

**11. Consumer Response to Changes in Meat Prices:  
A Comparison of Retail Scanner and BLS Data**

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*Levi Russell was raised in southeast Kansas and is a doctoral student in the Department of Agricultural Economics at Kansas State University. His research includes farm efficiency analysis, changes in farm profitability due to implementation of water quality best management practices, and demand elasticity differences for meat products between different data sources.*

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*Glynn T. Tonsor joined the Dept. of Agricultural Economics at Kansas State University in March 2010 as an Assistant Professor. He obtained his Ph.D. from KSU in 2006 and was an Assistant Professor in the Dept. of Agricultural, Food, and Resource Economics at Michigan State University from May 2006 to March 2010. Glynn's current efforts are primarily devoted to a range of integrated research and extension activities with particular focus on the cattle/beef and swine/pork industries. He has broad interests and experiences which span issues throughout the meat supply chain. Through both applied research and first-hand knowledge with livestock production, Glynn has expertise in topics including animal identification and traceability, animal welfare and handling, food safety, and price risk management and analysis.*

**Abstract/Summary**

*Most studies of price responsiveness of consumers use price and quantity data from the Bureau of Labor Statistics (BLS). Although costly, data from retail supermarket scanners is available as an alternative that may improve our understanding of consumers' preferences. This study examines the differences in estimated consumer price responsiveness for four meat categories between BLS and scanner data. The results of this study will inform producers and producer organizations as to the accuracy of studies based on the BLS data and the value of studies using the scanner data.*

# A Comparison of Public and Private Sources of Price Information

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## Overview

- Importance of accurate price information
- Bureau of Labor Statistics price data
- Retail scanner price data
- Recent studies using scanner price data



## Importance of Prices

- Accurate price information is important to industry and economists
- Why do retail prices matter?
  - Indicator of consumer preferences
  - Indicator of effects of policy
  - Farm share of the retail dollar
  - Food purchases as a share of total expenditure



## Bureau of Labor Statistics

- Dedicated to collection of economic data in the U.S.
- Retail prices collected nationwide by employees
- Ignores sale prices; doesn't directly reflect volume changes

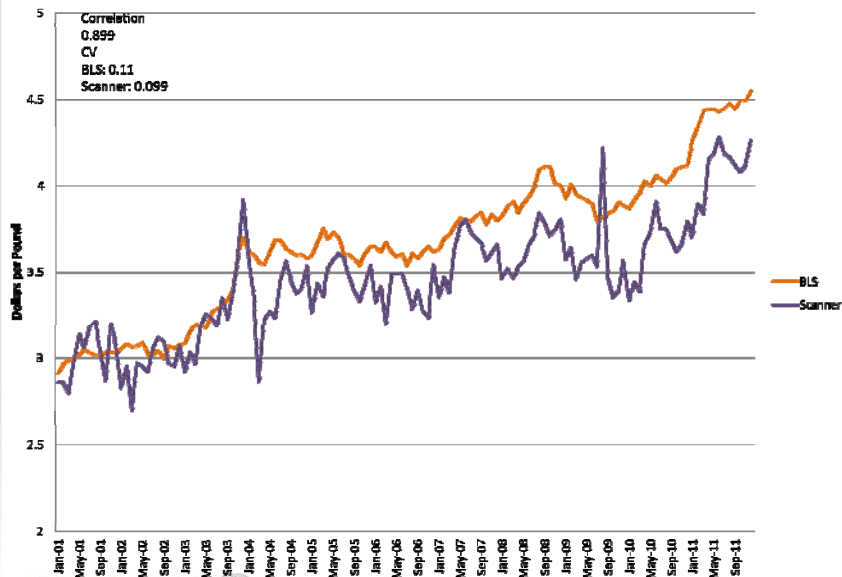


# Scanner

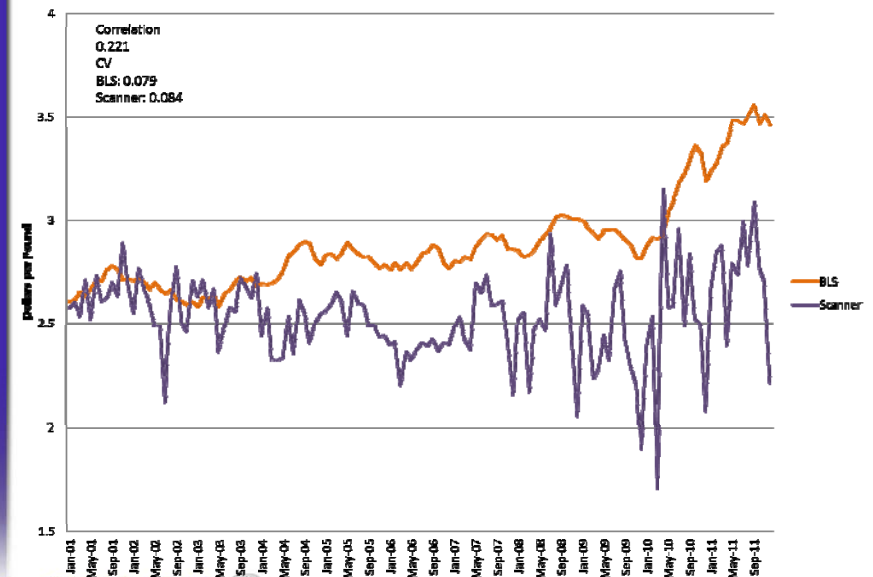
- Collected by retail POS system and aggregated by Freshlook
- Takes into account sales
- USDA purchased scanner data from Freshlook for several years
  - Indication of potential superiority?
  - Should gov't agencies purchase private data?

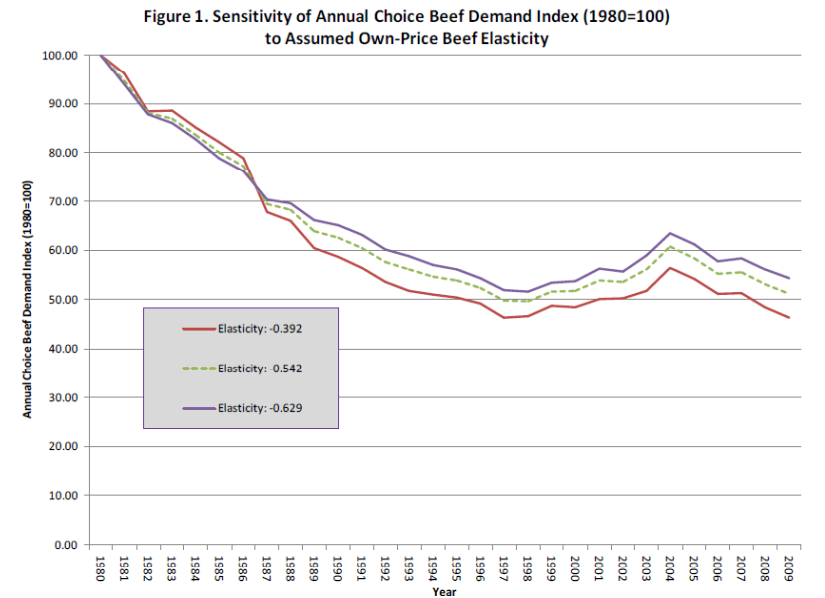
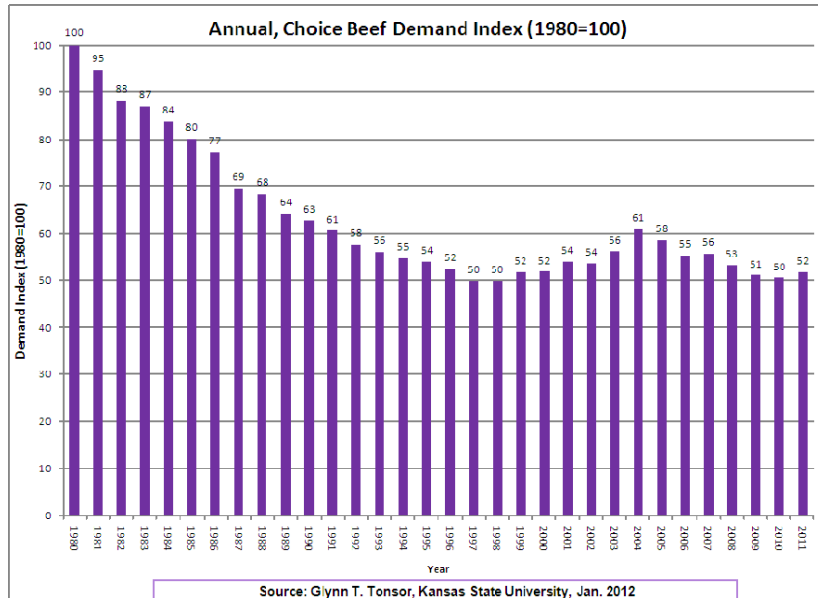


### Comparison of Average Monthly Beef Prices From Jan. '01 to Dec. '11



### Comparison of Average Monthly Pork Prices From Jan. '01 to Dec. '11





## Recent Studies

- Price responsiveness study
  - Significant differences in preliminary results among data sets
- Price transmission study
  - Preliminary results suggest downward price movements at the retail level are consistent with those at the wholesale and farm levels.

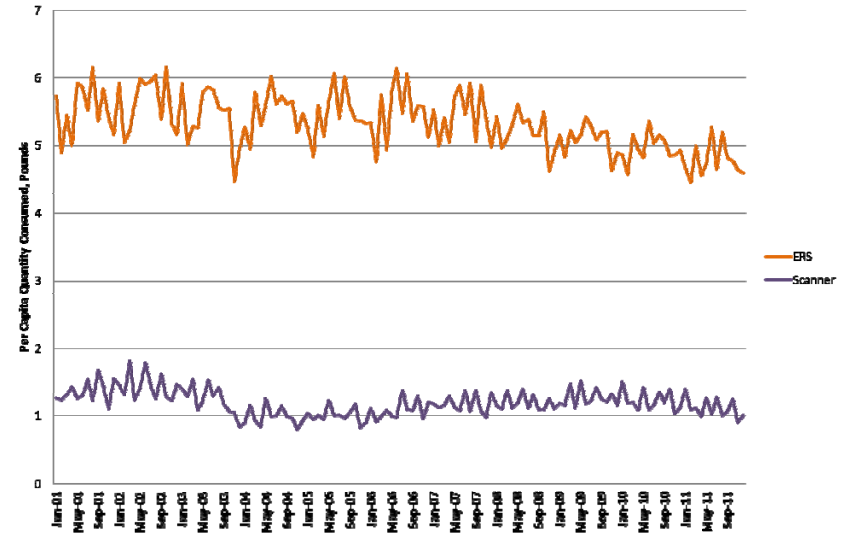
## Points of Consideration

- Accuracy of price information is important
- An alternative data source exists that can help industry, academia, and government make decisions and policy prescriptions
- Purchase cost may be a factor in using scanner data

Thank you for your time!

Questions?

Comparison of Average Per Capita Beef Consumption From Jan. '01 to Dec. '11



Comparison of Average Per Capita Pork Consumption From Jan. '01 to Dec. '11

