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THE BRAND

REPORTING TO PRODUCERS ON BEEF MARKETING

Autumn 2011

Canada Beef Inc. Overview

A new chapter in Canadian beef marketing

On July 1, 2011 Canada Beef Inc. became the official marketing agency for Canadian beef. The Beef Information Centre (BIC) and Canada Beef Export Federation (CBEF) joined the Canadian Beef Cattle Research, Market Development and Promotion Agency (National Check Off Agency- NCOA) and are now operating as one organization, Canada Beef Inc.

The new organization will focus its resources on meeting the goals set out by the Canadian Cattlemen Market Development Council (CCMDC):

- Achieve growth in traditional, existing, new and emerging markets for Canadian beef
- Build awareness of the Canadian beef brand
- Maximize total value realized for Canadian beef through optimization of carcass values

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**A NEW CHAPTER
IN CANADIAN BEEF
MARKETING**



CREATE A SINGLE INDEPENDENT NATIONAL BEEF MARKETING, PROMOTION AND RESEARCH ORGANIZATION



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Canada Beef Inc.

First steps

In 2010, the Canada Beef Working Group (CBWG) was mandated “to investigate and develop a new organizational structure for maximizing efficiencies and effectiveness for domestic and international beef marketing activities”. In carrying out this mandate the group also reviewed the current and future roles of the Global Marketing Advisory Committee (GMAC) and the two major funding organizations, the Canadian Cattlemen Market Development Council (CCMDC) and the Canadian Beef Cattle Research, Market Development and Promotion Agency, commonly referred to as the National Check-Off Agency (NCOA).

In developing its recommendation the CBWG took into consideration the long-term needs of the industry; the funding and marketing challenges that lay ahead; the contribution and needs of stakeholders; the results of the due diligence reviews of the BIC and CBEF; the results of the previous studies and the opportunities to simplify the funding and approval structures.

Three basic options were examined –

- 1) keep the status quo
- 2) a single independent integrated organization or
- 3) a strategic alliance.

Recommendations

On January 6, 2011 the CBWG presented the results of its investigation and its recommendation – to create a single independent national beef cattle marketing, promotion and research organization by merging and integrating the assets, operations, liabilities and funding of the CBEF, the BIC and the NCOA.

This single organization was created by restructuring the Canadian Beef Cattle Research, Market Development and Promotion Agency which then assumes the responsibilities, programs and core functions of all three organizations. Research responsibilities continue to be assigned to the Beef Cattle Research Council.

The CBWG also recommended that Canada Beef adopt the following vision and mission.

Vision

To position Canadian beef as the premium beef product of choice for domestic and international markets

Mission

To enhance and sustain the profitability of Canadian beef producers through excellence in product promotion, positioning and the facilitation of domestic and international marketing initiatives





Six-month Transition Marketing Implementation Plan - July – December 2011

Key Priorities

A six-month transitional plan has been put in place to allow the continuation of business while completing the tasks associated with bringing three separate organizations together under one roof. The priorities set out in this plan will enable work to move forward smoothly:

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

**Committed to
growing demand
for Canadian Beef
by meeting
customer
expectations**

During the six-month transition period, the domestic marketing programs for Canada 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 Canada Beef Advantage (CBA) attributes to positively affect foodservice, retail and distributor partners purchasing decisions around Canadian beef. In the United States 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 percent 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 Under 21 Month (U21M) beef in Japan and facilitate the growth of trade of under 30 month (UTM) beef in

Taiwan, Hong Kong, Macau and Mexico and explore market opportunities in Russia and the EU. Programs also provide for the establishment of product from over 20 month cattle in Japan, over 30 month (OTM) product in Mexico, Taiwan and Russia, 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 Canada Beef Inc. Board of Directors

The Board of Directors for Canada Beef Inc. is comprised of provincial representatives and funders. Candidates for the inaugural Board of Directors were recruited by the CBIT Governance Committee through collaboration with the provincial cattle associations and industry stakeholders. With the approval of the Farm Products Council of Canada, the inaugural Board will hold office from July 1, 2011 until the first Annual Forum and Board elections, anticipated for June, 2012.

Brad Wildeman was elected as Chair of the inaugural Canada Beef Inc. Board of Directors at their first meeting on June 26 and 27, 2011. A feedlot operator from Lanigan, Saskatchewan, Wildeman is past President of the Canadian Cattlemen's Association and a Co-Chair of the Canada Beef Implementation Team tasked with getting Canada Beef Inc. up and running.

"I welcome the challenge of being the first Board Chair of Canada Beef Inc.," says Wildeman. "The Canadian cattle and beef industry made clear their desire for one national independent agency to conduct the industry's marketing, promotion and research activities. With the establishment of Canada Beef Inc., we have accomplished this.

"Our job now is to pursue prosperity for the Canadian cattle and beef industry," he says. "We have a strong and capable organization, a renewed focus on increasing sales of Canadian beef in both the domestic and international markets – and a goal of positioning Canadian beef as the first choice in high quality beef around the world. With Canada Beef Inc., I believe it's a goal that's within reach."

Board of Directors – Committee Charter

Within the Board, four committees have been formed to oversee specific areas of business. Committees assume an active role in governing Canada Beef. Members are accountable to the Board for fulfilling the mandates determined by the Board and actively performing their assigned duties related to the committee's business on behalf of the Board.

Finance/Audit and Program Performance Measurement Committee

Chair: Scott Ellerton

The Finance/Audit and Program Performance Measurement Committee has two distinct and equally important roles: the execution of its fiduciary duties as an audit committee; and the development and implementation of relevant, effective program performance measurements. Committee members are required to focus on: ensuring Canada Beef's financial assets are safeguarded and the organization's financial position is fairly reported; and measuring and reporting on the effectiveness of the organization's programs in a manner that is both objective and relevant to stakeholders.



Canada Beef Board of Directors

Chair – Brad Wildeman, *SK*
Vice Chair – Dane Guignon, *MB*

Grant Huffman, *BC*
Chuck MacLean, *AB*
Jeff Warrack, *AB*
Paul Sharpe, *ON*
Gib Drury, *QC*
Jennifer MacDonald, *NB*

Members-at-large

Jim Bremner, *NS*
John MacDonald, *PE*

Canadian Association of Importers and Exporters

Dwight Greer – *Eastern Meat Solutions*

Beef Processing and Distribution

Brian Read – *XL Foods*
Francis Labrecque – *Levinoff Meat Products*
Mike Kennedy – *Cargill*
Arthur Batista – *Ecolait*
Scott Ellerton – *Sysco Canada*



**We have a strong and
capable organization, a
renewed focus on increasing
sales of Canadian beef
in both the domestic and
international markets**

**ROB'S EXTENSIVE BACKGROUND
IN THE BEEF INDUSTRY RANGES
FROM DOMESTIC AND INTERNATIONAL
MARKETING TO TRADE AND
REGULATORY ISSUES**



Meet the President

Robert Meijer, former Director of Corporate Affairs for Cargill Limited, was appointed President of Canada Beef Inc. effective August 1, 2011.

“Robert Meijer’s appointment as President of Canada Beef assures our organization of strong, capable and experienced

leadership,” says Brad Wildeman, Chair of Canada Beef. “Rob’s extensive background in the beef industry ranges from domestic and international marketing to trade and regulatory issues. This coupled with his dynamic approach to taking the interests of Canada Beef forward on the domestic and world stages will serve the Canadian cattle and beef industry well.”

“I am very energized by this tremendous opportunity and dedicate myself to doing what is best for our producers and industry partners,” says Meijer. “Canada Beef is also fortunate to have the experience and passion held by Brad Wildeman, our inaugural Chair. Brad and I have made it a priority to consult with industry in short order about the Canada Beef strategy and its priorities moving forward.”

Meijer brings 14 years of policy, regulatory, legislative, political and communications experience to Canada Beef Inc. In his position as Cargill Director, Meijer was responsible for Cargill’s Canadian government/regulatory relations, communication and community relations activities. He also led and managed emerging issues, business risk and customer collaboration for 19 business units in the areas of beef, poultry, milling, malt, grain handling and port services, animal nutrition and canola processing among others.

The new president also held a board and/or committee position with a number of key agricultural organizations including; the Federal Roundtables, Flax Council of Canada, Malt Industry Association of Canada, Canadian Poultry Processors Association, Animal Nutrition Association of Canada, Western Grain Elevator Association, Canada Grains Council and the Canadian Meat Council.

Meijer holds two honours degrees – a B.A. (majoring in Economics and Sociology) and B.Sc. (Agri-business Management).

Planning and Priorities Committee

Chair: Brian Read

The Planning and Priorities Committee’s primary purpose is to ensure the development, implementation and effective monitoring of the strategic plan, operational plans, the selection of priorities and the corresponding budgets. Final approval of the strategic and operational plans, priorities and budget rests with the Board of Directors.

Governance Committee

Chair: Chuck Maclean

The Governance Committee has responsibility for the effective implementation of the governance principles and practices adopted by Canada Beef. The committee develops and refines governance best practices through regular review of the organization’s governance structure, process and practices.

International Beef Trade Access Policy Advisory Committee

Chair: Mike Kennedy

The International Beef Trade Access Policy Advisory Committee has responsibility for identifying issues affecting international market access, collecting market intelligence and preparing policy recommendations for the beef industry’s policy generating organizations. The committee ensures the market intelligence gathered is effectively transferred to the relevant organizations.



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CANADA BEEF INC.

Canada Beef Inc. is an independent national organization representing the research, marketing and promotion of the Canadian cattle and beef industry worldwide.

It's efforts to maximize demand for Canadian beef and optimize the value of Canadian beef products are funded by cattle producers through the National Beef Check-Off, which in turn makes it possible to access beef industry market development funds provided by the Government of Canada and the Government of Alberta.

Canada Beef can often bring further value to producers by leveraging producer and legacy funds against private industry partner contributions for an overall benefit of 9:1 on partner programs.



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Scott Ellerton – *Sysco Canada*

Executive Staff:

Rob Meijer – *President*

John Baker – *VP North America Market*

Development/ Technical Services

Cam Daniels – *VP International Market*

Development/ Technical Services

Ron Glaser – *VP Corporate Affairs & Operations*

Herb McLane – *VP Trade & Regulatory Services*

Michael Shittu – *VP Finance*