

Meat Demand Monitor: Demand Differences by Financial Sentiment in Quarter 1 2025

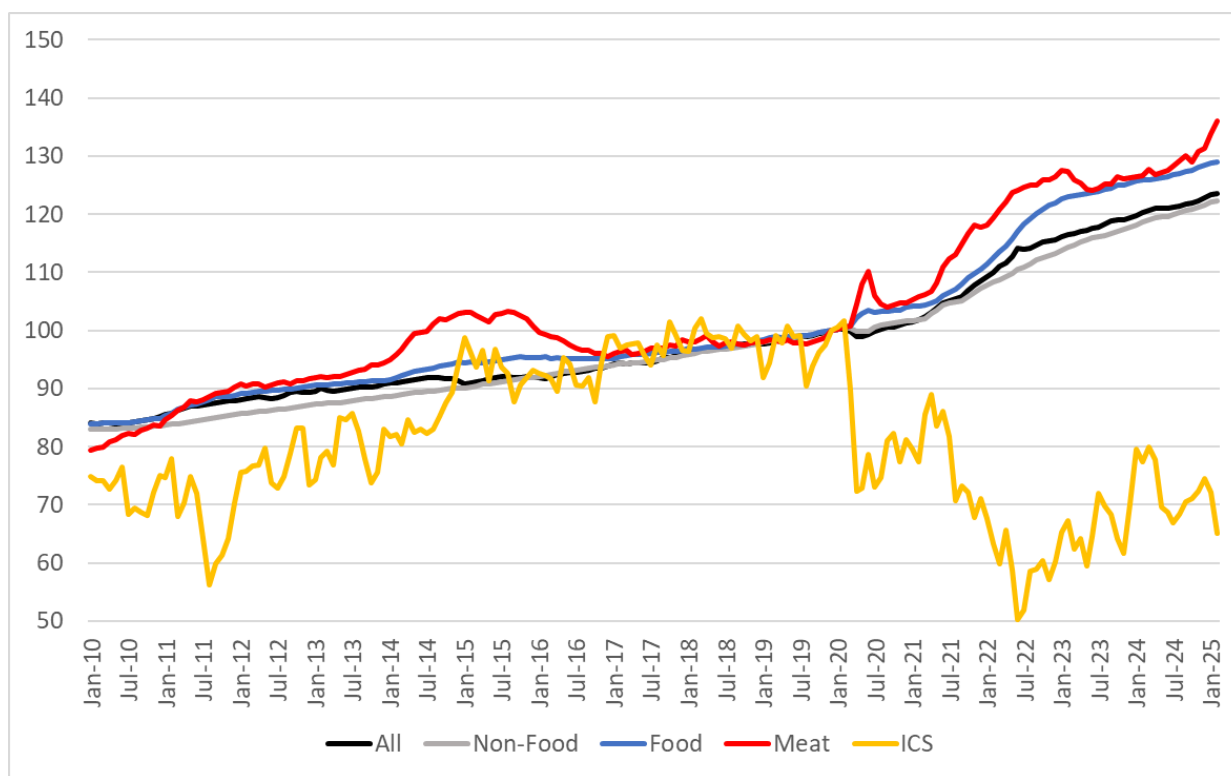
Justin D. Bina, Glynn T. Tonsor¹

Kansas State University, Department of Agricultural Economics – April 2025

Background

A prior Meat Demand Monitor (MDM) report discussed the role of financial sentiment in U.S. consumers’ demand for meat.² The report, using 2020 through 2023 MDM survey data, noted that demand for meat in both retail and foodservice settings grows as household financial situations improve. Much has happened since that report was published—2024 elections, changes in government spending and trade policies, and renewed concerns over inflation. These evolving macroeconomic conditions warrant another look at consumers’ financial sentiment and how it may impact protein purchasing decisions.

Figure 1. Price and Consumer Sentiment Indices (December 2019 = 100)



¹ Bina is an assistant professor in the Morrison School of Agribusiness at Arizona State University and Tonsor is a professor in the Department of Agricultural Economics at Kansas State University. The authors can be contacted at Justin.Bina@asu.edu or gtonsor@ksu.edu.

² The report can be found at <https://agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/monthly-meat-demand-monitor-108>.

Note: Federal Reserve Bank of St. Louis data series are: All = CPIAUCSL; Non-Food = CPIUFDSL; Food = CPIUFDSL; and Meat = CUSR0000SAF112. ICS is the Index of Consumer Sentiment from the University of Michigan's Surveys of Consumers.

Figure 1 displays the consumer price indices for all items; all items less food and energy; all food; and meat, poultry, fish, and eggs obtained from the Federal Reserve Bank of St. Louis (2025). Also depicted is the Index of Consumer Sentiment constructed as part of the long-running Surveys of Consumers (University of Michigan, 2025). Indices are rebased to December 2019 (i.e., December 2019 = 100).

Two points are immediately evident. First, the CPI for meat, poultry, fish, and eggs has outpaced the aggregate food CPI, non-food CPI, and total CPI since the onset of the COVID-19 pandemic. This is not the first time this has happened, likewise occurring during the 2014–2015 period when, among other things, the prior cattle cycle ended and cattle prices were (at the time) historically high. A key difference, however, is that the relatively high meat CPI has now persisted for five years. Second, over the same period that the meat CPI (and aggregate food CPI) has outpaced non-food, consumer sentiment has fallen and has remained lower than levels experienced in the late-2010s. These movements have been more extreme in recent months, with the meat CPI and consumer sentiment experiencing sharp increases and decreases, respectively, since the start of 2025. While beyond the focus of this report, meat CPI outpacing other CPI measures may reflect higher meat and livestock industry cost escalations, higher consumer meat demand, or both.

Data

This report uses MDM responses from January through March 2025. Survey responses are weighted to be representative of the U.S. population in terms of sex, age, income, education, race, and region of residence. Responses are filtered according to the MDM project methodology statement (Tonsor, 2020) to ensure the quality of the data. Responses are additionally filtered if 1) respondents do not provide a complete prior day recall of their protein consumption, 2) they do not complete all choice tasks, or 3) they do not provide complete information on their financial sentiment. In all, this report reflects 8,086 MDM respondents.

Importantly, the MDM captures consumers' subjective views of their financial wellbeing (i.e., financial sentiment). Specifically, respondents are prompted with the following: *"We are interested in how people are getting along these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"* This question is identical to that asked in the Surveys of Consumers used to calculate the Index of Consumer Sentiment (University of Michigan, 2025). Table 1 displays the share of respondents who indicate feeling worse off, the same, or better off financially compared to the year prior, and also distinguishing by annual household income.

Table 1. Financial Sentiment (Now vs. One Year Ago) by Annual Household Income—Quarter 1 2025 MDM

	# Respondents	Share of Respondents		
		Worse Off	Same	Better Off
Total	8,086	0.27	0.48	0.25
Less than \$20,000	1,213	0.35	0.45	0.20
\$20,000 - \$99,999	4,447	0.31	0.49	0.20
\$100,000 and over	2,426	0.14	0.48	0.38

Note: Rows will sum to 1. An example interpretation is that 35 percent of respondents with an annual household income less than \$20,000 report feeling worse off financially than a year prior.

Twenty-seven percent of all MDM respondents during Quarter 1 2025 indicate that they feel worse off regarding their current financial situation compared to a year prior, while 25 percent indicate feeling better off. Feelings of financial wellbeing are strongly correlated with income. For instance, 35 percent of respondents in the lowest income group report feeling worse off financially, while only 14 percent of respondents in the highest income group report similar feelings. Conversely, the highest income group most frequently reports feeling better off financially, at a rate of 38 percent. However, a large percentage of this respondent group (20 percent) indicate feeling worse off, which suggests that pessimism or optimism regarding finances and the economy are not perfectly tied to consumers' earnings.

Prior Day Protein Consumption

In the MDM survey, respondents are asked to provide the number of yesterday's meals (from zero to three) that contained beef, pork, chicken, seafood, alternative proteins, or no protein.³ Importantly, this measure of protein consumption accounts for meal-inclusion frequency but not for volume (package and portion sizes of reported prior day meals are not known). Table 2 displays the average number of daily meals containing the respective protein sources, and distinguishing by respondents' financial sentiment and annual household income.

Table 2. Prior Day Protein Consumption by Financial Sentiment and Annual Household Income—Quarter 1 2025 MDM

	# Respondents	Share of Respondents	Meals Per Day					
			Beef	Pork	Chicken	Seafood	Alternative	None
Total	8,086		0.71	0.52	0.87	0.33	0.46	0.68
Worse Off	2,165	0.27	0.65	0.47	0.78	0.22	0.42	0.78

³ The most commonly consumed food item in the "alternative proteins" category is eggs.

Same	3,875	0.48	0.66	0.48	0.82	0.30	0.42	0.77
Better Off	2,046	0.25	0.88	0.66	1.05	0.49	0.55	0.41
Less than \$20,000	1,213	0.15	0.78	0.51	0.86	0.30	0.41	0.74
\$20,000 - \$99,999	4,447	0.55	0.70	0.52	0.85	0.27	0.41	0.69
\$100,000 and over	2,426	0.30	0.70	0.54	0.90	0.44	0.56	0.64

Note: An example interpretation is that respondents who report feeling worse off financially than a year prior consume beef in 0.65 meals per day and pork in 0.47 meals per day.

Across all MDM respondents in Quarter 1 2025, beef is consumed in 0.71 meals per day, pork in 0.52, chicken in 0.87, seafood in 0.33, alternative proteins in 0.46, and no protein in 0.68. Clear differences in meal inclusion exist across financial sentiment. For instance, among those who report feeling worse off financially now compared to a year prior, beef and pork are included in 0.65 and 0.47 meals per day, respectively. This is compared to those reporting feeling better off financially, who consume beef and pork in 0.88 and 0.66 meals per day, respectively. As expected, not consuming protein in a meal is reported relatively more frequently among those with worsened financial sentiment (0.78 meals) compared to those with improved financial sentiment (0.41 meals).

Separate consideration of financial sentiment and income results in expanded conclusions regarding protein consumption frequency not available from income distinctions alone. For example, while pork and chicken consumption frequency increases with improved financial sentiment, these protein sources are consumed at approximately the same frequency across all income groups. Further, Table 2 results show that MDM respondents in the lowest income group consume beef at a slightly *higher* rate than other respondents, suggesting possible product shifts within the beef carcass (and reduced per pound beef expenditures) as earnings decrease. However, the reverse is seen regarding financial sentiment, suggesting that consumer comfort or economic confidence (beyond just income growth) is key to decisions. In all, a wide array of product characteristics and prices within a single animal protein source (e.g., beef, pork) may enable consumers to maintain consumption as their situation changes. Ultimately, subjective views of financial wellbeing appear to be a larger driver of differences in consumption frequency than income.

Willingness-to-Pay

While the MDM's prior day recall can speak to differences in consumers' consumption frequency, it cannot speak to differences in *demand*, which incorporates prices as well as quantities. Demand is measured in the MDM as "willingness-to-pay" (WTP), or the maximum that a consumer is willing to pay for a given quantity of a product. Details on how WTP is derived can be found in the MDM project methodology statement (Tonsor, 2020).⁴

⁴ Very briefly for those interested, MDM respondents are presented a labeled choice experiment where the only varying attribute across eight protein items and nine choice situations is price. With this choice data, we estimate a multinomial logit model with eight alternative-specific constants, a single and linear price term, and interactions of financial sentiment with the alternative-specific constants and price. Survey weights are incorporated into estimation to provide generalizable results.

Table 3 displays WTP for various protein items purchased in retail and foodservice settings. As was the case when evaluating protein meal inclusion, financial sentiment is a major driver of protein demand. For example, in the retail space, MDM respondents with worsened financial sentiment will pay, on average, \$16.06/lb. for ribeye steak. This is compared to respondents with improved financial sentiment, who will pay \$29.12/lb. These differences in WTP by financial sentiment for ribeye steak are consistent across all evaluated protein items in both retail and foodservice settings.

Beyond these key differences in protein demand by consumer financial sentiment, we note that February 2025 nationwide average retail prices are \$5.63/lb. for ground beef, \$4.23/lb. for pork chops, \$6.80/lb. for bacon, and \$4.08/lb. for chicken breast (Federal Reserve Bank of St. Louis, 2025). WTP estimates reported in Table 3 for those retail products are generally higher than those average prices across each consumer group. However, only individuals reporting improved financial situations have a higher WTP for bacon (\$13.85/lb.) than the implied bacon asking price, meaning that these consumers are much more likely than others to continue to purchase bacon moving forward. Additionally, and more generally, consumers with more pessimistic views of their financial wellbeing will exit the market sooner than other consumers as the asking price approaches or even exceeds what they are willing to pay. This is an important consideration given observed increases in the meat CPI and eroding consumer sentiment (see Figure 1).

Table 3. Willingness-to-Pay by Financial Sentiment and Annual Household Income—Quarter 1 2025 MDM

	Share of Respondents	Retail (\$/lb.)							
		Ribeye Steak	Ground Beef	Pork Chop	Bacon	Chicken Breast	PB Patty	Shrimp	Beans & Rice
Worse Off	0.27	16.06	7.25	5.83	5.12	7.08	7.11	8.69	2.81
Same	0.48	16.94	8.58	7.22	6.02	8.34	7.99	9.77	2.98
Better Off	0.25	29.12	19.23	15.80	13.85	17.60	13.56	14.97	8.83
Less than \$20,000	0.15	18.50	10.77	7.57	7.04	9.12	5.97	7.70	3.53
\$20,000 - \$99,999	0.55	17.35	8.70	7.22	6.19	8.27	8.27	9.42	3.05
\$100,000 and over	0.30	20.00	10.07	8.79	7.12	10.49	9.62	11.66	4.65

	Share of Respondents	Foodservice (\$/meal)							
		Ribeye Steak	Hamburger	Pork Chop	Baby Back Ribs	Chicken Breast	PB Patty	Shrimp	Salmon
Worse Off	0.27	23.83	17.47	13.68	16.54	15.71	10.93	15.21	16.98
Same	0.48	26.40	20.17	16.00	18.76	18.72	13.18	18.13	20.29
Better Off	0.25	39.51	32.50	26.99	27.52	27.13	17.29	24.73	26.70
Less than \$20,000	0.15	23.73	19.83	13.76	16.45	15.86	9.88	15.04	14.78
\$20,000 - \$99,999	0.55	26.69	20.01	16.29	18.38	17.74	11.97	17.45	18.76
\$100,000 and over	0.30	31.66	24.31	20.97	23.10	23.47	17.13	21.67	25.58

Note: An example interpretation is that respondents who report feeling worse off financially than a year prior will pay \$16.06 for a one-pound ribeye steak in retail.

Similar to observations made on protein consumption frequency, consumers' incomes play an important role in demand (which has been well established in prior meat demand research). However, income may not be as influential as financial sentiment, as evident by smaller discrepancies in WTP between low- and high-earning respondents than between worsened and improved sentiment. We do emphasize, though, that our choice of income ranges for each group may influence that result to some degree.

Conclusions

Changing macroeconomic conditions, persistent meat price inflation outpacing other goods, and reductions in consumer financial sentiment prompted our re-evaluation of the role of financial sentiment in U.S. protein demand. Consumers' valuations of their own financial situations have meaningful influence on the decision to include protein in a meal. Across each evaluated animal protein source, improving financial sentiment is associated with increased meal inclusion rates. Further, demand for protein (as measured by WTP) is stronger for those most optimistic about their financial situations. That is, not only do these individuals consume various protein sources at a higher rate, they are also willing to pay more for any given quantity.

This work is particularly timely here in April 2025 with wide interest in the evolving macroeconomic situation. As macroeconomic uncertainty rises, we may expect the public to become more concerned (if they are risk averse on balance) and self-report eroding financial sentiment. Further, if inflation grows, if production costs increase in the meat industry, and/or if available supplies decline with domestic production and international trade volume adjustments, then the U.S. public may face higher offer prices on meat protein items. Accordingly, the initial insights from this Quarter 1 2025 MDM report help understand the evolving situation and warrant periodic updating.

References

- Federal Reserve Bank of St. Louis. (2025). FRED Economic Data. <https://fred.stlouisfed.org/>
- Tonsor, G. T. (2020, March 5). Meat Demand Monitor—Project Methodology. AgManager.Info. <https://agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/meat-demand-monitor-project>
- University of Michigan. (2025). Surveys of Consumers. <https://data.sca.isr.umich.edu/>

[View more information about the authors of this publication and other K-State agricultural economics faculty.](#)

For more information about this publication and others, visit AgManager.info.

K-State Agricultural Economics | 342 Waters Hall, Manhattan, KS 66506-4011 | (785) 532-1504 | Fax: (785) 532-6925

[Copyright 2025 AgManager.info, K-State Department of Agricultural Economics.](#)