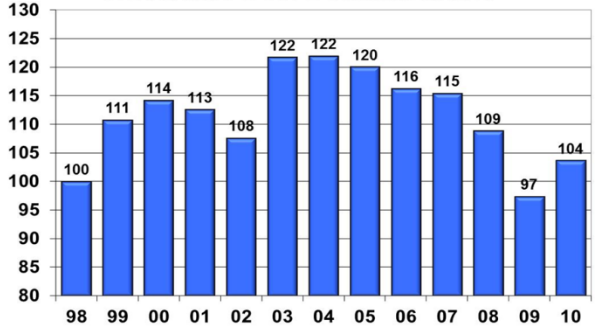
Funded in part by the National Cattlemen's Beef Association

2011-2013 Beef Industry Long Range Plan – Scorecard

Funded in part by the Beef Checkoff

Wholesale Beef Index Measure (WBI)



GOAL 110+ by 2013*

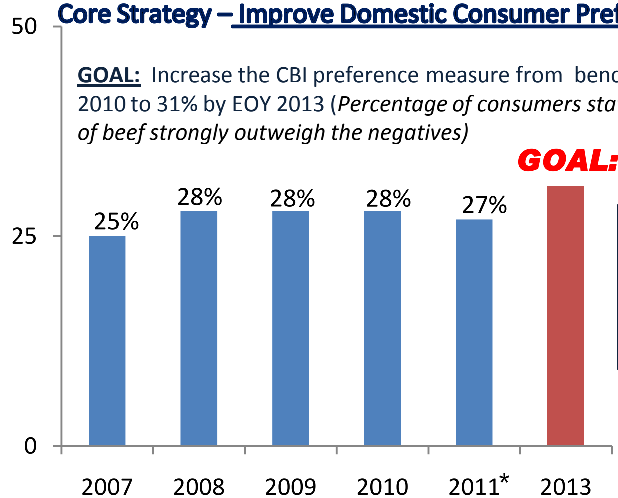
Projections	
FY 2011	110+
FY 2012	110+
FY 2013	110+

Source: USDA, KSU, CattleFax. Index based on 1998 value of a pound of wholesale beef, adjusted for inflation.
* Index adjusted from 105 to 110+ in July, 2011 by the LRP Task Force.

Core Strategy – Improve Domestic Consumer Preference for Beef

GOAL: Increase the CBI preference measure from benchmark 28% in 2010 to 31% by EOY 2013 (*Percentage of consumers stating the positives of beef strongly outweigh the negatives)*

GOAL: 31%



Key Drivers

- Taste
- Safety
- Price
- Nutrition

Source: Beef Checkoff CBI Study

* First annual measurement only

Critical Success Factors

- Develop a resourcing plan to achieve desired outcomes of the Long Range Plan (checkoff and non-checkoff)
- Adopt a practical and effective industry-wide animal disease traceability program.

Core Strategy – Capitalize on Global Growth Opportunities

GOAL: Increase the value of exports 25% (total export value divided by number of fed cattle slaughtered).

Update: Value of Exports

2008	2009	2010	Increase 25% → GOAL 2013
$133	$118	$153	$191

Source: USMEF

Core Strategy – Strengthen the Image of Beef and the Beef Industry

GOAL: Establish a benchmark measure of public perceptions of beef and beef production.

Update: Benchmark underway; initial measure will be incorporated into the Consumer Beef Index survey in Summer 2011.

Core Strategy – Position the U.S. Cow Herd for Growth

GOAL: Increase bred heifer retention to 18% while stabilizing U.S. beef production at a minimum of 26 billion lbs.

Update: **GOALS**

- Bred heifer retention 2010 (17.4%) → 2013 (18.0%)
- U.S. beef production 2010 (26 b lbs.) → 2013 (26 b lbs.)

Source: CattleFax

Core Strategy – Protect and Enhance our Freedom to Operate

GOAL: Develop an index to measure and track freedom to operate.

Update:

- Include benchmark question(s) in the annual USDA Producer Attitude Survey in Summer 2011.
- Online survey to capture feedback from other industry sectors.

Core Strategy – Improve Industry Trust, Openness and Relationships

GOAL: Establish benchmark of industry stakeholder perceptions of unity and trust.

Update:

- Include benchmark question(s) in the annual USDA Producer Attitude Survey in Summer 2011.
- Online survey to capture feedback from other industry sectors.

Revised 7/27/11

Funded in part by the National Cattlemen's Beef Association

2011-2013 Beef Industry Long Range Plan – Key Indicators and Industry Metrics

Funded in part by the Beef Checkoff

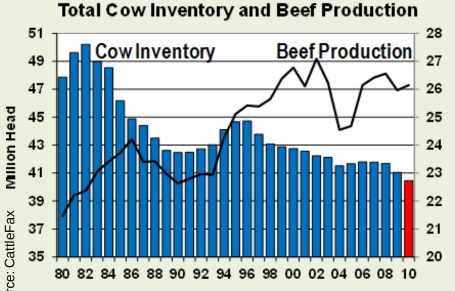
2011 – Key Trends Impacting the Food Production Chain

Trend 1 – Agriculture must double food production by 2050 using fewer natural resources
Trend 2 – Demand increasingly defines agricultural production systems and food products
Trend 3 – The health care debate will sharpen the divide between 'good' and 'bad' foods
Trend 4 – Emerging ag research models focus on innovation and market advantage
Trend 5 – New marketing tools expand consumer touch points and strengthen relationships

Source: Food Foresight, April 2011 (updated annually)

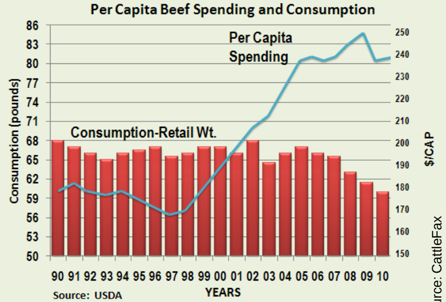
Inventory, Production, Spending and Consumption

Total Cow Inventory and Beef Production



- As the cow herd declines, beef production has become increasingly more difficult to maintain.

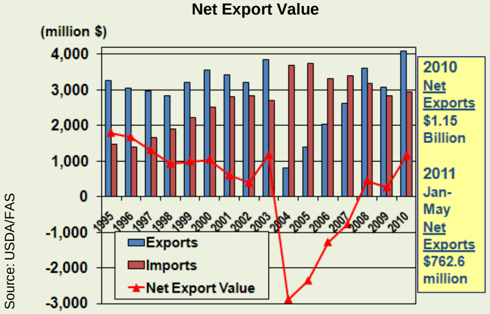
Per Capita Beef Spending and Consumption



- While annual per capita consumption has declined, spending continues to increase due to rising prices.

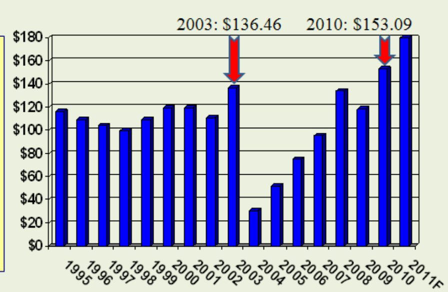
International Markets

Net Export Value



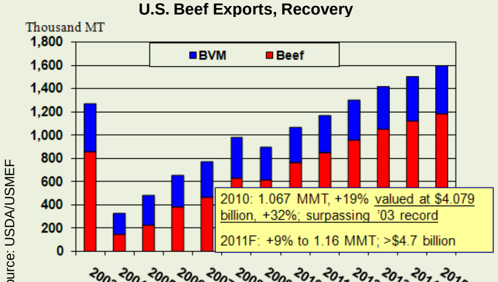
- The U.S. once again became a net exporter in 2008.

Value of Exports per head Slaughtered



- Value per head slaughtered continues to increase.

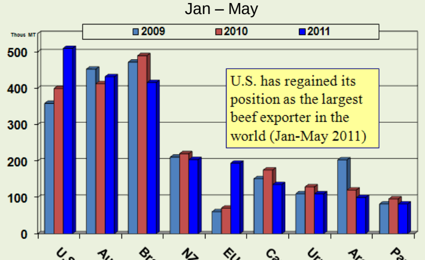
U.S. Beef Exports, Recovery



- U.S. beef exports continue positive recovery.

U.S. Export Growth Outpacing Competition

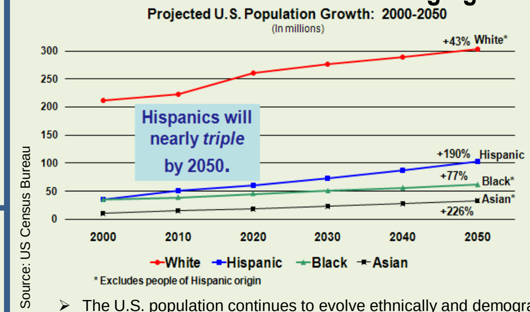
Jan – May



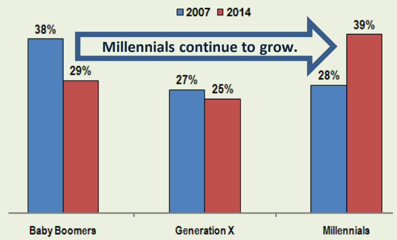
The Changing U.S. Consumer

Projected U.S. Population Growth: 2000-2050

(In millions)



Millennials to Replace Boomers as Largest Segment of the Workforce

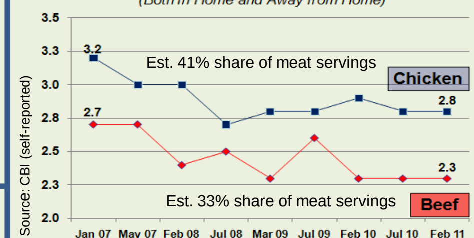


- The U.S. population continues to evolve ethnically and demographically; Hispanics continue to increase at an accelerated rate. By 2014, Millennials will become the largest segment of the workforce.

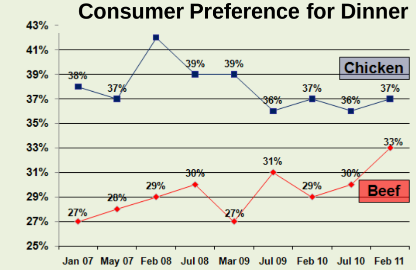
Domestic Beef versus Chicken

Past Week Average Number of Servings

(Both In Home and Away from Home)



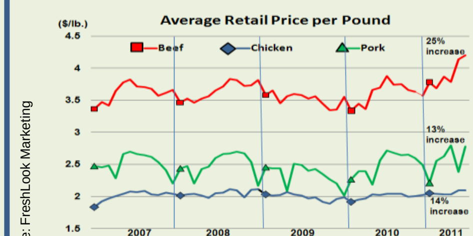
Consumer Preference for Dinner



- The gap between beef and chicken servings has not improved; however, beef is closing the gap on stated preference.

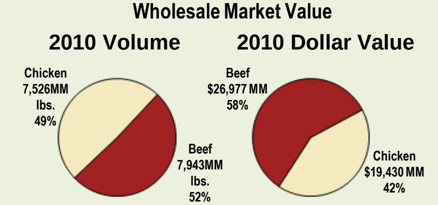
Retail and Foodservice

Average Retail Price per Pound



- Beef's average retail price/lb. has increased at a greater rate than chicken or pork.

Beef and Chicken Foodservice Wholesale Market Value

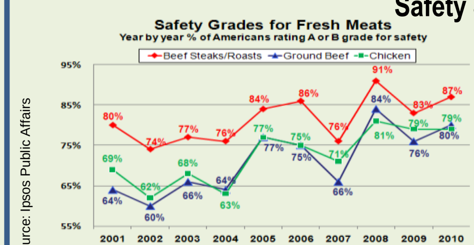


- While wholesale volume of beef and chicken is similar, beef's dollar value is considerably higher.

Safety & Nutrition

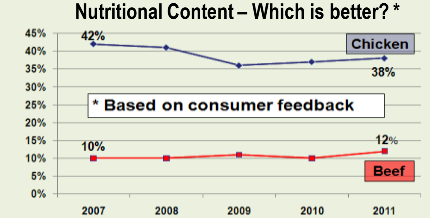
Safety Grades for Fresh Meats

Year by year % of Americans rating A or B grade for safety



- Safety perceptions are highest for fresh beef steaks/roasts.

Nutritional Content – Which is better? *



- Beef trails chicken on perceptions of nutritional content.