

Beef Demand: Recent Determinants and Future Drivers

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Purpose

Our Goal

Identify drivers shaping future domestic beef demand emphasizing factors industry can use to prioritize strategies

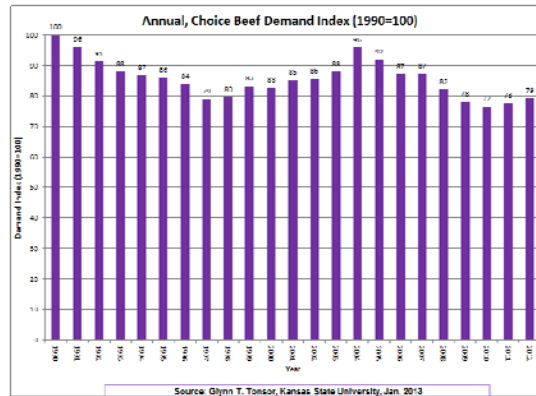
Objectives

1. Determine:
 - beef demand drivers
 - ability of industry to influence drivers
2. Provide recommendations for demand enhancement

Procedure

Importance & Feasibility to Influence Future Beef Demand 10 Years Forward

Published work
- 15 attribute rank
- 22 willing to pay
~25,000 respondents



Demand Expert Survey
-159 experts
Steak & Ground Beef



Consumer Survey
-975 respondents
Steak & Ground Beef

Expert Survey

Determine collective expert opinions on:

- Ranking beef demand drivers
- **Ranking feasibility of industry to influence drivers**

Who were they?

Last 20 years US published research on:

“beef demand”; “beef quality”; “beef nutrition”

+ LMIC Technical Advisory Committee

159 beef expert complete respondents

69% economists

11% meat and/or food scientists

11% meat industry executives

7% animal scientists

2% medical researchers



7 Salient Beef Demand Drivers

1. **Food Safety** (*E. coli, Salmonella, Listeria...*)
2. **Product Quality** (*Fresh, Taste, Tender, Convenience ...*)
3. **Price** (*\$ per pound*)
4. **Nutrition** (*Protein, Iron, Zinc...*)
5. **Health** (*Fat Amount & Type, Cholesterol, Sodium...*)
6. **Sustainability** (*Environment, Labor, Community...*)
7. **Social Aspects** (*Welfare, Country of Origin, Natural...*)

“...by a wide margin ***Product Quality*** and ***Food Safety*** are ...the factors the industry can most feasibly improve upon to increase beef demand in the next 10 years”

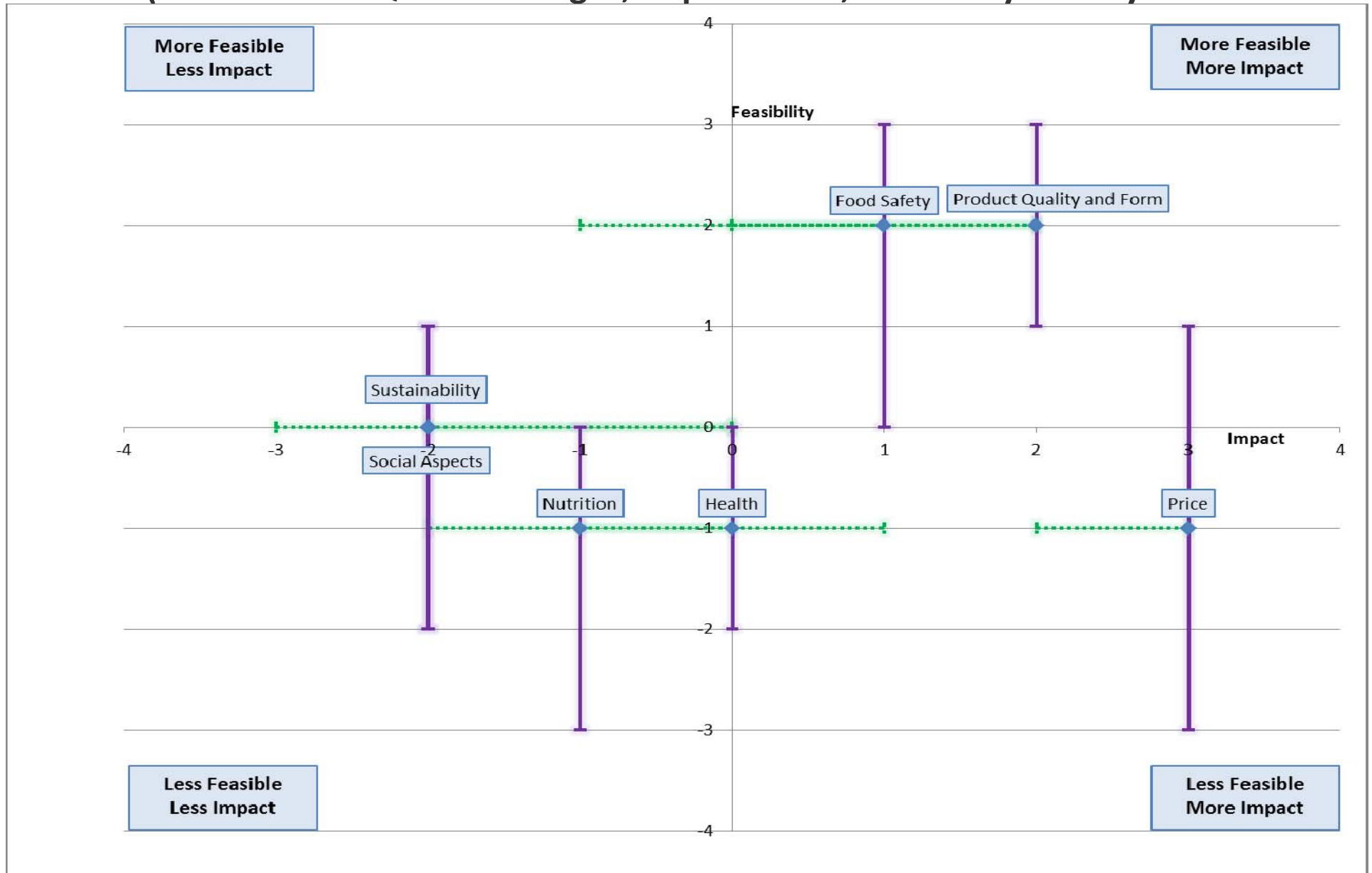
Product Attribute Rankings Across Information Sources, Ground Beef and Steak

	Beef	Ground Beef		Steak	
	Preference Studies	Consumer Survey	Expert Survey	Consumer Survey	Expert Survey
1	Food Safety	Food Safety	Price	Food Safety	Price
2	Price	Quality	Food Safety	Quality	Quality
3	Health	Price	Quality	Price	Food Safety
4	Quality	Health	Health	Health	Health
5	Sustainability	Nutrition	Nutrition	Nutrition	Nutrition
6	Social	Social	Sustainability	Social	Social
7	Nutrition	Sustainability	Social	Sustainability	Sustainability

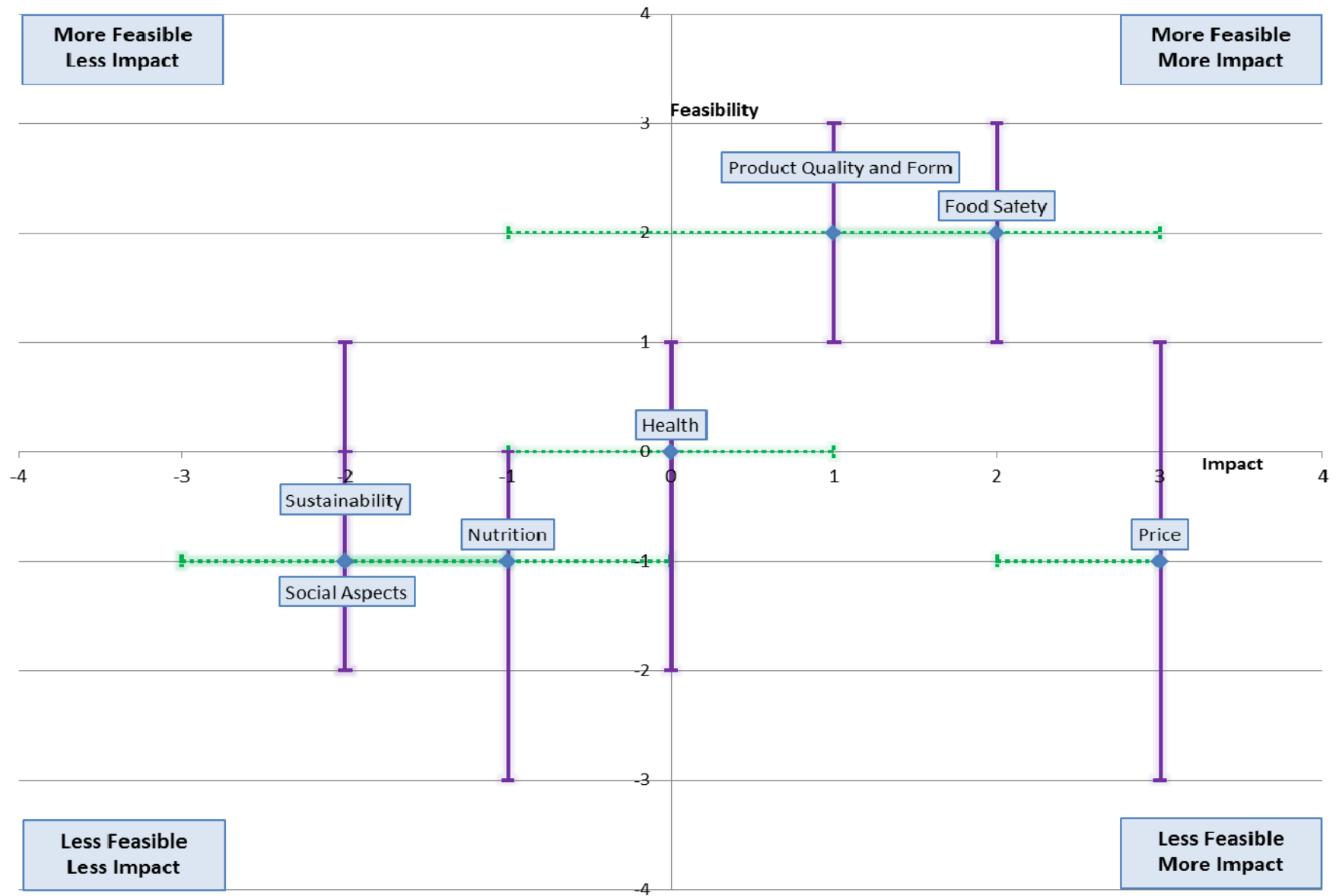
Expert Survey Ranking of Industry Ability to Influence Impact of Broad Factors on Per Capita Beef Consumption

Rank	Beef Product	
	Ground Beef	Steak
1	<i>Product Quality</i>	<i>Product Quality</i>
2	<i>Food Safety</i>	<i>Food Safety</i>
3	<i>Health</i>	<i>Sustainability</i>
4	<i>Price</i>	<i>Social Aspects</i>
5	<i>Sustainability</i>	<i>Price</i>
6	<i>Social Aspects</i>	<i>Health</i>
7	<i>Nutrition</i>	<i>Nutrition</i>

Demand Factors within Impact and Feasibility Space, Beef Steak (Medians and Quartile Ranges; Impact N=89, Feasibility N=81)



Demand Factors within Impact and Feasibility Space, Ground Beef (Medians and Quartile Ranges; Impact N=88, Feasibility N=81)



Ranked Priorities

**Highest
Priority**

1. Food Safety
2. Product Quality
3. Price

**Middle
Priority**

4. Nutrition
5. Health

**Lower
Priority**

6. Social Aspects
7. Sustainability Dimensions

Recommendations (Ranked)

- 1. Invest in food safety enhancement & reassurance**
 - *Essential domestically; also critical for exports*
- 2. Emphasize product quality consistency**
 - *New products have role & certification programs*
- 3. Appreciate beef price and relative price sensitivity**
 - *Technology adoption critical for price competitiveness*
 - *Assess food safety and product quality impacts*
- 4. Health and Nutritional aspects warrant attention**
 - *Younger protein interest (tomorrow's high earners)*
- 5. Social and Sustainability issues cannot be ignored**
 - *Communication and consumer education critical but lower demand enhancement payoff relative to other key areas*

Important Needs for Future

- 1. Leverage retail scanner data to improve demand monitoring**
 - *Derive alternative demand indices to measure progress*
 - *Subcategory & regional analysis to better target strategies*
- 2. Need to know more about growing heterogeneity**
 - *How industry optimizes demand for a more diverse consumer*
 - *Multiple demand enhancement strategies may make sense*
- 3. Changing information technology effect on demand**
 - *Most effectively connecting to shoppers*
 - *Multiple media impacts on beef demand*

Important Needs for Future

- 4. Impacts of generational shifts on demand strategies**
 - *What does millennial generation (1980-2000 births) demand?*
 - *Implications of growing Hispanic and Asian origins in US*

- 5. Global beef demand and US strategy**
 - *Tremendous opportunity for global meat demand growth in next 10 years*
 - *Where and who will supply it?*
 - *Is US beef industry well-positioned to capitalize?*



Photograph by Michael Forsberg