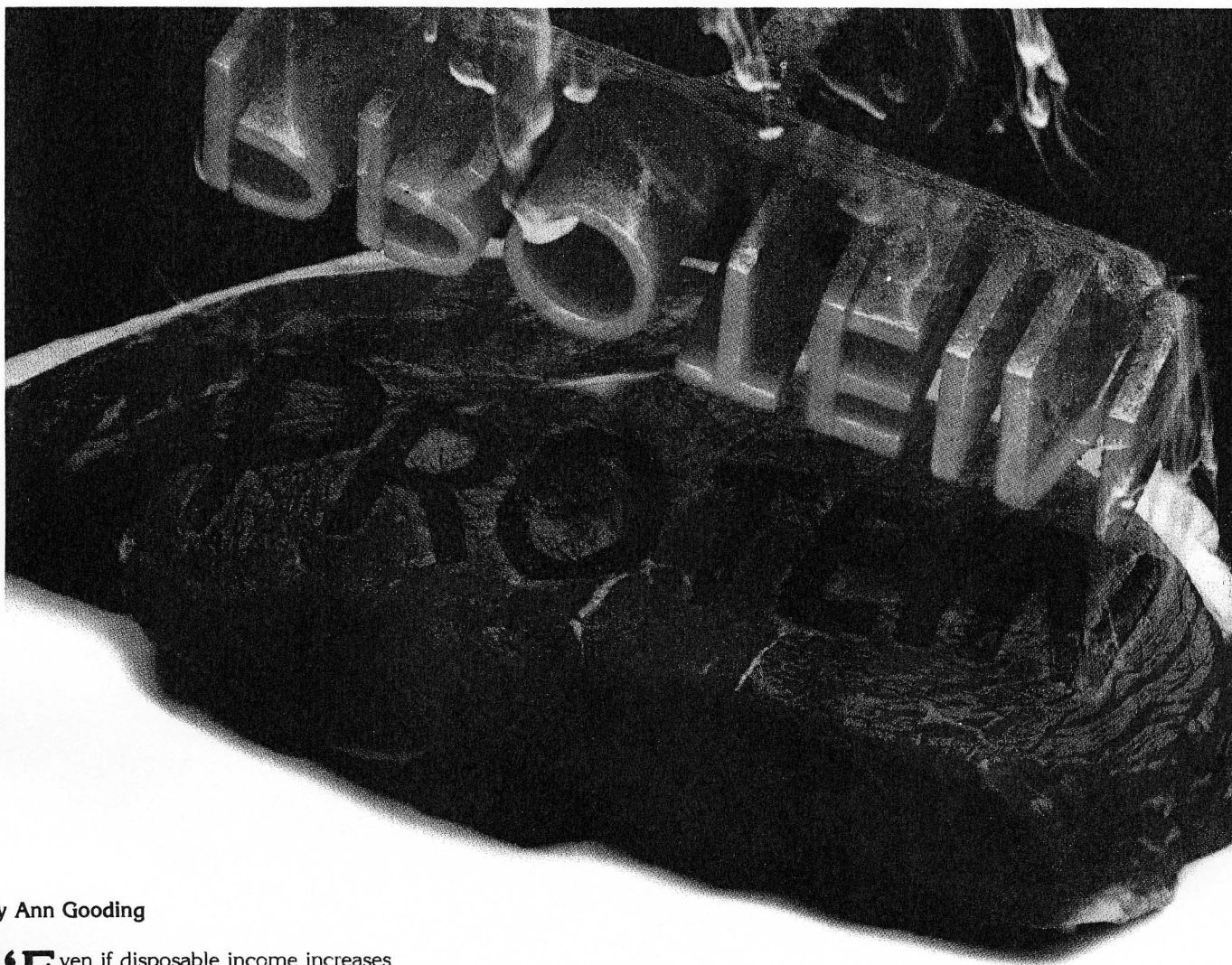


The Meat Board

As National Live Stock and Meat Board President John L. Huston sees it, the beef cattle industry's challenge of the '80s is to maintain its market in the face of increasing competition from chicken and fish. But he says, "If we as individuals are happy with a smaller market share, then we don't need to be concerned with market development. A smaller market share means less demand. People will go out of business. That, in turn, will mean less supply and that means higher prices. The whole thing could solve itself—at the expense of a lot of cattlemen."

**what it is
what it does
what it could do**

It is impossible to say where our industry might be today had not the Meat Board been created 58 years ago. People probably still would be eating beef. But how much and how often? It may be just as well we don't know the answer.



by Ann Gooding

“**E**ven if disposable income increases next year, consumers still probably won’t have much of a taste for high-priced meat,” an Oct. 8 WALL STREET JOURNAL article on rising meat prices claims before continuing. “Marvin Duncan, agricultural economist at the Federal Reserve Bank of Kansas City, says consumers will continue to switch to less expensive foods. Earlier this year, they switched to pork and chicken, he says, ‘not because beef was unavailable or high-priced but because the others were cheap.’

“And some consumers profess that their tastes have changed. ‘We used to have beef every Sunday,’ says Thelma Smith, an official at a black Catholic agency in Pittsburgh. ‘But now we eat more fish and beef is very low on our totem pole. We don’t really miss it.’”

And an industry newsletter tells us, “. . . in a recent survey consumers were asked what foods they expect their families to eat in the 1980s. Fifty-one percent said they expect their family’s poultry consumption to increase. Forty-seven percent expect to eat more fish and seafood. Thirty-five percent said they expect their beef consumption to decrease.”

The Pocketbook

Disturbing? If you make your living raising beef, the trends these articles suggest

should be. They could hit you right square in the pocketbook. Hard.

The cattle business is strictly a supply and demand proposition (one of the few left), and supply related to demand determines price. It’s that simple. And all indications are supply is there. In fact, we are told the building phase of the cattle cycle is beginning. And that means more supply.

So imagine for a moment what influences so varied as continued publicity linking meat consumption to disease or continued inflation could do to demand. Then imagine what would happen to demand if folks got out of the beef-eating habit. Could be pretty disastrous. So disastrous, in fact, that someone ought to be doing something. Someone ought to be out there protecting demand.

Well, someone is. And has. And intends to continue. The main order of business at the National Live Stock and Meat Board today and for the past 58 years has been protecting and expanding demand for red meat.

The common conception in the early ‘20s that meat consumption was hazardous to human health was one of the reasons the Meat Board came into being. At issue then was rheumatism—the increased chances of

—if one ate red meat. There also existed the common belief that a high-protein diet would over-load the kidneys because, popular reasoning went, the nitrogen radical from excess dietary protein had to be split off and excreted.

A Field Day

Vegetarian faddists were having a field day, and meat’s public image was suffering—as was demand.

So those in the red meat business united to form the Meat Board. And its purposes, according to its constitution, were “to initiate and encourage research and education in regard to livestock and meat products; to disseminate correct information about meat in the diet and its relation to health; and to do all things necessary to promote the interests of the livestock and meat industry.”

From the Meat Board’s inception, all facets of the meat industry—from farmers and ranchers to feeders to packers to retailers—although not traditional allies, banded together to protect and expand their market.

In the beginning, as it is today, the Meat

Board was funded by collections on livestock marketing and slaughter. In 1922 the Meat Board (which was, incidentally, the first commodity check-off) collected 5¢ per carload.

Today funding varies from 5¢ a head to .1% of market value and comes primarily through 28 state check-offs. These check-offs vary. Some are voluntary, some legislated. And the share received by the Meat Board from each state varies—from 8% to 100%. (Nevada turns 100% of its collections over to the Meat Board, Montana 80%, Kansas 70%, Nebraska 60%.) And according to Tom McDermott, Meat Board communications director, all money comes in tagged by species and goes to one of the three divisions within the organization—the Beef Industry Council, the Pork Group or the Lamb Committee. These divisions then collectively fund the Meat Board's red meat programs (nutrition, research, information, education) as well as promotional activities for each particular species.

Beef Industry Investment

Under this arrangement, the total 1980 Beef Industry Council budget is \$2.2 million. Add to that another \$4.6 million that is invested in state beef council programs and the total industry support for beef market development comes to \$6.8 million. That represents a 3¢ per capita investment. Put another way, the beef cattle industry is investing 3¢ on each person in this country to promote its product. That's 3¢ to influence a consumer through education, research, promotion and communications. And that's not a lot of money. Not compared to, say, the dairy industry in California with its 50¢ per customer investment or the \$25-\$30 million invested in promotion by the Florida citrus people or even the cotton growers' 10¢ per capita investment.

But let's see what this 3¢ per capita is doing.

A good share of the Meat Board's promotional work is aimed at the retailer. And by developing promotional services for retailers' use, the Meat Board encourages them to spend their own promotional dollars on beef, not a bad idea, because they spend more than \$200 million annually on just that.

This retailer-oriented program involves developing ways to merchandise meat. It involves promoting the family pack idea (prepackaged meat in family-sized amounts) or the "Inflation Fighter" merchandizing folder distributed to food store meat department managers in early 1980; or promoting a new marketing method, beef in a bag, which is now being introduced in supermarkets.

Beef in a bag, incidentally, involves a good-sized chunk of beef (a subprimal cut, to be exact) which will, of course, cost a good-sized chunk of money. However, according to John Francis, director of the Meat Board's Merchandising Dept., because the meat does not have to be broken down into smaller cuts and repackaged, the

retailer will save both time and money. And the consumer (who will receive cutting instructions developed and published by the Meat Board) stands to save as much as 50¢ a lb.

New Programs

And two new retail promotion programs will be off the drawing board by 1981. Recently announced by J.H. Wardell, Meat Board vice president and Beef Industry Council secretary, these "Make Ends Meat" programs are being tailored to help consumers stretch their food dollars and keep them buying beef in times of rising prices.

Then there's the Beef for Father's Day program, the motivation behind a lot of June beef buying. And the Beef Cook-Off (though not aimed directly at retailers) is another important Beef Industry Council program. This contest, co-sponsored with the American National Cowbells, Inc., and first held in 1974 with 13 contestants, hosted cooks from 48 states and the District of Columbia this year and earned an abundance of publicity, not the least of which was seven minutes on ABC-TV's "Good Morning, America." Incidentally, during that broadcast viewers were invited to send self-addressed stamped envelopes to Cowbelle headquarters for a free recipe booklet. Response was overwhelming (15 bags of mail the first day) and one could only assume some beef was sold as a result.

The cook-off, by the way, is not the only connection between the Meat Board and recipes. Those beef recipes appearing in newspapers, magazines, grocery store hand-outs probably originate at the Meat Board.

Consumer Kitchen

In the consumer kitchen, part of the Consumer Services Dept. headed by Gay Starak, three home economists devote their working hours to creating menus featuring new beef serving ideas. Many times new beef recipes have to be developed and tested to adapt to new technology such as microwave ovens, slow cookers, etc. Eye appeal, preparation ease, cost and cut of meat are also kept in mind. By the way, Meat Board recipes use only ingredients available to the average consumer—all test recipe meat comes from a retail store.

But creation is only the first step. Next comes publication. According to Marlys Bielunski, Consumer Services associate director, the Meat Board sends recipes to nearly 5,000 food editors and newspapers across the country. And the recipes are used.

Also included on the Meat Board's mailing lists are another 250 names—home economists affiliated with supermarkets and radio stations and the like who receive "Topics and Trends," a bi-monthly publication about meat. A special number is also available to these home economists putting answers to their meat-related questions as close as their phones.

Often Meat Board recipes are accompanied by enticing photos—a beautifully cook-

ed roast, a succulent steak, an entire mouth-watering meal. Those photos are the work of Kenneth Franklin, director of Creative Services. And he is presently involved in another photography project, this one in cooperation with USDA.

Degree of Marbling

It involves color photos showing the minimum degrees of marbling necessary in each USDA meat grade. These photos will be immediately useful in education and training programs for meat scientists and graders, especially since color photos like these do not now exist. And in the future they may be used by USDA in advanced grading technology such as a machine which could electronically evaluate marbling.

It is not at all unusual to find the Meat Board involved in USDA projects, according to Kenneth Johnson, vice president in charge of the Food Service Division. Just recently, for example, the preliminary data on a USDA-Meat Board study of the nutrient content of beef were released. This study, the first on the subject since the 1920s, was done in anticipation of nutrient labeling. (Incidentally, preliminary data show less cholesterol in beef than was previously reported.)

In addition to the consumer kitchen at the Meat Board's Chicago office, there is also a food service kitchen—the place where Ruth Hogan, school food service specialist, works her magic with meat and school lunch recipes. Ms. Hogan not only develops recipes, she puts on about 50 programs a year teaching school lunch personnel how to prepare meat with other available commodities to suit not only kids' palates but school budgets.

Classroom Audience

And there's evidence of the Meat Board's work in the classroom as well as the lunchroom. The organization's Education Dept. headed by Barbara Hicks is geared to the classroom grades kindergarten through 12. And with nearly 44 million students enrolled in those grades this year, the department reaches an important audience.

Educational kits, filmstrips and other materials are made available to educators through this department. And educators, the Meat Board has found, are only too happy to use them. For one thing, this material (such as the new filmstrip for high school students called "Beef Buying Basics") gives teachers an alternative to literature supplied by anti-beef groups.

And those are by no means all of the Meat Board's projects and programs. There are advertising and public relations campaigns in magazines—both consumer-oriented and those whose readers are health professionals. The Meat Board supplies photos and information for magazine articles. Answers questions. Publishes a myriad of pamphlets. Sends them out. Works with other food producers in cooperative promotions. Sends 10,000 "Meat Board Reports" to livestock and industry

leaders. Sponsors intercollegiate meat judging contests. In fact, anywhere meat is the subject, the Meat Board is probably not far away.

Based on Fact

Because all Meat Board programs are based on fact, the Nutrition Dept. under the direction of Dr. Peyton Davis plays a key role. That department's concern is establishing meat's credibility. Its concern is proving the worth of meat in the human diet.

Since 1922 the Meat Board, through the Nutrition Dept., has funded more than 450 research studies, some of which have given us some very important concepts. The role of liver in the prevention and treatment of pernicious anemia was discovered in this manner as was the role of meat in blood regeneration after surgery as was the presence of important nutrients in meat and their contributions to good health.

One of the current Meat Board-sponsored research programs is Dr. Margaret Flynn's (University of Missouri) research on the effect on serum lipids of beef and pork consumption as compared to chicken and fish. Incidentally, this research (which is showing beef and pork do not affect cholesterol levels any more than do chicken and fish) recently made the front page of the WALL STREET JOURNAL.

The Nutrition Dept. also puts its share of names on the mailing list: It publishes, then sends the scientific "Food and Nutrition News" to 35,000 people in the field of nutrition and dietetics.

By the way, anyone who assumes the Meat Board advocates consumption of huge amounts of meat is all wrong. In Dr. Davis' words, "We don't hype our product. We advocate 3-oz. servings from the meat group twice a day. We recommend a varied balanced diet in moderation befitting caloric expenditure." Not very sensational. Not the stuff the front page of the NATIONAL ENQUIRER is made of. Just sound, sensible, durable.

Diet-Disease Debate

Knowing the Meat Board's purpose, one would suspect it has been involved in the diet-disease debate. And that's true. The Meat Board played an important role in the government dietary goals drama, one that started a few years back with the government condemning red meat consumption. Efforts by the Meat Board and others have helped lead to changes—in fact, a National Academy of Sciences report issued last May again underscored the value of a varied and balanced diet, the same sermon the Meat Board has been preaching for years.

Meat Board also has been involved in other projects concerning the diet-disease question and recently helped plan the 26th European Meeting of Meat Research Workers, an international meat science congress. Sponsored by the American Meat Science Assn. (a group of 700 meat scientists for whom the Meat Board is the administrative arm), this meeting not only aired many

meat science research papers, it also included an international symposium on meat in nutrition and health. And those involved feel the credentials of the participants plus the publicity generated should go a long way toward helping reverse public opinion on meat's alleged role in degenerative disease.

So the Meat Board is busy protecting and promoting beef on many fronts. But promotion costs money. Research costs money. Education costs money. And the Meat Board's \$2.2 million beef budget really isn't much. There's only so much it can do.

Frustration

A 6-city television test in 1975-76 showed that through high-level saturation \$8 million could raise beef consumption by as much as 10%. But that's \$8 million (in 1975-76 dollars), \$1.2 million more than this year's total beef industry investment. Frustrating? Has to be for the 60-some Meat Board employees. But it should frustrate cattlemen even more. It's their market that's on the line.

But there may be a solution. A look at the outcome of a recent survey and a conversation with Meat Board President John L. Huston indicate there's reason for optimism.

Last spring after the defeat of the Beefeferendum (legislation that would have set up a nationwide collection system to provide money for beef promotion and research), a survey was conducted by Doane Agricultural Services, Inc. Nearly 3,000 cattle producers and commercial feedlot operators responded. Survey results were announced last August:

—84% were in favor of an industry-sponsored beef research, education and market development program.

—67% felt all producers and feeders, regardless of size, should finance the beef industry programs.

—70% preferred collection to be on a per head basis.

—67% indicated they would be willing to invest 50¢ a head or higher.

—86% said the Beef Industry Council of the Meat Board, state beef councils and the U.S. Meat Export Federation should have primary responsibility for the programs.

—49% said funds and programs should be controlled by a combined state-national effort.

They Want to Promote

It appears that cattlemen, after all, do want to promote their product. And they appear prepared to spend a fair amount of money to do it.

Huston, who was Beefeferendum's executive director, admits he is surprised at the survey finding on money. He feels there were three reasons for Beefeferendum failure: Cattlemen did not want the federal government involved in their program; there was some confusion over the value-added concept; cattlemen felt they couldn't afford the program. He was, Huston admits, wrong about the third reason. Cattlemen are will-

ing to invest in market development programs. So the question now is where and how much.

As the survey indicates, breeders want closer ties to their promotional dollars. And they don't want a new organization. And that fits hand-in-glove with the Meat Board's Beef Industry Council structure, where both funds and control already come from state beef councils. Of the roughly 30 states where cattle and calves are either farmers' primary or secondary source of income, 28 have state councils whose money comes from either voluntary check-offs or legislation. Part of that money (about 30%) already comes to the Meat Board. What appears necessary is simply more of the same.

Not that it will be simple. It will take a lot of work to expand and strengthen the existing network and to strengthen coordination and communication between states and the Beef Industry Council. In fact, Huston claims the organizational challenge now is greater than it would have been in the Beefeferendum-type program, but he adds, "Once in place, this system may be more beneficial, more effective. And once a state-national network is in place, it will do a better job of representing this nation's 1.7 million cattle farmers and ranchers."

Recommended Goal

According to Huston, the current recommended collection goal is 25¢ a head, with at least 10¢ going to the Meat Board. But Huston adds that, in light of the survey findings, he feels a 50¢ a head collection by 1985 is not unrealistic. That would generate \$30 million. And think what \$30 million could do if \$6.8 million is doing what it's doing now.

"There are potential pitfalls," Huston warns, "as we move to state-national programs. We don't want to diffuse resources and lose sight of the fact that we are a national market. This," he adds, "will have to be an educational process with industry leadership to make sure money is properly spent and targeted toward the consumer market. Here some money will have to be spent back into the industry.

"And even with more money," Huston adds, "at no time should we try to replace the \$200 million food retailers spend promoting our product. And that money, spent not because retailers are in love with beef but because beef draws people to the store, is something we can't afford to lose. And we could do that," he warns. "If we as an industry let attitudes shift, then retailers will shift their promotion dollars. So our challenge is to make sure beef keeps its image."

Right now the beef cattle industry, Huston says, faces two challenges. "First, available resources must be used to the best advantage. The present market must be maintained. Second, a fair and equitable collection system to expand research, education and promotion must be developed."

The Meat Board is ready. All it needs is your cooperation. 