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BEEF REIGNS AS SUMMER'S KING OF THE GRILL

2004 Retail Summer Grilling Promotion Drives Consumers to the Fresh Meat Case

DENVER (December 22, 2004) -- Americans fire up their grills in record numbers during the summer months and Summer 2004 was no exception. That's why America's beef producers, through their \$1-per-head checkoff program, executed a nationwide Summer Grilling retail promotion spanning May through Labor Day 2004.

The impact of the targeted, seasonal campaign is reflected in the strong growth in sales of beef grilling cuts during the 15-week program.

The Beef Checkoff Program's annual promotion is instrumental in driving shoppers to the fresh meat departments and reinforcing beef as America's No. 1 protein. Across the country, strong retailer support continues for programs like these, especially during summer and winter holidays where beef is king.

An analysis of FreshLook data found total beef sales up 8.2 percent on a dollar basis and 2.2 percent on a pound basis versus the same period a year earlier. The price per pound increase is an indication of the strength of consumer demand for beef during the grilling season.

Strong beef demand, aggressive advertising and strong retail initiatives helped reinforce consumer enjoyment messages throughout the summer. While total meat sales were also up in May through August, beef and beef grilling cuts were up most dramatically reflecting the positive impact the summer grilling season has on beef demand.

The Summer Grilling campaign was an integrated retail marketing effort that featured all cuts of beef, including the chuck and round and incorporated the well-recognized enjoyment message, "Beef. It's What's for Dinner." The campaign was conducted on behalf of the Cattlemen's Beef Board and state beef councils by the National Cattlemen's Beef Association (NCBA). NCBA serves as one of the Beef Board's contractors for checkoff-funded programs.

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2004 Summer Grilling Promotion Results/Page 2

“The success of this seasonal campaign has been the result of a variety of promotional initiatives with the support of key retailers and strong partners,” said Randy Irion, director, retail marketing, NCBA. “Partnerships with A.1. Steak Sauce, as well as Sutter Home’s annual Build a Better Burger promotion, have helped to grow consumer demand through incremental support for beef at retail this summer.”

Key partnerships are integral to the success of the annual checkoff promotion. Kraft Foods’ A.1. Steak Sauce and Marinades, a partner since the promotion’s inception in 2002, remained focused on featuring beef throughout the summer months. This year, more than 90 million coupons offering \$1 off beef with the purchase of A.1. Steak Sauce and Marinades were distributed via two freestanding inserts (FSIs) and in-store instant redeemable coupons.

Over the course of the summer, the beef industry conducted more than 5,000 radio promotions nationwide with support from top retailers, including Albertsons, Kroger and Safeway. Value-added promotions highlighted the 100th anniversary of the burger, as well as the Beef Dinner Bell e-newsletter while featuring various retailer tags in each of the campaign’s 44 markets, including New York, Los Angeles, Chicago, Philadelphia, San Francisco and Dallas/Fort Worth.

“Our partnership with Kraft, particularly the grill giveaway incorporated with the radio promotions, received tremendous positive feedback on a local level,” said Irion. “This partnership demonstrates the commitment industry leaders have to helping programs succeed on a regional level.”

Incremental radio promotions were added around the Labor Day holiday to further showcase beef’s role as “king of the grill” in Summer 2004.

The 2005 Summer Grilling campaign is in early planning stages and will build upon the success of the past three summer promotions.

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The Beef Checkoff Program was established as part of the 1985 Farm Bill. The checkoff assesses \$1 per head on the sale of live domestic and imported cattle, in addition to a comparable assessment on imported beef and beef products. States retain up to 50 cents on the dollar and forward the other 50 cents per head to the Cattlemen's Beef Promotion and Research Board, which administers the national checkoff program, subject to USDA approval. The checkoff assessment became mandatory when the program was approved by 79 percent of producers in a 1988 national referendum vote. Checkoff revenues may be used for promotion, education and research programs to improve the marketing climate for beef.

Producer-directed and consumer-focused, the NCBA is the trade association of America's cattle farmers and ranchers, and the marketing organization for the largest segment of the nation's food and fiber industry.