), or there is a clear quality differentiator that overcomes a nominal difference in cost. IPSOS was initially selected on the basis of a competitive bid process. It remains the low cost provider of research services and provides the quick response the beef industry frequently needs by offering both weekly telephone and online opportunities at omnibus rates. NET is the de facto diary panel company for analyzing in-home eatings.

### D. Identify any relationships between this AR and projects previously funded by the Operating Committee:

Some of the research included in this AR is ongoing tracking research that has been funded for a number of years. It is important that the industry stay current on consumer trends and perceptions in order to ensure that the industry is properly responding to changes as they occur.

The consumer index work described in the strategic analysis tactic allows for ongoing analysis of trends in consumer perceptions and consumption of beef with time series data beginning in 2007 (Consumer Beef Index); and comparison with 2011 benchmark data on consumer perceptions of the image of beef and the beef industry (Consumer Image Index).

The work described in the channels of distribution and new product tactics follow on from previous year new product efforts. Products that have been tested in research

environments are placed into a grocery chain or restaurant environment to determine how well they perform in a “real world” environment.

Finally, the Brand Enhancement 2 work done in 2011 and 2012 has served as the foundation for incremental work. The additional work proposed helps to hone the message, and dig deeper into associated words and imagery. We will also further research the target audience, food and health/moderates uncovered during that effort.

#### E. Summary of Prior Year AR Budgets and Expenses:

Strategy	FY 2012 Approved Budgets			FY 2012 Actual Expenses (NCBA's as of 5/31/12)		
	CBB/BPOC	FSBCs	Total	CBB/BPOC	FSBCs	Total
<b>Product</b>	\$ 767,991	\$ 129,509	\$ 897,500	\$ 103,198	\$ 17,403	\$ 120,601
<b>Industry Resource</b>	\$ 333,723	\$ 56,277	\$ 390,000	\$ 64,066	\$ 10,842	\$ 74,908
<b>Nutrition</b>	\$ 25,671	\$ 4,329	\$ 30,000	\$ 184	\$ 31	\$ 215
<b>Safety</b>	\$ 29,950	\$ 5,050	\$ 35,000	\$ 29,933	\$ 5,048	\$ 34,981
<b>AR Totals</b>	<b>\$ 1,157,335</b>	<b>\$ 195,165</b>	<b>\$ 1,352,500</b>	<b>\$ 197,381</b>	<b>\$ 33,324</b>	<b>\$ 230,705</b>

#### F. Historical Summary of Budgets and Expenses:

	Total Approved Budgets			Total Actual Expenses		
	FY 2011	FY 2010	FY 2009	FY 2011	FY 2010	FY 2009
<b>Market Research</b>	\$ 1,230,000	\$ 1,210,440	\$ 1,314,689	\$ 1,187,096	\$ 1,179,704	\$ 1,258,486
<b>AR Totals</b>	<b>\$ 1,230,000</b>	<b>\$ 1,210,440</b>	<b>\$ 1,314,689</b>	<b>\$ 1,187,096</b>	<b>\$ 1,179,704</b>	<b>\$ 1,258,486</b>