

WE PUT
THE BEST OF
CANADA
INTO OUR
BEEF



WHERE'S THE (CANADIAN) BEEF?

Canada Beef works together with generations of Canadian farmers, ranchers, industry champions and brand partners to drive, enhance and sustain loyalty to Canadian beef. Canada Beef is harnessing the powerful Canadian beef brand story to build consumer and customer loyalty for Canadian beef globally. These efforts increase demand for Canadian beef and the value producers receive for their cattle.

Canada Beef delivers its three-year business strategy through four core functions:

1. Domestic market development (business development, brand building)
2. Generic beef marketing
3. Canadian Beef Centre of Excellence
4. Export market development

Canada's beef industry has an amazing story to tell the world about: world-class standards; leadership in sustainability; hard-working and dedicated beef producers; and of course, the great quality products that the Canadian beef industry produces. These are the four core pillars that support the Canadian Beef brand, which Canada Beef promotes around the world with consumers, brand partners, packers, trade commissioners and more.

IMPACT OF CHECK-OFF AND IMPORT LEVY INVESTMENT



A study evaluating the economic benefits from the Canadian Beef Cattle Check-off was completed in 2016 indicating that every dollar of check-off investment into domestic and international promotion, market development and research brought back a benefit of \$14 per head to producers – a benefit cost ratio (BCR) of 14:1. In 2018, the study was updated and showed that the BCR had increased by 29% to 18:1. The updated study also looked at the benefit to the industry of the Import Levy – a \$1 per head equivalent levy collected on beef imports into Canada used for domestic marketing. The updated study showed the combined BCR from the check-off and import levy is **25:1 or a \$25 benefit** for the beef industry.



Canadian Beef shelf talker at Walmart stores

Domestic Market Development

Canada Beef invests domestically to ensure Canadian beef remains a staple of Canadian diets. Canada Beef works with brand partners with large volumes and influence (e.g. Costco, Loblaw, Federated Co-op, Tim Hortons, Swiss Chalet, Montana's, Subway and Sysco). Canada Beef ensures that these partners fully understand and appreciate the Canadian Beef brand in order to promote the value and leverage the marketing power of the Brand.

This past year, two large national entities made the decision to advocate and promote 100% Canadian Beef: Walmart and Harvey's. Partnerships like these continue to be a priority, focusing on Canadian beef brand message and alignment. Canada Beef hosted several gate-to-plate "Canadian Beef Experiences" for industry partners. To further leverage its influence, Canada Beef has

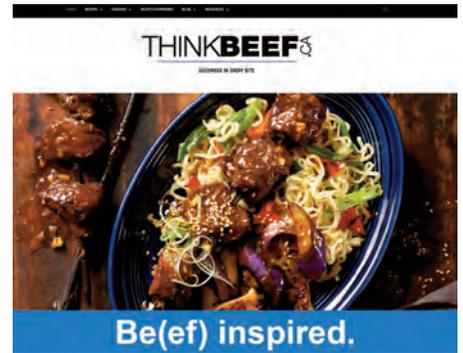
presence at industry shows such as the Restaurants Canada and Canadian Federation of Independent Grocers trade shows which included keynote seminars and presentations.

Generic Beef Marketing

The Import Levy (collected on beef imports at the equivalent rate of \$1 per head) provides funding for positive generic (i.e. non-branded) beef messaging to Canadians. With price concerns, consumers' diminishing food skills and health and wellness remaining an important social license issue for the beef industry, Canada Beef developed targeted initiatives to positively influence consumer preference for beef as a choice over other proteins.

Activities in this area included print and TV advertising, Doctor Office video distribution nationally, Cineplex Odeon advertising and video ad placement at national fitness locations. Responding to media inquiries and articles about beef and health, including addressing concerns about the proposed changes to Canada's Food Guide; and resource/key message development on topics such as beef and cancer and red meat and health, beef and iron.

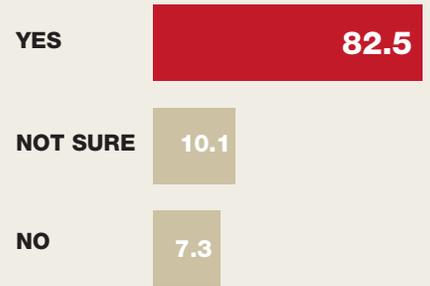
The call-to-action for advertising is to visit ThinkBeef.ca for resources.



Checkout this website at thinkbeef.ca

BRAND AWARENESS NATIONAL STUDY BRAND AWARENESS

Research shows that Canadian consumer awareness of the Canadian beef brand is at 82.5%. The top two brand awareness sources are: point-of-sale advertising (57%) and television (21%).



Q1. Have you heard of CANADIAN BEEF or the CANADIAN BEEF BRAND?

(Intensions Research, February 9-11, 2018, among 500 respondents across Canada)

Canada Beef sponsored the Grand Slam of Curling, the largest series of professional curling events on the World Curling Tour. It featured five events, 52 plus games telecasts and over 130 hours of live curling, providing the opportunity to build greater brand awareness and consumer loyalty of Canadian Beef. Television exposure reached over 4 million viewers along with attendance of over 75,000 at the live events. Canada Beef also partnered with the Canadian Men's and Women's National curling teams before and after the 2018 Winter Olympics developing 18 videos and 30+ posts.



Team Koe



Team Homan

Digital and Social Platforms

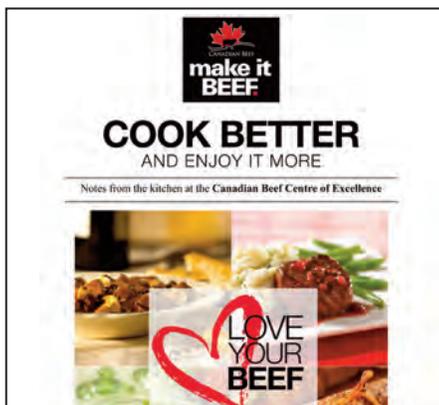
Canada Beef's social and digital spaces engage and connect with producers and consumers to build brand loyalty. With over 54,000 followers and 3.2 million impressions, Canada Beef continues to successfully build relationships and drive demand.

Canada Beef is ensuring that consumers in our world markets value and demand Canadian beef. Here are more ways Canada Beef is putting the Beef Cattle Check-off investment to work.

At **Canadabeef.ca website** consumers and producers can source information regarding recipes, beef know-how, media releases, beef campaigns and events. In March 2018, a French-language website was launched to consumers www.fr.canadabeef.ca.



Make it Beef (MIB) is Canada Beef's consumer e-newsletter database that operates with monthly e-blast releases to almost 40,000 subscribers, covering topics that are both culinary and brand focused.



The **Roundup App** is a mobile beef buying and cooking app, designed to help consumers have better success with beef when they cook at home. The Roundup App has the info they need to buy the right cut and cook it properly. There have been 26,000 downloads of the app. This resource is offered in three languages: English, French and Spanish and was adapted for the Chinese market.



Canada Beef's social media space has grown to include a variety of social media platforms, each reaching target audiences in helpful, informative, and engaging ways. Join the conversation by following and liking us.

- @CanadianBeef
- @CDNBeefCOE
- @LoveCDNBeef
- Canada Beef
- Canadian Beef
- @lovecdnbeef

Canadian Beef Centre of Excellence

The Canadian Beef Centre of Excellence (CBCE) is a pivotal resource in Canada Beef's abilities to connect and collaborate with clients in a meaningful way. The CBCE is more than a physical space. It is also a rich resource for expertise on beef culinary and butchery that enriches resources and influences outside of the Centre space. Top-notch chefs, butchers, home economists and industry professionals use the Centre to develop technical and training resources working directly with industry partners.

To date, the Centre has hosted over 480 domestic and international companies in business development programming; hosted 142 domestic and international missions; featured 4 media/influencer events for Canada's 150 celebrations alone, including TV broadcasts from the Centre, with outreach estimated at 4.8 million consumers; and helped generate over \$400 million in new Canadian beef business.



Product Training Session



Gate to Plate tour



Export Market Development

With offices in China, Japan, Taiwan and Mexico, Canada Beef's work in export markets is creating opportunities for the Canadian beef industry to realize greater value for the carcass than what could be realized in the domestic market alone. Besides offering competitive bids on middle meats, the export markets can deliver better returns for end meats, credit/thin meats and offal than here at home contributing more than \$500 per head in additional carcass value.

In export markets, Canada Beef strategically positioned the Canadian Beef brand as premium grain-fed beef through marketing activities including the Canadian Beef Branding Series. Key marketing activities focused on strategic alignment with selected partners to communicate the advantages of Canadian beef to end

users and consumers. Thereby strengthening their confidence and interest in Canadian beef and ensuring market penetration. This approach is working so well there is often not enough supply to meet demand.



Minister MacAulay and Francis Andres, at FHC China (Nov 2017)

The **Latin America market hub** supported various marketing and promotional programs as well as Social Media marketing in collaboration with leading export partners and retail and foodservice distributors in Mexico and Latin America. With successful programs such as the Canadian Beef Culinary Series, promotions featuring high-profile celebrity chefs, and business development outreach through trade shows and trade missions, Canada Beef is creating brand awareness and positioning our high-end product in the minds of consumers and key influencers.

Asian market hubs successfully utilized the Canadian Beef Branding Series to drive education, understanding and loyalty to the Canadian Beef Brand. They also continued to position the Canadian beef brand through a series of educational cooking classes and professional chef seminars; integrated marketing programs linking online and live events; culinary seminars and competitions building a Canadian Beef community in the social media platforms and brand media campaigns. The marketing initiatives successfully brought the Canadian Beef Advantage to end users as a real life experience through cutting/cooking demonstrations and beef tasting - giving them an emotional connection to the brand and creating on going conversations between end users.



Final Thought: Capture High Growth Market Segments

The next '3 year plan' beginning in 2018 will build on the foundation of the Canadian Beef Advantage and the Canadian Beef Brand through a 'Customer Value Segmentation' model.

Using market segmentation tools, Canada Beef will identify high growth, high value consumer groupings by demographics, behavior, ethnicity,

geography, etc. Once the customer groupings are established, Canada Beef identifies respective needs, expectations and marketing/communication strategies that would be most effective. Then an overarching blend of emotional and technical attributes that are meaningful and relevant to each consumer group are created. These will be used as the "reason why" Canadian Beef answers their need. By understanding consumer segments' needs and wants, Canada Beef will develop

marketing and promotional campaigns relevant to each segment resulting in increased awareness, improved perception, heightened product desire and ultimately increased purchase.

We would love to hear from you. We can be reached at info@canadabeef.ca.

