

McDonald's Verified Sustainable Beef Pilot Update - November 17, 2015

Where we're at today

The McDonald's Verified Sustainable Beef Pilot Project (VSB Pilot) has hits its stride over the last several months and celebrated the following significant milestones.

Indicator Development

After more than 12 months of robust stakeholder engagement, resulting in more than 150 edited versions, the Cow-calf/Extensive and Fed cattle/Intensive indicators are finalized and on the Pilot website (vsbpilot.ca). McDonald's recognizes and appreciates the significant insights and value they received from the twelve-member Scientific Advisory Board⁽¹⁾. Most stakeholders provided feedback appreciating these indicators are outcome-based, and not practice-based, allowing the producers to describe in their own manner, how they meet these outcomes. (These indicators have been shared with all enrolled participants and the Canadian Roundtable for Sustainable Beef Indicator Committee has used them as a starting point to help them draft their own indicators (over the months of September – October).

Field Engagement

Field engagement ramps up:

- a. **Phase 1** – In Phase 1 we began working directly with a few select producers who volunteered as part of a beta-test group. This work enabled us to test and rework the indicators at the same time the verification company, Where Food Comes From, refined their verification procedures, and trained Canadian verifiers to manage the pilot;
- b. **Phase 2** – During Phase 2 we opened up the door to more producers as we continued to refine the indicators, develop comprehensive training materials for the verifiers and train additional verifiers, calibrate amongst verifiers on the finalized set of indicators; develop verification guidance and develop a producer manual/starter tool-kit for the pilot as we learned what works and doesn't work for field engagement and share lessons with the Canadian Roundtable for Sustainable Beef (CRSB).
- c. **Phase 3 (Multiplier strategy)** – We made two calls for proposals (CFPs) to members of the beef community to help engage and enroll members of their producer community in the Pilot. To ensure a smooth transition to the CRSB, we are multiplying our efforts through others (e.g. Forage associations, Breeders, 4-H Clubs, Veterinary clinics and Feed companies) in the Canadian beef community. We began partnering with key leaders in the beef community to hold field workshops hosted by producers who have been through verifications so they can share their first hand experiences. Verifiers are also present at these workshops so producers can ask questions and gain insights before they go through

(1 Fawn Jackson-CCA, Bob Lowe-ABP, Page Stuart-ACFA, Jackie Wepruk-NFACC, Susan Church-AB Chair NCC, Melinda German-MBP, Lauren Stone-Cargill, Nancy Labbe-WWF, William Burnidge-TNC, Julie Dawson-AAFC, John Basarab, UA & Lacombe Research Centre, Joe Stookey, USK)



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their own verification. Included in this multiplier strategy is an outreach to 4-H beef clubs. 10,000 of the 25,000 total Canadian 4-H club members are involved in beef clubs. This provides us with a unique opportunity to collaborate with the next generation of Canadian beef producers and shape the short term grass roots involvement in the pilot and the long term involvement in the CRSB. We are providing an opportunity for Canadian 4-H beef club members to get involved in workshops and in their family's pilot verifications. We are also providing the beef clubs with an opportunity to win cash prizes for their submission of You Tube videos describing why sustainable beef is important to their family's operation and how they plan on making continuous improvements in sustainable beef.

- d. **Build a solid Communications Strategy** – We are leveraging social media to raise awareness and connect with members of the beef community about the pilot. We have a twitter account @vsb_pilot; a facebook page (new); our website (continually updated) and a private You Tube channel. We are managing outward bound communications through Constant Contact software that enables us to measure, monitor and manage communications with participants based on their actions.

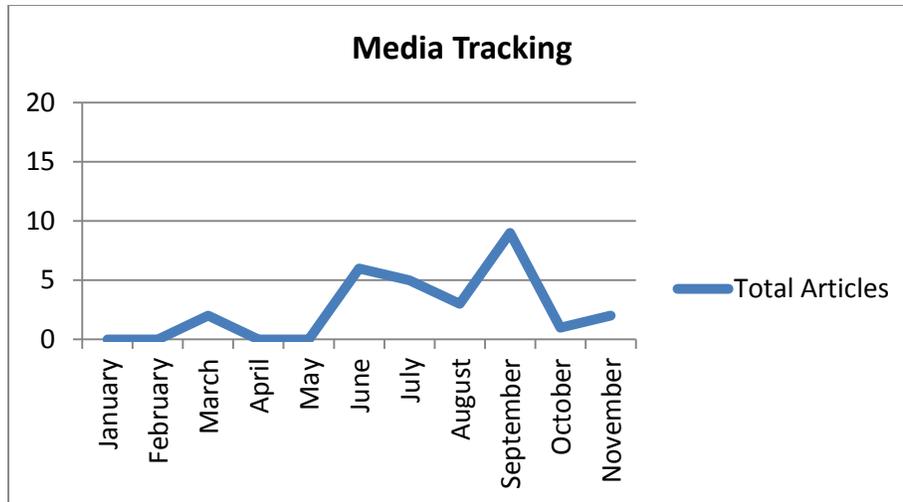
Numerous video communications have been produced and are utilized at the workshop and in outreach opportunities. These videos can be viewed by clicking on the links below:

You Tube Video Title	Link
1. Why is the VSB Pilot important?	http://bit.ly/1H7GIY3
2. Why did you get involved?	http://bit.ly/1PyYZdV
3. Why did you participate?	http://bit.ly/1QLatKN
4. Advice for others?	http://bit.ly/1OegBsc
5. Tips on preparing for verification	http://bit.ly/1PNjBxr
6. Getting ready for verification	http://bit.ly/1SWX6q3
7. Our Sustainable Beef Journey, Sustainability, McDonald's	http://bit.ly/1MDS1yk

The number of media opportunities has ramped up significantly as shown in the following media tracking graph:



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The number of calls that the Team is getting from producers interested in directly engaging in the Pilot is increasing, as a result of the communications strategy.

- e. **Value proposition** – The value proposition for pilot participants continues to be, but with much more emphasis on the leadership opportunity to inform the CRSB:
- i. **Leadership opportunity** – Producers take an active role in shaping the future of the Canadian beef community through the CRSB; and
 - ii. **Free verification** – McDonald's pays for them to receive a confidential, professional, independent verification of their operation with the opportunity to benchmark their results against their peers at the end of the pilot; and
 - iii. **Share their story** – The opportunity to participate in the pilot celebration workshop in April, 2016 and share their personal vision of what sustainable beef means to them and why that is important.

Where we're headed – Field Management

We will be participating in the following activities:

- a. Ongoing ABP regional meetings
- b. Beef Booster Cattle Industry Focus Group – week of November 23
- c. Longview 4H Club Workshop at Chinook Ranch – November 20
- d. Western Canada conference on soil health – December 8-10
- e. Foothills Forage Association Workshop – Date TBD
- f. West Central Forage Association Workshops – Dates TBD
- g. Beef Boosters Industry workshop, Thorlakson Feed yards – February 24, 2016

Verifications

Verifications ramping up – Based on follow-up conversations with participants, the verifications have gone very well. Three Alberta-based verifiers have been recruited and trained and are conducting verifications (Gord Stephenson, Peg Strankman and Neil Gillies). After the finalization of the indicators,



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and final calibration of the verification team, we've been catching up to the backlog of reports. The statistics as of November 16th are:

- 56 verifications completed
- 14 verifications scheduled
- 12 being scheduled (Dec/Jan)
- 20 reports sent out

Timeline for remaining reports:

- By Nov 30 all verifications conducted thru October will have received their reports
- November verifications will receive their reports early December

Where we're headed – Verifications

Verifications – We will continue working with Where Food Comes From to schedule and complete verifications and disseminate reports. We will begin drafting the benchmarking reports and sharing drafts with participants to refine them and deliver the most value while being reviewed at the celebration workshop in April.

Data Analysis

Data Analysis – we are compiling verification reports and results as they come in, to prepare benchmarking analysis and reports back to producers. In addition, we are monitoring BIXS performance on a monthly basis and troubleshooting issues as they arise.

Participation to Date

Participant Status		CC	FC	B	?	P	Date 11/17/15
0	Interested (dormant)	19	5	2	5	0	31
1	Ongoing interest	58	11	10	3	2	84
2	Ready for pre-verification	2	0	0	0	0	2
3	Ready for verification	10	2	0	0	0	12
4	Verification scheduled	9	2	3	0	0	14
5	Verification complete (awaiting report)	22	5	9	0	0	36
5.1	Verification complete w barriers to entry	1	1	0	0	0	2
5.2	Verification complete (Entry Level)	0	0	1	0	0	1
6	Verified	11	3	2	0	1	17
Total participants		132	29	27	8	3	199

To learn about how to get enrolled or want more information email: info@mcdvsb.com.

