

**USMEF ACTIVITY REPORT TO
NORTH DAKOTA BEEF COMMISSION
U.S. Beef Market Development Activities in Korea, Taiwan and South America**



September 2024

**The USMEF activities described in this report were funded by the
North Dakota Beef Commission**

This report provides a snapshot of year-to-date FY2024 market development activities conducted by the U.S. Meat Export Federation in Japan, Korea, Taiwan and South America. In the remaining months of the year, North Dakota Beef Commission's (NDBC) investment will be leveraged with government funds and other beef checkoff dollars to maximize the reach of these marketing activities. Recent promotional highlights from retail promotional initiatives include the following.

GLOBAL U.S. BEEF/BVM EXPORTS UPDATE *(YTD July 2024)*

Exports of U.S. beef/bvm continued to build momentum in July, with monthly totals reaching totaled 110,419 mt, up 7% from a year ago and the second largest of 2024. Export value climbed 12% to \$910.9 million, also the second highest this year. For January through July, beef/bvm export value increased 6% from a year ago to \$6.13 billion, despite a 2% decline in volume (754,152 mt). U.S. beef export value from January-July averaged \$418.38 per head, up 6% from the first seven months of 2023. Exports through July accounted for 14.1% of total production (down from 14.4% a year ago) and 11.8% for muscle cuts (down from 12.1%).

KOREA ACTIVITY

In-store promotions have consistently proven to be efficient for boosting product sales with high ROI. These activities, which involve traditional methods like in-store tastings, effectively highlight U.S. beef's flavor, creating a sensory connection with consumers. To further defend and promote U.S. beef in the current highly competitive environment, USMEF has intensified its partnerships with retailers for seasonal campaigns, expanded tasting venues, improved signage and displays, increased demonstration frequency, and coordinated inventory management with importers and retailers. These efforts have also helped introduce new retail products, launch new cuts, and increase sales of existing items, especially focusing on chilled beef, value-added marinated goods, and Home Meal Replacement (HMR) products.

USMEF has continued its collaboration with Lotte Mart, an indispensable retailer for large volume sales. Over the course of one week in March 2024, U.S. short ribs and chuck ribs were promoted with a purchase incentive giveaway (a reusable container for marinating) at all 120 Lotte Mart locations. This initiative resulted in the sale of over 67 mt (nearly 148,300 lbs.) of U.S. beef, marking an extraordinary 3,037% increase compared to the previous period. Additionally, in a separate partnership with Lotte Mart Max (a warehouse club chain owned by Lotte Mart, which transitioned from a membership-only model similar to Costco to being membership-free since 2020), USMEF organized a sales competition among the meat departments of various stores to see which could sell the most American beef from May through June 2024. Supported by USMEF and Lotte Mart Max's own promotional efforts, the contest featured chilled and marinated U.S. beef products. During the two-month competition, U.S. beef sales increased by 8.7%, generating \$1.35 million in revenue. Impressively, the momentum carried on post-contest, ensuring robust U.S. beef sales—exactly the outcome USMEF aims for. The primary objective is to raise consumer awareness of



U.S. beef by encouraging trial among those unfamiliar with it and by promoting a variety of cuts at different price points, suitable for local dishes, thus providing customers reasons to return and stores incentives to continue promoting U.S. beef. In other point-of-sale efforts in 2024 targeting consumers who prefer brick-and-mortar venues over the fiscal year, roadshow events and routine product sampling activities also took place at Lotte Mart and E-Mart, Homeplus, and Savezone stores. From January through March, USMEF conducted 50 tasting days at 254 outlets across the country. The effort generated nearly 670 mt in U.S. beef sales, moving 1.47 million lbs. through these participating retailers, 4% higher than Q1 in CY2023. **NDBC's funds are earmarked for FY24 Q3 in-store promotions to boost U.S. beef sales during the busy year-end holiday season.**

TAIWAN ACTIVITY

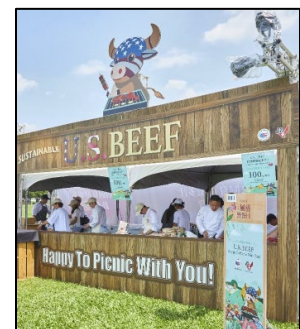
After a slow start in 2024, beef exports to Taiwan have accelerated in recent months. July shipments totaled 6,142 mt, up 16% from a year ago, while export value soared 33% to \$69.5 million. While January-July volume to Taiwan still trailed last year (36,852, down 6%), export value increased 7% to \$404.2 million.

Taiwan is uniquely positioned as a consumer-driven market, where foodservice and retail options readily evolve due to the demands and needs of consumers. USMEF is intensifying efforts in Taiwan to target the consumer sector and step up the frequency and intensity of its messaging campaign built around quality and safety. Throughout the year, USMEF organizes food-themed festivals and pop-up experiences featuring U.S. beef. These initiatives aim to strengthen restaurant reputations, increase consumer exposure to diverse U.S. beef products, and foster direct engagement to boost awareness. **While NDBC's investment is funding a U.S. beef PR event currently being held in Taiwan's Neihu Technology Park, the following summary of a similar activity earlier this year illustrates the mechanics and reach of this type of gathering.**

With food prices on the rise in Taiwan, consumers are cutting back and spending less. In response to this, USMEF is promoting an alternative mix of affordable U.S. beef cuts with importers, their customers, and directly to consumers. At a Vogue event in Taipei in April, USMEF promoted and sampled lean cuts of U.S. beef with the theme "Sustainable U.S. Beef - Happy To Picnic With You" to demonstrate the quality of these lesser-known items in popular dishes. Vogue, a globally recognized fashion magazine, is particularly popular among young people in Taiwan.



Vogue and GQ have previously hosted a series of outdoor entertainment events in Taiwan, with the most prominent being the Vogue Picnic Day, which attracted many young people aged 18 to 35 and received extensive media coverage across various platforms. USMEF Taiwan has collaborated with Vogue for three consecutive years, with beef consistently appealing to younger consumers in past gatherings. By leveraging Vogue's outdoor picnic once again in 2024, USMEF promoted U.S. beef to consumers stylishly and engagingly,



solidifying its image as a market leader among the younger generation. USMEF's eye-catching booth captured festivalgoers' attention with an appetizing picnic area incorporating a philanthropic element. By selling U.S. beef-tasting plates onsite, USMEF was able to give back to the community, a gesture that received a warm response from the public. Other highlights include the following:

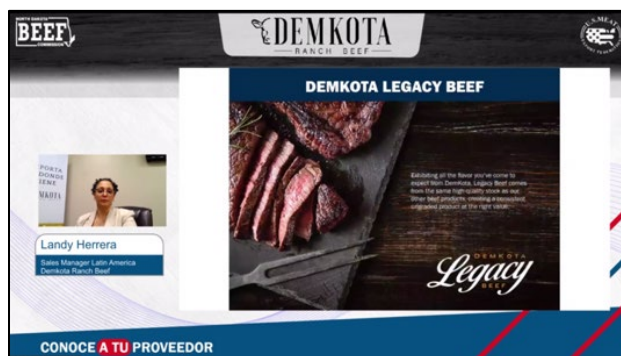
- 480 servings of pan-fried beef sold on-site (sold out)
- Media exposure included three well-known magazines and their online publications in Taiwan: VOGUE, Business Weekly, and Excellence Magazine.
- Efforts boosting the influence of 25 KOLs at the event resulted in a reach of 144,000+, a social media engagement of nearly 20,000 and 1,410 shares. KOLs are required to share their delicious experiences with "American beef," suggest preparing "American beef" snacks for picnics, and emphasize that U.S. Beef is committed to sustainability, values the environment, and loves the Earth. Additionally, they should tag the brand's Instagram account @usbeefgo in their posts.



SOUTH AMERICA ACTIVITY

While buyers in South America are still developing a taste for U.S. beef, increasing availability of high-quality product in wet markets, supermarkets, restaurants, etc., are helping drive favorable attitudes towards U.S. product. Growth opportunities are continuing to emerge as restaurants search for methods of differentiation and consumers seek out more reliable sources. USMEF's work to expediate the progression of this market involves laying the groundwork for increased product availability and finding opportunities to modernize foodservice and retail venues with high-quality U.S. beef.

USMEF plays a crucial role in bridging relationships between local partners and U.S. suppliers aiming to market U.S. beef products in the region. Additionally, it offers industry insights and product details to trade professionals and other purchasers, while diligently collecting important market intelligence from local buyers to precisely relay their needs and expectations to the U.S. beef sector. In a recent effort made possible by NDBC funds, USMEF hosted a "Meet Your Supplier" webinar with Demkota Ranch. The session was led by Landy Herrera, Sales Manager at Demkota Beef Ranch, who presented her company's offerings and logistics services to 33 importers from Chile, Ecuador, and Peru. She also discussed its brands and programs available for



export to South America. Following the meeting, at least five companies contacted Landy seeking further information and quotes. Among them was Consorcio Chemo (Peru), which made its first purchase from Demkota Ranch by the end of the month. Landy mentioned that two additional companies, one from Peru and another from Chile, were on the verge of placing their orders.

USMEF is also utilizing NDBC's support to participate in trade shows and regional showcases, specifically Espacio Food and Service in Chile during the first week of October, to build relationships with new buyers and introduce cuts and products. Espacio ranks among the most significant events in South America, attracting over 25,000 attendees during its three-day run. USMEF staff will be on hand to address questions and engage with participants, as well as offer cooking demonstrations of U.S. beef on the main stage, at their booth, and during a USMEF meet-and-greet reception, which also includes U.S. exporters and local importers. In previous years, these outreach activities have successfully fostered valuable networking opportunities and facilitated new connections between U.S. suppliers and regional importers.