



Funded by the Beef Checkoff

NATIONAL BEEF CHECKOFF 2024 RETURN ON INVESTMENT & BROADER ECONOMIC IMPACT STUDIES



AN INDEPENDENT ECONOMIC ANALYSIS OF THE NATIONAL BEEF CHECKOFF PROGRAM
FOR THE MOST RECENT FIVE-YEAR PERIOD



2019-2023 RETURN ON INVESTMENT STUDY

To estimate the impact of the national Beef Checkoff program, in terms of additional benefits and industry returns, a market simulation model was used to calculate an average return on investment (ROI). For this study, the average **ROI measured the incremental financial impact to producers and importers** for each \$1 invested¹ in national Beef Checkoff demand-driving activities².

WHAT WERE THE IMPACTS OF THE NATIONAL BEEF CHECKOFF ON BEEF DEMAND³ AND FOR THOSE PRODUCERS AND IMPORTERS WHO PAY INTO THE PROGRAM?

The national Beef Checkoff had a positive and significant impact on beef demand in the U.S. compared to what it would have been in its absence. Had there not been any national Beef Checkoff demand-driving activities over the most recent five-year period (2019–2023), **total domestic beef demand WOULD HAVE BEEN 2.4 BILLION POUNDS (8.5%) LOWER** per year than actual results.

The national Beef Checkoff had a positive and statistically significant impact on U.S. beef exports over the most recent five-year period (2019–2023). Specifically, had there not been any national Beef Checkoff program funds (along with other foreign marketing expenditures) spent on export demand-driving activities⁴, **U.S. beef export demand WOULD HAVE BEEN 372 MILLION POUNDS (11.5%) LOWER** per year than actual results in the seven major importing countries⁵ included in this study.

Had there not been any national domestic demand-driving activities from 2019–2023, **the steer price WOULD HAVE BEEN 7.8% LOWER** per year than actual results.

For every national Beef Checkoff program dollar invested in domestic and export demand-driving activities for the most recent five-year period (2019–2023), the program had a positive effect on beef demand, **resulting in a total financial impact of \$13.41 BACK TO PRODUCERS and IMPORTERS** who pay into the program.

This study **does not** assess the impacts of Beef Checkoff program dollars invested at the state level.



2023 BROADER ECONOMIC IMPACT STUDY

The impact of the national Beef Checkoff on employment, labor income, value added, gross domestic product (GDP), and tax revenue creation were estimated using a **macroeconomic input-output model**. These findings offer insight into the **broader impacts of the beef industry⁶** that are attributable to the national Beef Checkoff's demand-driving activities.

WHAT WAS THE DIRECT EFFECT OF THE NATIONAL BEEF CHECKOFF TO THE BEEF INDUSTRY?

The percentages for domestic beef demand (8.5%) and U.S. beef exports (11.5%) were used to calculate the national Beef Checkoff's contribution to the **incremental increase in total revenue** to the beef industry. Applying these percentages indicated that the **direct effect of the national Beef Checkoff added an incremental \$3.3 BILLION** to the beef industry in 2023. The \$3.3 billion incremental amount was achieved by **higher domestic sales volume (8.5%) and higher export volume (11.5%)** due to national Beef Checkoff domestic and export demand-driving activities.

WHAT WERE THE INDIRECT EFFECTS OF THE NATIONAL BEEF CHECKOFF TO THE BROADER GENERAL ECONOMY?

The direct effect of the national Beef Checkoff adding an incremental **\$3.3 BILLION** to the beef industry had **positive indirect effects** to the broader economy⁷, including:

- Increases in U.S. employment by almost **47,000 PEOPLE**.
- Increases in U.S. employment income by **\$2 BILLION**.
- Increases in total value added by **\$4.1 BILLION** in the U.S.
- Increases in U.S. GDP by nearly **\$9.5 BILLION**.

In addition, the existence of the national Beef Checkoff also **increased tax revenue** at the federal, state, and local levels. In 2023, this amounted to:

- \$34 MILLION** in county tax revenue
 - \$205 MILLION** in state tax revenue
 - \$504 MILLION** in federal tax revenue
- Grand Total: \$743 MILLION** in total tax revenue.

¹ The \$1 invested refers to national Beef Checkoff program dollars that were allocated to demand-driving activities from 2019–2023 by the Beef Promotion Operating Committee, a 12-member body of appointed producers and importers.

² The term "demand-driving activities" refers to national Beef Checkoff programs that influence beef demand such as promotion, education, trade servicing, and influencer activities as well as research projects.

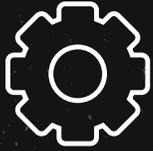
³ Beef demand is the relationship between the price of beef and the quantity of beef purchased.

⁴ Funds expended on export demand-driving activities include national Beef Checkoff program funds as well as contractor-acquired contributions and government monies (USDA/FAS), which are referred to as "other foreign marketing expenditures" in this study.

⁵ Importing countries include Mexico, Japan, South Korea, Taiwan, Hong Kong, China, and the European Union as they collectively represent the major destinations for U.S. beef exports.

⁶ The term "beef industry" refers to producers and importers who pay into the program.

⁷ The term "broader economy" refers to the U.S. economy, which encompasses the beef industry (i.e., producers and importers), input supply industries that benefit from increased purchase of inputs and services from the beef industry, and macroeconomic outputs.



METHODOLOGY

RESEARCH PERIOD & PRINCIPAL INVESTIGATOR

The Return on Investment & Broader Economic Impact Studies were conducted by Dr. Harry Kaiser in 2024. Dr. Kaiser is the Gellert Family Professor of Applied Economics and Management at Cornell University in the Charles H. Dyson School. Dr. Kaiser has been involved in the research of commodity promotion for 40 years and has conducted over 130 economic evaluation studies of domestic and international checkoff programs in the United States, Canada, and Europe.



RETURN ON INVESTMENT STUDY

ECONOMETRIC MODELS

Econometric models were developed to filter out the effects of other demand drivers/factors (e.g., other protein prices, real disposable income, seasonal variables, etc.), which enabled the study to quantify the net impact that national Beef Checkoff demand-driving activities had on domestic and export beef demand.

Econometric models were estimated with beef demand driver/factor data observations from 2006–2023.

MARKET SIMULATION MODEL

Once estimated, the econometric models were used to develop a market simulation model, which was simulated under two scenarios: 1) baseline scenario, and 2) counterfactual scenario. The difference in beef demand between the two scenarios determined the ROI of the national Beef Checkoff for beef producers and importers.

The market simulation model utilized data observations from the most recent five-year period, 2019–2023.



BROADER ECONOMIC IMPACT STUDY

The Impact Analysis for Planning (IMPLAN) was the input-output model used to determine the benefits of the national Beef Checkoff on the broader economy. Using 2023 as the base year, the IMPLAN model measured the incremental impacts of the national Beef Checkoff on employment, labor income, value added, tax revenue, and gross domestic product (GDP).



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