

# **WYOMING BEEF COUNCIL**

## **STRATEGIC PLAN**

### **Quality of Life Result**

A viable Wyoming beef industry leads to a healthy Wyoming economy.

### **Agency**

The Wyoming Beef Council is housed within the Wyoming Department of Agriculture, by statute, for administrative purposes.

### **Contribution to Wyoming Quality of Life**

The Wyoming Beef Council contributes to Wyoming's quality of life through the investment of beef checkoff dollars at the state and national level in programs that increase demand for beef and beef products. Increased beef demand provides profit opportunities for beef producers and contributes to a viable Wyoming beef industry.

### **Basic Facts**

The Wyoming Beef Council is the qualified state beef council in Wyoming for administering the Beef Promotion and Research Act of 1985. Wyoming beef producers, appointed by the Governor, administer the \$1-per-head beef checkoff assessment paid by Wyoming beef producers.

The Wyoming Beef Council is a state agency and functions under both the laws of the State of Wyoming (W.S. 11-37-101 through W.S. 11-37-110) and the Beef Promotion and Research Act 7 USC 2901 et.seq., and the Beef Promotion and Research Order 7 CFR 1260. Under these laws, the Wyoming Beef Council is charged with:

- Collection of the beef checkoff
- Monitoring compliance
- Coordinating the checkoff program in Wyoming with the Cattlemen's Beef Board and other national contracting organizations
- Implementing state programs that support the vision and priorities of the Beef Industry Long Range Plan.

All programs funded with checkoff dollars in Wyoming must meet the criteria set forth in the Beef Promotion Research Act and Order.

The sole source of income for the Wyoming Beef Council is the beef checkoff assessment collected in Wyoming. In accordance with the Beef Promotion Research Act of 1985 (BPRA), \$1 per-head is assessed on all bovine animals at change of ownership. Fifty cents of each \$1 collected is sent to the Cattlemen's Beef Board for national beef promotion efforts. The remaining fifty cents remains in the state of Wyoming to be invested in beef checkoff programs as determined by the beef producers serving on the Council. The beef checkoff assessment in Wyoming is collected by the Wyoming Livestock Board, on behalf of the Wyoming Beef Council, and is deposited into a special revenue account. Collections average \$1 million per year resulting in approximately \$500,000 remaining in the state for programs determined by members of the Wyoming Beef Council.

The Council consists of five governor-appointed beef producers: three producers of range cattle, one cattle feeder and one dairy producer. The Council employs two staff members, the executive director and an executive assistant.

The Wyoming Beef Council is accountable to every beef producer who pays into the beef checkoff program. The beef checkoff was established to increase demand for beef and beef products. The WBC is responsible for investing the assessment in programs that increase beef demand.

### **Performance Measures**

As the Qualified State Beef Council in Wyoming, the Wyoming Beef Council supports the visions and priorities established in the Beef Industry Long-Range Plan. The primary goal of the Beef Industry Long Range Plan developed in 2006 is to increase beef demand 10% by 2010. The Wyoming Beef Council has identified the following priorities to coordinate with national efforts to achieve this goal.

#### **#1 National and International Marketing:**

Supporting national and international checkoff programs is necessary to increase beef demand.

As reported by the Wyoming Agricultural Statistics Service, inventory of all cattle and calves in Wyoming totaled 1.44 million head on January 1, 2006. According to the U.S. Census Bureau, Wyoming's population was 509,294 in 2005. Compared to the Wyoming cattle inventory, there are approximately three cattle to every person, appropriately defining Wyoming as a "beef surplus" state. Having three cattle per person leads to the logical assumption that the majority of beef produced in Wyoming is actually purchased and eaten by consumers outside of the state. By pooling checkoff dollars with other state beef councils at the national level, Wyoming producer dollars have the greatest potential to affect a positive change in consumer behavior. It would also follow that producers would receive a greater return on their checkoff investment by working together through national checkoff programs to reach consumers where beef is being consumed, rather than where it is being raised. Based on national contributions, the WBC is entitled to two representatives that serve as Directors on the Federation of State Beef Councils, who, along with the Executive Director, serve on national committees to help shape national programs.

#### ***Priority 1-A: NCBA Checkoff Division Investment***

Ninety-six percent of the world's population resides outside of the U.S. To market to these 6 billion people, the Wyoming Beef Council contributes funds to support promotional efforts of the U.S. Meat Export Federation (USMEF). This funding provides representation from Wyoming on the USMEF board of directors.

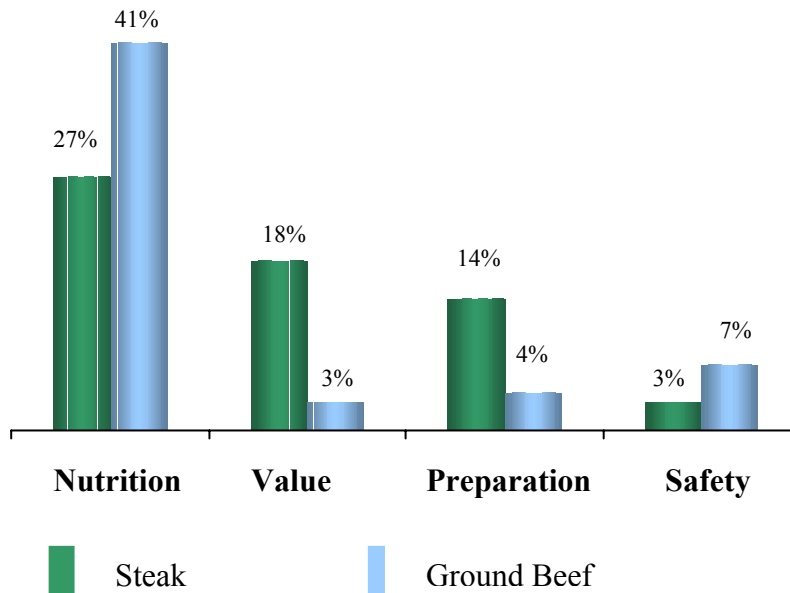
#### ***Priority 1-B: USMEF Investment***

#### **#2 Consumer Information:**

Positively influencing consumer confidence in the wholesomeness, nutritional value and safety of beef leads to increased demand for beef and beef products.

**Chart #1**

**2005 Consumer Focus Group Results**



Consumer focus groups held in 2005 and 2006 indicate that consumers are concerned about the nutritional value of beef. In addition, consumers are not aware of the healthful value of beef as part of a balanced diet.

**Priority 2-A: Nutrition Education**

Research shows that youth, particularly young girls, begin making life-long decisions about how and what they will eat as adults between the ages of 8 and 11 years.

**Priority 2-B: Youth Education**

Keeping beef top of mind with consumers through positive public relations efforts showing the value of beef and educating consumers about how to prepare beef is essential to increasing beef demand.

**Priority 2-C: Consumer Awareness**

Concerns about the safety of the U.S. beef supply have largely been addressed with successful e-coli reduction interventions and bovine spongiform encephalopathy research and testing. However, safety will continue to be an issue if the industry is not proactive in its research and testing efforts.

**Priority 2-D: Food Safety**

**#3 In-state Beef Promotion:**

Positively influencing consumer purchases throughout Wyoming through consumer advertising, retail partnerships and food service promotions will increase beef sales in Wyoming.

Distribution of Wyoming's population is approximately 5.2 persons per square mile compared to the national average of 79.6 persons per square mile. The state's two largest populated counties are Laramie County and Natrona County with population distribution of 30.4 persons and 12.5 persons per square mile, respectively. Based on the concentration of residents, advertising and promotion efforts in Laramie County are most cost effective for in-state marketing. The central location of Natrona County adds to the effectiveness of marketing efforts in that county, as advertising purchased in that area spills over into surrounding counties and often has statewide reach.

***Priority 3-A: Consumer Advertising***

There are 120 retail grocers in Wyoming. Seventy five percent of these are chain stores, headquartered in other states. There are 31 independently owned retail grocery stores. Building relationships with these retailers is essential to ensure that consumers have a variety of beef choices, have access to cooking instructions and can rely on the staff at the store to have knowledge about the product.

***Priority 3-B: Retail Partnerships***

Focusing on menu decision makers in institutional food service settings and chefs, purveyors and restaurateurs in traditional food service establishments ensures beef placement on menus.

***Priority 3-A: Food Service Partnerships***

**#4 Industry Information**

Supporting educational opportunities for beef producers assists beef producers in raising a product that meets consumer needs and expectations.

***Priority 4-A: Producer Education and Information***

Educating producer youth about consumer trends will pave the way for the beef producers of tomorrow to better meet consumer expectations.

***Priority 4-B: Producer youth education***

Accountability to beef producers obligates the Council to keep beef producers informed about how their checkoff dollars are being spent.

***Priority 4-C: Producer Communications***

Quality and consistency are expectations that consumers have each time they have a beef meal. Meeting these expectations will lead to increased demand for beef and beef products. The Beef Quality Assurance program educates producers about improved care and handling guidelines to ensure a consistent, high quality product.

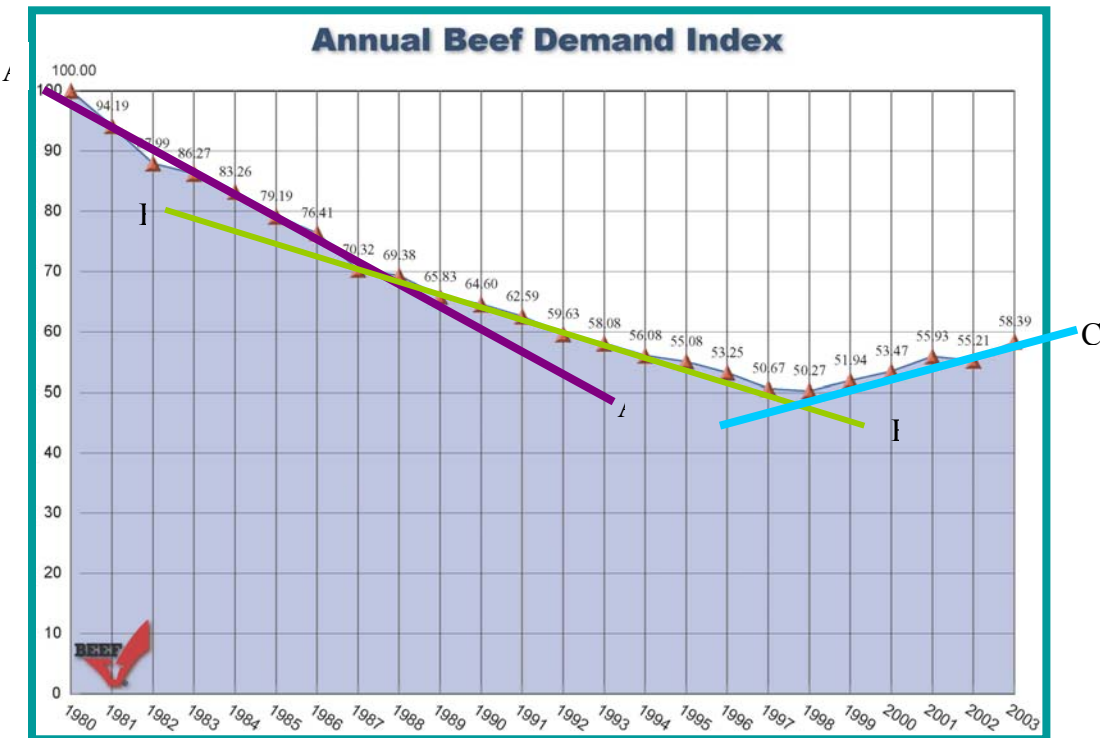
***Priority 4-D: Beef Quality Assurance.***

In addition to these priorities, the Wyoming Beef Council is responsible for collections compliance throughout Wyoming. The executive director is the compliance officer and

is charged with the responsibility of ensuring compliance with the Beef Promotion Research Act and Order.

### **Story behind the performance**

The beef checkoff was established in Wyoming in 1971 when the legislature passed a law authorizing collection of an assessment of up to \$1-per-head on cattle and calves at transfer of ownership. This law also established the Wyoming Beef Council to oversee collection of the assessment and administration of the funds. Many states had similar laws and were struggling to work together to build cohesive programs to benefit the industry. The 1985 Farm Bill authorized the Beef Promotion Research Act and Order giving beef producers the ability to combine their dollars with dollars from producers in other states, increasing buying power and reach. This law also established the Cattlemen's Beef Board to administer the program with USDA oversight. At this point, qualified state beef councils began keeping \$.50 in the state and sending \$.50 to the Cattlemen's Beef Board. In October 1986, the Wyoming Beef Council became the qualified state beef council in Wyoming to collect and administer the federal beef checkoff. State collections went to \$0. Although the authority still exists in state statute to collect up to \$1-per-head, the state assessment has not been collected since 1986. All funds collected from October 1, 1986 through present have been collected under and are subject to the rules and regulations of the Beef Promotion Act and Order. The checkoff assessment became mandatory when the program was approved by 79 percent of producers in a 1988 national referendum vote. Checkoff revenues may be used for promotion, education and research programs to improve the marketing climate for beef. When we look at a graph of demand for beef, it is clear why beef producers took action to develop a program to better the industry. The goal was to fund and implement a coordinated nationwide effort to maintain and expand domestic and foreign markets and uses for beef and beef products.



After nearly 20 years of declining demand for beef (line A on beef demand index), the beef industry saw a change in demand in 1987 following the implementation of the beef checkoff program. The beef checkoff cannot take all of the credit for this shift but it is significant that the shift occurred at the same time the beef promotion efforts were coordinated on the national level. The most dramatic shift occurred in the mid 1990's (intersection of lines B and C) when decline reversed and an upward trend began.

Some of the events fueling that change included:

- 1993: the Cattlemen's Beef Board, the National Cattlemen's Association, the National Livestock Meat Board and the Meat Export Federation put down a shared vision in one document.
- 1996: The first Long Range Plan led to the merger of the National Cattlemen's Association and the Meat Board to form National Cattlemen's Beef Association and the establishment of the joint operating agreement with the Beef Board.
- 1999: The Demand Study Group, through consumer research, identified demand "drivers." For the first time, beef producers knew what was "driving" consumer demand for beef. These drivers have become the basis of the current Industry Long Range Plan.
- 2001: In 2001 all consumer market research conducted through the years was gathered and published in the Industry Scan. This document is the foundation for developing strategies and making knowledge-based resource allocations.

The Wyoming Beef Council expends energy and resources to educated consumers, producers and staff. Education is as diverse as IT training for staff, producer education programs regarding the checkoff and beef production to training for retailers on meat case management. Like the Department of Agriculture, education is a major function of our organization and is necessary to provide quality service to beef consumers and producers.

Wyoming Beef Council employees need information technology training to stay current in this information age. Staff uses A&I training programs offered to state employees. In addition, we participate in trainings and development workshops offered by our national contractors.

All Wyoming beef checkoff programs, whether conducted by contract agencies or by Council staff are overseen by the Council's executive director. The executive assistant also plays a crucial role in developing and implementing state-wide programs and projects. All programs are evaluated to ensure accountability and compliance with the governing laws. The executive director reviews all program evaluations and compiles the evaluations for the Council to review. This helps the Council determine how to most effectively allocate beef checkoff funds for the purpose of increasing beef demand.

Because the Wyoming Beef Council is funded entirely with beef checkoff dollars, the amount of revenue collected is directly affected by cattle numbers in the state. Weather, price, grazing conditions and industry environment all have potential to affect cattle numbers in the state. In addition, the beef checkoff assessment has been \$1-per-head since 1986. According to the Bureau of Labor and Statistics, goods and services costing \$1 in 1986 now cost \$1.77. This challenges the Council to become more focused in their endeavors to increase beef demand.

Ensuring that beef producers are aware of how their checkoff dollars are being invested is an important responsibility of the Council. With that in mind, it is important to do so as cost effectively as possible. Every dollar spent telling producer how their dollars are spent is a dollar

that is not available for programs designed to increase beef demand. The most recent producer attitude survey, conducted independently by USDA NASS, Wyoming Field Office was completed February 2006. At this time, 70% of Wyoming Beef Producers felt very or somewhat informed about the beef checkoff and 70% of Wyoming Beef Producers approved of the program in its current form. Approval of the programs has, historically, been closely correlated with how well informed producers feel they are about the program. These numbers are an important measure in determining how well the Council is doing meeting producer needs and keeping producers informed about their checkoff investment.

**What do you propose to do to improve performance in the next 2 years?**

- #1. Train newly appointed Wyoming Beef Council directors to use results-based evaluation systems to allocate funds toward the most effective programs designed to increase beef demand.
- #2. Keep staff trained and knowledgeable in office software, beef production standards and beef industry trends.
- #3. Improve communications with Wyoming Livestock Board and Wyoming brand inspectors to ensure consistent compliance with the collection laws.
- #4. Keep apprised of consumer trends. For example, nationwide, the Hispanic population is the largest growing segment of the US population. Consumer education tactics and goals may need to shift in order to effectively market to the changing population.
- #5. Work closely with affiliated Ag organizations to ensure that the Wyoming Beef Council is seen as a reliable resource for knowledge and information in the event of a cattle health or industry crisis.
- #6. Ensure Council members, past and present, are trained spokespersons for the beef industry.
- #7. Monitor constituent satisfaction level by conducting producer attitude surveys in Wyoming at least every 3 years.