

BUILD TRUST / ADD VALUE

Fall 2020

Retail Advisory Committee &
Packer Processor Industry Council Meeting

10/6/2020

pork
checkoff[®]



KANSAS STATE
UNIVERSITY | Agricultural Economics

Dr. Glynn T. Tonsor
Email: gtonsor@ksu.edu
Twitter: @TonsorGlynn



AgManager
.info



Monthly Meat Demand Monitor, Methods, and Supporting Information

Home / Livestock & Meat / Meat Demand / Monthly Meat Demand Monitor [Survey Data]

KANSAS STATE UNIVERSITY | Agricultural Economics

[Sign up for weekly email updates.](#)

[K-State College of Agriculture Links](#)

[Agronomy](#)

[Animal Science](#)

[Kansas Ag Mediation Service \(KAMS\)](#)

[Extension Agent Link](#)

Livestock & Meat

[Projected Feeder Cattle Prices](#)

[Cattle Finishing Returns](#)

[Meat Demand](#)

[Meat Demand Research Studies](#)

[Monthly Domestic Meat Demand Indices \[USDA/BLS Data\]](#)

[Monthly Export Meat Demand Indices \[USDA/BLS Data\]](#)

[Monthly Meat Demand Monitor \[Survey Data\]](#)

Monthly Meat Demand Monitor [Survey Data]

Add to Favorites



The Meat Demand Monitor (MDM) project is funded in-part by the beef checkoff and the pork checkoff. Monthly reports and supporting documentation are available here.



Monthly Meat Demand Monitor

Title	Author	Date	Downloads
Meat Demand Monitor - August 2020	Tonsor	September 4, 2020	Downloads
Meat Demand Monitor - July 2020	Tonsor	August 4, 2020	Downloads
Meat Demand Monitor - February-June 2020 Summary Report	Tonsor	July 27, 2020	Downloads
Meat Demand Monitor - June 2020	Tonsor	July 2, 2020	Downloads
Meat Demand Monitor - May 2020	Tonsor	May 29, 2020	Downloads
Meat Demand Monitor - Coronavirus (COVID-19) Impact on U.S. Meat Demand:	Tonsor	May 12, 2020	Downloads

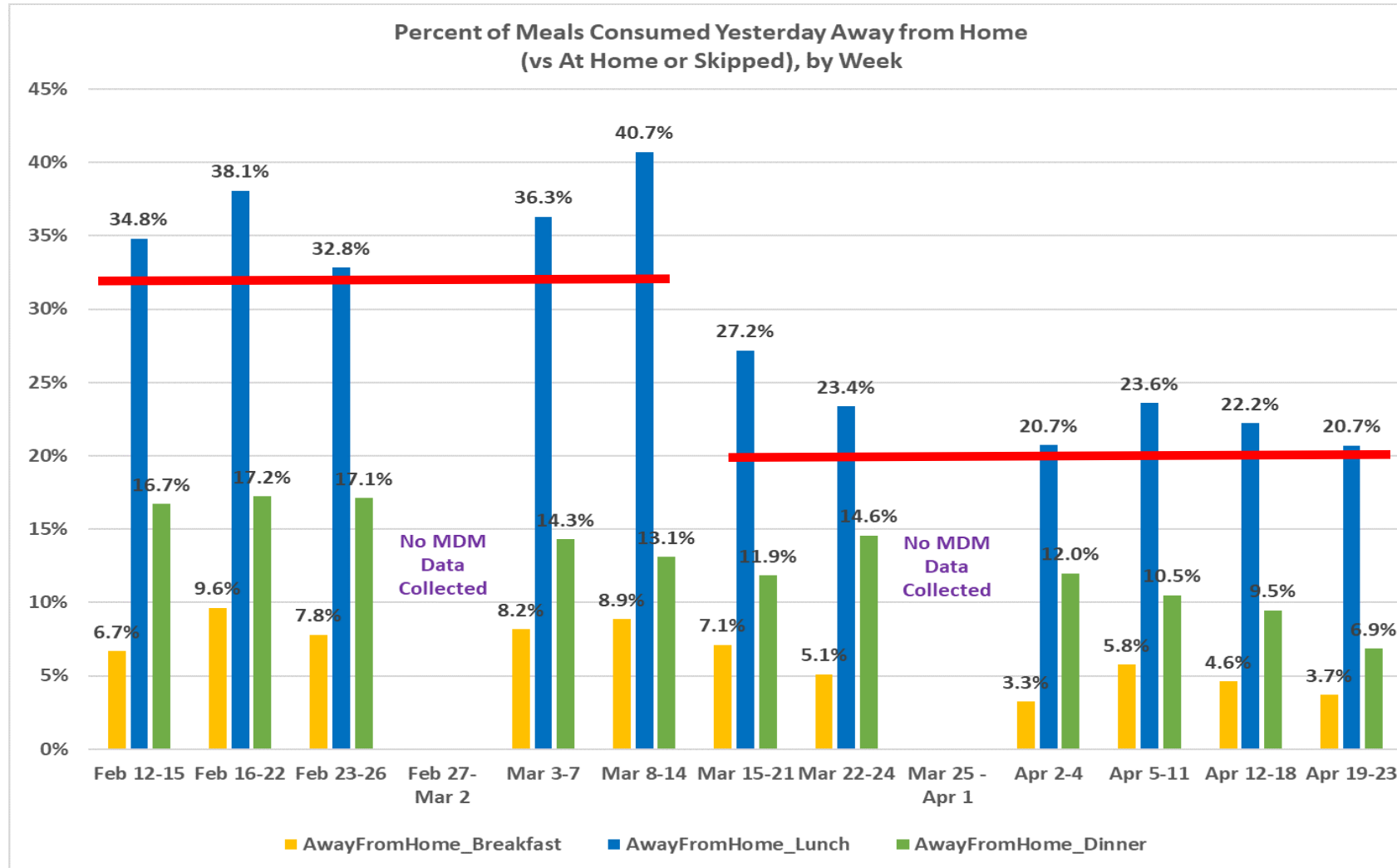


3 LARGE COVID-19 SHOCKS

© 2020 National Pork Board, Des Moines, Iowa, USA

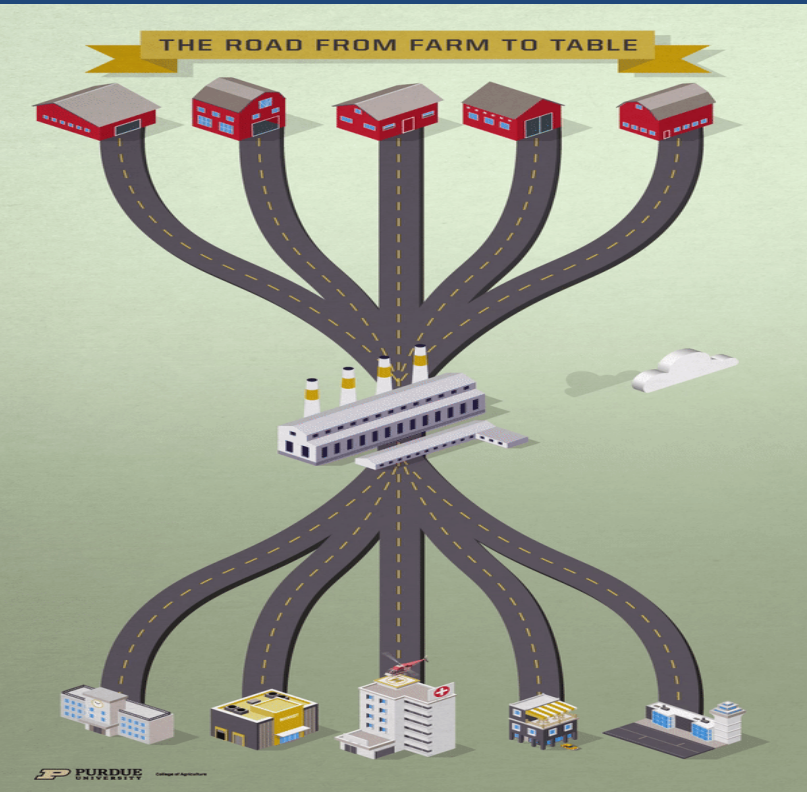


SHOCK 1: Shift to At-Home



<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/meat-demand-monitor-coronavirus>

Societal Calls: *Where's my Meat?*



<https://www.purdue.edu/newsroom/releases/2020/Q2/questions-and-answers-about-the-road-from-farm-to-table.html>

TIME

COVID-19 Meat Shortages Could Last for Months. Here's What to Know Before Your Next Grocery Shopping Trip

<https://time.com/5830178/meat-shortages-coronavirus/>

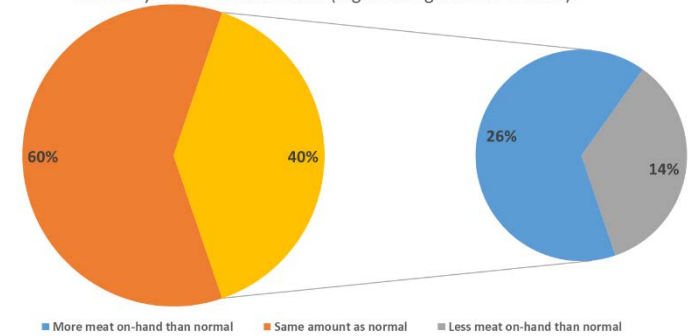


BREAKING NEWS
MEAT SHORTAGES AS VIRUS FORCES PROCESSING PLANTS TO CLOSE
CBS EVENING NEWS WITH NORAH O'DONNELL

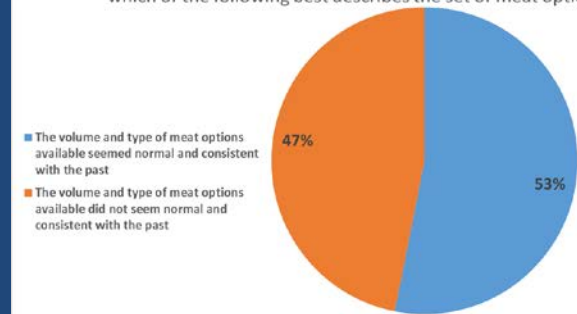
Meat shortages as virus forces plants to close
 The effects of the coronavirus pandemic continue to ripple through the food industry. Dean Reynolds reports.
 MAY 5, 2020

<https://www.cbsnews.com/video/meat-shortages-as-virus-forces-plants-to-close/>

How would you describe the amount of meat your household currently has on-hand at home (e.g. in refrigerator or freezer)?



Thinking of the last time you were buying food for at-home consumption, which of the following best describes the set of meat options available?



<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/meat-demand-monitor-coronavirus>

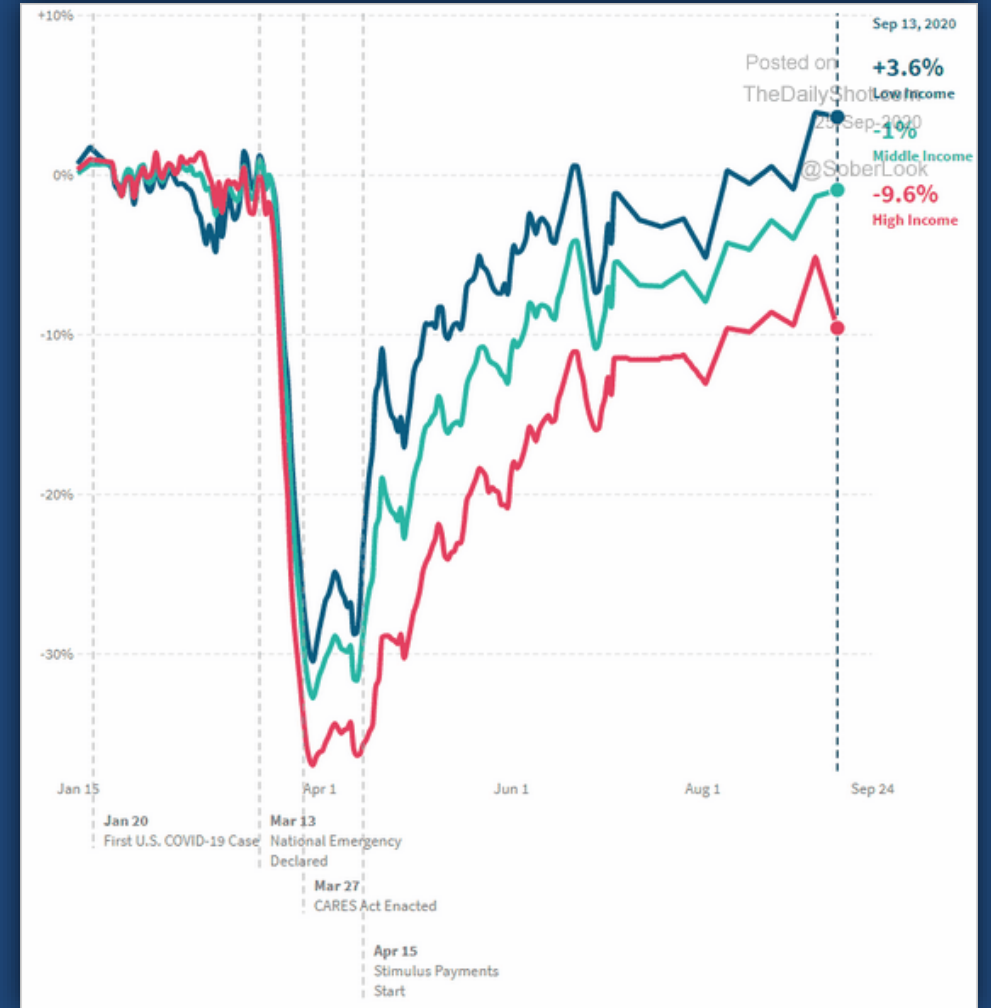
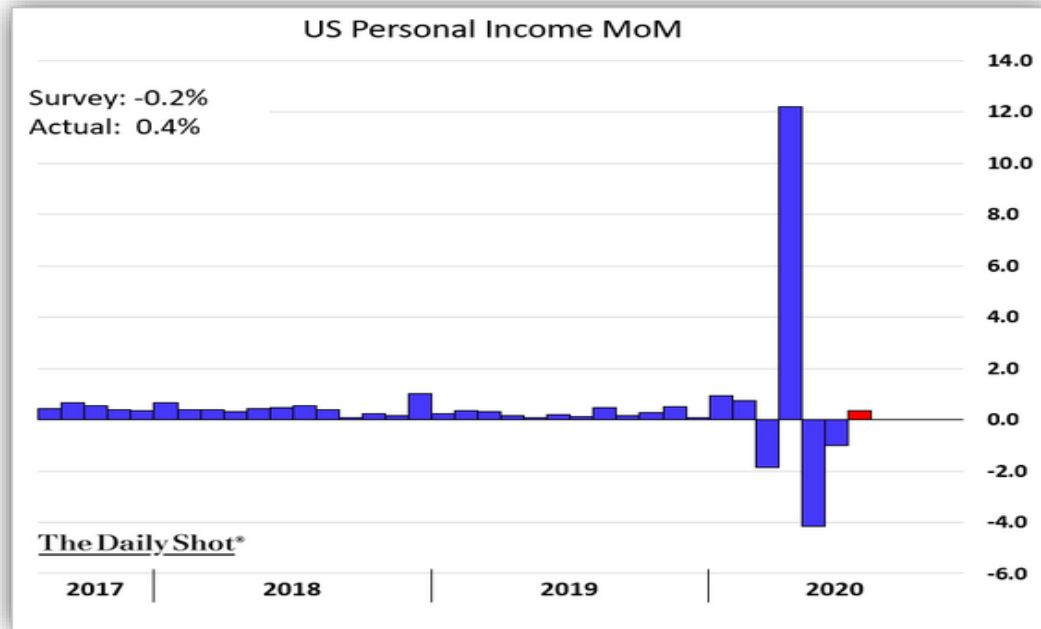
SHOCK #3 Consumer Meat Demand

Recession

Weaker Pork Demand (typically at least)

Stimulus & Spending

- Supports Demand (April incomes were up!)
- VERY divergent consumer spending



Spending of wealthier households remains cautious

Shock Implications

At-Home Consumption Shift

- Ongoing opportunity for elevated convenience, portion-targeted product offerings

Livestock-2-Meat Bottleneck

- All must monitor subsequent calls for policy change
- Highlighted value of inner-business relationships
- Re-evaluate fresh/frozen business

Domestic Pork Demand

- Consumer Interest Reaffirmed Strongly
- Unprecedented Federal Aide Helped, More Coming?



REASONS FOR RETAIL OPTIMISM

© 2020 National Pork Board, Des Moines, Iowa, USA



PORK AVAILABILITY & DOMESTIC CONSUMPTION UP

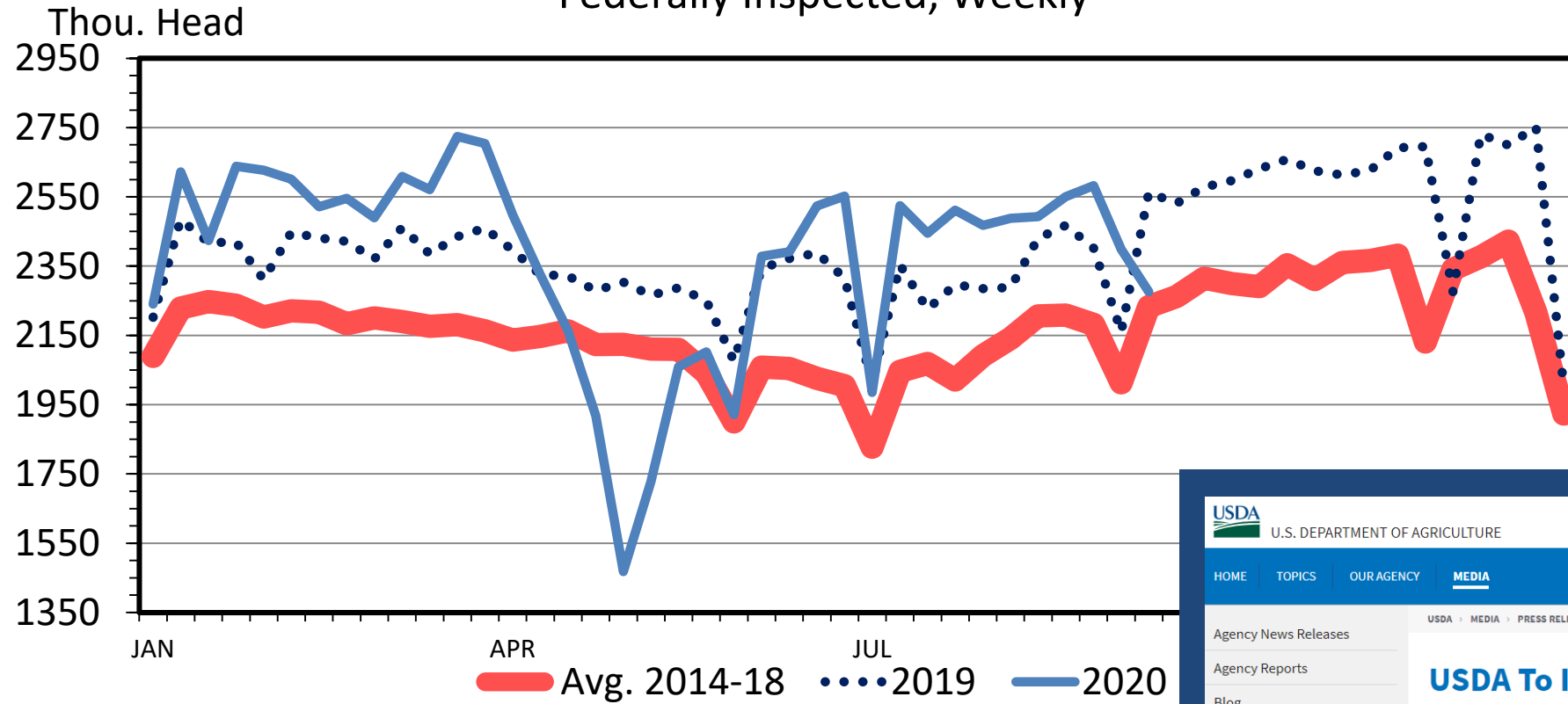
Projected Domestic Pork Consumption

Q2.2020 = 11.5 lbs per capita, (-7.7% from Q2. 2019)

LMIC Forecasts					
	Q1	Q2	Q3	Q4	YR
2020			12.7 lbs	13.4 lbs	-2.7% vs 19'
2021	12.6 lbs	12.3 lbs	13.1 lbs	13.7 lbs	+1.8% vs 20'
2022	12.7 lbs	12.5 lbs	13.4 lbs	13.7 lbs	+1.1% vs 21'

BARROW AND GILT SLAUGHTER

Federally Inspected, Weekly



USDA U.S. DEPARTMENT OF AGRICULTURE

HOME TOPICS OUR AGENCY MEDIA

USDA MEDIA PRESS RELEASES USDA TO IMPLEMENT PRESIDENT TRUMP'S EXECUTIVE ORDER ON MEAT AND POULTRY PROCES...

Agency News Releases
Agency Reports
Blog
Digital
Press Releases
Press Release Archives
Radio

USDA To Implement President Trump's Executive Order On Meat and Poultry Processors

(Washington, D.C., April 28, 2020) - U.S. Secretary of Agriculture Sonny Perdue released the following statement after President Donald J. Trump signed an Executive Order to keep meat and poultry processing facilities open during the COVID-19 national emergency.

Statement
Release No. 0234.20

Contact: USDA Press
Email: press@oc.usda.gov

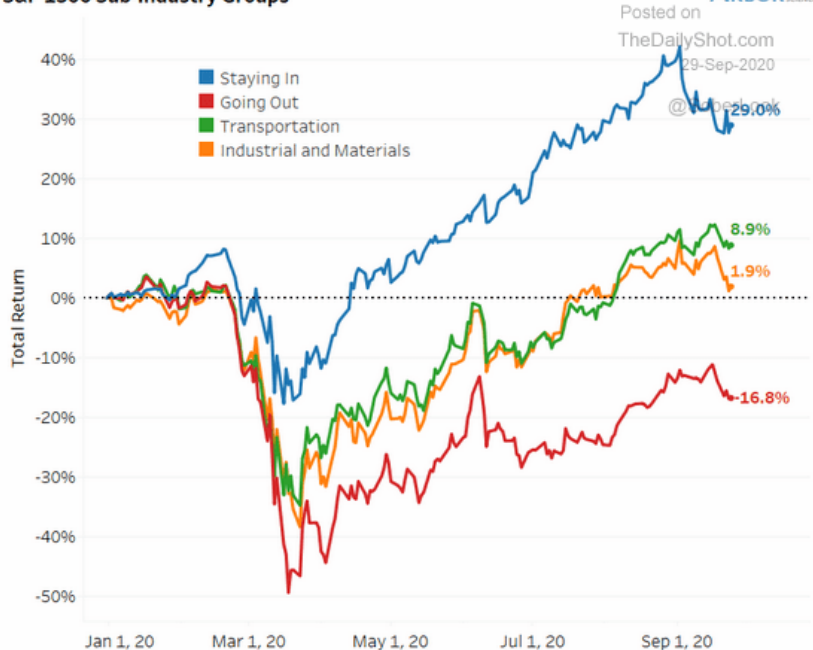
Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center
<https://lmic.info/>

DIVERSE SET OF OPPORTUNITIES EXIST

Averages Aren't Always What They Seem

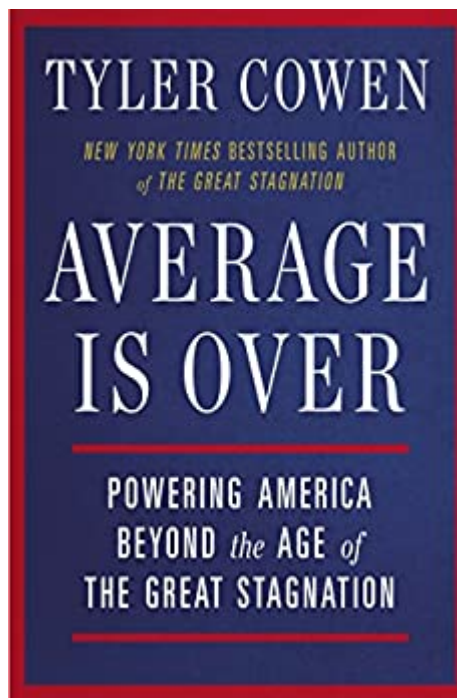
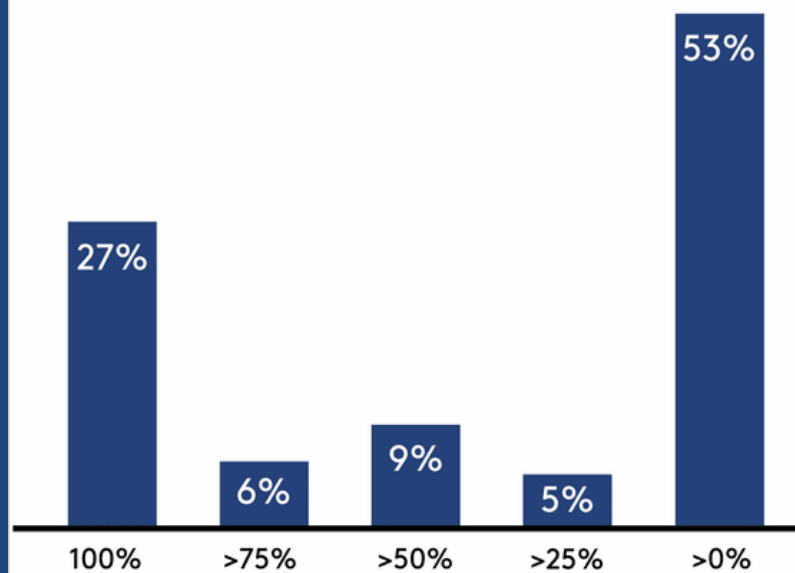
S&P 500 "Flat YTD" in late September

S&P 1500 Sub-Industry Groups



What percentage of your workforce is working from home?

Posted on TheDailyShot.com @SoberLook



THE WALL STREET JOURNAL

English Edition | Print Edition | Video | Podcasts | Latest Headlines

Home World U.S. Politics Economy Business Tech Markets Opinion Life & Arts Real Estate

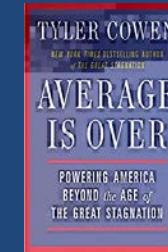
LIFE & ARTS | IDEAS | EVERYDAY MATH

Averages Aren't Always What They Seem

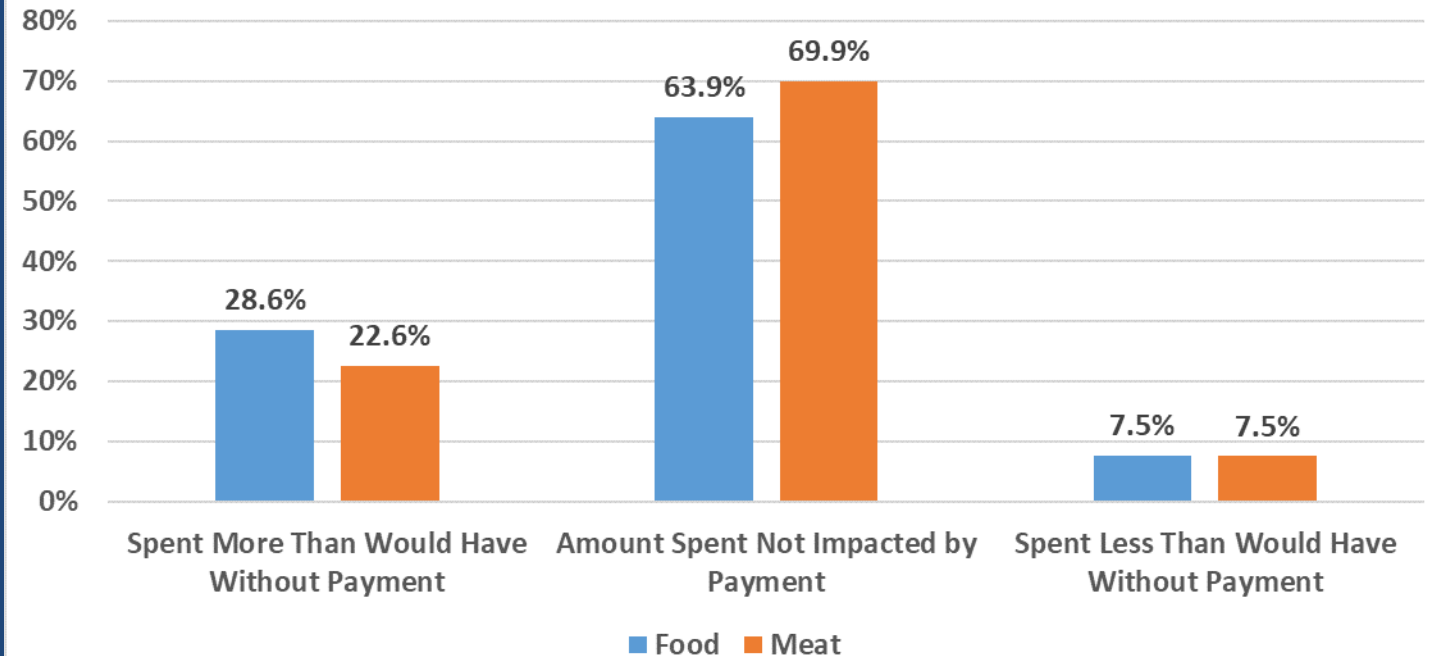
CARES Act Payments

- >85% of residents
- Mainly received in April-June

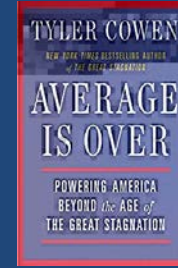
- 34% = \$1,001-\$1,500
- 20% = \$2,001-\$2,500



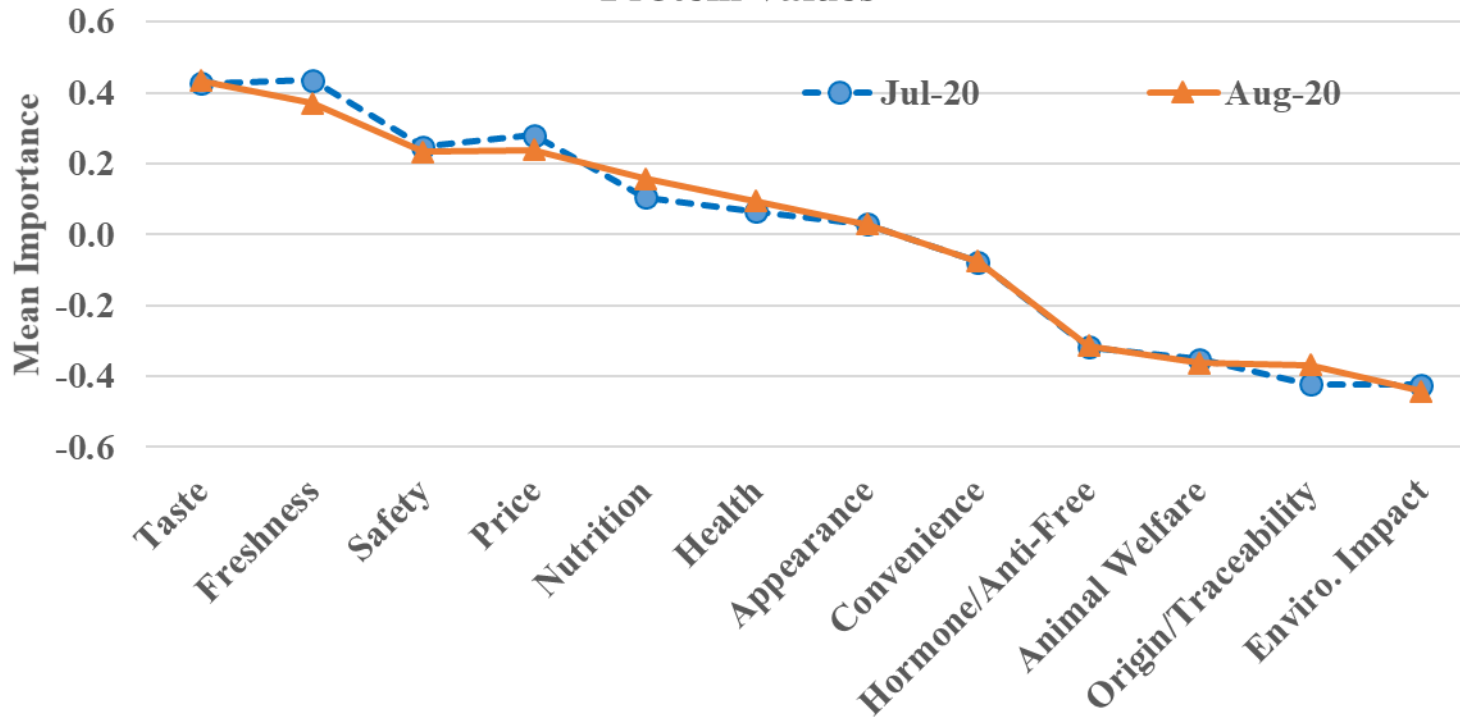
Impact of CARES Act Payment on Food and Meat Spending



Averages Aren't Always What They Seem



Protein Values

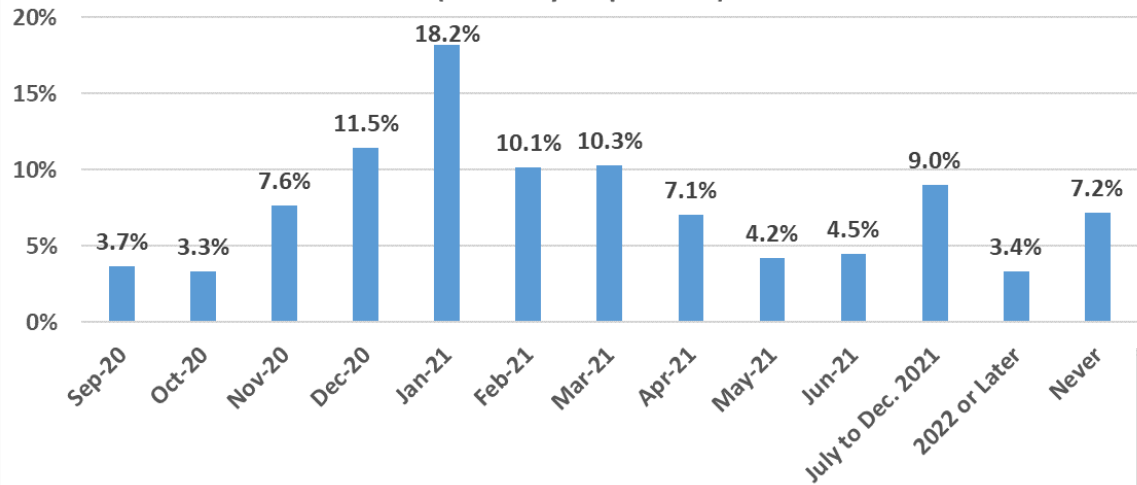


Consumer Diversity = Opportunity

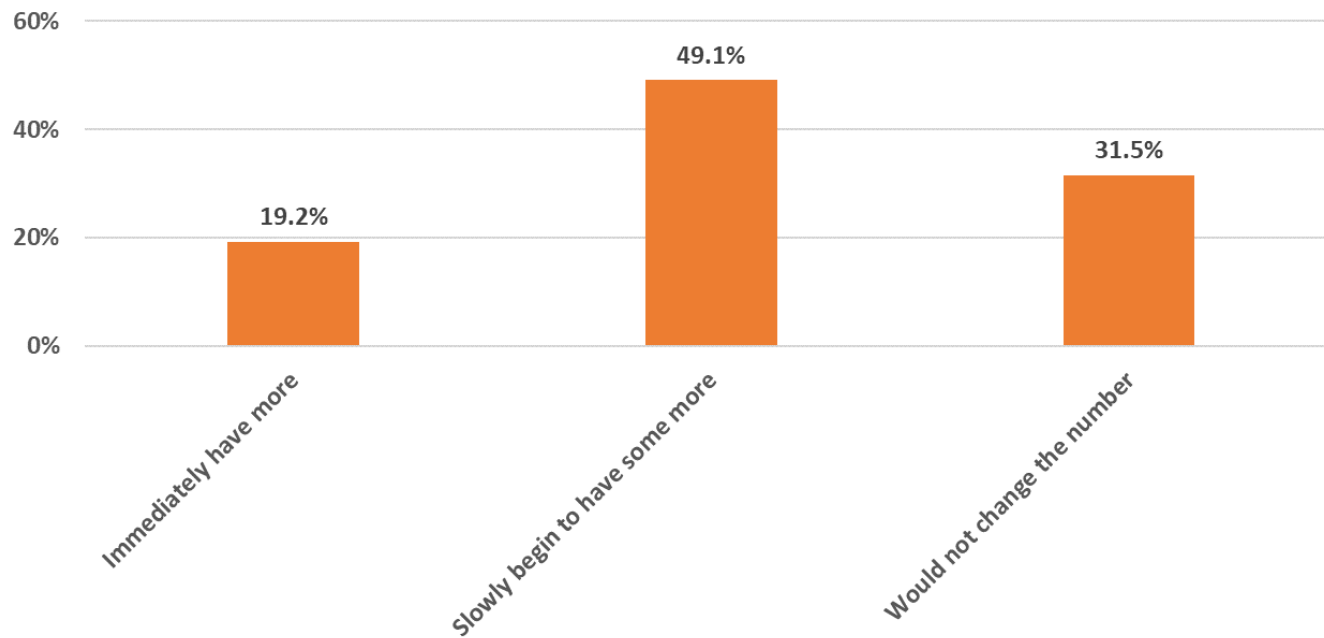
1. Some VERY price-sensitive
2. Others HEAVILY value convenience or label claims

<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/meat-demand-monitor-august-2020>

**Expectations on When a Coronavirus Vaccine Will be Available
(to survey respondent)**



If you had a vaccine available, what best describes the changes you would likely make regarding meals, dining-in at restaurants (eating on-site)?



<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/meat-demand-monitor-september>

U.S. PORK INDUSTRY IS RESILIENT

<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/>



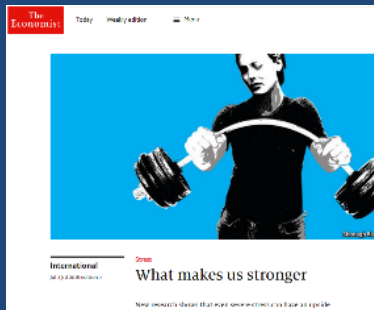
International

Jul 23rd 2016 edition >

Stress

What makes us stronger

New research shows that even severe stress can have an upside



No Longer Living High on the Hog, Upset Farmers Start Giving Pigs Away

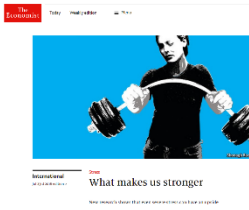
By SHARON COHEN

FEB. 7, 1999 | 12 AM

ASSOCIATED PRESS

SUBSCRIBERS ARE READING

OPINION

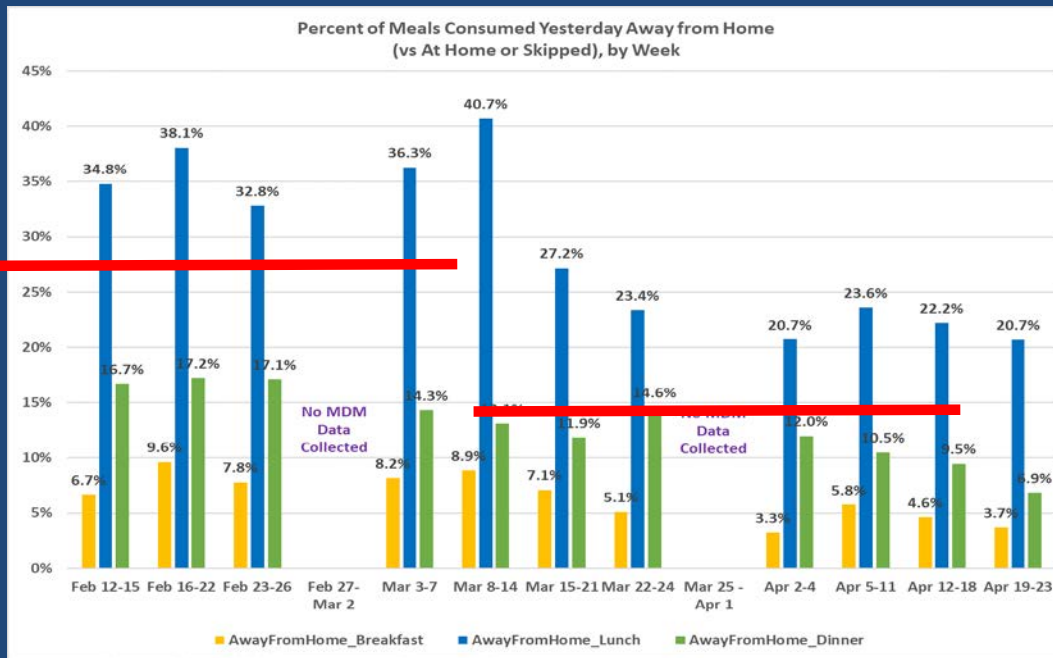
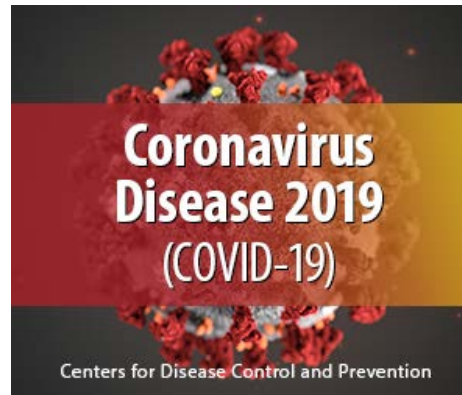
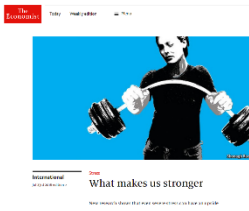


Pork Industry Still Reeling From Swine Flu

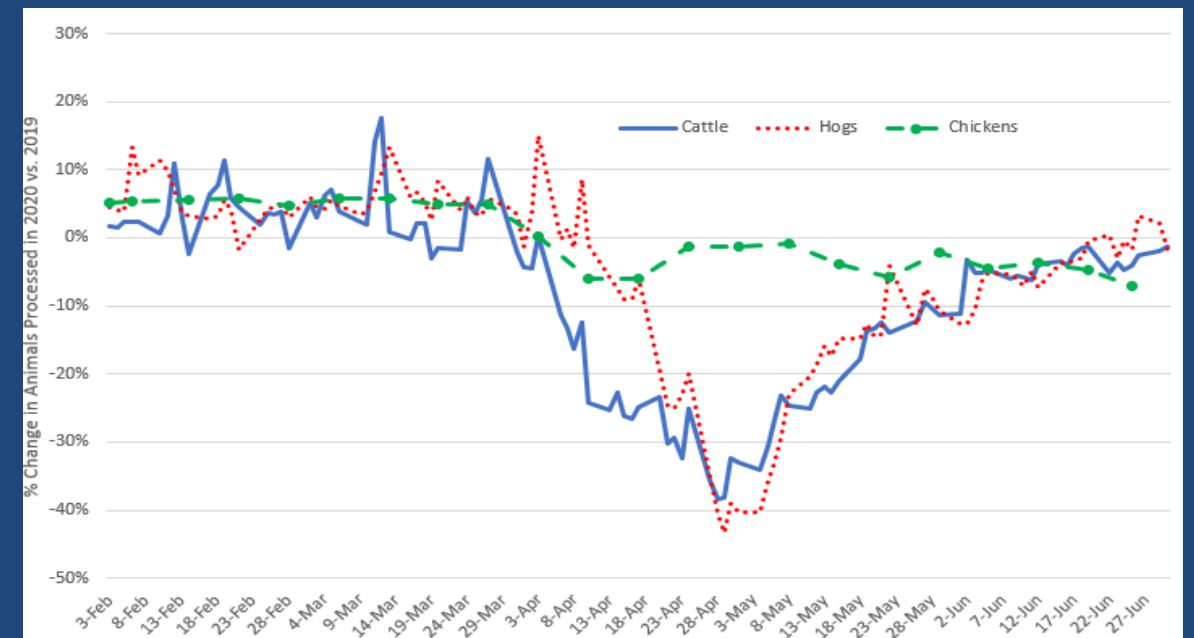
After H1N1 was labeled 'swine flu,' industry lost \$1.1 billion.

By ALINA SELYUKH
October 15, 2009, 4:51 PM • 7 min read



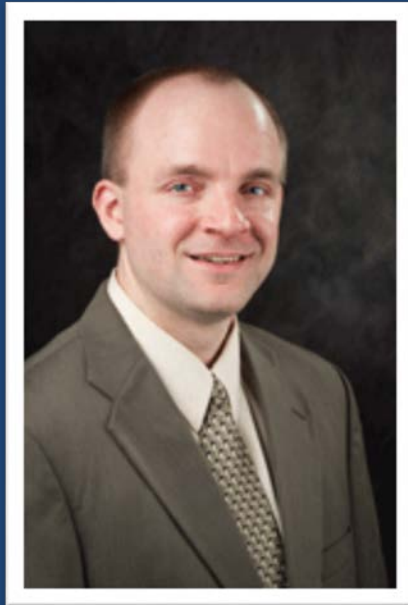


<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/meat-demand-monitor-coronavirus>



Forthcoming Lusk, Tonsor, & Schulz AEPP peer-reviewed article
<https://static1.squarespace.com/static/502c267524aca01df475f9ec/t/5f33fb8996534b02af31fa86/1597242250084/Marketing+Margins+during+COVID19+revised+2.pdf>

I Fully Believe This!



KANSAS STATE UNIVERSITY | Agricultural Economics



 MICHIGAN STATE UNIVERSITY

College of Agriculture & Natural Resources
Department of Agricultural, Food, and Resource Economics



KANSAS STATE UNIVERSITY | Agricultural Economics



EMAIL: gtonsor@ksu.edu

Twitter: [@TonsorGlynn](https://twitter.com/TonsorGlynn)

More information available at:



This presentation will be available in PDF format at:
<http://www.agmanager.info/about/contributors/individual/tonsor.asp>

Host of industry resources are cross-linked as well

People. Pigs. Planet.™

pork
checkoff®

This message funded by America's Pork Producers