

CANADIAN CATTLEMEN
MARKET DEVELOPMENT COUNCIL

Transition Marketing Implementation Plan
2011/12

June 21, 2011

2011/12



The Canadian Cattlemen Market Development Council (CCMDC) is a partnership of the Canadian beef cattle industry, the Government of Alberta, and Government of Canada to fund and oversee a 10-year global marketing plan to help the industry recover from BSE.

The vision of the CCMDC is to recover and expand markets for beef and cattle genetics around the world assuring a profitable, sustainable Canadian industry that results in Canadian beef and cattle being recognized as the most outstanding by Canadian and world customers.



**Government
of Alberta** ■



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Canada

Contents

- Executive Summary..... 3
- Key Priorities 6
- Cattle and Beef Supply and Global Market Outlook..... 7
- Domestic (Canada) Strategy 9
- Commercial Beef Strategy 14
- International Market Strategy 17
 - United States 17
 - Mexico 20
 - China Market including Hong Kong, Macau, Mainland China 22
 - Japan..... 24
 - Taiwan 26
 - South Korea 28
 - Emerging Markets 30
- Genetics Strategy 32
- Alberta – Based Supplementary Marketing Initiative 39
- Appendix: Budget and Funding..... 40

Executive Summary

The Canadian Beef and Cattle Market Development Fund, also known as the Legacy Fund, was established in 2005 to recover and expand markets around the world for Canadian beef, supporting long-term market development. The Fund at inception totalled \$80 million (\$50 million invested by the Government of Canada, \$30 million by Alberta government), matched by producer check-off dollars. Major fund recipients included the Beef Information Centre (BIC), Canada Beef Export Federation (CBEF) and Canadian Beef Breeds Council (CBBC). The Canadian Cattlemen Market Development Council (CCMDC) was established to oversee the allocation of the Fund and ensure a unified global marketing strategy for Canadian beef and cattle genetics.

Over the past few years, industry stakeholders have assessed the structure of the beef marketing organizations looking at opportunities to maximize efficiencies, increase accountability and focus, and better share expertise within the organizations. With fewer check-off dollars available as a result of decreased herd size and marketings, options were considered to streamline the operations and allow for a higher percentage of those dollars to be spent on marketing beef and maximizing the value of the carcass, either domestically or internationally. Discussions resulted in the restructuring of the Canadian Beef Cattle Market Development and Promotion Agency, also known as the National Check-off Agency or NCOA and consolidating the NCOA with the Beef Information Centre and Canada Beef Export Federation to create a single, independent national beef cattle marketing organization. This national organization is being created to carry out all domestic and international marketing and promotion of Canadian beef. July 1, 2011 marks the operational start date of the restructured organization, referred to as *Canada Beef*.

Supporting the transition period for *Canada Beef* to become fully operational, a motion was passed at the April 28, 2011 CCMDC meeting for the newly structured NCOA to develop a six-month transition plan for the period July 1, 2011 - December 31, 2011. This transition plan for programs in domestic and international markets for July 1, 2011 through to December 31, 2011, was integrated with the July 1, 2011 – June 30, 2012 programs for Canadian beef genetics, to develop this 2011/12 CCMDC Marketing Plan. To support longer term programs and based on assessment of existing programs over the remainder of 2011, *Canada Beef* will develop a comprehensive 5-year Strategic Plan followed by a 15 or 18 month marketing plan effective January 1, 2012.

During the six-month transition period, the **domestic** marketing programs for Canadian beef are aligned to maintain positive attitudes towards Canadian beef as nutritious and lean; improve the ease of selection and preparation of Canadian beef for consumers; and maintain consumer and customer confidence in Canadian beef. To optimize the value of the beef carcass, specific focus is given to heavy middle meats and thin meats through development of value added products with processors, retail and foodservice initiatives with key partners, and consumer programs creating awareness and demand for priority cuts. The **commercial beef** marketing programs focus on increasing the penetration of source grinds at retail and premium burgers at foodservice. To maintain or improve consumer positive attitudes towards beef, consumers, health professionals and partners will be reached with messaging that beef plays an important role in a healthy diet.

The marketing programs in international markets facilitate a strong awareness and understanding of CBA attributes to positively affect foodservice, retail and distributor partners purchasing decisions

around Canadian beef. In the **U.S.**, priority products including chuck primal and thin meats will be marketed through various packer and partner programs to leverage additional volume and value around these products. Ethnic markets, representing 16% of the U.S. population and primarily heavy beef consumers, will be targeted.

Marketing programs in **other international markets** are designed to expand the client base for U21M beef in Japan and facilitate the growth of trade of U30M beef in Taiwan, Hong Kong and Macau and Mexico and explore market opportunities in Russia and the EU. Programs also provide for the establishment of product from over twenty-month cattle in Japan, over thirty month (OTM) product in Mexico, Taiwan and Russia, under thirty month (UTM) product in Mainland China, and commercially-viable access in South Korea. The transition plan maintains the core international infrastructure, expertise and fundamental promotional programs including operating five international offices in Japan, South Korea, Taiwan, Hong Kong/Macau/China, and Mexico.

The **beef genetics** marketing programs over the 12-month period will build awareness and promote the Canadian beef cattle genetic advantage to increase sales of live breeding cattle and genetics products. Approximately 20% of the market development activities will target Eastern Europe, specifically Kazakhstan and Russia. Another 23% of programs will target the European Union, where training and technical assistance will address issues of cattle management including genetic tracing, feed substance, storage, weather conditions adaptability and general care. North America, Asia and South America are further regions for marketing initiatives and participation in collaborative projects to utilize and showcase Canadian expertise.

The following table highlights the Legacy Fund budget for the period July 1 – December 31, 2011 for the commercial and international beef programs, and July 1, 2011 - June 30, 2012 for genetics programs. A total of **\$5.9 million** is requested from the Legacy Fund, including: \$798,627 for the genetics marketing programs; \$321,555 for commercial beef programs, \$588,460 for U.S. and \$734,385 for other international programs; \$453,000 for administration; and an additional \$3 million as budgeted under the AIBMDF for the 12-month period. The applications for the AIBMDF allocation will be considered on an individual basis; and the Legacy Fund allocation for genetics programs was approved at the April 28, 2011 CCMDC meeting.

Legacy Fund Budget – 2011/12

	<u>2011/12</u> <u>Budget</u>	<u>2010/11</u> <u>Budget</u>	<u>2009/10</u> <u>Actual</u>	<u>2008/09</u> <u>Actual</u>	<u>2007/08</u> <u>Actual</u>
Revenue					
Legacy Fund					
Marketing - Federal	1,647,475	9,399,433	9,458,707	8,084,186	4,845,009
Marketing - Alberta	795,552	3,580,264	3,724,919	2,803,481	1,953,755
Admin - Federal	283,125	424,514	414,348	375,037	172,249
Admin - Alberta	169,875	254,709	248,609	225,022	103,350
Alberta only marketing	3,000,000	500,000	0	0	0
Special projects - Federal	0	0	162,644	153,871	0
Special projects - Alberta	0	0	97,586	92,323	0
Subtotal Federal	1,930,600	9,823,947	10,035,699	8,613,094	5,017,258
Subtotal Alberta	3,965,427	4,334,973	4,071,115	3,120,826	2,057,105
Total Legacy Fund¹	5,896,027	14,158,920	14,106,814	11,733,920	7,074,363
Expenses					
Legacy Fund					
Administration ²	453,000	679,223	662,957	600,059	275,599
Special Projects-InfoXchange	0	0	260,230	246,194	0
Commercial Beef ³	321,555	3,432,327	3,250,508	2,893,335	1,588,750
U.S. ³	588,460	2,313,273	2,397,298	2,548,043	1,817,823
International ³	734,385	4,734,097	5,387,877	3,496,836	2,392,191
Live & Genetics ²	798,627	2,500,000	2,147,944	1,949,453	1,000,000
Alberta only marketing ²	3,000,000	500,000	0	0	0
Subtotal Federal	1,930,600	9,823,948	10,035,699	8,613,094	5,017,258
Subtotal Alberta	3,965,427	4,334,972	4,071,115	3,120,826	2,057,105
Total Legacy Fund¹	5,896,027	14,158,920	14,106,814	11,733,920	7,074,363

¹ Legacy Fund revenues balance with Legacy Fund expenses

² 12-month programs July 1, 2011 to June 30, 2012

³ 6-month programs July 1 - Dec 31, 2011

Key Priorities

The Canadian Beef and Cattle Market Development Fund was established in 2005 to support long-term market development for Canadian beef and cattle genetics. The fund of \$80 million is comprised of \$50 million invested by the Government of Canada and \$30 million by the Government of Alberta. These monies, combined with national check-off dollars paid by cattle producers, is expected to provide over \$170 million for the 10 year period 2005 – 2015, to recover and expand Canadian beef and cattle genetics markets around the world. The fund, also known as the Legacy Fund, was entrusted to the Canadian Cattlemen’s Association (CCA) to administer in a strategic manner. In turn, the Canadian Cattlemen Market Development Council (CCMDC) was established under the CCA to manage the Fund, including fund allocation and development of annual marketing implementation plans. Legacy Fund recipients included the Canadian Beef Breeds Council (CBBC), Beef Information Centre (BIC) and Canada Beef Export Federation (CBEF). The Alberta portion of the Canadian Beef and Cattle Market Development Fund, known as the Alberta International Beef Marketing Development Fund (AIBMDF), provides an opportunity for eligible projects, beyond those managed by the marketing organizations, to receive funding.

This 2011/12 transition marketing plan supports the CCMDC long-term vision and mission and key priorities as follows:

Vision: lead the world in profitable, innovative beef solutions – together,

Mission: create and achieve the Canadian Beef Advantage – together.

Key priorities:

1. Build awareness for a Canadian beef identity/brand built on benefits defined by a strong and clear value proposition
2. Achieve growth in traditional, existing, new and emerging markets for Canadian beef or Canadian genetics products
3. Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of carcass values or genetics and live cattle values

Cattle and Beef Supply and Global Market Outlook

The following Cattle and Beef Supply and Global Market Outlook has been provided by Canfax Research Services, a source for cattle market information. The outlook is based on the best information available at time of writing.

Moving into 2011 projected higher cattle prices are supported by tighter supplies both in North America and globally, as well as increasing beef demand in many emerging markets. Overall the livestock outlook for 2011 is for limited supplies and moderate recovery in consumer demand to support higher producer prices - these factors will be countered by a strong Canadian dollar and continued strong feed costs. Expectations are that average margins will hover around breakeven, providing little incentive to move into expansion mode. Higher feed costs and input costs in general will need to be carefully managed as commodity prices increase. Domestic packers will be challenged by shrinking supplies and how they can maintain utilization levels.

Canadian beef exports increased in 2010, with increased market access and recovery in the economic situation in many countries. Growth in exports, while encouraging, cannot be sustained with a shrinking national herd over the near term without a substantial increase in beef imports. While total beef production is projected to be down in 2011, a portion of this decline will come from live cattle exports - as the basis narrows and more animals are processed domestically. In addition, domestic consumption is projected to be smaller, due to both a slow economic recovery and also tightening beef supplies that will see higher beef prices and challenge beef's market share as consumers look for cheaper protein alternatives.

Factors to watch in 2011 include:

1. Heifer retention – any increase in heifer retention will reduce beef supplies further over the short term.
2. North American beef demand – smaller supplies and projected higher prices will push up wholesale and retail prices testing consumer resilience. Middle meat demand continues to be weak with strong competition from poultry for the consumer dollar.
3. The non-fed market – is expected to remain very strong in 2011 with global manufacturing beef supplies being tight. Expectations are that fewer cull animals are likely to be slaughtered in North America. This in combination with strong local demand for hamburger will be very price supportive.
4. 2011 crop conditions – tighter global ending stocks and stronger global demand for commodities has moved feed grain prices higher. Any production shock will be immediately felt and there is a heavy reliance on bumper production in 2011, which is of concern.
5. International trade – Beef exports are expected to be strong again in 2011 although with a more modest increase than 2010 as beef supplies tighten. Export markets will continue to shift with exchange rates and product mixes that will bring the most value to the Canadian beef industry.

The world economic outlook for 2011 is for further growth, but mixed with uncertainty and a major gap between growth in Western countries and the rapidly emerging Asian economy. Limited resources and growing demand has increased commodity prices once again. Moving forward into 2011 prices for red meats are on the rise with supply constraints and better demand. Higher prices do not necessarily translate into profitability as feed and other input costs are also on the rise. It should be remembered

that over the short term production is king, with what is produced being consumed. Over the long term demand is king, determining future production through price signals. Challenges for 2011 also include large national debt in many countries and the threat of food price inflation in countries highly dependent on commodity imports. While the Canadian dollar is trading above par to the US dollar this is really a reflection of the US dollar weakness. When compared to other major trade partners the Japanese Yen, Australian dollar and Brazilian Real are all close to their highest value in Canadian dollars seen over the past decade. Currency strength in those countries relative to the Canadian dollar should support exports to those destinations.

Tight global supplies are expected to pull beef through the supply chain. At the same time smaller domestic supplies, with slaughter down 11% from January to April 2011 and imports down 7% in the first quarter, are supporting cattle and beef prices providing the ideal time for a transition in the industry. Cattle on feed placements in the first quarter of 2011 are down 20% indicating fed supplies moving into the second half will be historically small.

Domestic (Canada) Strategy

Total program budget = \$1,480,577

Funding source: Industry - \$1,351,827; Canadian Ag Adaptation Program - \$128,750

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Communicate the Canadian beef advantage to trade partners to facilitate a robust awareness and understanding of CBA attributes. Increase trade awareness and comprehension to 86 per cent.
- Further define and develop the Canadian beef advantage. Completion of research and new resources to further strengthen the CBA.
- Maintain a preference for Canadian beef with key trade customers. Positively affect purchase decisions of 80 per cent of key targeted customers.

Programs

1. Retail Marketing, Foodservice Marketing, and Processing Development:
 - Communicate the meaningful and relevant attributes of the CBA to major market influencers.
 - Leverage relationships with trade associations, utilize online and print resources and in market opportunities to reach market influencers.
2. Trade Communications
 - Educate retail, foodservice and processing trade about the specific attributes of the CBA in a way that highlights the points of differentiation for each segment, through direct communication and online advertising in industry publications.
3. Technical Services
 - Develop technical marketing resources for defining and communicating the CBA, including redesign new branded resources prior to Jan/1/2012)
 - Align with industry to Identify gaps in CBA attribute proof points and develop key messages to further enhance the unique points of differentiation versus competing beef products.

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Address consumers' 'vague unease' by maintaining positive attitudes towards beef. Maintain the healthfulness rating of beef among consumers at 70* per cent and health professionals at 75 per cent.
- Leverage the commitment of brand license holders and major market leaders to Canadian beef. Achieve 50 per cent penetration of brand mark and consumer positioning in license holders' marketing initiatives.

- Mitigate the risk of erosion of consumer and customer confidence. Maintain consumer confidence at 85 per cent.
- Improve consumer attitudes towards the ease of selection and preparation of Canadian beef. Achieve an ease of selection and preparation rating with consumers of 75* per cent.

** need to establish relevant benchmark*

Programs

1. Consumer Communications

- Maintain consumer confidence in beef's role in the diet reflecting brand positioning, supported by taste, convenience, quality and producer stewardship.
- Engage with influencers through traditional and social media initiatives with relevant and timely information, serving as a credible source of beef information.
- Engage and maintain relationships with consumers, media and other influencers through event sponsorships, media events, tours, releases and campaigns, association memberships, website content and tools, media room content and social media engagement

2. Consumer Culinary Marketing

- Develop and disseminate recipe and consumer education resources/content that reinforce the consumer brand positioning and communicate the ease of selection and preparation of Canadian beef with the goal of maximizing demand for Canadian beef.
- Consumer reach will be achieved and maximized through a combination of new and traditional media working with Canada Beef marketing portfolios, industry partners and key influencers.

3. Nutrition Marketing

- Through targeted communications reaching health professionals, key influencers and policy makers, maintain positive attitudes towards Canadian beef as nutritious and lean by countering negative or erroneous perceptions, and offering evidence-based support that positions beef as a valuable part of a healthy diet and public health policy.
- Maintain scientific-based knowledge on current and potential issues relevant to Canadian beef, nutrition and health policy. Maintain membership in key health organizations.

4. Issues Management

- Ensure awareness and preparation for external issues that have potential to significantly impact Canadian beef consumption. Monitor existing and emerging issues and events and provide communications council. Conduct media monitoring, including internet and social media. Prepare and distribute messages to internal staff and stakeholders. Coordinate issues management response as appropriate.

5. Retail marketing

- Promote beef cut and cooking nomenclature to further simplify the selection of beef cuts at the retail meat case therefore driving demand.
- Partner Program support for merchandising and promotional programs that promote the Canadian beef brand mark and Canadian content amongst the retail trade.
- Supply chain alignment to leverage the supply of Canadian beef with key trade partners.

6. Foodservice marketing
 - Promote the value of the Canadian beef brand mark and consumer positioning with foodservice partners.
 - Partner Program support for merchandising and promotional programs that promote the Canadian beef brand mark and Canadian content amongst the foodservice segment.
 - Supply chain alignment to leverage the supply of Canadian beef with key trade partners.
7. Technical Services
 - Expand trade technical and consumer food safety electronic content in alignment with the respective brand positioning.
 - Maintain food safety issue preparedness by updating and developing new consumer food safety backgrounders and fact sheets as required.
 - Monitor and analyze food safety and nutrition literature relevant to the organization and disseminate information as required; monitor and analyze relevant food safety policies and regulations.
 - Maintain the food safety scientific expert network to ensure adequate and timely scientific support is available to the program.
 - Maintain active membership in the Canadian Partnership for Consumer Food Safety Education.
8. Customer Service Centre
 - Support market development programs in website development/maintenance, and resource systems management.
 - Management of distribution centre and distribution of Canadian beef resources to consumers and trade customers.

CCMDC Goal #3

Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of genetics products values and live cattle values

Expected Outcomes

- Develop branded programs that leverage CBA attributes with targeted trade partners. To reduce the discount spread of the Canadian composite cutout relative to USDA composite cutout by \$1 cwt.
 - Implement merchandising strategies with key foodservice distributors and operators to increase the value of heavy AAA Striploins and bone in lip on Rib eyes by an average of two per cent.
 - Increase domestic utilization of thin meat to increase their value by an average of two per cent.
 - Increase demand and value of Prime and high end AAA cuts, particularly from the hip and chuck, to reduce the discount spread of the Canadian composite cutout relative to USDA composite cutout by \$1 cwt. (Value Added initiative funded by AAFC Agricultural Adaptation Program)
1. Retail Marketing
 - Develop new, or enhance existing Canadian beef branded retail programs by leveraging the attributes of the CBA.
 - Enhance value by promoting quality attributes of leading brands through partnered activity with brand owners.
 - Increase market penetration of undervalued cuts through education and promotion (focus on heavy middle cuts and priority thin meats).

2. Foodservice Marketing
 - Educate industry to increase demand and value of heavy middle cuts through innovative merchandising programs with purveyors and end users.
 - Partnered activity with foodservice chains that promote priority products on the menu.
3. Processing Development
 - Partner with the manufacturing industry to increase the amount of value-added products produced from undervalued thin cuts (focus on flap, ball tip, tri tip, outside skirt).
 - Research and development sessions with manufacturers.
4. Consumer Culinary Marketing
 - Develop and disseminate culinary consumer education resources/content that reinforce the Canadian beef brand positioning and communicate priority product consumer benefits in an effort to generate consumer demand and support retailer marketing efforts and communications around these products.
 - Communications would target retailers, industry partners, consumers and key influencers. Reach would be maximized through a combination of new and traditional media tools.
5. Value Added initiative (funded by AAFC Agricultural Adaptation Program)
 - Historically, Canada Prime grade beef has been underutilized in the Canadian marketplace outside of middle meats targeted at the foodservice sector. Prime grade beef represents less than two per cent of all Canadian graded beef produced in Canada and receives considerable premiums in the domestic marketplace. While these premiums exist for middle meats, there is opportunity to increase the prevalence and expand the product offerings from the hip and chuck. In 2010, BIC secured Canadian Agricultural Adaptation Program funding for a three year project to increase the prevalence and marketing opportunities for Prime grade cattle and beef products. While primarily benefiting Prime grade products, the project will also benefit the upper end of AAA (modest 0+) as well.
 - Activity - expand the existing product mix to include cuts from the hip and chuck. Align the supply chain and partner with key processors, retailers and foodservice companies to increase the availability and market penetration of Prime cuts.

CCMDC Goal #4 (applicable to commercial beef and U.S. programs)

Create a commitment to successful and effective initiatives through demonstration of impact and success.

Expected Outcomes

- Canada Beef will effectively measure and communicate the impact of its market development programs to maintain producer familiarity with the organization at 50 per cent.
- Canada Beef will implement performance measurement research to evaluate the effectiveness of its programs and complete the CCMDC results report.

1. Stakeholder Communication

- Share with producers and stakeholders (i.e. industry and government) Canada Beef activities in support of the three key CCMDC priorities of building demand, communicating the CBA, and growing carcass values in the domestic and international markets.
- Communicate the value and impact of Canada Beef programs and services to the agricultural community, funders and other stakeholders either directly or indirectly by working with producer associations, agricultural media, and by using tools such as: news releases; social media; newsletters; email and Canada Beef websites.
- Development of performance and results reports.

2. Brand Management and Research

- Analysis of existing and new market data as available including Canfax, Nielsen Fresh Track retail market data, limited CREST foodservice data and National Eating Trends (NET) consumer data.
- Qualitative and quantitative primary market research to monitor consumer attitudes and behaviour towards Canadian beef.
- To measure the effectiveness of Canada Beef strategies and their implementation through consumer, customer and stakeholder surveys will be conducted to measure the effectiveness of Canada Beef programs

Commercial Beef Strategy

Total program budget = \$675,144

Funding source: CCMDC - \$321,555; Industry: \$353,589

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Communicate the Canadian beef advantage to trade partners to facilitate a robust awareness and understanding of CBA attributes. Increase trade awareness and comprehension to 86 per cent.
- Further define and develop the Canadian beef advantage. Completion of research and new resources to further strengthen the CBA.
- Maintain a preference for Canadian beef with key trade customers. Positively affect purchase decisions of 80 per cent of key targeted customers.

Programs

1. Retail Marketing and Foodservice Marketing and Processing Development
 - Communicate the meaningful and relevant attributes of the CBA to major market influencers.
 - Leverage relationships with trade associations, utilize online and print resources and in market opportunities to reach market influencers.
2. Trade Communications
 - Educate retail, foodservice and processing trade about the specific attributes of the CBA in a way that highlights the points of differentiation for each segment, through direct communication and online advertising in industry publications.
3. Technical Services
 - Develop technical marketing resources for defining and communicating the CBA.
 - Align with industry to identify gaps in CBA attribute proof points and develop key messages to further enhance the unique points of differentiation versus competing beef products.

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Address consumers' 'vague unease' by maintaining positive attitudes towards beef. Maintain the healthfulness rating of beef among consumers at 70* per cent and health professionals at 75 per cent.
- Leverage the commitment of brand license holders and major market leaders to Canadian beef. Achieve 50* per cent penetration of brand mark and consumer positioning in license holders' marketing initiatives.

- Mitigate the risk of erosion of consumer and customer confidence. Maintain consumer confidence at 85 per cent.

** need to establish relevant benchmark*

Programs

1. Consumer Communications

- Engage with food influencers through traditional and social media initiatives with relevant and timely information, serving as a credible source of beef information.
- Engage and maintain relationships with consumers, media and other influencers through event sponsorships, media events, tours, releases and campaigns, association memberships, website content and tools, media room content and social media engagement.

2. Consumer Culinary Marketing

- Develop and disseminate recipe and consumer education resources/content that reinforce the consumer brand positioning and communicate the ease of selection and preparation of Canadian beef with the goal of maximizing demand for Canadian beef.
- Consumer reach will be achieved and maximized through a combination of new and traditional media working with Canada Beef marketing portfolios, industry partners and key influencers.

3. Nutrition Marketing

- Through targeted communications reaching health professionals, key influencers and policy makers, maintain positive attitudes towards Canadian beef as nutritious and lean by countering negative or erroneous perceptions, and offering evidence-based support that positions beef as a valuable part of a healthy diet and public health policy.
- Maintain scientific-based knowledge on current and potential issues relevant to Canadian beef, nutrition and health policy. Maintain membership in key health organizations.

4. Issues Management

- Ensure awareness and preparation for external issues that have potential to significantly impact Canadian beef consumption – particularly commercial beef. Monitor existing and emerging issues and events and provide communications council. Conduct media monitoring, including internet and social media. Prepare and distribute messages to internal staff and stakeholders. Coordinate issues management response as appropriate.

5. Technical Services

- Expand trade technical and consumer food safety electronic content in alignment with the respective brand positioning.
- Maintain food safety issue preparedness by updating and developing new consumer food safety backgrounders and fact sheets as required.
- Monitor and analyze food safety and nutrition literature relevant to the organization and disseminate information as required.
- Maintain the food safety scientific expert network to ensure adequate and timely scientific support is available to the program.
- Maintain active membership in the Canadian Partnership for Consumer Food Safety Education.
- Monitor and analyze relevant food safety policies and regulations.

6. Customer Service centre

- Support and execute against market development programs in website development/maintenance, direct response centre and resource systems management.
- Manage distribution of Canadian beef resources to consumers and trade customers.

CCMDC Goal #3

Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of genetics products values and live cattle values

Expected Outcomes

- Increase the market penetration of source grinds by volume at retail to three per cent.
- Increase the market penetration of premium burgers at foodservice by two per cent and increase reported volumes of ground Sirloin and ground Chuck from 85 per cent trim by two per cent.

**need to establish relevant benchmark*

Product List:

- Source grinds (Sirloin, Chuck, Rib)

Programs

1. Retail Marketing
 - Increase the penetration of priority ground sirloin in the fresh meat case. Partnered activity to promote premium positioning of source grinds.
2. Foodservice Marketing
 - Partner with influential foodservice operators who invest heavily in media promoting premium burgers to increase consumer awareness of premium ground products.
3. Consumer Culinary Marketing
 - Develop and disseminate culinary consumer education resources/content that reinforce the Canadian beef brand positioning and communicate source ground beef consumer benefits in an effort to generate consumer demand for source ground beef and retailer marketing efforts and communications around source grinds. Communications would target retailers, industry partners, consumers and key influencers through a combination of new and traditional media tools.

International Market Strategy

United States

Total program budget = \$1,251,111

Funding source: CCMDC - \$588,460; AIBMDF - \$240,000; Industry- \$422,651

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Communicate the Canadian beef advantage to U.S. trade partners to facilitate a robust awareness and understanding of CBA attributes. Increase U.S. trade awareness and comprehension to 86 per cent and maintain customer confidence in Canadian beef at 85 per cent.
- Increase preference for Canadian beef with key U.S. trade customers. Positively affect purchase decisions of 80 per cent of key targeted customers.
- Further define and develop the Canadian beef advantage. Completion of research and new resources to further strengthen the CBA.

Programs

1. Retail and Foodservice Marketing and Processing Development
 - Communicate the meaningful and relevant attributes of the CBA to major market influencers.
 - Develop industry relationships, utilize online and print resources, in market opportunities and incoming trade missions to reach target customers.
2. Trade Communications
 - Educate U.S. industry about the specific attributes and opportunities of the CBA through advertising and article submissions to key U.S. trade publications.
3. Technical Services
 - Develop technical marketing resources for defining and communicating the CBA (includes activities to begin rebranding existing CBA resources for Jan 2012 production).
 - Align with industry to Identify gaps in CBA attribute proof points and develop key messages to further enhance the unique points of differentiation versus competing beef products.

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Leverage the Canadian beef advantage to influence new market initiatives with seven new retail and foodservice customers achieving premium pricing versus USDA.

Programs

1. Retail Marketing (supplemental AIBMDF funding)
 - Identify key retail customers that align with Canadian packers distribution networks and product supply capabilities in key markets to develop long term, quality based branded beef programs with a specific focus on ethnic market segments.
2. Foodservice Marketing (supplemental AIBMDF funding)
 - Identify key U.S. foodservice distributors and restaurant operator customers that align with Canadian packers' distribution networks and product supply capabilities in key markets.
3. Processing Development (supplemental AIBMDF funding)
 - Identify key U.S. processors clients that align with Canadian distribution networks in key markets working to develop projects that will result in valuable long term sustainable trade relationships.
4. Technical Services
 - Expand trade technical fact sheet content in alignment with the Canadian beef advantage and keep the existing materials up-to-date.
5. Issues Management
 - Ensure awareness and preparation for external issues that have potential to significantly impact Canadian beef market opportunities.
 - Maintain issues preparedness, monitor existing and emerging issues and events, and provide council.
 - Conduct media monitoring, including internet and social media. Prepare and distribute messages to internal staff and stakeholders.
 - Ensure Canada Beef has an effective crisis communication plan.
6. Consumer Culinary Marketing
 - Provide consumer CBA brand and culinary messaging and merchandising resources to trade marketing in their efforts to support U.S. retailers selling Canadian beef.
 - Provide consumer recipes and cooking information that demonstrates the quality of and promotes the purchase of Canadian beef.
7. Customer Service Centre
 - Support and execute against market development programs in website development/maintenance, management of distribution centre and distribution of Canadian beef resources to consumers and trade customers, and resource systems management.

CCMDC Goal #3

Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of genetics products values and live cattle values

Expected Outcomes

- Identify and market to highest value customers in target markets for priority products. Increase the value of Chuck primal and Thin meats by an average of two per cent.

Product List: Chuck; Thin Meats (Tri tips, Flap meat, Skirt steaks)

Programs

1. Retail and Foodservice Marketing (supplemental AIBMDF funding)
 - Work closely with Canadian packers' U.S. distribution and sales staff to identify highest value retail and foodservice customers for priority products in key markets.

Mexico

Total program budget = \$334,000

Funding source: AIB MDF – \$155,275; Industry - \$178,725

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Increased awareness and comprehension of CBA attributes with Canada Beef trade partners and their clients.
- Sectors better understand importance of points of differentiation between Canadian beef and competing product.
- Positively affect purchasing decisions in Mexican market.

Programs

1. Communicate the elements of the Canadian Beef Advantage to the Mexican trade, distribution, retail and food service sectors, as well as to Mexican consumers.
2. The delivery of the Canada Beef messaging effort will be administered through a combination of programs with an emphasis on: Canada Beef Seminar, Retail and Food Service Promotions with the very highest potential return, Food Shows that are deemed the most effective, prioritized Promotional Materials, Newsletter and Website, Advertising and Public Relations, and innovative ways of developing partnerships.

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Strengthening of the Canada Beef-clients-export member relationship.
- Increased loyalty of existing accounts.
- Increased activity and growth of Canadian beef business in the HRI sector.
- Growth of Canadian beef business with major retail accounts.
- Acquisition of dedicated shelf space to Canadian beef.

Programs

1. Maintain and build demand for Canadian beef among the Mexican distribution, retail, foodservice and institutional sectors as well as their clients.

2. Administer a combination of programs with an emphasis on Canada Beef Seminar, Retail and Food Service Promotions, Food Show, Promotional Material, Newsletter and Website, Advertising and Public Relations, Partner Program.

CCMDC Goal #3

Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of genetics products values and live cattle values

Expected Outcomes

- Increase in sales of cuts identified as priority cuts.
- Increased industry awareness in Mexico for use of priority cuts.

Programs

1. Retail and foodservice promotions and Canada Beef Seminars.
 - Canada Beef's Brand Building and growth generating activities as a whole are a central part of the cut-out value maximization effort. By raising awareness and creating buy-in for the Canadian Beef Advantage message, Canada Beef is in fact raising the price threshold that Canadian product can sustain, thus maximizing returns on the cut exported to Mexico and maximizing the cut-out value.
 - By growing demand for Canadian beef in Mexico, Canada Beef is generating competition over a finite quantity of product, maintaining and raising the price threshold that Canadian product can sustain and consequently maximizing returns on the cuts exported to Mexico and maximizing the cut-out value.

China Market including Hong Kong, Macau, Mainland China

Total program budget = \$515,500

Funding source: AIBMDF – \$248,285; Industry - \$267,215

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Increased awareness and comprehension of CBA attributes with trade partners and their clients.
- Sectors better understanding the importance of points of differentiation between Canadian and competing product.
- Positively affect purchasing decision in the Chinese market.
- Canada Beef consumer website becomes useful and productive tool to raise awareness for CBA.
- New POS material is received well and becomes useful tool to raise awareness for CBA.

Programs

1. Communicate the elements of the Canadian Beef Advantage to the Chinese (Hong Kong, Macau and PRC) trade, distribution, retail and foodservice sectors as well as to Chinese consumers.
2. The delivery of the Canadian Beef Advantage will be administered through a combination of programs with an emphasis on representation, Canada Beef Seminar, Retail and Food Service Promotions (Hong Kong/Macau), Food Shows (Hong Kong, China), Promotional Materials, Advertising and Promotion, and the Website.

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Strengthening of the CANADA BEEF-clients-export member relationship.
- Increased loyalty of existing accounts.

Programs

1. Maintain and build demand for Canadian beef among the Chinese distribution, retail, foodservice sectors, as well as their clients.
2. The delivery of Canada Beef growth efforts will be administered through a combination of programs with an emphasis on Retail and Food Service Promotions, Food Shows, Promotional Material, Website, and the Partner Program.

CCMDC Goal #3

Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of genetics products values and live cattle values

Expected Outcomes

- Increase in sales of cuts identified as priority cuts.
- Long-term reduction in pricing spread between Canadian and U.S. product in China/HK market.
- Increased industry awareness in China/HK for use of priority cuts.
- Hong Kong/Macau – by exporter priority, promote Priority One cuts: rib-eye, short rib, striploin, tenderloin and short plate; Priority Two: portions, ribs and offal; Priority Three: brisket, burgers, chuck, and round, among others.
- Mainland China – by export priority, promote Priority One cuts: rib-eye, striploin, and tenderloin.
- Examine and promote CCMDC value cuts of tri tips, rib-eye, AAA/AA chuck primal, trimmings, as appropriate.

Programs

1. Retail and Foodservice promotions; Canada Beef Seminars; Brand Building activities as a whole are a central part of the cut-out value maximization effort. By raising awareness and creating buy-in for the Canadian Beef Advantage message, Canada Beef is in fact raising the price threshold that our product can sustain, thus maximizing returns on the cuts exported to China/HK and maximizing the cut-out value.
2. Canada Beef's growth-generating activities are a central part of the cut-out value maximization effort. By growing demand for Canadian beef in China/Hong Kong and Macau, the Canada Beef is generating more competition over a finite quantity of product, maintaining and raising the price threshold that our product can sustain and consequently maximizing returns on the cuts exported to China/Hong Kong and Macau and maximizing the cut-out value.

Japan

Total program budget = \$410,000

Funding source: CCMDC - \$232,969; Industry - \$177,031

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Increased awareness and comprehension of CBA attributes with trade partners and their client.
- Sectors better understand importance of points of differentiation between Canadian and competing product.
- Positively affect purchasing decision in the Japanese market.
- Successful launch and integration of all branding elements such as POS material, website and CBA brand mark in the Canada Beef branding effort.

Programs

1. Communicate the elements of the Canadian Beef Advantage to the Japanese trade, distribution, retail and foodservice sectors as well as to Japanese consumers.
2. The delivery of the CBA will be administered through a combination of several programs with an emphasis on Canada Beef Seminar, Retail and Food Service Promotions, Promotional materials, Newsletter and Website, and Advertising and Public Relations.

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Strengthening of the Canada Beef-clients-export member relationship.
- Increased loyalty of existing accounts.
- Creation of new accounts for Canadian beef.

Programs

1. Maintain and build demand for Canadian beef among the Chinese distribution, retail, foodservice sectors, as well as their clients.
2. The delivery of Canada Beef's growth efforts will be administered through a combination of several programs with an emphasis on Canada Beef Seminar, Retail and Food Service Promotions, Promotional Materials, Newsletter and Website, Advertising and Public Relations, and the Partner Program.

CCMDC Goal #3

Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of genetics products values and live cattle values

Expected Outcomes

- Increase in sales of cuts identified as priority cuts.
- Long-term reduction in pricing spread between Canadian and U.S. product in Japanese market.
- Increased industry awareness in Japan for use of priority cuts.

Programs

1. Retail and Foodservice promotions; Canada Beef Seminars; Brand Building activities as a whole are a central part of the cut-out value maximization effort. By raising awareness and creating buy-in for the Canadian Beef Advantage message, Canada Beef is in fact raising the price threshold that our product can sustain, thus maximizing returns on the cuts exported to Japan and maximizing the cut-out value.
2. Canada Beef's growth-generating activities are a central part of the cut-out value maximization effort. By growing demand for Canadian beef in Japan, Canada Beef is generating more competition over a finite quantity of product, maintaining and raising the price threshold that our product can sustain and consequently maximizing returns on the cuts exported to Japan and maximizing the cut-out value.

Taiwan

Total program budget = \$126,000

Funding source: CCMDC - \$70,560; Industry - \$55,440

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Increased awareness and comprehension of CBA attributes with trade partners and their clients.
- Sectors better understand the importance of points of differentiation between Canadian and competing product.
- Positively affect purchasing decision in Taiwan market.

Programs

1. Communicate the elements of the Canadian Beef Advantage to the Taiwanese trade, distribution, retail and foodservice sectors as well as to Taiwanese consumers.
2. The delivery of the CBA will be administered through a combination of several programs with an emphasis on Retail and Food Service Promotions, Promotional materials, Newsletter and Website, and Advertising and Public Relations.

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Strengthening of the CANADA BEEF-client-export member relationships.
- Increased loyalty of existing accounts.
- Creation of new accounts for Canadian beef.
- Increase in Federation activity in the retail sector.

Programs

1. Maintain and build demand for Canadian beef among the Taiwanese distribution, retail, foodservice sectors, as well as their clients.
2. The delivery of Canada Beef's growth efforts will be administered through a combination of several programs with an emphasis on Retail and Food Service Promotions, Promotional Materials, Newsletter and Website, Advertising and Public Relations, and the Partner Program.

CCMDC Goal #3

Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of genetics products values and live cattle values

Expected Outcomes

- Increase in sales of cuts identified as priority cuts.
- Long-term reduction in pricing spread between Canadian and U.S. product in Taiwan market.
- Increased industry awareness in Taiwan for use of priority cuts.
- Promote exporter Priority One cuts: rib-eye, striploin, tenderloin; Priority Two: chucks, finger meat, short ribs, top blade, and portions; Priority Three: brisket, burgers, round, and others
- Promote CCMDC priority cuts as appropriate: tri tips, AAA bone in lipon rib-eye, AAA/AA chuck primal, 50% lean trimmings.

Programs

1. Retail and Foodservice promotions; Brand Building activities as a whole are a central part of the cut-out value maximization effort. By raising awareness and creating buy-in for the Canadian Beef Advantage message, Canada Beef is in fact raising the price threshold that our product can sustain, thus maximizing returns on the cuts exported to Taiwan and maximizing the cut-out value.
2. Canada Beef's growth-generating activities are a central part of the cut-out value maximization effort. By growing demand for Canadian beef in Taiwan, Canada Beef is generating more competition over a finite quantity of product, maintaining and raising the price threshold that our product can sustain and consequently maximizing returns on the cuts exported to Taiwan and maximizing the cut-out value.

South Korea

Total program budget = \$101,500

Funding source: AIBMDF – \$46,905; Industry – \$54,595

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Increased awareness and comprehension of CBA attributes - especially safety - with Korean trade partners and their clients.
- Sectors better understand importance of points of differentiation between Canadian and competing product.
- Positively affect purchasing decision in Korean market.

Programs

1. Canada Beef will disseminate the Canada Beef Advantage message through POS material developed in collaboration with our Korea office and our Korean clients. The material will build the Canada Beef brand by placing emphasis on points of differentiation that Canada Beef market research has identified as having the most resonance with Korean consumers.
2. If access is granted, Canada Beef's Korean office will conduct normal scale (over 100 guests each) international seminars (Demand Building and Differentiation Seminars) in Korea. In order to lay the groundwork for the re-entry of Canadian product through partnership building and education, the Korea office also plans to conduct at least four smaller meat cutting and marketing seminars for both potential clients and students.

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Strengthening of the Canada Beef-clients-export member relationship.
- Increased loyalty of existing accounts and creation of new accounts.

Programs

1. Market development initiatives will include a Canada Beef Seminar, the development of promotional materials, the development and maintenance of a newsletter and website and limiting advertising and promotion.
2. If access is granted, Canada Beef's Korean office will conduct normal scale (over 100 guests each) international seminars (Demand Building and Differentiation Seminars) in Korea. In order to lay the

groundwork for the re-entry of Canadian product through partnership building and education, the Korea office also plans to conduct at least four smaller meat cutting and marketing seminars for both potential clients and students.

3. Should the market re-open, Canada Beef will enter a rebuilding phase where client acquisition efforts will be central. Canada Beef will partner with the local offices of Canadian packers as well as key distributors and traders to develop promotional packages that will support these acquisition efforts.

Emerging Markets

Total program budget = \$65,000

Funding source: CCMDC - \$0; AIBMDF - \$32,500; Industry - \$32,500

In addition, application has been submitted to BC Ranching Task Force for \$262,500 for market representation in Russia

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Increased awareness and comprehension of CBA attributes within the EU trade.
- Sectors better understanding the importance of points of differentiation between Canadian and competing product.
- Positively affect purchasing decision in target markets.

Programs

1. Communicate the elements of the Canadian Beef Advantage to the trade, distribution, retail and foodservice sectors of the EU.
2. The delivery of the Canada Beef messaging effort will be administered through a combination of programs with an emphasis on: Canada Beef VIP Awareness Mission, Canada Beef Seminar, Retail and Food Service Promotions, Food Show, Promotional Materials, Newsletter and Website, and Advertising and Public Relations.

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Develop network of contacts in EU markets.
- Creation of new accounts for Canadian Beef.
- Increase in sales of Canadian Beef into the EU markets.

Programs

1. Maintain and build demand for Canadian beef among the EU distribution, retail, foodservice sectors, as well as their clients.

2. Administer a combination of programs with an emphasis on Canada Beef VIP Awareness Mission, Canada Beef Seminar, Retail and Food Service Promotions, Food Shows, Promotional Materials, Newsletter and Website, Advertising and Public Relations, and the Partner Program.

CCMDC Goal #3

Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of genetics products values and live cattle values

Expected Outcomes

- Increase in sales of cuts identified as priority cuts.
- Increased industry awareness of priority cuts.

Programs

1. Build demand for Canadian beef cuts in import, distribution, retail, foodservice and institutional sectors; and clients.
2. Execution of a combination of programs through emphasis on Canada Beef VIP inbound mission, Canada Beef Seminar/Roundtable, Retail and Food Service Promotion, Food Show, Promotional Materials, Newsletter/Website, Advertising and Public Relations, Partner Program – and Market Representation/Russia.

Genetics Strategy

Total program budget = \$3,809,728

Funding source: CCMDC – \$798,627; Industry/Other - \$3,011,101

Executive Summary

The global world outlook for agriculture for 2011/12 predicts increasing opportunities for growth in livestock production to satisfy predictions in long term demand. Despite the recent global economic crisis, this sector has shown inspiring resilience with strong supply response to ever-increasing food prices. The UN's Food and Agriculture Organization reported that global food prices rose to a record in December of 2010, surpassing highs in 2008, when rising prices sparked riots in 61 countries. Increased demand on crops for feedstock for biofuel production as well as climate change events will be factors in supply and demand for this sector. Ongoing risks and uncertainties are also influencing market outcomes. According to the Organization for Economic Co-Operation and Development (OECD) "governments are increasingly interested in forward-looking insights on possible developments in international trade in agriculture and food as well as the future role of large emerging economies in commodity markets on both the supply and the demand side."

The Canadian Beef Breeds Council (CBBC) developed its 2011/2012 marketing plan together with the focused engagement and participation of its various members, which includes 20 National Breed Associations and 16 Associate members. The CBBC is engaged with its membership to help facilitate and administer international marketing activities that best achieve market specific goals. The coordinated activities are planned based on the identified needs in various markets and whether these prospects will result in sales of live purebred beef cattle and their genetics. Activities are itemized and categorized in terms of achieving market penetration, promotion, and training and after sales support and technical transfer.

In 2010 the CBBC implemented a Strategic Planning Committee. One of the outcomes in establishing this committee will be to utilize the CBBC's market scoring system to help focus and direct membership activities to those lucrative markets, which present the biggest benefit to the organization and the industry as a whole.

Marketing programs utilizing new initiatives being introduced in 2011/2012 include the following:

1. Market Development - newly developed business development activities in Asia, particularly Indonesia, Mongolia, India, Thailand, Turkey and Vietnam, which include market identification missions to meet with government and industry;
2. Training and technical transfer - consultation services for potential customers in Eastern European countries such as Armenia, Bosnia, Lithuania and Kazakhstan in terms of potential livestock operations and services. For example the Kaz Agro MOK, and the Kaz Agro finance arm, attended the Canadian Western Agribition with the general intention of seeking technical assistance, benchmarking industry and purchasing Canadian cattle. The company is seeking technical assistance on creating a locally sustaining domestic cattle industry. The economic driver is a new regional free trade agreement providing the responsibility of Kazakhstan to export cattle to neighbouring states, including Russia. Technical assistance includes issues of

cattle management including genetic tracing, feed substance, storage, weather conditions adaptability and general care. The company is also seeking benchmarking the Canadian system of economic development and safety standards. The driving issue is compliance to sanitary and photosanitary measures, disease control and monitoring. Further, the relationship between the producers, exporters and breeds associations was very enlightening to the delegation.

Lastly, the delegation is interested in the purchase of Canadian cattle, specifically Hereford and Angus. The recent purchase of 400 cattle from Canada is an initial brokerage. The objective is to purchase 70,000 cattle by the year 2015. By the year 2020, Kazakhstan seeks 2.5 million heads of "international" cattle, a considerable increase from the present 500 "female cattle" it presently holds. This is to address the export demand of 60,000 tonnes of beef per year to neighbouring China and Russia. The company is seeking consultancy services, embryos and capital investment for the development of a Kazakh industry.

The top market priority areas that Canadian Beef Breeds Council and its members will focus on to achieve growth in Canadian beef genetics are:

1. Market Development – US and Mexico, Commonwealth of Independent States (CIS) and Mongolia and
2. Trade Access: China and the European Union (EU-27).

The criteria for selection of these priority markets are determined based on:

- Demand for high-quality Canadian beef genetics
- FTA signed or in progress
- Large cattle population or growing beef and cattle industry
- Leverage with CLGA, Minister, AAFC
- Market Scoring System

Environment Scan / Market Profile

Value (Million \$)	2008	2009	2010	2011 Target
Breeding Cattle	\$33.10	\$8.92	\$8.00	\$12.00
Semen	\$3.89	\$5.46	\$10.30	\$12.35
Embryos	\$4.02	\$1.11	\$2.07	\$2.50
Total	\$41.01	\$15.48	\$20.37	\$26.85
Volume				
Breeding Cattle (head)	16,606	4,621	3,387	5,000
Semen (units)	403,601	111,775	250,038	300,000
Embryos (units)	3,575	1,808	3,391	4,000

**Beef Only from Statistics Canada and CFIA*

The following data analysis is based on Statistics Canada and CFIA data for **beef** breeding cattle, semen and embryos. *It is difficult to compare monthly data between Statistics Canada and CFIA. The released date on CFIA database is not based on the date exported, but it is the date of the vet inspection. So animal/semen/embryos could be exported 30 days after this date. The export could also be cancelled and CFIA doesn't change anything in its database. A review of these data sources is underway with efforts to improve the reports accuracy and timeliness. As data is being reviewed it is important to focus on overall trends and not individual data points.*

Live Breeding Cattle

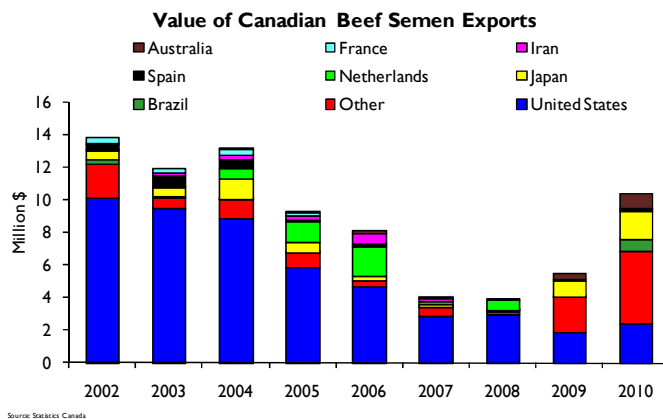
In 2010, exports of live breeding cattle were down 27 per cent in volume and 10 per cent in value at 3,387 head valued at \$8 million. While still below 2008 levels of 16,000 head, progress is anticipated in 2011 as buyers come back to the market after seeing higher calf prices in the fall of 2010 that should encourage investment in herd replacements. In 2010, 2,834 head were destined for the United States, 412 head went to Kazakhstan, 78 head went to Russia, 53 head went to Mexico and 10 head went to the United Kingdom. Broken down by breed, the majority of live breeding exports were crossbred/unknown (57%), Angus (21%), Hereford (7%), or Simmental (5%).

Currently there are very few purebred cattle in China, with the herd dominated by a three-way cross between local cattle, western Simmental, Charolais, and Limousine breeds. In terms of production advancements, there has been little improvement, with high quality beef accounting for less than five per cent of total production.

Russian imports of live cattle are stable at 40-50,000 head annually valued at an estimated \$150 million. Russia imports pedigree cattle for domestic breeding stock from Australia, the United States, the European Union, and Canada. In 2009 the United States became the top supplier. In 2010 a 1,400 head Montana ranch, valued around \$7 million, moved to southwest Russia. The ranch will sell pedigree Angus cattle to commercial beef producers. The project was supported through the national “Development of Beef Cattle Breeding in 2010-2012” program, which is an effort to make Russia more self-sufficient in beef. State subsidies combined with a lucrative meat market due to limited market access at the retail and processing levels is expected to stimulate development of domestic beef production. For the live breeding cattle industry logistics remains a barrier to this market, as boats are too few and airplanes are often too costly.

Semen

Statistics Canada reported the value of beef semen exports to be up an impressive 89 per cent in 2010 at \$10.3 million surpassing the \$9.2 million sold in 2005 and just below 2004 levels of \$13.1 million. The United Kingdom was the largest export market in terms of value with sales of \$2.46 million or 24 per cent of total value exported. Exports to the United States were up 28 per cent to 2.36 million representing 23 per cent of total export value. Exports to Japan were up 83 per cent to represent 17 per cent of the total, down from 18 per cent in 2009. The largest increase from 2009 was seen in exports to Brazil with \$714,000 which is the largest value exported to this country on record (series started in 2002). Exports to Australia were up 166 per cent in value at \$910,000 from \$343,000 in 2009 also the largest value exported.



CFIA reports beef semen volumes up 124 per cent at 250,038 units from 111,775 units in 2009. The majority of exports went to Brazil (48%) followed by China (20%), the United States (13%) and Australia (10%). Exports to Brazil at 119,740 units were up from 26,000 units in 2009. Exports to China totaled

50,500 units after being zero in 2009. Exports to the United States were up 130 per cent while exports to Australia were up 180 per cent. Broken down by breed the majority of semen exports were Angus (56%) followed by Simmental (19%), Charolais (4%) and Hereford (3%).

Embryos

Beef embryo exports were up 88 per cent in volume and 86 per cent in value at 3,391 units valued at \$2.07 million in 2010. The majority of exports went to Australia (21%) followed by the United States (20%), Mexico (8%) and China (8%). Exports to Australia were up 127 per cent, exports to the United States were up 164 per cent, exports to Mexico totaled 262 units after being zero in 2009, exports to China totaled 255 units up from 50 units in 2009.

Canadian embryo exports tend to vary from year to year in terms of export destination and total volume. Since 2005 an average of 2,985 units have been exported annually, with a low of 1,675 units in 2005 and a high of 4,823 units in 2007. Over the last six years the top five destinations have been the United States, Russia, Brazil, Australia and Mexico.

Broken down by breed exports were primarily made up of Angus (23%), Crossbred/Unknown (19%), Speckle Park (18%) and Hereford (15%).

Opportunities and Challenges (Consumer and customer analysis/ Target markets and market segments)

CBBC and its members have identified market development activities by country and region. Based on percentage of total funding requested the following represents the break out for each region:

Africa – One percent of the funds will be utilized for market development, as well as provision of education and training for South Africa, as well as northern Africa, where large breed development programs are underway.

Asia – represents thirteen per cent of the funding to be utilized for extensive market identification and development, meetings with government and industry and hosting of breeders at Canadian livestock shows. Extensive planning is underway to provide training sessions, including embryo transfer technology workshops.

Eastern Europe - twenty per cent of the year's activities will be focused on numerous outbound missions to Kazakhstan and Russia to increase market awareness and identification. The Sevagro Beef Development project will be continued with the outcome of 10,000 head of Charolais cattle as the end result. Newly identified market opportunities in countries including Armenia, Bosnia, and Croatia will involve pursuing relationships with contacts, provision of management and consulting services and developing a beef development project.

EU-27 – twenty-three percent of activities in the EU will be geared to attending several livestock shows including Charolais Tech Conference, and World Congress, World Simmental Fleckvieh Conference, German National Show, Scottish National Show, Royal Highland Show utilizing another fifteen per cent of the funds requested.

North America – twenty per cent of the funding will be directed to participation in major shows including National Western Stock Show, American Royal, North American International Livestock Show, Beef Improvement Conference, Expo Ganadero and National Cattlemen’s Beef Association meetings. Participation by the breed association representatives and producers is essential to the continued commitment to meet the demand for Canadian genetics within the North American marketplace. Much increased focus will be directed to expansion of the genetics breeders’ network within Mexico in particular for the Angus, Charolais, Limousin and Salers breeds.

Oceania – nine member organizations will do market development activities utilizing six per cent of the funding to conduct meetings with breeders, attend Rockhampton, Melbourne Show, and South Devon World Tour and host various buyers at domestic livestock shows.

South America – sixteen per cent will be utilized to explore opportunities within countries such as Colombia, Paraguay and Uruguay, which are increasing their need for Canadian genetics. Training including ET technology will be coordinated along with attendance at Agro Expo and farm tours.

Strategy

CCMDC Goal #1

Build awareness for a Canadian beef identity/brand built on the benefits defined by a strong and clear value proposition

Expected Outcomes

- Establish and measure relationships in defined foreign markets for Canadian beef cattle and genetics (prospecting).
- Analysis of nations which directly compete with Canada on beef cattle genetics (SWOT).
- Distribution of promotion materials, which utilize Canadian Beef Advantage (CBA) messaging.
- Foster interest for Canadian inbound missions (e.g. Royal, Farmfair, Agribition).

Programs

<i>Budget:</i>	\$461,989
<i>Primary Program Purpose:</i>	Build awareness and increase knowledge of global beef cattle genetics market; and promote Canadian beef cattle genetic advantage
<i>Program Activities:</i>	Seventy-two activities, which include: attending international events and livestock shows; interaction with foreign beef cattle producers and event organizers; meet with Canadian and foreign government personnel
<i>Expected Tactic Outputs:</i>	A unique group of individuals (producers, breed associations, exporters, domestic livestock shows and sector service providers) delivering the brand message of the Canadian Beef Advantage <ul style="list-style-type: none"> Asia - 5 member activities Eastern Europe – 2 member activities EU-27 - 13 member activities North America - 38 member activities Oceania - 6 member activities South America - 8 member activities

CCMDC Goal #2

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

Expected Outcomes

- Increased sales of breeding cattle, semen and embryos to the United States.
- Increased sales of breeding cattle, semen and embryos to Mexico.
- Fostered relationships and increased sales of Angus, Hereford, and Charolais breeds in the Tver Region of Russia and Kazakhstan.
- Increased collaboration on beef project developments including provision for training in animal husbandry and cattle production.
- Focused efforts on business development and after sale support in terms of training and technical transfer.
- Participation in collaborative projects to utilize and showcase Canadian expertise.

Programs

<i>Budget:</i>	\$213,113
<i>Primary Program Purpose:</i>	Activities will include researching market development opportunities; and enhancing current relationships and fostering new contacts to build and support advancement of sales for purebred cattle and genetics.
<i>Program Activities:</i>	Thirty-five activities include collaborative meetings and tours planned with representatives from countries where opportunities for sales have been identified; involvement with Canadian government and embassy personnel will be encouraged and engagement in trade exploration.
<i>Expected Tactic Outputs:</i>	A unique group of individuals (producers, breed associations, exporters, domestic livestock shows and sector service providers) marketing and selling the complete 'Canadian purebred beef cattle and genetics' package internationally. Africa - 1 member activity Asia - 9 member activities Eastern Europe - 14 member activities EU-27 - 1 member activity North America - 1 member activity Oceania - 3 member activities South America - 6 member activities

CCMDC Goal #3

Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of genetics products values and live cattle values

Expected Outcomes

- Support sales opportunities through increasing foreign buyers' knowledge and competency.
- Enhanced recognition of Canada as a full-service provider delivering quality genetics; and pre and post sales support resulting in increased sales activities.

Programs

<i>Budget:</i>	\$123,525
<i>Primary Program Purpose:</i>	To support sales in the Canadian beef cattle genetics sector; services such as training in animal husbandry and embryo transfer provide value-added services, which expand customer relationships, increase client expertise and technical abilities; and promote ongoing business relationships with Canadian purebred beef cattle producers.
<i>Program Activities:</i>	A total of twenty-two activities including training seminars, and technical transfer information sessions developed and delivered by Canadian exporter members, are principally conducted in the country being marketed to, resulting in practical application of the information being shared and applied; embryo transplant and artificial insemination training programs to provide critical technical knowledge transfer in support of sales development; export preparedness; building the capacity of exporters of Canadian livestock genetics is conducted by ongoing consultations and electronic updates as to export certificate requirements; recipient selection and management; super-ovulation and donor selection; embryo collection; embryo processing and handling; labelling frozen embryos; embryo transfer; and recipient management (post-implantation) are among the topics covered; nutrition and housing are discussed and condition scoring is explained
<i>Expected Tactic Outputs:</i>	A unique group of individuals (producers, breed associations, exporters, domestic livestock shows and sector service providers) providing the necessary technical transfer services internationally. Africa - 1 member activity Asia - 3 member activities Eastern Europe - 12 member activities EU-27 - 1 member activity North America - 2 member activities South America - 3 member activities

Alberta – Based Supplementary Marketing Initiative

The Alberta portion of the Canadian Beef and Cattle Market Development Fund, known as the Alberta International Beef Marketing Development Fund (AIBMDF), provides an opportunity for applicants beyond the marketing organizations to receive funding. Applications are invited from eligible Alberta companies or organizations, including Canadian Beef Breeds Council (CBBC) and the restructured Agency that propose an innovative marketing initiative that offers the potential to maintain or increase exports of Alberta beef and cattle genetic products. The application review process will continue to involve an external review committee, where required, to assist the CCMDC in their decision-making process. The intent of the review committee is to provide recommendations to the CCMDC as to which projects best meet the objectives and priorities of the Council and are most likely to contribute to the enhancement of the Canadian cattle and beef cattle industry.

Background information on the fund, eligibility criteria, and the CCMDC's identified priorities are available on the CCA website at <http://www.cattle.ca/what-is-aibmdf/>. Standardized application and final reporting forms have also been developed to ensure that information required is provided, and that there is consistency across all projects and initiatives when reporting results and achievements.

The table below includes projected AIBMDF funding requests for the 6-month period for international beef marketing programs and the 12-month period for the beef genetics marketing programs.

International beef and cattle genetics marketing project applications Alberta International Beef Marketing Development Fund (AIBMDF)

	<u>Total Program Budget</u>	<u>CCMDC Funding</u>	<u>AIBMDF Supplemental Funding</u>
Genetics	3,809,728	798,627	565,700
U.S.	1,251,111	588,460	240,000
Japan	410,000	232,969	0
Taiwan	126,000	70,560	0
S. Korea	101,500	0	46,905
Hong Kong	310,500	0	150,700
Mainland China (PRC)	205,000	0	97,585
Mexico	334,000	0	155,275
Russia	262,500	0	0
New Markets	65,000	0	32,500
CBEF core programs	295,000	151,759	0
Other Alberta applications	750,000	0	750,000
Total	7,920,339	1,842,375	2,038,665

Appendix: Budget and Funding

Projected Revenues:	2011/12	14-Jun-11	
	<u>Domestic, commercial and Int'l ¹</u>	<u>CBBC(Genetics) ²</u>	<u>TOTAL</u>
1 Check-off Funds			
Domestic/Commercial/U.S.	1,822,927	-	1,822,927
Imports	-	-	-
Asia, Mexico, ROW	940,470	-	940,470
	2,763,397	-	2,763,397
2 Membership Fees	-	92,000	92,000
3 Other Contributions			
CBBC Cash Reserves	-	456,657	456,657
Partner contributions	-	1,896,744	1,896,744
Partner Market Development Program	129,000	-	129,000
Executive Committee (Per Diems)	-	-	-
	129,000	2,353,401	2,482,401
4 Development Funds			
CCMDC - U.S. ³	588,460	-	588,460
CCMDC - Commercial Beef ³	321,555	-	321,555
CCMDC- International markets ³	734,385	-	734,385
CCMDC - Beef Cattle Genetics	-	798,627	798,627
Canada Ag Adaptation Program-U.S.	128,750	-	128,750
BC Ranching Task Force-Russia ⁴	262,500	-	262,500
AIBMDF ⁵	722,965	565,700	1,288,665
	2,758,615	1,364,327	4,122,942
5 Other Revenue			
Interest	15,680	-	15,680
	15,680	-	15,680
TOTAL PROJECTED REVENUES	5,666,692	3,809,728	9,476,420

¹ 6-month budget July 1 - Dec.31, 2011

² 12-month budget - July 1, 2011 - June 30, 2012

³ Uncommitted funds

⁴ Uncommitted funds for Russia program (application submitted)

⁵ Applications pending review - see breakdown by market in table in previous page

Projected Expenditures Market Development Programs 2011/12:

Domestic, Commercial, U.S. & Int'l (6-month)

Genetics (12-month)

	<u>CCMDC</u> <u>Federal</u>	<u>CCMDC</u> <u>Alberta</u>	<u>AIBMDF</u>	<u>Industry</u>	<u>Total</u>
Admin/Operations-portion of dom,int'l	174,436	104,661	0	469,392	748,489
Admin/Operations-genetics	0	0	0	548,657	548,657
Total	174,436	104,661	0	1,018,049	1,297,146
Market Development Int'l					
U.S.	367,788	220,673	240,000	422,651	1,251,111
Japan	145,606	87,363	0	177,031	410,000
South Korea	0	0	46,905	54,595	101,500
Taiwan	44,100	26,460	0	55,440	126,000
China /Hong Kong	0	0	248,285	267,215	515,500
Mexico	0	0	155,275	178,725	334,000
World (Canada delivery)	94,849	56,910	0	143,241	295,000
Russia**	0	0	0	262,500	262,500
EU/MEast /Other	0	0	32,500	32,500	65,000
Genetics Programs	499,142	299,485	565,700	1,896,744	3,261,071
	1,151,484	690,891	1,288,665	3,490,642	6,621,682
Market Development Canada					
Commercial Beef	321,555	0	0	353,589	675,144
Domestic programs	0	0	0	1,239,588	1,239,588
	321,555	0	0	1,593,177	1,914,732
Total projected expenditures	1,647,475	795,552	1,288,665	6,101,868	9,833,560
Total projected revenues	1,647,475	795,552	1,288,665	5,744,728	9,476,420
Projected surplus/deficit	0	0	0	-357,140	-357,140

* includes provincial government, CAAP

** application submitted to BC Ranching Task Force

Legacy Fund Budget

	<u>2011/12</u> <u>Budget</u>	<u>2010/11</u> <u>Budget</u>	<u>2009/10</u> <u>Actual</u>	<u>2008/09</u> <u>Actual</u>	<u>2007/08</u> <u>Actual</u>
Revenue					
Legacy Fund					
Marketing - Federal	1,647,475	9,399,433	9,458,707	8,084,186	4,845,009
Marketing - Alberta	795,552	3,580,264	3,724,919	2,803,481	1,953,755
Admin - Federal	283,125	424,514	414,348	375,037	172,249
Admin - Alberta	169,875	254,709	248,609	225,022	103,350
Alberta only marketing	3,000,000	500,000	0	0	0
Special projects - Federal	0	0	162,644	153,871	0
Special projects - Alberta	0	0	97,586	92,323	0
Subtotal Federal	1,930,600	9,823,947	10,035,699	8,613,094	5,017,258
Subtotal Alberta	3,965,427	4,334,973	4,071,115	3,120,826	2,057,105
Total Legacy Fund¹	5,896,027	14,158,920	14,106,814	11,733,920	7,074,363
Expenses					
Legacy Fund					
Administration ²	453,000	679,223	662,957	600,059	275,599
Special Projects-InfoXchange	0	0	260,230	246,194	0
Commercial Beef ³	321,555	3,432,327	3,250,508	2,893,335	1,588,750
U.S. ³	588,460	2,313,273	2,397,298	2,548,043	1,817,823
International ³	734,385	4,734,097	5,387,877	3,496,836	2,392,191
Live & Genetics ²	798,627	2,500,000	2,147,944	1,949,453	1,000,000
Alberta only marketing ²	3,000,000	500,000	0	0	0
Subtotal Federal	1,930,600	9,823,948	10,035,699	8,613,094	5,017,258
Subtotal Alberta	3,965,427	4,334,972	4,071,115	3,120,826	2,057,105
Total Legacy Fund¹	5,896,027	14,158,920	14,106,814	11,733,920	7,074,363

¹ Legacy Fund revenues balance with Legacy Fund expenses

² 12-month programs July 1, 2011 to June 30, 2012

³ 6-month programs July 1 - Dec 31, 2011

**Domestic, Commercial and U.S. Market
July 1, 2011 – December 31, 2011**

Canada Beef 2011 Transitional Budget

Draft C June 10, 2011

Net Assets, beginning of year, July 1, 2010	3,060,085
Excess (deficiency) of revenue over expenditure	<u>396,440</u>
Net Assets, June 30, 2011	3,456,525

2011 Revenue

National Check-off - Provinces	
B.C. C.I.D.C.	67,315
Alberta Beef Producers	1,116,808
Saskatchewan Check-off Fund	317,368
Manitoba Cattle Prod. Assoc.	119,272
Ontario Cattlemen's Assoc.	202,164
P.E.I. Cattlemen's Assoc.	-
N.B. Cattle Producers	-
N.S. Cattlemen's Assoc.	-
Subtotal	<u>1,822,927</u>
National Check-off - Imports	
National Check-off - Imports	-
Subtotal	-
Government and Development Funds	
CBCMDF - U.S. (1)	588,460
CBCMDF - U.S. Supplemental Proposal (1)	240,000
CBCMDF - Commercial Beef (1)	321,555
Canadian Agricultural Adaptation Program	128,750
Subtotal	<u>1,278,765</u>
Additional Contributions & Income	
Interest	5,000
Subtotal	<u>5,000</u>
Total Revenue	<u><u>3,106,692</u></u>

2011 Expenses

Market Development	
Brand Mgmt & Research	22,066
Customer Service Centre	84,521
Stakeholder Communications	83,586
Processing Development	65,173
Foodservice Marketing	134,712
Consumer Communications	169,926
Trade Communications	18,653
Nutrition Marketing	161,578
Technical Services	27,824
Retail Marketing	186,064
Consumer Culinary Marketing	137,221
Subtotal - Domestic Market Development	<u>1,091,325</u>
Value Added Initiative	148,263
Commercial Beef	675,144
U.S. Market Development	1,251,111
Subtotal - All Market Development	<u>3,165,843</u>
Administration & Operations	
Corporate Planning	76,683
Calgary Office	64,009
Mississauga Office	78,208
Canada Beef Board	22,088
Subtotal - Administration & Operations	<u>240,989</u>
Special Initiative	
BIC/CBEF Consolidation	-
Subtotal - Special Initiative	-
Total Expenses	<u><u>3,406,833</u></u>

Excess (deficiency) of revenue over expenditure -300,141

Projected Net Assets, December 31, 2011 3,156,384

¹ Uncommitted

**Mexico, China, Japan, Taiwan, S.Korea and emerging Markets
July 1 – December 31, 2011**

International Markets July - December 2011 budget

May 26, 2011

PROJECTED REVENUE		
National Check-off		
Alberta	493,611	
British Columbia	29,404	
Manitoba	63,335	
Ontario	98,479	
Saskatchewan	254,548	
Atlantic	<u>1,095</u>	
Subtotal		940,470
Membership Fees		-
Other Member Contributions		
Partner Market Development Program	125,000	
Board of Directors (Per Diems)	<u>4,000</u>	
Subtotal		129,000
Provincial/Federal Governments		
BC Ranching Task Force	262,500	
CCMDC	734,385	
CCMDC (Alberta Only)	<u>482,965</u>	
Subtotal		1,479,850
Interest		10,680
Total Revenue		<u><u>2,560,000</u></u>

PROJECTED EXPENDITURES		
Market Development		
CORE PROGRAMS		
Partner Market Development Program	250,000	
Member Information and Liaison	15,000	
Emerging Markets	10,000	
Technical Marketing Materials	20,000	
Total Core		295,000
JAPAN		
Market Representation	258,500	
CANADA BEEF Seminar	75,000	
Retail and Food Service Promotions	30,000	
Promotional Materials	21,500	
Newsletter and Web Site	11,500	
Advertising and Public Relations	<u>13,500</u>	
Total Japan		410,000
SOUTH KOREA		
Market Representation	86,500	
Promotional Materials	10,000	
Newsletter and Web Site	2,500	
Advertising and Public Relations	<u>2,500</u>	
Total Korea		101,500
TAIWAN		
Market Representation	87,000	
Retail and Food Service Promotions	25,000	
Promotional Materials	10,000	
Newsletter and Web Site	1,500	
Advertising and Public Relations	<u>2,500</u>	
Total Taiwan		126,000

HONG KONG		
Market Representation	193,000	
CANADA BEEF Seminar	60,000	
Retail and Food Service Promotions	30,000	
Food Shows	15,000	
Promotional Materials	7,500	
Newsletter and Web Site	2,500	
Advertising and Public Relations	<u>2,500</u>	
Total Hong Kong		310,500
PEOPLES REPUBLIC OF CHINA		
Market Representation	100,000	
CANADA BEEF Seminars	50,000	
Food Shows	40,000	
Promotional Materials	10,000	
Newsletter and Web Site	2,500	
Advertising and Public Relations	<u>2,500</u>	
Total China		205,000
MEXICO		
Market Representation	204,000	
CANADA BEEF Seminar	50,000	
Retail and Food Service Promotions	35,000	
Food Shows	30,000	
Promotional Materials	10,000	
Newsletter and Web Site	2,500	
Advertising and Public Relations	<u>2,500</u>	
Total Mexico		334,000
RUSSIA		
Market Representation	112,500	
VIP Beef Awareness Mission	80,000	
CANADA BEEF Seminar	30,000	
Retail and Food Service Promotions	10,000	
Promotional Materials	25,000	
Newsletter and Web Site	2,500	
Advertising and Public Relations	<u>2,500</u>	
Total Russia		262,500
NEW MARKETS (Europe and Middle East)		
Europe (ANUGA/SIAL) - Food Show	65,000	
Total New New Markets		65,000
Total Market Development Budget		2,109,500
Administration and Operations		<u>507,500</u>
Total Projected Expenditures		<u><u>2,617,000</u></u>
Total projected surplus/(deficit)	-	57,000

**CBBC Budget – Genetics Market
July 1, 2011 – June 30, 2012**

Projected Revenue

Membership Fees	\$ 92,000
CBBC Member Matching	\$ 1,896,744
CCMDC	\$ 798,627
OTHER *	\$ 565,700
CBBC	\$ 456,657
Total Revenue	\$ 3,809,728

Projected Expenses

Administration/Operations	\$ 548,657
---------------------------	------------

Market Development

Legacy

- Africa	\$ 30,000
- Asia	\$ 284,000
- E Europe	\$ 421,900
- EU-27	\$ 486,721
- N. America	\$ 436,250
- Oceania	\$ 132,300
- S. America	\$ 338,500

Other

- Asia	\$ 260,100
- E Europe	\$ 123,400
- EU-27	\$ 63,400
- N. America	\$ 257,200
- Oceania	\$ 62,100
- S. America	\$ 85,700
- Misc.	\$ 279,500

Total Expenditures	\$ 3,809,728
---------------------------	---------------------

Net balance	<u>\$ -</u>
-------------	-------------

* The CBBC will look to apply Alberta only funding under the guidelines of the Alberta International Beef Market Development Fund (AIBMDF) and coordinate those with ALMA funding for selected marketing expenses in 2011/12. As well, the CBBC continues to stay posted with the Agri-Marketing Program (AMP) as to possible funding opportunities.