

2020



ANNUAL REPORT



MISSION

TO ADVANCE, SUPPORT, AND COMMUNICATE CONTINUOUS IMPROVEMENT OF SUSTAINABILITY ACROSS THE U.S. BEEF VALUE CHAIN.

VISION

THE U.S. BEEF VALUE CHAIN IS THE TRUSTED GLOBAL LEADER IN ENVIRONMENTALLY SOUND, SOCIALLY RESPONSIBLE, AND ECONOMICALLY VIABLE BEEF.

USRSB BOARD OF DIRECTORS & OFFICERS

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CHAIR-ELECT: Steve Wooten – *Colorado Cattlemen's Association*

SECRETARY/TREASURER: Scott Anderson, Ph.D. – *CRI Feeders*

PAST CHAIR: Ben Weinheimer – *Texas Cattle Feeders Association*

Caitlin Colegrove – *Target Corporation*

Cameron Bruett – *JBS USA*

Clayton Huseman – *Kansas Livestock Association*

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Hugh Aljoe – *Noble Research Institute*

Jessica Finck, Ph.D. – *Merck Animal Health*

Matthew Cleveland, Ph.D. – *ABS*

Michelle Calvo-Lorenzo, Ph.D. – *Elanco Animal Health*

Mike Brems – *McDonald's Corporation*

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Nancy Labbe – *The Nature Conservancy*

Nikki Richardson – *JBS USA*

Rob Manes – *The Nature Conservancy*

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Sara Place, Ph.D. – *Elanco Animal Health*

Tom McDonald – *Texas Cattle Feeders Association*

Townsend Bailey – *McDonald's Corporation*

SUSTAINABILITY COMES TOGETHER HERE

To say that the year 2020 was “challenging” would be the understatement of the century. No matter who you are or what business you are in, the pandemic impacted you in some, or many, ways. It was also a reckoning for the conversation around sustainability. With challenges in supply chains around the world, businesses struggling and/or closing, and many people losing their incomes, the pandemic revealed what core values consumers honestly believe in and what they want the most. A small bright spot in all of the chaos is that beef, and the people who produce it, gained a spotlight and appreciation they have never been given before. Many people across the globe started to understand and appreciate the hard work that takes place across the supply chain to produce a nutritious product to feed their families. And we saw in many instances, beef was the first choice many people turned to for comfort in the uncertain times.

The spotlight didn't just highlight the benefits of beef in our diet or the brave and devoted men and women who produce it. Many issues in our supply chain that need to be addressed were also highlighted. The safety and well-being of essential workers, equality, volatile markets, and even the tight processing capacity of our industry shined through, springing many of us to full attention for what seemed like six months of sleepless nights. During it all, the USRSB kept up our work and developed resources that will help any business become more adaptable and resilient. We continued to grow the implementation of the U.S. Beef Industry Sustainability Framework; developed pasture-based, feedyard, and auction market operation sustainability interactive modules; aligned to a goals and targets setting process to continue to push the industry towards continuous improvement across all six high-priority indicators; and continued to work with every company and sector of the supply chain to provide any aid we could during these trying times.

But we persevered, and I am encouraged to be leading an organization that has been setup specifically to bring all the stakeholders together to find the solutions to the challenges we continue to face. Through our collaboration, I believe we are making our supply chain more resilient, and our product more sustainable. That belief, and vaccines, has me seeing a bright future ahead for U.S. beef production, and hopefully more hours of sleep for all of us.



Wayne Morgan
2020-2021 USRSB Chair

MEMBERSHIP

USRSB members represent a diverse group of individuals with an interest in continuously improving how beef is raised, processed, and distributed. Members share a stake in creating a sustainable food system of the future, and believe in leading that effort throughout the U.S. Together, we learn, explore, and solve problems, creating tools and resources to advance beef sustainability.

91% OF MEMBERS ARE SATISFIED OR VERY SATISFIED WITH THE PROGRESS OF THE USRSB IN ACHIEVING ITS GOALS

83% OF MEMBERS REPORT UTILIZING USRSB MATERIALS AND RESOURCES IN SUSTAINABILITY MARKETING AND COMMUNICATIONS EFFORTS

PACKER PROCESSOR



ALLIED INDUSTRY



CIVIL SOCIETY





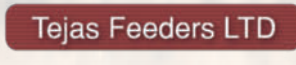
PRODUCERS: COW-CALF - AUCTION MARKET - FEEDYARD



DIAMOND B FEEDYARD, LLC



Green Plains CATTLE COMPANY LLC



RETAIL FOOD SERVICE



LAUNCHING THE USRSB SUSTAINABILITY MODULES



The USRSB launched three sustainability module series throughout 2020. The series features interactive videos that share the importance of sustainability throughout the beef value chain and offer examples and solutions for improvement. Modules are sector-specific and are currently available for cow-calf/stocker/backgrounder, auction markets, and feedyards. The modules contribute to the USRSB's mission to advance, support, and communicate continuous improvement of sustainability across the U.S. beef value chain, and act as part of the USRSB framework outreach program.

The modules are a tool for professionals throughout the beef value chain to explore sustainability and receive examples of practices that may work for their operation.

"Sustainability can often feel like an intangible concept, but the USRSB modules help each segment of the industry put sustainability into their own terms with real world examples and solutions," said USRSB member Debbie Lyons-Blythe of Blythe Family Farms. "By completing the modules for your sector of the beef supply chain, you can learn about the value of sustainability and how you can become more sustainable at your operation."

In December 2020, the second and third modules of the series were released, containing tools for auction markets and feedyards. Each module series has multiple interactive videos covering specific topics that relate to the respective sector. These resources are not just for owners and managers but can be used by any individual who plays a role in the beef supply chain.

"I would encourage feedyard operators and other beef industry members that are interested in evaluating the sustainability of their current practices to participate in the USRSB modules," said Scott Anderson of CRI Feeders. "This is a simple and easy way to step through questions related to the key sustainability indicators and related metrics. It helps a manager to see where they may have opportunities to improve and provides links to additional resources if you want more information about the subjects covered by the modules."

The modules were created to add to the user's existing knowledge of sustainability. Each module series covers a variety of topics to help users decide where they are already implementing the most current sustainability practices and identify where there might be opportunity for improvement. Throughout the videos, users will be asked a series of questions to help pinpoint their needs. Because each operation is different, users may find industry examples useful and can individualize their take-aways based on their needs. Each module was created using the most up-to-date sustainability science as well as proven practices currently used by beef industry members.

To date, sustainability module participation has grown to 278 individuals. The final set of modules for packer/processor and retail/foodservice are scheduled for release in late 2021. To view and participate in the sustainability modules, visit www.USRSB.org/Resources.

The USRSB would like to thank Cargill for their generous donation that made the development of the modules possible.

RECOGNITION PROGRAM

The USRSB developed an official recognition process in 2019. Since then, the program has grown to include 15 programs covering almost 19 million head of cattle and more than 18 billion pounds of beef. This rigorous three-year recognition requires the program owner to submit an application and supporting program materials detailing the inclusion of the U.S. Beef Industry Sustainability Framework in their program. After evaluation and recommendation by an independent third-party, the program must then be approved by the USRSB Board of Directors to receive recognition. To find out more about the Recognition Program please visit www.USRSB.org/Recognition. The following programs have achieved the USRSB's Recognition:

COW-CALF PROGRAMS



FEEDYARD/FINISHER PROGRAMS



AUCTION MARKET PROGRAMS



PACKER/PROCESSOR PROGRAMS



Disclaimer: Organizations recognized and listed above under the USRSB Recognition Program have undergone a third-party review in seeking recognition for alignment with the U.S. Beef Industry Sustainability Framework. The USRSB Recognition Program specifically prohibits product claims related to the U.S. Beef Industry Sustainability Framework. The USRSB also does not endorse the use or format of specific documents developed as part of a program's approach to conduct audits or verifications against the U.S. Beef Industry Sustainability Framework. Use of trade names, logos, commercial programs or private organizations above is for identification purposes only to recognize organizations that have successfully completed the USRSB Recognition Program and does not imply endorsement or recommendation by the USRSB.

GET RECOGNIZED

Do you have a sustainability program that aligns with the U.S. Beef Industry Sustainability Framework?

www.USRSB.org/Recognition



ADVANCING BEEF SUSTAINABILITY

Driving continuous improvement means supporting potential advancements in beef sustainability from all angles. One way the USRSB contributes to advancing improvements is through project support. Organizations that have research projects, pilots, or tools that are shown to advance, support, and communicate continuous improvement in the sustainability of U.S. beef can receive official support from the USRSB after going through an application and evaluation process. The following projects received USRSB support in 2020:

COLORADO STATE UNIVERSITY MASTER IRRIGATOR PROJECT

This project will create an advanced, profit-oriented and real-time data supported energy and water management in groundwater-dependent regions, and will equip Ogallala and Delta region producers to navigate the adoptions of tools and strategies to reduce consumptive energy and water use while achieving productivity and profitability goals.

INVESTIGATE EFFECTS OF DENITRIFYING PROBIOTIC AND NITRATE IN BEEF STEERS

Bezoar Laboratories is investigating the effects of denitrifying probiotic and nitrate in beef steers, and their potential to decrease methane while providing ancillary benefits. They have preliminary research and are applying to USDA for a grant to fund continued research with Texas A&M University.

A full list of supported projects can be reviewed online at www.USRSB.org.



STATEMENT OF ACTIVITIES

USRSB STATEMENT OF ACTIVITIES

For the Year Ended September 30

| | 2020 | 2019 |
|---|------------|------------|
| REVENUES | | |
| Dues, Meetings, and Sponsorships | \$ 735,018 | \$ 605,344 |
| Total Revenues | \$ 735,018 | \$ 605,344 |
| EXPENSES | | |
| Total Expenses | \$ 686,070 | \$ 605,889 |
| NET CHANGE | \$ 48,948 | \$ (545) |
| | | |
| RESERVES BALANCE BEGINNING OF YEAR | \$ 300,086 | \$ 300,631 |
| RESERVES BALANCE END OF YEAR | \$ 349,034 | \$ 300,086 |





SETTING GOALS FOR THE U.S. BEEF INDUSTRY

In 2020, the USRSB began a goals-setting process to advance the continuous improvement of the U.S. beef industry. This process aligns with the USRSB's mission and vision to advance the U.S. beef industry's sustainability in a meaningful way. This effort will set credible goals for the industry and practical targets for each sector of the value chain, helping the USRSB reach their vision of becoming the trusted global leader in environmentally sound, socially responsible, and economically viable beef.

WHY ARE WE SETTING GOALS?

The USRSB goals, which promote and support the USRSB Beef Industry Sustainability Framework, are core to improving upon the sustainability of all U.S. beef. The USRSB goals will drive the entire U.S. beef industry towards solutions that will lead to improved outcomes for economic, environmental, and social sustainability.

Improving sustainability improves conditions for the beef industry and builds trust with the modern consumer. The USRSB aims to address consumer and societal concerns about beef production. By telling the story of the U.S. beef supply chain and promoting continuous innovation and improvement, we will demonstrate beef's role in a sustainable food system, while improving the economic position of producers and companies doing it "the right way," creating a truly sustainable cycle. This should improve the industry's ability to contribute to food security, livelihoods, improve environmental and ecological outcomes, and be resilient to new and ever-changing challenges.

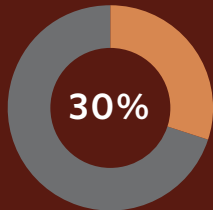
HOW WILL THE GOALS BE ACCOMPLISHED?

To be successful, the goals set by the USRSB must have buy-in and support from all USRSB members across the entire U.S. beef value chain. This means the USRSB must ensure every segment of the industry has a voice. The USRSB is using a rigorous goals-setting process to create measurable, attainable goals for the industry. This collaboration will help establish industry initiatives and encourage business-to-business relationships and partnerships.

PROMOTE ADOPTION OF
SUSTAINABILITY FRAMEWORK
STRATEGY 1
IN PROCESS

2020-2022 STRATEGIC PLAN

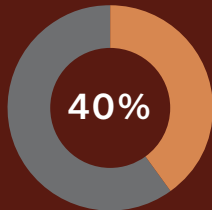
STRATEGIES AND GOALS



Producer reach

Reach 300,000 producers with through trade media

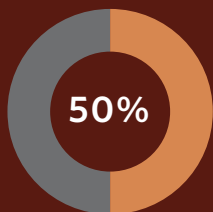
Reached over 90,000 producers with messaging campaigns



Use of self-assessments

Achieve utilization of self-assessment tools by 1,000 users

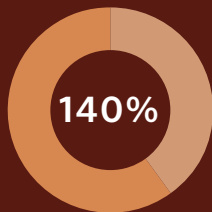
Nearly 400 unique users have used the self-assessment tools



Outreach programs

Develop an outreach program for the four value chain sectors

Modules completed: cow-calf/stocker/backgrounders, auction markets, and feedyards
Modules in progress: packer/processor and retail/food service



Program recognition

Recognize 10 industry programs that align with the Framework

Recognized 15 programs across 12 different brands through the USRSB's recognition program

- Develop U.S. beef value chain goals for each of the six high priority sustainability indicators

- Collaborate with value chain stakeholders to develop sector-specific targets for one or more metrics to support the value chain goals

The USRSB has begun a goals-setting process. This effort will set credible goals for the industry and practical targets for each sector of the value chain.



ESTABLISH INDUSTRY SUSTAINABILITY TARGETS **STRATEGY 2** IN PROCESS

BUILD AWARENESS WITH EXTERNAL STAKEHOLDERS **STRATEGY 3** IN PROCESS

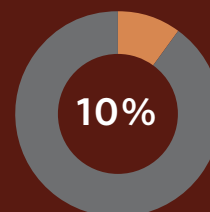
Members using USRSB resources and materials **83%**

Members using USRSB programs and tools **65%**

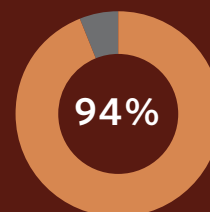
Increase in education and outreach efforts **86%**

- Collaborate with five external organizations to highlight beef sustainability
- Convene 20 thought-leaders at stakeholder events

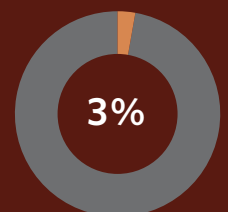
- Increase gross revenue 10% year-over-year
- Engage 5 members in leadership roles
- Grow USRSB members by 25% in the cow-calf, retail/foodservice, and civil society constituencies



Increase in revenue



Member retention rate



Growth in membership

ENSURE ORGANIZATIONAL SUCCESS **STRATEGY 4** IN PROCESS

EXPLORE

Explore USRSB tools and resources including the full U.S. Beef Industry Sustainability Framework online at www.beefsustainability.us.

CONNECT



@USRSBeef

JOIN

USRSB membership is open to stakeholders that share the vision to make the U.S. the trusted global leader in beef sustainability.

Visit www.USRSB.org to learn more.



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To advance, support, and communicate continuous improvement of sustainability across the U.S. beef value chain.

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The U.S. beef value chain is the trusted global leader in environmentally sound, socially responsible, and economically viable beef.

