



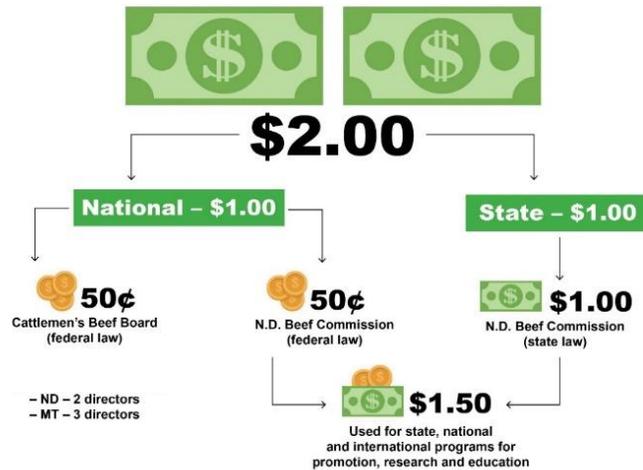
REPORT TO 2023 NORTH DAKOTA LEGISLATIVE ASSEMBLY SENATE AND HOUSE AGRICULTURE COMMITTEES

BACKGROUND

The North Dakota Beef Commission was legislated into existence during the 1973 legislative session. The rate of the beef checkoff began at \$.10 per head and was increased to \$.25 per head in 1981 and to \$.50 in 1983. In 1986, with the passage of the Beef Promotion and Research Act as part of the 1985 Farm Bill, the beef checkoff became a nationwide, uniform program at the rate of \$1 per head, including an assessment on imported cattle, beef, and beef products. This went into effect October 1, 1986. In May of 1988 beef producers nationwide participated in a producer referendum and voted overwhelmingly in favor of continuing the national program. This national program still exists today at the same rate.

More recently, ND beef producers requested an additional North Dakota \$1 per head state beef checkoff during the 2015 Legislative Session. By action of the Legislature, ND now is one of 18 states that have implemented an additional state assessment over and above the national \$1. It is important to know that the national beef checkoff is a mandatory non-refundable assessment made every time cattle change ownership. The ND state beef checkoff is also due every time cattle change ownership, and it affects all cattle sold in or from North Dakota. The state beef checkoff dollar is similar to other state commodity checkoffs and can be refunded by producers.

N.D. Beef Checkoff Program



LEADERSHIP

The ND Beef Commission is directed by a group of nine beef producers. Appointed by the Governor, the directors represent different sectors of the industry. Three producer directors are selected from nominations submitted by the ND Stockmen's Association. One dairy producer director is selected from nominations from the ND Milk Producers Association. One livestock marketing director is selected from nominations from the ND Livestock Marketing Association. One cattle feeder director is selected from nominations submitted by the Feeder Council of the ND Stockmen's Association. (The Feeder Council group resulted from the merger of the ND Livestock Feeders Assn. with the ND Stockmen's Assn.) The three remaining beef producer directors are appointed at-large by the Governor and must meet certain criteria set forth in the ND Beef Commission section of the ND Century Code. Directors can serve no more than two consecutive three-year terms. The Commission may also elect up to four non-voting ex officio members.

PURPOSE

The mission of the North Dakota Beef Commission is to:

“Enhance beef demand by strengthening consumer trust and exceeding consumer expectations.”

This is accomplished through consumer information, promotion, industry information, research, and national and international promotion programs funded by the NDBC with national and state checkoff dollars.

The duties of the Beef Commission include establishing and maintaining an office within the state, keeping accurate records of all assessments and other financial transactions under the law, and determining the uses for checkoff dollars. The uses may include the funding of research, education programs, and market development efforts, as well as participation in programs under the auspices of state, regional, national, and international organizations.



North Dakota’s population of cattle is 2.5 times more than people. Investment into national programs in locations where human population greatly exceeds bovine, continues to be a priority. The NDBC joins forces at the national level with 42 other state beef councils, targeting the beef message to position beef as the premier protein. For producers to realize the greatest return on their checkoff investment, it is critical to get the beef industry message to consumers in the most cost-effective manner possible. This is accomplished by pooling checkoff dollars at the national level through the Cattlemen’s Beef Board, the Federation of State Beef Councils of the National Cattlemen’s Beef Association (Federation) and the US Meat Export Federation (USMEF). Currently, \$.67 of every national checkoff dollar collected in ND is invested in national and international programs. Of this \$.67, federal law mandates \$.50 must go to national programs of the Cattlemen’s Beef Board and the NDBC determines the additional \$.17 investment in national and international programs of the Federation and the USMEF.

When compared to many other commodity groups in North Dakota, the ND Beef Commission **does not** lobby. Federal law prohibits the use of any national beef checkoff dollars for the purpose of government influencing. We are not, however, prohibited from providing program information, research results, and serving as an information resource for government entities like our legislature on behalf of the beef industry.

PROGRAM HIGHLIGHTS

NATIONAL PROGRAM INVOLVEMENT

As has been mentioned, the national beef checkoff program is coordinated by the Cattlemen’s Beef Board (CBB) with oversight by USDA. Additionally, the Federation of State Beef Councils of the National Cattlemen’s Beef Association works with the CBB and state beef councils in national program development and implementation. These programs primarily center around the “Beef. It’s What’s For Dinner.” brand. The NDBC continues to extend national programs across ND with attention to national goals, objectives, design, and target markets. Please take time to review the national annual reports of the CBB by clicking [here](#) for more detail on national programming.

TARGET AUDIENCE

On a national level, the target audience for demand-building checkoff programs is **“Millennials”**, young people ages 26-40 that are the first consumer group to surpass the “Baby Boomers” in numbers as well as buying power. Extensive consumer research has shown that millennials with young families hold the greatest potential for increasing beef demand. In North Dakota, the target audience for beef messaging has been youth, parents, and general consumers of all ages.

CONSUMER INFORMATION

Education

Investing in the next generation of consumers starts by teaching those that educate youth and is key to spreading a positive beef message. **Agricultural Education, Family & Consumer Science** educators and NDSU Extension agents are utilizing mini-grant dollars made available through beef checkoff funds. Educators apply for funds to ease expenses related to beef education. These funds in turn, give students a hands-on learning experience to understand beef nutrition and develop cooking skills as well as learn more about meat science and processing. Checkoff dollars are also invested in the **Living Ag Classroom**. This program annually brings between 4000-5000 fourth-grade students a firsthand, experience with agriculture. NDBC participates in events hosted in Minot, Bismarck, and Fargo. Since its beginning, in 1995, LAC has reached over **112,000** fourth grade students with a **“Food From Farm To Fork”** message. The **ND FFA, 4-H and NDSU Meat Judging Team** are also recipients of support from the ND Beef Commission. Members of these groups are engaged in meat science and participate in specific beef product related programs. Youth involved in these organizations receive acknowledgment, awards or scholarships



funded with beef checkoff dollars to recognize their achievements The North Dakota Beef Commission is piloting a new program geared toward high school and college athletes, focusing on nutrition, and fueling their bodies with real food first. **Powered By Beef: Performance Through Protein** is a sports nutrition program which includes meal plans anchored with beef, tips on timing meals for practice and competition, help with fueling up on the road, and educational resources to make good choices. The impact of this program not only includes the student athletes themselves, but also involves families and communities. This program ensures the next generation of consumers and parents understand, enjoy, and value nutrient rich foods like beef. In the first year of this program, there are 17 high schools participating as 4 universities. Another emphasis on education includes scholarships awarded to students participating in the new partnership between North Dakota State College of Science and North Dakota State University. This new program provides an intense 12-week course to train meat cutting and processing professionals and helps place them in established processing facilities to ease the strain on this high demand, special skilled work force.

Health & Nutrition

Through decades of work, beef checkoff funded research and programming is recognized as a trusted source for beef nutrition information. Organizations including the **ND Academy of Family Physicians, Upper Plains Cardiopulmonary Rehab Association, ND Academy of Nutrition & Dietetics**, and the **ND Nutrition Council** trust and respect the high-level national research and resources that are the backbone of materials and programs the NDBC brings to them. Members of the North Dakota Academy of Family Physicians benefited from the knowledge Kelly Hawthorne shared with them as she spoke at their conference, sponsored by the NDBC. The Independent Beef Association of North Dakota (IBAND) partnered with the North Dakota Beef Commission to impact and influence a group directly affecting nutrition decisions for North Dakota youth, school food service professionals. **Beefing up the Lunch Tray** is an inaugural program to assist schools and increasing beef on the menu as well as supporting



ND producers by sourcing locally raised products. The most recent publication Dietary Guidelines for Americans released by US Department of Ag and the Department of Health and Human Services changed the recommendation for babies and toddlers ages 6 months to 2 years. It is now recommended this age group be fed beef as an introductory food to help increase nutrients such as protein, iron, zinc, and B-vitamins.



Beef In The Early Years: Make Every Bite Count is an educational campaign targeted towards physicians and parents. A campaign was launched directly targeting pediatricians, informing them of beef's nutritional benefits as well as versatility in a baby's diet.

Public relations & media

North Dakota has celebrated **Beef Month** for two years. This campaign is designed to celebrate the beef producers as well as gear up consumers for the summer grilling season. The month kicks off with a Gubernatorial proclamation that May is “Beef Month”. Events include a 5K fun run, grocery store demonstrations, “Best Burger in North Dakota” social media contest, and advertising on radio and digital platforms. Through a combined state and national effort, the beef industry works together to defend beef’s place on the dinner plate and the beef producer’s place on the land. To increase trust in the producers behind the product, features are placed on the ND Beef Commission’s website, ndbeef.org. There are also features with information on how cattle are raised at, beefitswhatsfordinner.com. The NDBC partners annually with the North Dakota Stockmen’s Association to host a special **Military Appreciation Beef Picnic** at the ND State Fair. Since the first military event in 2004, over 27,000 military members and their families have been served a beef meal. Volunteers are also critical to the success of many beef promotion programs. That’s why the NDBC uses checkoff dollars to support the efforts of the **ND CattleWomen** as they reach consumers young and old through local and state events including sport & home shows, large consumer events, ranch tours, library, and classroom visits to read books about the beef business and other activities where they interact with consumers.



PROMOTION

Advertising

Nationally, reaching millennial consumers coast to coast is the focus of advertising efforts. Digital advertising reaches millions of consumers in the state and across the country. Digital platforms are increasing the reach and breaking down geographical divides. Many of these efforts are managed by our national organizations but state endeavors through Google search, YouTube, Spotify, as well as social media are extending campaigns. The utilization of social media platforms has allowed targeted messages to be delivered to North Dakota consumers. This new tactic platform of advertising allows for targeted messages and grants advertisers to pinpoint the demographics in geofenced locations. The benefit of this tactic is the metrics received. Receiving information on what a consumer reads, listens to, and engages in, helps develop future advertising



campaigns and provide consumers with information they want or need. The required action by the consumer also ensures the checkoff dollars invested are pinpointed in an economical way. Costs range from one to four pennies per engagement. The NDBC is committed to reaching consumer audiences with positive beef messages. On the national front, the Beef. It’s What’s For Dinner. brand had a new spokesperson. Former Dallas Cowboy, Tony Romo was the face and voice for beef over the summer grilling season and during the holidays. In ND, state checkoff dollars have made it possible to keep beef on television targeting two major special television events during the year. There are few other events that rival the viewership of the state **Class A and Class B Boys & Girls Sports Tournaments**. And when high school hockey, football and basketball were over, beef television and radio ads were also seen and heard on **NDSU Bison and UND Fighting Hawks** football games statewide. Beef was also featured in Thunder Alley at Bison home tailgating events. NDBC partnered with NDSU’s Meat Science/Carnivore Catering staff who featured various beef items for spectators to sample and recreate at home.



PRODUCER & INDUSTRY INFORMATION

The **ND Beef Quality Assurance program** is considered one of the premier BQA programs across the country. This program is managed through NDSU Extension, with financial support, in part, from a grant from the Beef Commission. In 2022, a live Stockmanship and Stewardship demonstration was held in Bismarck. This in-person seminar highlighted tactics and strategies for producers to move and handle cattle safely. This demonstration was not only for those operations that utilize horses, but ATVs as well as how to safely sort and work cattle on foot. This event featured world renowned leaders in low-stress cattle handling, Curt Pate and Ron Gill. Over 75 producers learned how to improve their operation.



RESEARCH

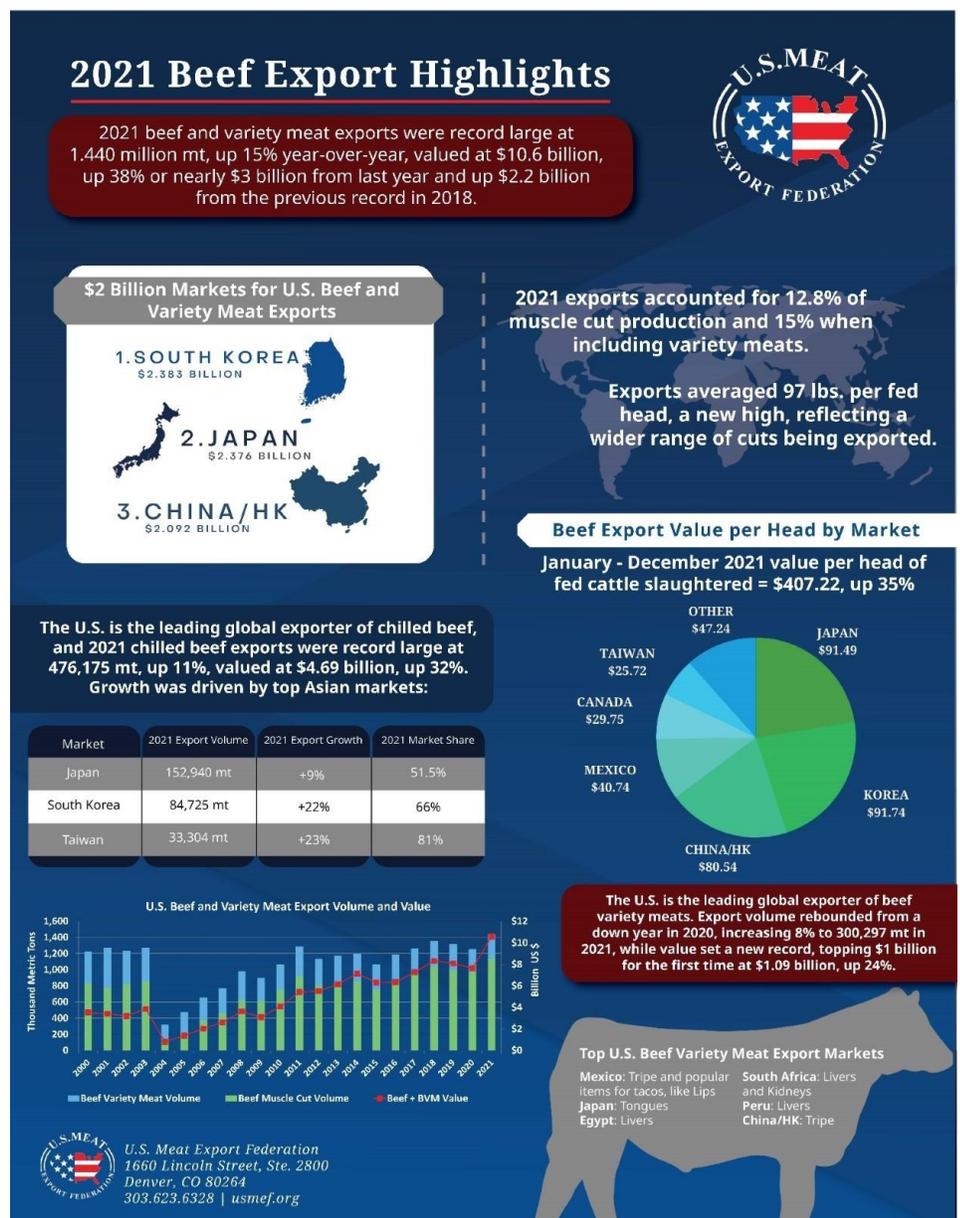
Beef checkoff dollars are restricted to funding research directly related to **beef and beef products**. The areas of priority for research include Human Nutrition – the importance of beef in human diets for health and wellness, Product Quality – drivers of demand including palatability and safety, and Product Innovation – new or improved beef products to appeal to a broader consumer base. The ND Beef Commission encourages state institutions to develop and conduct research projects that further national industry research priorities. Several state researchers from **NDSU and the USDA ARS Grand Forks Human Nutrition Research Center** have received funding. Utilizing state checkoff dollars, the NDBC has committed \$1 million to the Peltier Complex at NDSU. This new facility will house a modern meat lab for future students to learn meat science as well as increase the potential for meat science research. This facility will also house a retail meat center, allowing the public access to beef cuts and students opportunities to experience a meat processing career. With additional state checkoff dollars available, the NDBC has gone from less than \$1000 for research in fiscal year 2015, to investing a total of over \$2 million in research projects since the state checkoff started.

FOREIGN MARKETING

Ninety-six percent of the world's population lives outside of the United States, and many foreign countries are experiencing growth in their middle class. There are ample opportunities for US Beef to become the preferred protein for billions of consumers around the globe. That is why the NDBC has a long-standing record of support for the **U.S. Meat Export Federation (USMEF)**, the organization that carries out U.S. beef demand-building programs in foreign markets. USMEF has a history of educating meat buyers, retailers, the food service trade, and consumers in over 80 countries around the world. US beef exports currently contribute near \$425 per head of fed cattle slaughtered.

Focus on Japan

NDBC has continued its financial support to USMEF for US beef promotions in foreign markets, with a concentrated focus on Asian countries. According to USMEF, Japan imports half of its calories, leaving the US well-positioned to feed Japan's growing appetite for beef. Retail promotions, made possible in part with NDBC support, have shown great impact on the sale of beef to Japanese consumers.



The following information has been supplied by the US Meat Export Federation regarding the success and status of US beef exports around the world and specifically Japan.

US Beef and Variety Meat Exports:

- In 2021, U.S. beef and variety meat exports were record-large at 3.17 billion pounds, while export value soared to a record \$10.6 billion. Global demand for U.S. beef grew even stronger in 2022, with exports through October already topping \$10 billion and expected to approach \$12 billion when full-year data is available. Export volume through October was 2.75 billion pounds, 4% above the record pace of 2021. The outlook for 2023 remains bright, as the gradual recovery in the global foodservice sector continues to bolster demand for high-quality U.S. beef. Exports will likely see a modest decline, however, due to tighter beef supplies resulting from drought-driven contraction of the U.S. cattle herd.
- The U.S. exports beef to more than 100 countries, and the top export destinations are South Korea, Japan, China/Hong Kong, Mexico, Canada, and Taiwan. While 2022 export growth was largely driven by the major Asian markets, demand for U.S. beef also strengthened significantly in the Caribbean, Middle East, Southeast Asia, and Colombia.
- The U.S. exports roughly 15% of its total beef production and about 12% of beef muscle cuts. Exports are an excellent complement to our robust domestic market, especially when exporting underutilized cuts and variety meat. Exports of beef variety meat, including tongues, livers, tripe, hearts, kidneys, lips, etc., totaled \$1.1 billion in 2021 and had already topped \$1 billion through October 2022, contributing significantly to the value of every animal harvested.
- The U.S. is the top global exporter of grain-fed beef and chilled beef. Primary competitors in the grain-fed space are Australia and Canada.

MOVING INTO THE NEXT BIENNIUM

The outlook for ND beef producers remains positive. Higher prices for cattle are being experienced. However, cattle numbers are low due to drought and blizzards over the past 2 years in many parts of the county. However, demand for beef remains high in North Dakota, nationally, and globally. Consumers continue to value beef as a premium protein. Marketing efforts will focus on strategies that bring consumers to the table looking for beef's flavor as well as the healthful benefits of beef in the diet. The NDBC will continue to extend national programming and campaigns to present a unified program, driving demand for beef producers through beef promotion, research, and education programs.

Strategic priorities for the NDBC board continue to be:

- Youth programming in North Dakota
An effort to build the next generation of beef consumers and understand how beef gets from pasture to plate.
- Global marketing
Continue promotional programming to introduce US beef to the global population which has a growing middle-class sector.
- Producer Communications
Increase communication with producer investors to bring transparency in the programs that drive demand for their products.
- National programming
Reach consumers with a positive beef message where people outnumber cattle are removed from production agriculture.

If you have questions or concerns about the beef checkoff program, please feel free to contact:

ND Beef Commission
4023 State Street, Bismarck, ND 58503
701-328-5120 or email at ndbeef@ndbeef.org

And take time to visit our website at www.ndbeef.org for consumer and producer information on beef. For more detailed information on beef checkoff programs from the past two years, please visit the website using the link provided to committee members or contact the NDBC office for a printed copy.

NORTH DAKOTA BEEF COMMISSION
Bismarck, North Dakota

STATEMENT OF PROJECTED REVENUE AND EXPENDITURES
For the Bienniums Ended June 30,
UNAUDITED

Prepared by the North Dakota Beef Commission

	19-21 <u>Biennium</u>	21-23 <u>Biennium</u>
Beginning Balance	\$ 1,190,756	\$ 344,768
REVENUE:		
Gross Assessment Revenues	4,376,360	4,200,000
Less		
Assessments Remitted To other states	29,000	31,000
Assessment Revenues remitted to Cattlemen's Beef Board	1,093,583	1,050,000
State Refunds	<u>309,349</u>	<u>295,000</u>
Net Assessment Revenues	\$2,944,428	\$2,824,000
Other Revenue – Interest & Receipts	<u>27,710</u>	<u>19,000</u>
Total Revenues	<u>\$ 2,972,138</u>	<u>\$2,843,000</u>
EXPENDITURES		
Program Expenditures		
International	\$ 385,030	\$ 240,000
Promotion	477,296	200,000
Research	517,370	400,000
Consumer Information	747,297	500,000
Industry Information	128,779	120,000
National Program Development	448,473	300,000
Administration –	777,850	691,000
Salaries, Per Diem, Benefits		
Operations –	336,031	249,000
Rent, audit, compliance, office equipment, supplies, postage, printing, legal, board insurance, travel		
Total Expenditures	<u>\$ 3,818,126</u>	<u>\$ 2,700,000</u>
Excess of Revenues Over (Under) Expenditures	\$ (845,988)	\$ 143,000
Ending Balance	\$ 344,768	\$ 487,768