



# South Dakota Beef Industry Council Annual Report 2018

*"To increase beef demand and generate positive attitudes while improving profit opportunities for beef producers."*

## 2018-2019 SDBIC Directors

### **SD Farmers Union**

Eric Sumption (Pres.), Mike Maher,  
Mary Ellen Cammack

### **SD Livestock Auction Markets**

Wayne Tupper, Justin Tupper, Steve Hellwig

### **SD Stockgrowers**

Gary Deering, Randy Volmer, Les Shaw

### **SD Farm Bureau**

Mike Gebhart, Kent VanderWal, Stacy Hadrick

### **SD Cattlemen's Association**

Todd Mortenson, Becky Walth, Scott Jones

### **SD Cattlemen's Auxiliary**

Laurie Johnson (V.Pres.), Shirley Thompson,  
Kati Knock

### **SD Cattlewomen**

Evie Fortune, Erin Yost, Becky Littau

### **SD Beef Breeds Council**

Craig Bieber, Veabea Thomas, Dwight Hossle

### **Federation Directors**

Laurie Johnson, Becky Walth, Gary Deering,  
Veabea Thomas

### **USMEF Directors**

Steve Hellwig, Craig Bieber, Mike Gebhart



## FROM THE SDBIC PRESIDENT

Dear South Dakota Beef Producers,

Raising beef can be a challenge with multiple factors continuing to test our resilience. Whether you are dealing with weather, prices, or herd health, it's important to know the dollars you are investing in the Beef Checkoff are managed and used in the most efficient and effective manner possible. We would like to extend our thanks to you, South Dakota beef producers, for your continued commitment in producing a quality beef product.



The South Dakota Beef Industry Council (SDBIC), your qualified state beef council, is made up of twenty-four members from eight different agricultural organizations across the entire state and we want to assure you that we are listening and your voice is being heard.

As you review highlights from 2018, you will see the impact of your checkoff through in-state and out-of-state promotions; including consumer information, research, industry information, producer communications, and national Beef Checkoff programs and outreach. As a beef producer and leader of this organization, I urge you to contact any one of us on the board, or our tremendous staff at the SDBIC on anything that you may have questions or concerns about.

The year ahead looks very exciting with new opportunities to promote and educate beef's nutritional value to consumers. I look forward to another year in leading the organization as we continue to spread the beef message. We are also continually looking for opportunity to build beef's demand and welcome your ideas. With that, I thank you and encourage you to attend one of our quarterly board meetings. These meetings are open to the public.

Sincerely,  
Eric Sumption, SDBIC President  
Frederick, South Dakota

## International Marketing

The SDBIC collects and administers the \$1 beef checkoff on cattle sold in South Dakota. Checkoff dollars are utilized strictly for promotion, education or research programs. Fifty cents of every dollar is directed to the Cattlemen's Beef Board for programs on the national level. The SDBIC retains 50 cents, which is invested in additional national programs and/or in-state programs. For more information on your beef checkoff contact Executive Director Suzy Geppert at [sgeppert@sdbef.org](mailto:sgeppert@sdbef.org), call (605) 224-4722 or visit us online at [sdbef.org](http://sdbef.org).

Global population growth and the projected doubling of the global middle class by 2050, is fueling an increased demand for beef around the world. SDBIC partners with U.S. Meat Export Federation (USMEF) to sponsor activities abroad which result in rising demand for U.S. beef. Your checkoff dollars work for you by adding a voice to these efforts with three South Dakota beef producers serving as representatives to the USMEF.



Dear Fellow Producers:

Surveys show beef consumers are interested in knowing more about the beef they eat. They still want it to be tasty, tender, convenient and provide value, of course. But today they also want to know that the animal was raised with care and in an environment that is wholesome and environmentally sound.

That desire led the Beef Checkoff Program to include a “Rethink the Ranch” element to its Beef. It’s What’s For Dinner. relaunch. The component gives consumers – the majority of whom have very little connection to agriculture, let alone the beef they buy – a chance to see how beef producers are combining good husbandry and production practices with new technology to assure the best possible results in terms of care and products.

The promotion’s added direction compliments the broader messages within the Beef. It’s What’s For Dinner. brand and campaign. Those messages highlight the most critical aspects of what consumers expect from the beef they buy, taste being the most important. Recipes, nutrition and cut information and more is available on the industry’s up-graded website and is being broadly promoted digitally.

Let’s face it: Beef will always be among the preferred meats because it tastes so good.

The relaunched national campaign features opportunities for state beef councils to join in outreach and messaging to consumers and marketers at the state level. This creates a state/national team with which our industry is having a real impact on demand for our products.

You can read all about it in this report. Thanks for your support and engagement in continuing to make beef what’s for dinner.

Yours truly,

Dawn Caldwell Edgar, Nebraska  
Chairman, Federation of State Beef Councils



Funded by Beef Farmers and Ranchers



## Rethinking the Ranch

In October 2017 the Beef Checkoff Program relaunched its iconic *Beef. It’s What’s For Dinner.* campaign, with exceptional results. The campaign sought to drive more consumers to the checkoff’s *BeefItsWhatsForDinner.com* website, where information on all things beef could be obtained.

Created 25 years ago, Beef. It’s What’s For Dinner. was introduced with promotion that included television and print advertising that captured the imagination and taste buds of consumers. Times change, however, and while the concept is still strong, the ways consumers get their information is different than it was in the early 1990s. Social and digital media have become the key ways information is delivered to consumers today.

Through the refocused and strengthened campaign, visitors to the website over the past year have totaled more than 8 million – compared to about 3 million the year before. The primary purpose for visiting for many consumers are the recipes, cut information and nutrition advice found on the site. Increasingly, however, consumers want to know even more about how the beef they eat is raised. A new feature of the campaign called Rethink the Ranch is giving consumers an up-close-and-personal look at the people who make beef possible. The campaign features real ranchers and farmers and their real stories about how they produce beef.

Last summer a camera crew traveled 3,800 miles across the United States, visiting six different cattle operations in four states. They captured more than 100 hours of video, as well as images and stories about the people

who raise beef animals. The images and video they developed have become a big part of the checkoff’s new consumer outreach.

Nationally, the videos have generated more than 765,000 video views, and reached more than 3.5 million consumers. State beef councils have downloaded Rethink the Ranch content for use on their own social media properties and other consumer and thought leader outreach.

It’s the first time BeefItsWhatsForDinner.com has promoted both the product and the people who produce it, a story focused on promoting beef’s greatest strengths: unbeatable taste, variety and ease of cooking, nutritional attributes that can’t be matched and the people that make it all possible, caring for the animals and environment with appreciation and respect.

State beef councils are also extending the campaign, exciting their states’ consumers about beef’s many benefits. Of special interest has been the campaign’s Rethink the Ranch anthem video and related video spots showcasing real farmers and ranchers from around the country.

It's important consumers understand how committed producers are to serving as faithful stewards of the valuable natural resources that have been entrusted to them. That's part of the Rethink the Ranch message. It's why the website provides consumer-friendly, easy-to-understand information on how beef producers are being effective stewards of the land and resources, from drones to help observe and manage cattle to solar technology to generate power and help operate water systems, cattle producers are using technology responsibly.

## Good and Getting Better

Of course, cattle producers have always prided themselves in their dedication to animal welfare, beef quality, sustainability and community involvement. Recent research shows they are getting better in all four of these areas.

The checkoff-funded Cattlemen's Stewardship Review gathered data from an independent 2017 telephone survey of beef producers to deliver a comprehensive profile of the U.S. beef community today. The research showed improvements in all four areas, compared to a 2010 checkoff-funded benchmark survey.

It found that the well-being of cattle is the top priority for 95 percent of producers, that 97 percent of cattle farmers and ranchers believe producing safe beef is crucial to the future of the industry, and that 95 percent of producers believe conservation of land is extremely important to them.

Results of the research were shared with key national media.

## More Foundation from Research

Checkoff-funded research providing answers to complex questions about beef production is helping create clarity to issues such as beef sustainability. The checkoff-funded sustainability research program has developed a series of 19 fact sheets that explain many benefits of U.S. beef production, such as how the global impact of beef production could likely be dramatically reduced if other countries could achieve.

## BQA Certifications Add to Evidence

Further strengthening the case that cattle producers recognize their societal role is the fact that online certifications in the beef checkoff-funded Beef Quality Assurance program have surpassed 20,000.

First available in early 2017, online BQA certifications join those conducted at in-person training events offered by state beef councils, cattlemen's affiliates, extension programs and other local efforts.

Both in-person and online certifications show how common-sense husbandry techniques can be coupled with accepted scientific knowledge to raise cattle under optimum management and environmental conditions, helping beef producers capture additional value from their market cattle and reflecting a positive public image for the beef industry.

An independent survey of beef producers has found 74 percent continue to approve of the Beef Checkoff Program. That's 5 percent higher than it was a year earlier. The survey found that the more producers know about the program, the more supportive they are.

Seventy eight percent said the checkoff has value, even when the economy is weak, and 71 percent say the checkoff represents their interests. The survey was conducted from December 2017 to mid-January, 2018.

## Producers Telling Their Stories

The Raising Beef section of the new *Beef. It's What's For Dinner.* website has featured several graduates of the checkoff-funded Masters of Beef Advocacy program. MBA graduates – who now number nearly 11,500 – are helping people rethink the ranch by sharing their personal stories on the site. The collaboration between programs is an example of how the beef checkoff-funded Beef Advocacy Training and Engagement program works to help members of the beef community leverage their advocacy and spokesperson skills, benefiting many checkoff programs.

## Expanding International Beef Demand

Thanks in part to beef checkoff-funded efforts to promote to and educate our international customers, global beef demand was up in 2018, with markets outside of the United States buying a larger share of U.S. beef production at higher prices. According to USDA data compiled by the U.S. Meat Export Federation, through June, U.S. beef and beef variety meat exports set a record pace in both volume (662,875 metric tons) and value (\$4.03 billion). In previous years, export value had never topped the \$4 billion mark before August.

The same data suggests the U.S. has exported 13.5 percent of its total 2018 beef production, up from 12.8 percent last year. Export value per fed steer or heifer slaughtered averaged \$317 – up 18 percent from a year ago.

Noteworthy export markets in 2018's first half included Japan (\$1.02 billion – up 12 percent from last year's pace), South Korea (\$802.1 million, up 52 percent), China/Hong Kong (\$510.8 million, up 43 percent) and Taiwan (\$249.7 million, up 39 percent). Also showing strong demand for U.S. beef were Mexico (\$506.7 million, up 10 percent), Central America (\$38.8 million, up 26 percent) and South America (\$63.9 million, up 20 percent).

## Cattlemen's Beef Board Fiscal Year 2018 Expenditures

Promotion	\$9,225,691
Research	\$8,042,093
Consumer Information	\$7,345,798
Industry Information	\$3,560,607
Foreign Marketing	\$7,640,567
Producer Communications	\$1,179,898
Program Evaluation	\$230,795
Program Development	\$295,075
USDA Oversight	\$601,681
Administration	\$1,811,956
<b>TOTAL EXPENSES</b>	<b>\$39,934,161</b>

## State to State Partnerships Reach Millions of Consumers

Our long-standing partnership with the northeast region of the U.S. provides opportunity to reach millions of consumers with our beef story. Cattle outnumber people in South Dakota by nearly 5 to 1 so it's important for us to utilize beef checkoff dollars to support densely populated regions.

⇒ We provide resources to reach the 19.1 million consumers in New York with meaningful programs and outreach efforts that improve consumer confidence and promote beef in a healthful diet.

## Research Provides Direction

Innovative beef research guides the beef community at many different levels and provides direction in understanding our product, consumer and future. Continued checkoff funded research includes studies at South Dakota State University to improve beef marbling, quality and value of beef products through various innovative techniques.

## FACS Beef Program and ProStart Beef Program

During the 2017-2018 school year, this program impacted approximately 46 schools/teachers & approximately 6,300 middle and high school aged students. It continues to see growth and popularity among teachers across the state.

## BEEF Continues as Official Meat of the 78th Sturgis® Motorcycle Rally™



This partnership opened the door to the possibility of reaching over a half million consumers from all over the world in

which to share our beef story. We did this as a boots-on-the-ground effort; the mayor's ride, the all-beef burger battle, various media including local radio, TV, and publications as well as RFD-TV's Cattlemen to Cattlemen. Two Louisiana chefs won the burger battle and advanced on to compete in the World Food Championships in Alabama.

## Expedition Baseball League



The South Dakota Beef Industry Council teamed up with the Expedition Baseball League to promote beef in three South Dakota markets— Pierre, Aberdeen and Spearfish. In addition to providing a Beef Cup Series, numerous social media and advertising outreach efforts as well as a Beef Night was incorporated into each Market.

⇒ Beef Cup Series – naming rights to a traveling trophy series for a total of thirty-two season games; logo on graphics; billboard; outfield banners and advertising on all social media platforms.

⇒ Beef Night – one game in each market was dedicated to beef. Focused messaging was included on all social media platforms and as part of the game script. Games also included menued or sampled beef items, social media promotions, and four beef centric game breaks.

## Sanford International Senior PGA Tour of Champions

Beef was the premiere protein at the tournament with exclusive naming rights to the prime destination oasis located in the 1st, 2nd, 17th, and 18th viewing area. The "Ranch" had multiple education opportunities including virtual beef tours where consumers toured a cow-calf operation and feedlot. Local beef producers were available to share personal stories and answer consumer questions. WNAX broadcasted live from the "Ranch" throughout the week and the SD Beef Breeds Council served ribeye sandwiches. This event expanded on the national "Re-think the Ranch" campaign and reached approximately 72,000 consumers.



## Build Your Base with BEEF!

A new "Build Your Base with Beef" sport's nutrition and training program written in collaboration with Sanford Sport's Science Institute was piloted in ten South Dakota high school football programs across the state in the fall of 2018. This program utilized beef as the premiere protein for athletes and families. To learn more about the program visit [buildyourbase.sdbeef.org](http://buildyourbase.sdbeef.org)



## Team BEEF SD

This community of cyclists and runners recognize the nutritional benefits of beef and the vital role high-quality protein plays in their training. This highly visible group of beef advocates promote beef through their healthful lifestyle and showcase their love for the protein by wearing their Team BEEF SD jerseys when participating in activities within and outside our state borders.



## Partnerships Highlight Beef as a Healthy Choice

Outreach efforts continued through 2018 with several opportunities to engage with both nutrition influencers and consumers. The SDBIC sponsored speakers and events that offered attendees an opportunity to receive science-based educational material on beef's nutritional value and information regarding the pasture-to-plate story. Some of which include the American Heart Association, SDSU Dietetic Internship Program, SD Academy of Physicians Assistants, Influencer bus tours, and numerous retail outreach opportunities.

## SDBIC 2018 Audited Financials

SDBIC 2018 Audited Financials	
<b>Revenue</b>	
Checkoff Receipts	3,790,839
Less: State Boards	(611,811)
Less: National Boards	(1,942,945)
Net Checkoff Revenue	1,236,083
Interest/Other Receipts	12,120
Total Net Revenue	1,248,203
<b>Expenses</b>	
Promotional/Consumer Activities	627,051
Research Activities	91,068
Industry Information	218,667
Total Program Services	936,786
Support Services/General Administration	127,482