Modern Meat Demand: Situation & Encouragement for Broader Perspective

Glynn Tonsor

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October 10, 2024

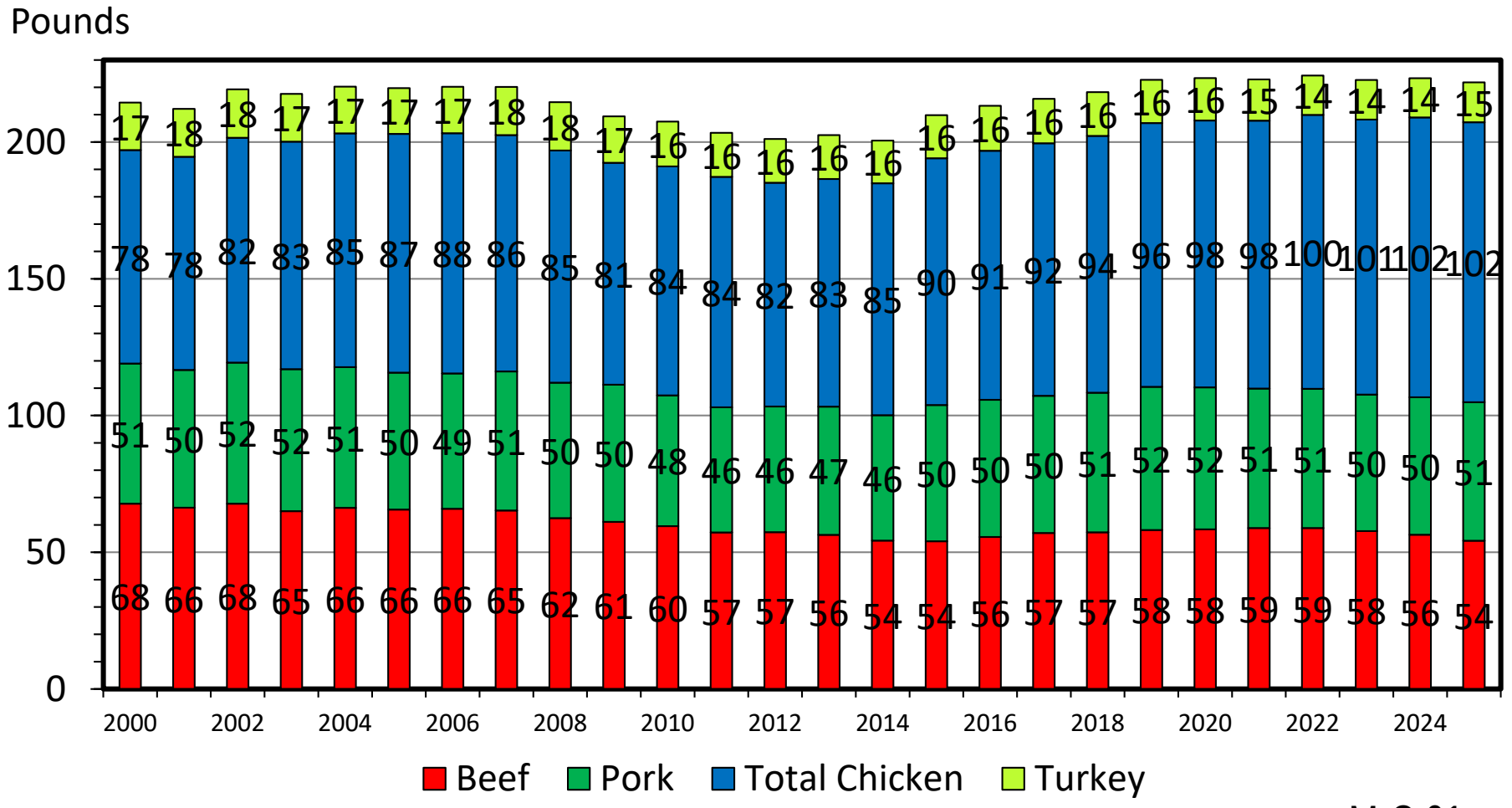
2024 Lockton Food, Agriculture & Beverage Conference

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

Where Are We Going?

US RED MEAT & POULTRY CONSUMPTION

Per Capita, Retail Weight, Annual



M-C-01

04/08/24

Data Source: USDA-NASS and USDA-ERS, Compiled & Analysis by LMIC

Livestock Marketing Information Center

Demand is **NOT** Per Capita Consumption

2013 Beef Demand Determinants Study

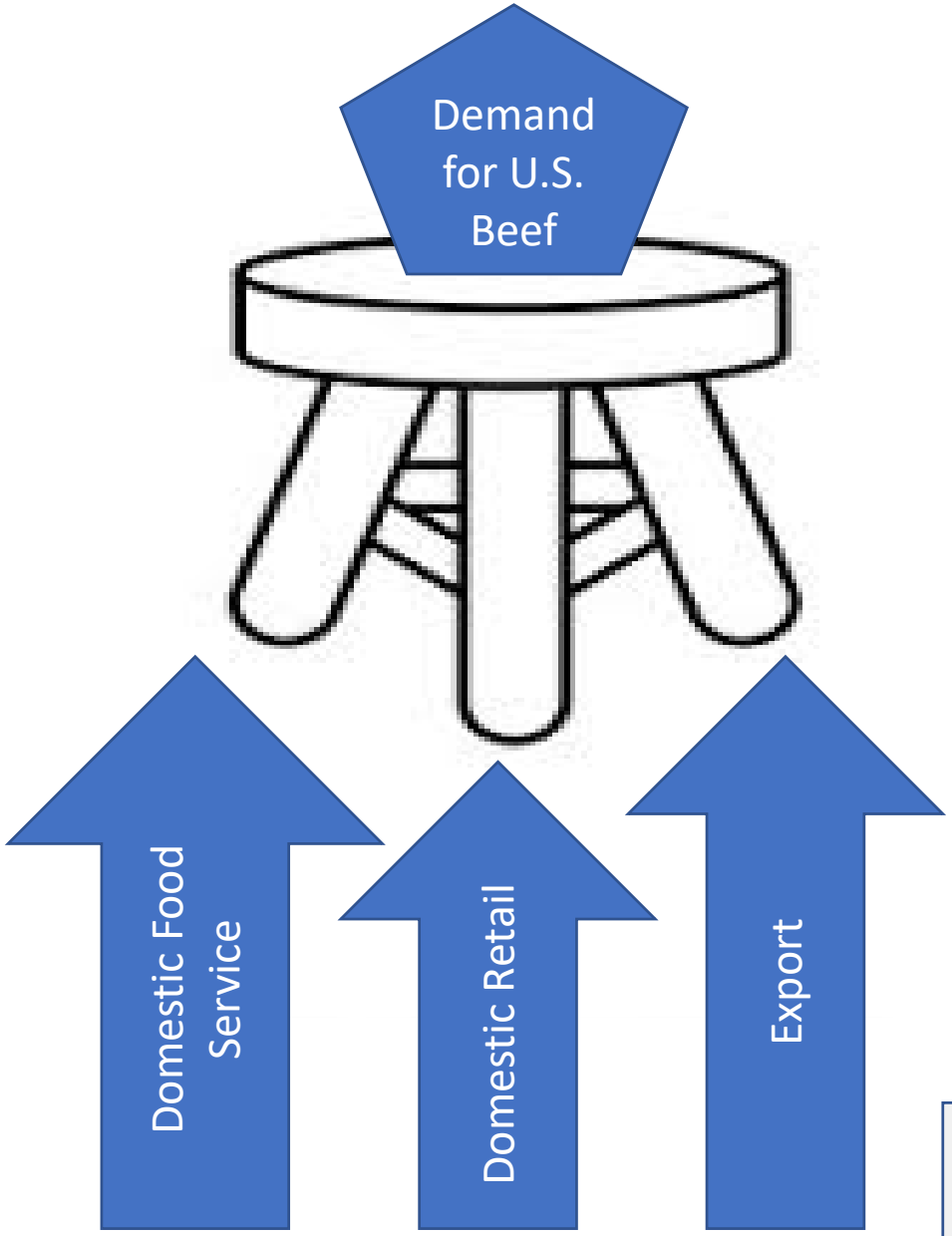
http://www.beefboard.org/evaluation/130612demanddeterminantstudy.asp

LMIC

2024: 58.5 lbs

2025: 56.5 lbs

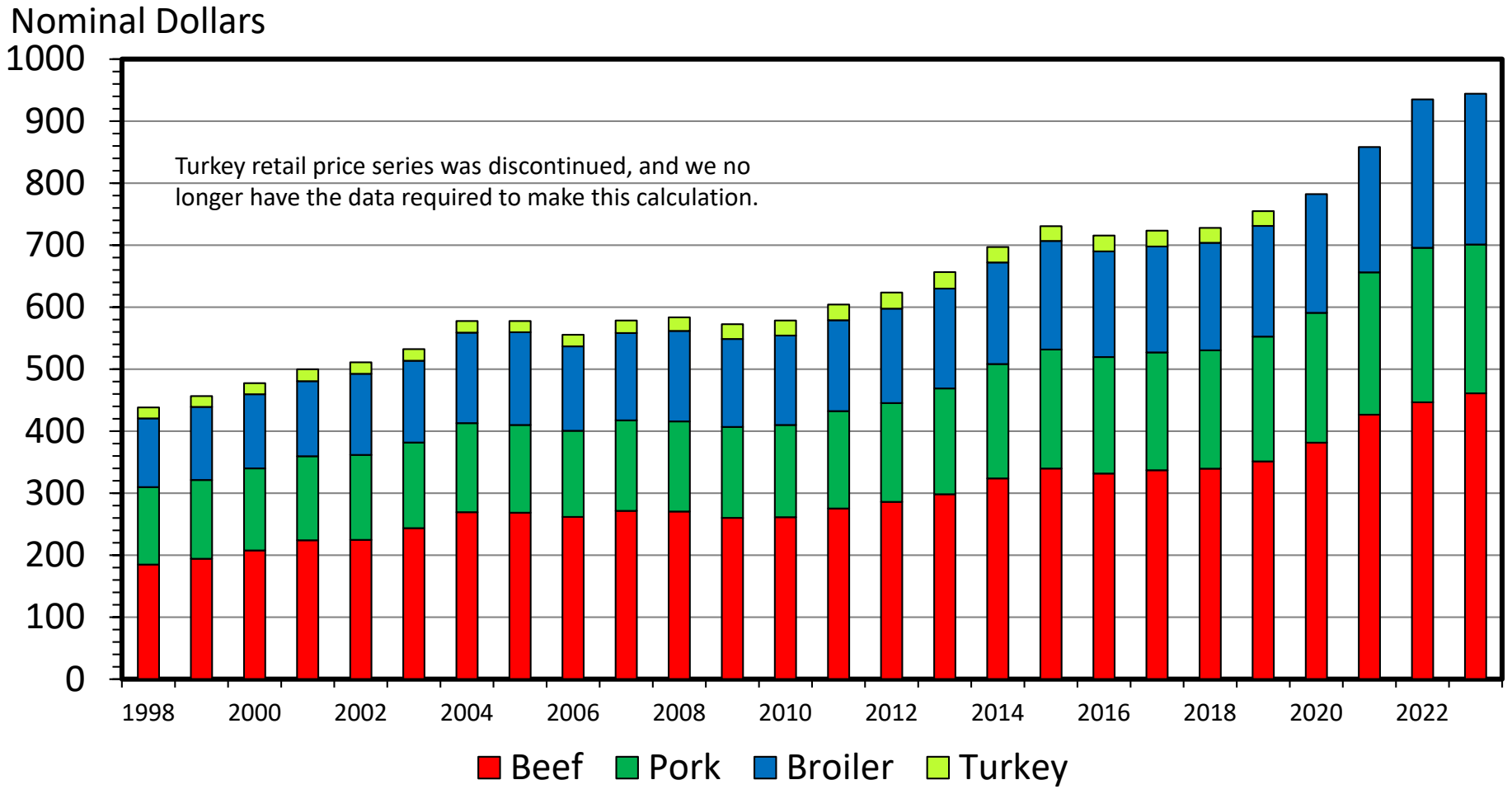
2026: 54.7 lbs



See Nov 22' Extended Discussion w/ Matt Perrier on Practically Ranching: https://www.buzzsprout.com/1995747/11686340

US EXPENDITURES FOR MEAT & POULTRY

Per Capita, By Type of Meat, Annual



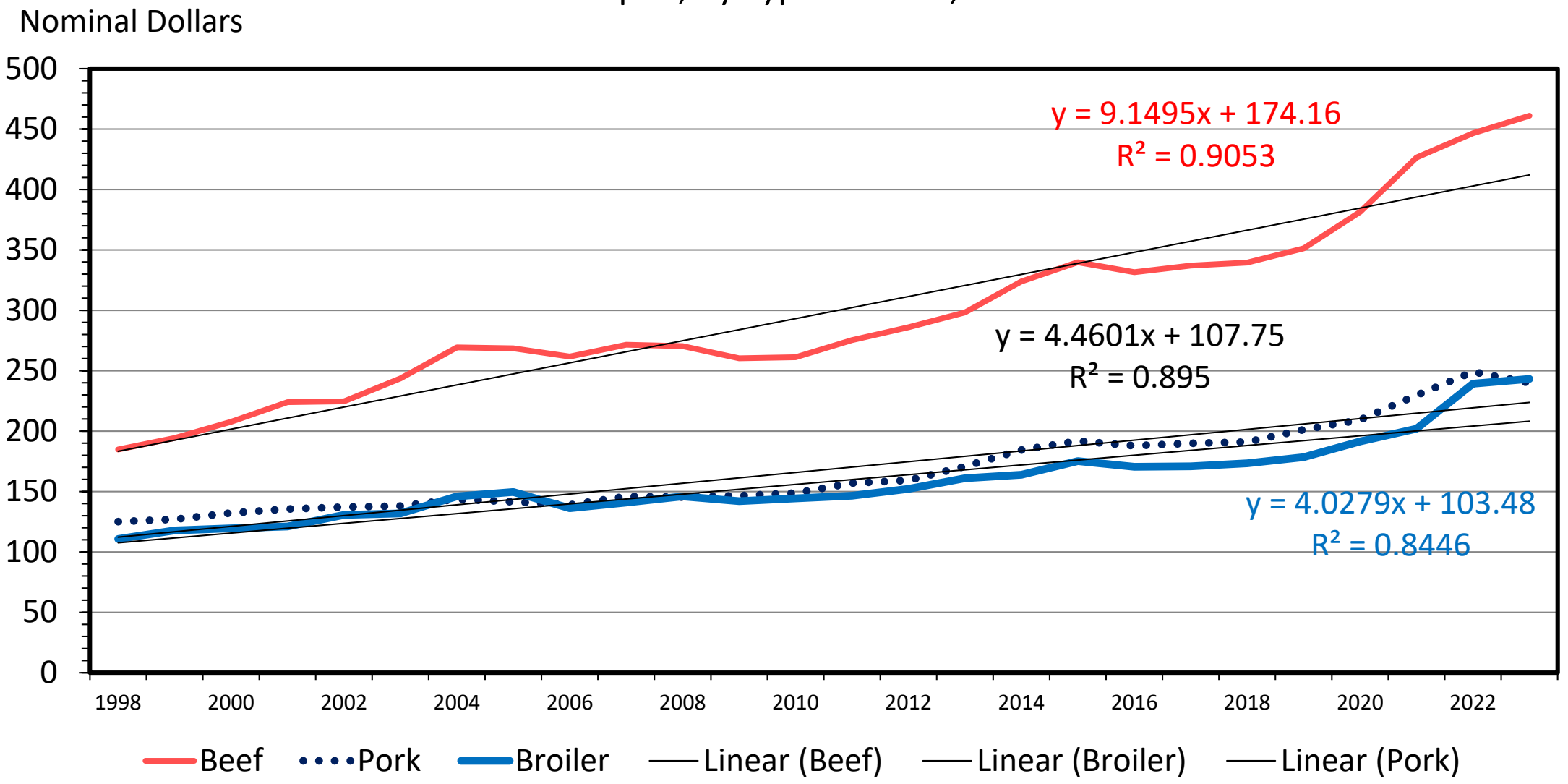
Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

Livestock Marketing Information Center

M-C-16A
04/08/24

US EXPENDITURES FOR MEAT & POULTRY

Per Capita, By Type of Meat, Annual



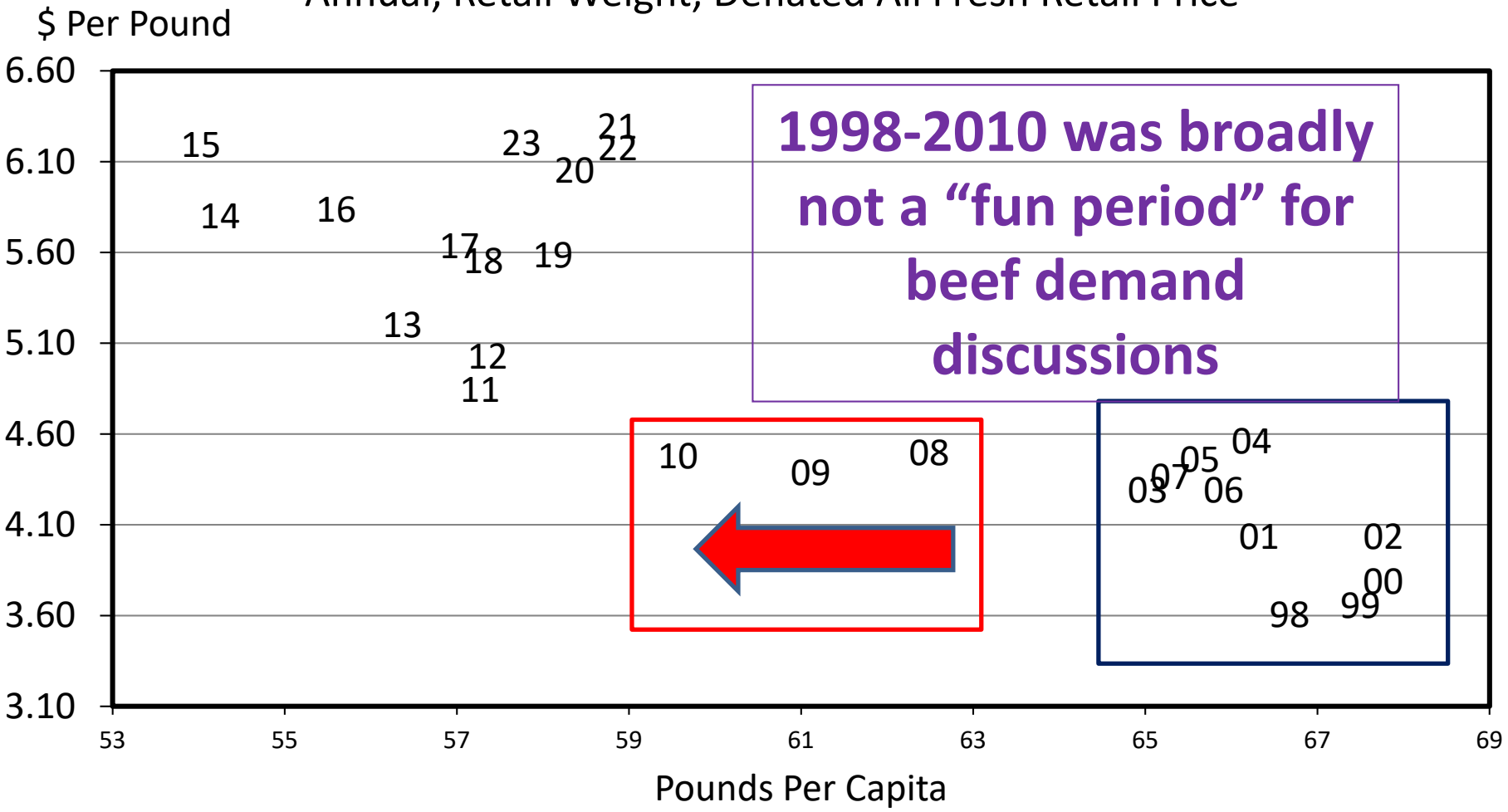
Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

Livestock Marketing Information Center

M-C-16B
04/08/24

BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



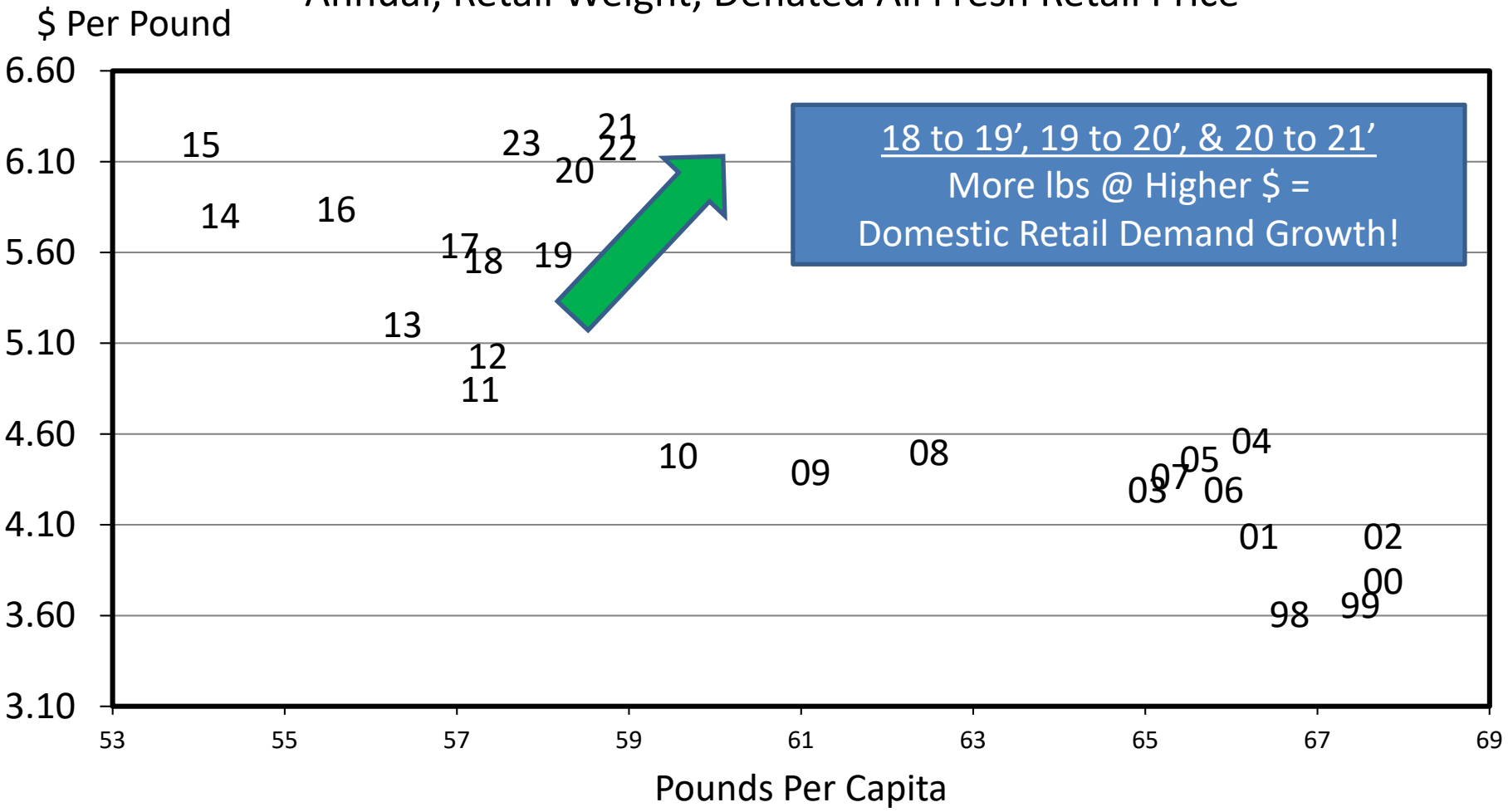
Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

Livestock Marketing Information Center

C-P-65A
04/04/24

BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

Livestock Marketing Information Center

C-P-65A
04/04/24

BEEF PRICE-QUANTITY RELATIONSHIP

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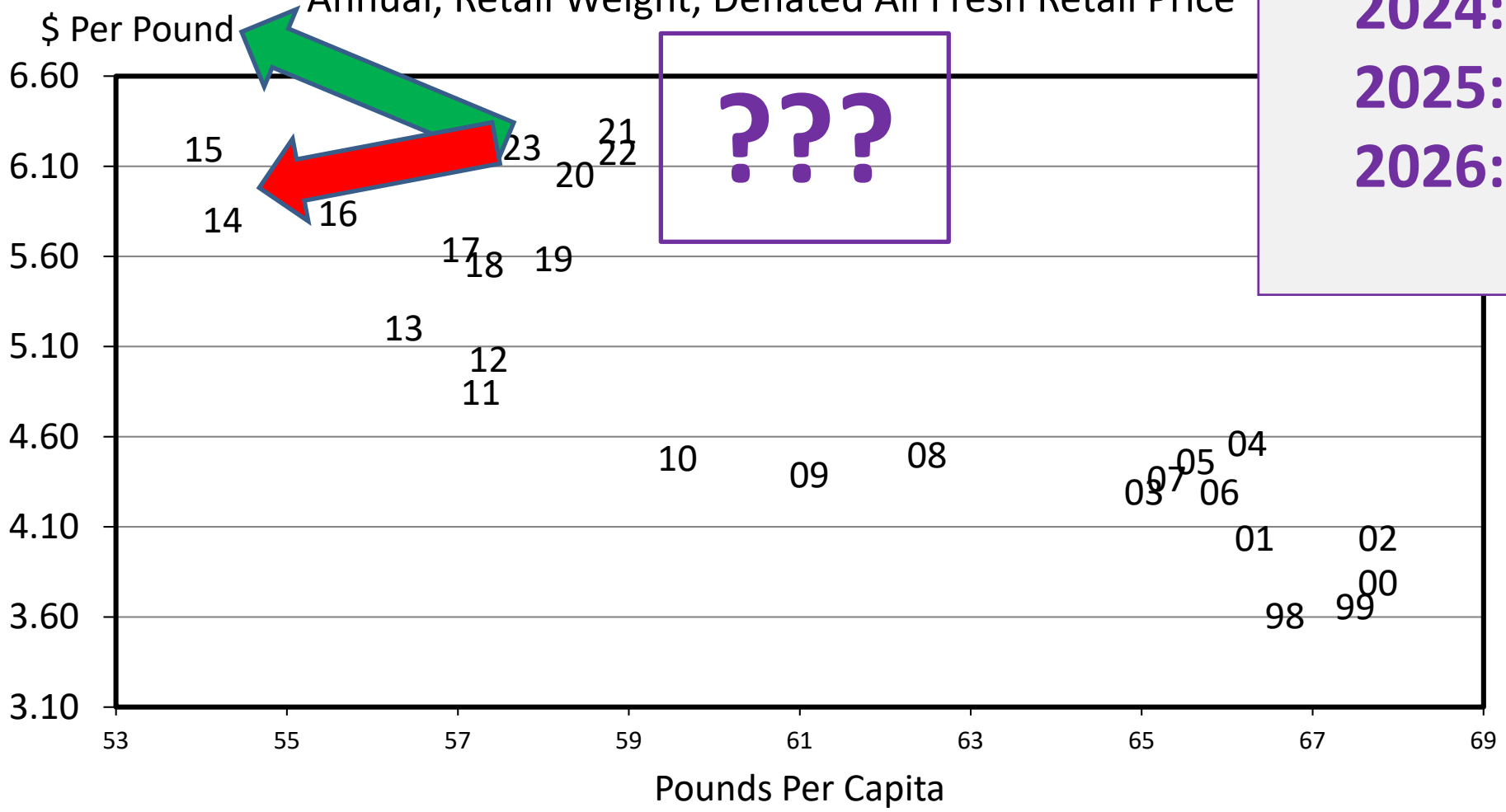

LMIC

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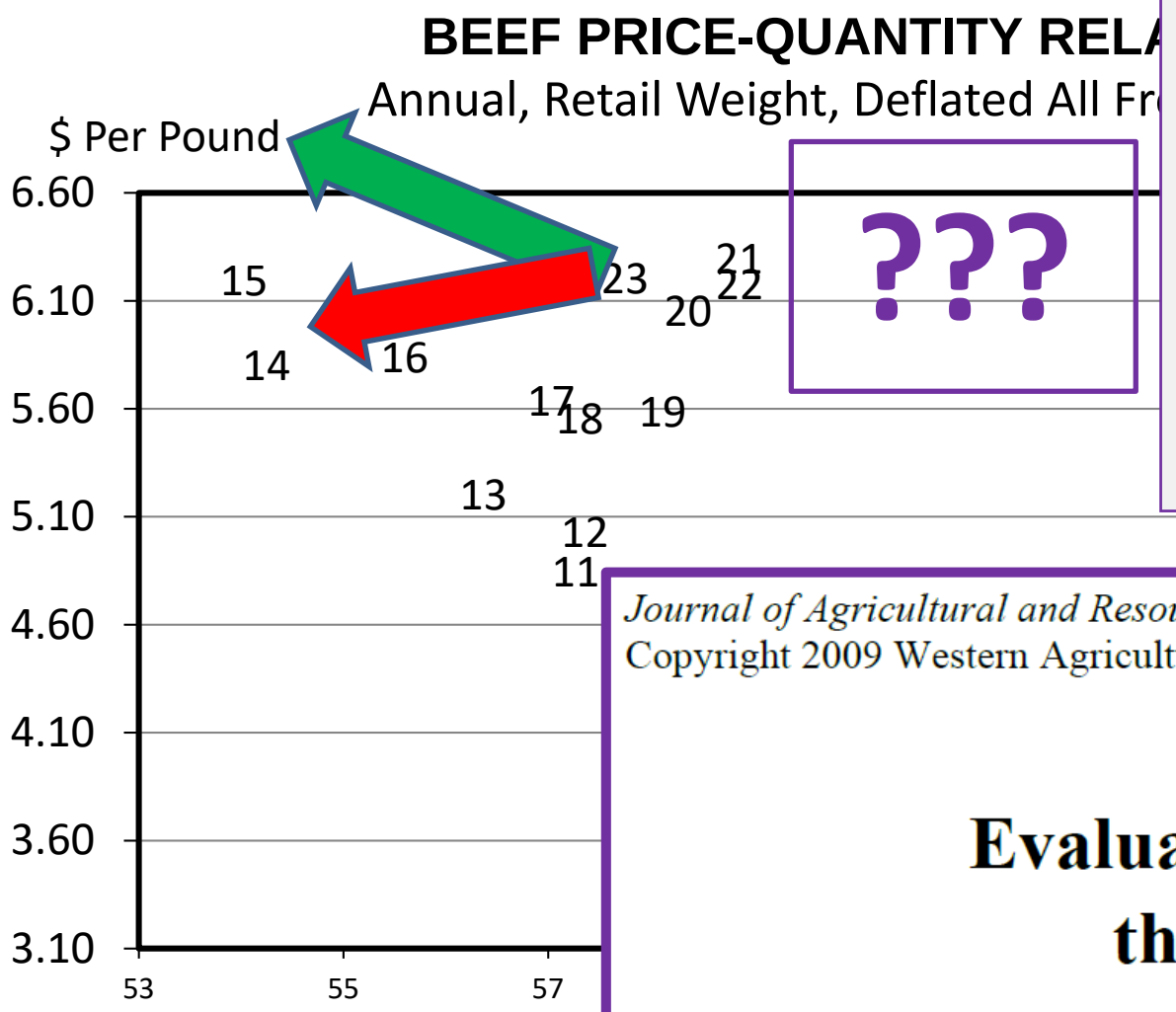
Livestock Marketing Information Center

C-P-65A
04/04/24

Size of Economic Pie Dictated by Demand Patterns



Journal of Agricultural and Resource Economics 34(2):213–236
Copyright 2009 Western Agricultural Economics Association

Evaluating the Farmer's-Share-of-the-Retail-Dollar Statistic

Gary W. Brester, John M. Marsh, and Joseph A. Atwood

Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

Consumer confidence sees largest decline in more than three years

yahoo!finance

JOSH SCHAFER

September 24, 2024 at 10:10 AM

Broad MDM Overview

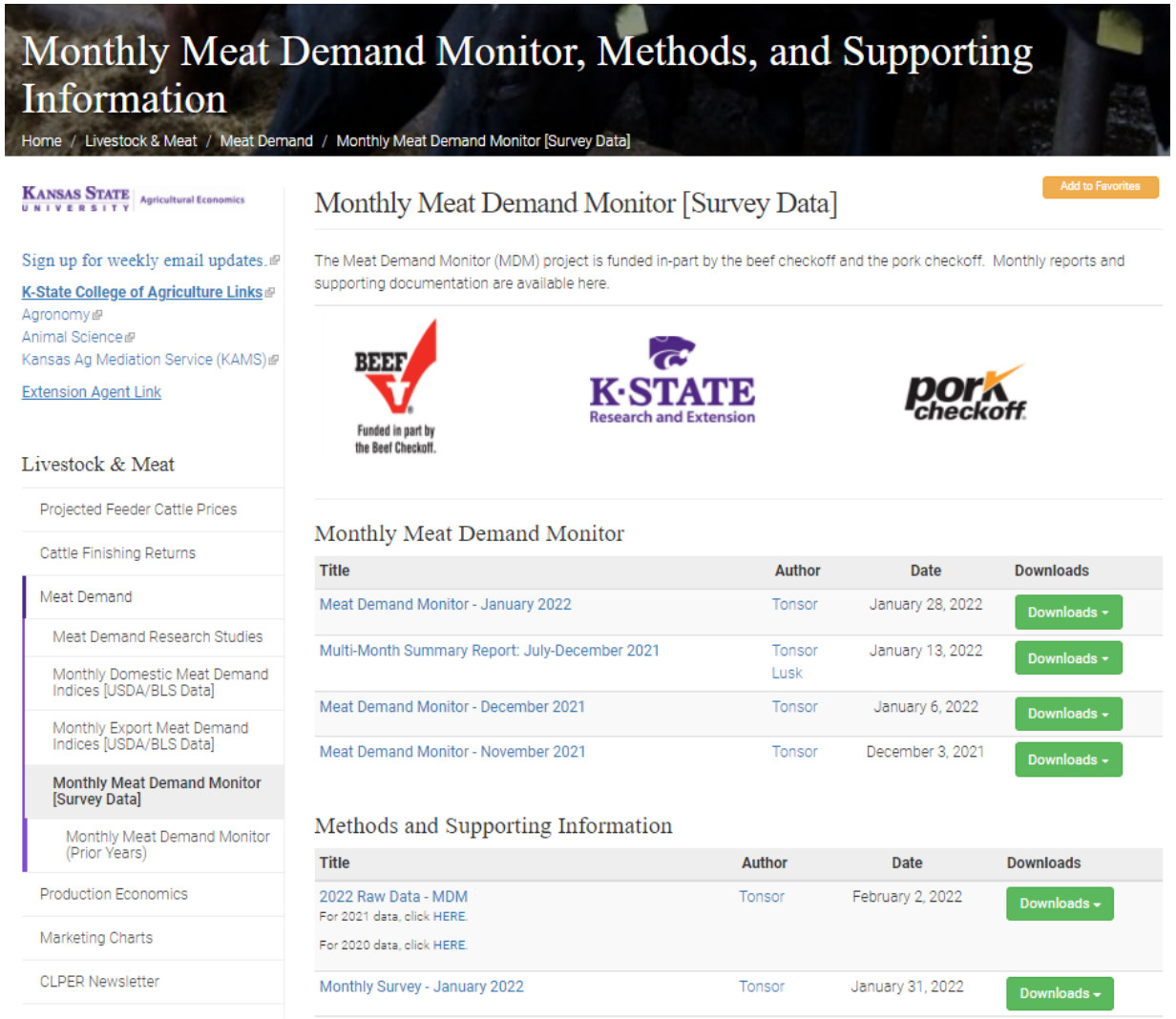
1-STOP LOCATION FOR U.S. MEAT DEMAND TRENDS & INFORMATION

- Monthly surveys & experiments > 2,000 U.S. residents
  - ❖>1,000 food service, restaurant focused
  - ❖>1,000 retail, grocery-store focused
- Systematic economic modeling of consumer meat demand, preference, and behavior

FUNDING PARTNERSHIP & TIMING

- Fully launched Feb. 2020
  - Jointly funded by Beef & Pork Checkoffs
  - Current Beef Checkoff support scheduled to end September 2025
  - Pork Checkoff under annual renewal

All MDM outputs, procedures, & data fully available on KSU's AgManager.info website



- ✓ **SHORT MONTHLY REPORTS & APPROVED TWEETS (#MDM)**
- ✓ **RAW DATA**
- ✓ **SURVEY INSTRUMENTS & UNDERLYING PROCEDURE DOCS**
- ✓ **ACADEMIC PAPERS USING MDM**
- ✓ **LINKS TO EXAMPLE MEDIA USE**

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

Broad Activity Flow

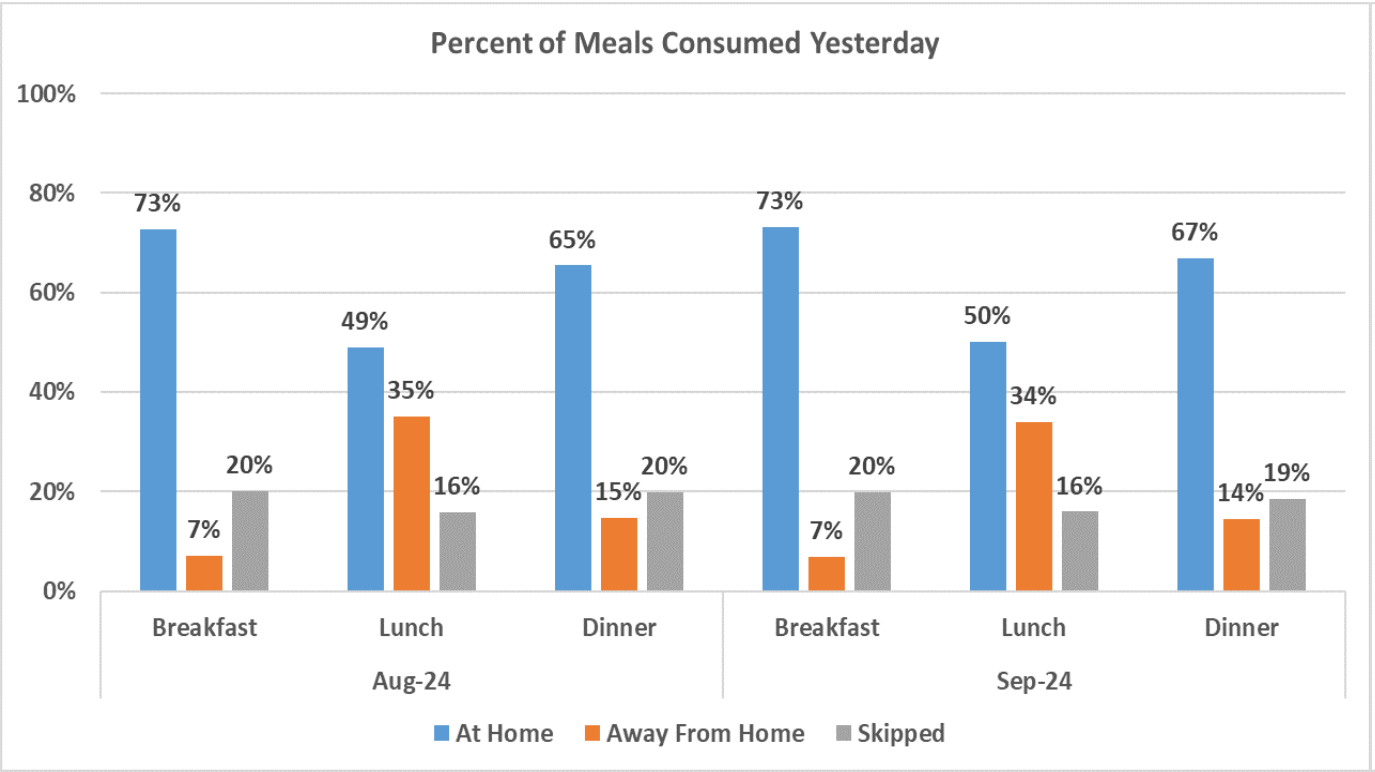
- Ongoing data collection (~ 1st 25 days of each month)
  - KSU's Qualtrics & Dynata/Samplify
- Monthly base analysis
  - USDA approval on 4-page report & Tweets/LinkedIn posts
  - AoA live interview summary / NHF written summary
- Periodic USFR coverage & other 1-off Assessments

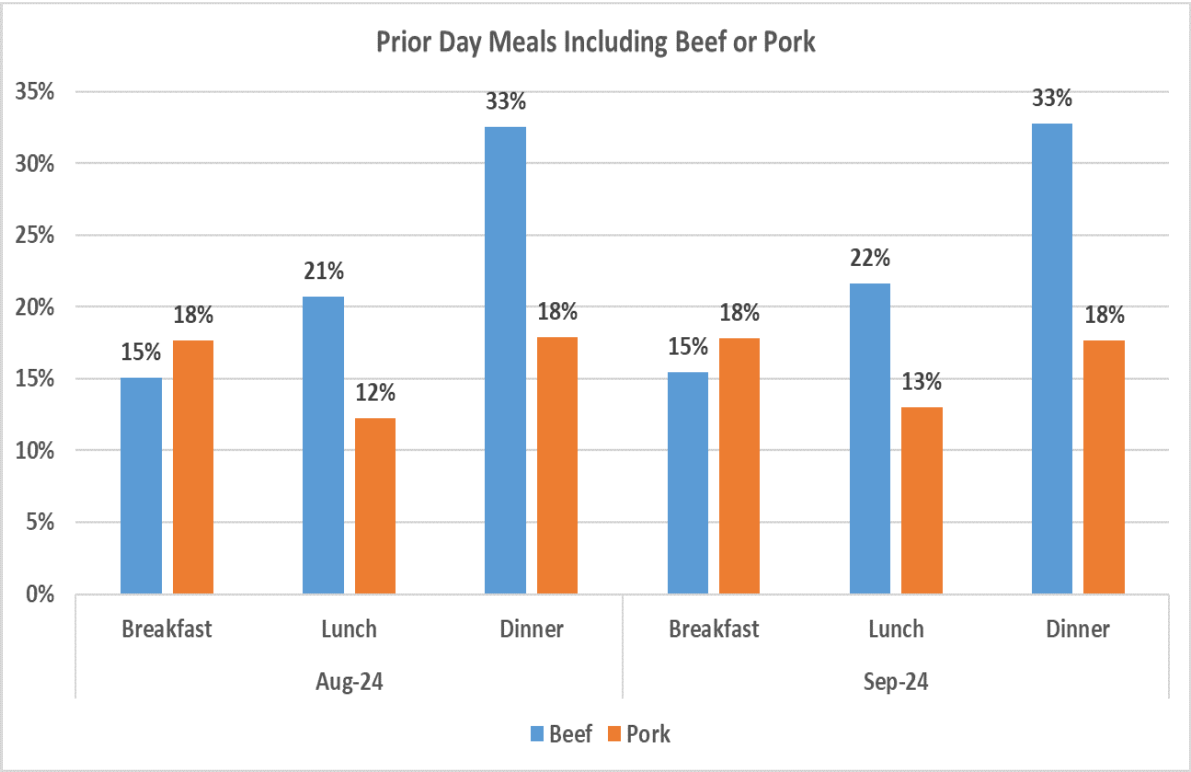
Broad Overview of Survey Sections

- Prior Day Recall
- Protein Values
- Choice Experiment
- Consumer Knowledge
- Ad Hoc Section
- Socio-Economic Questions

Broad Overview of Survey Sections

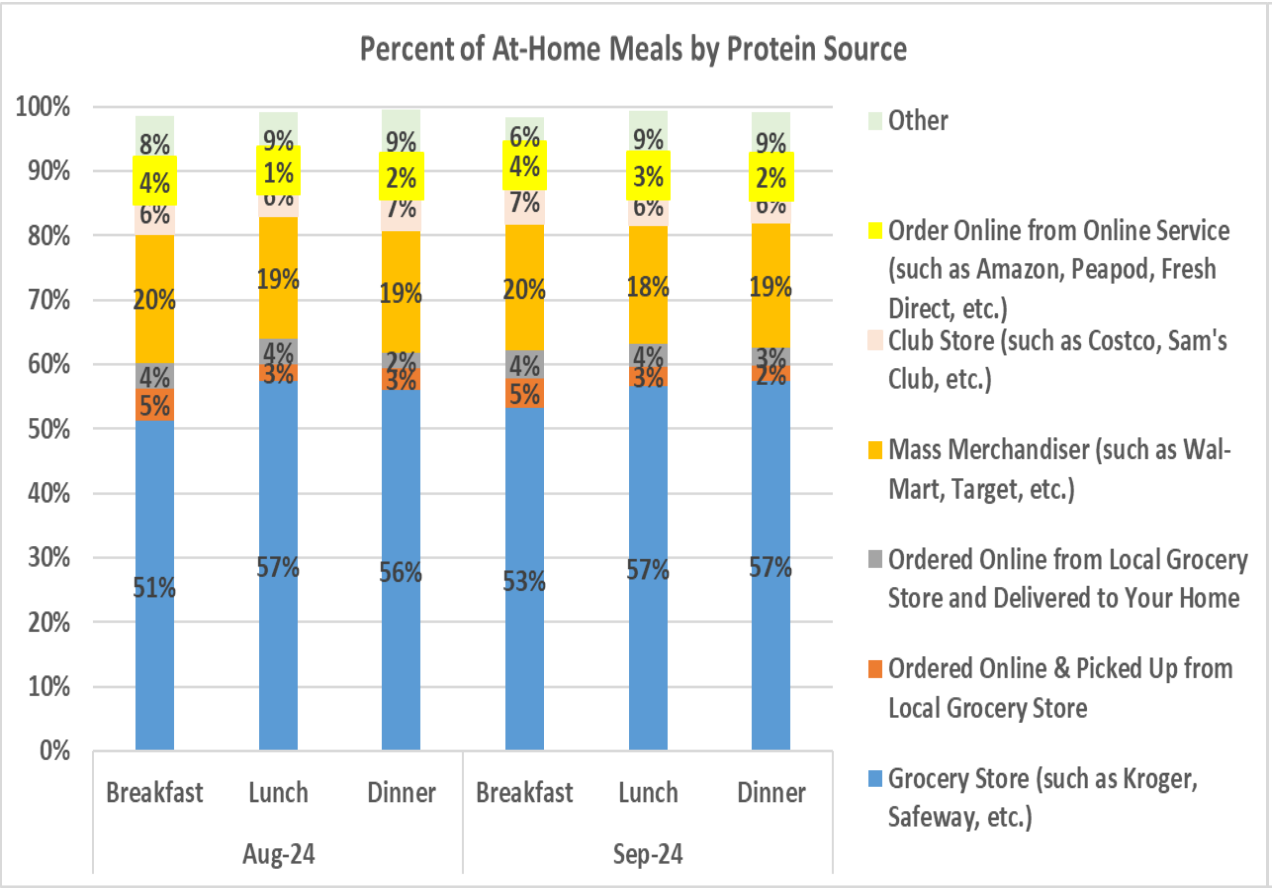
- **Prior Day Recall**
  - **Breakfast/Lunch/Dinner**
    - **Location, Species, & Source**
      - **Protein-Species (i.e. breakfast: at-home, pork-bacon)**

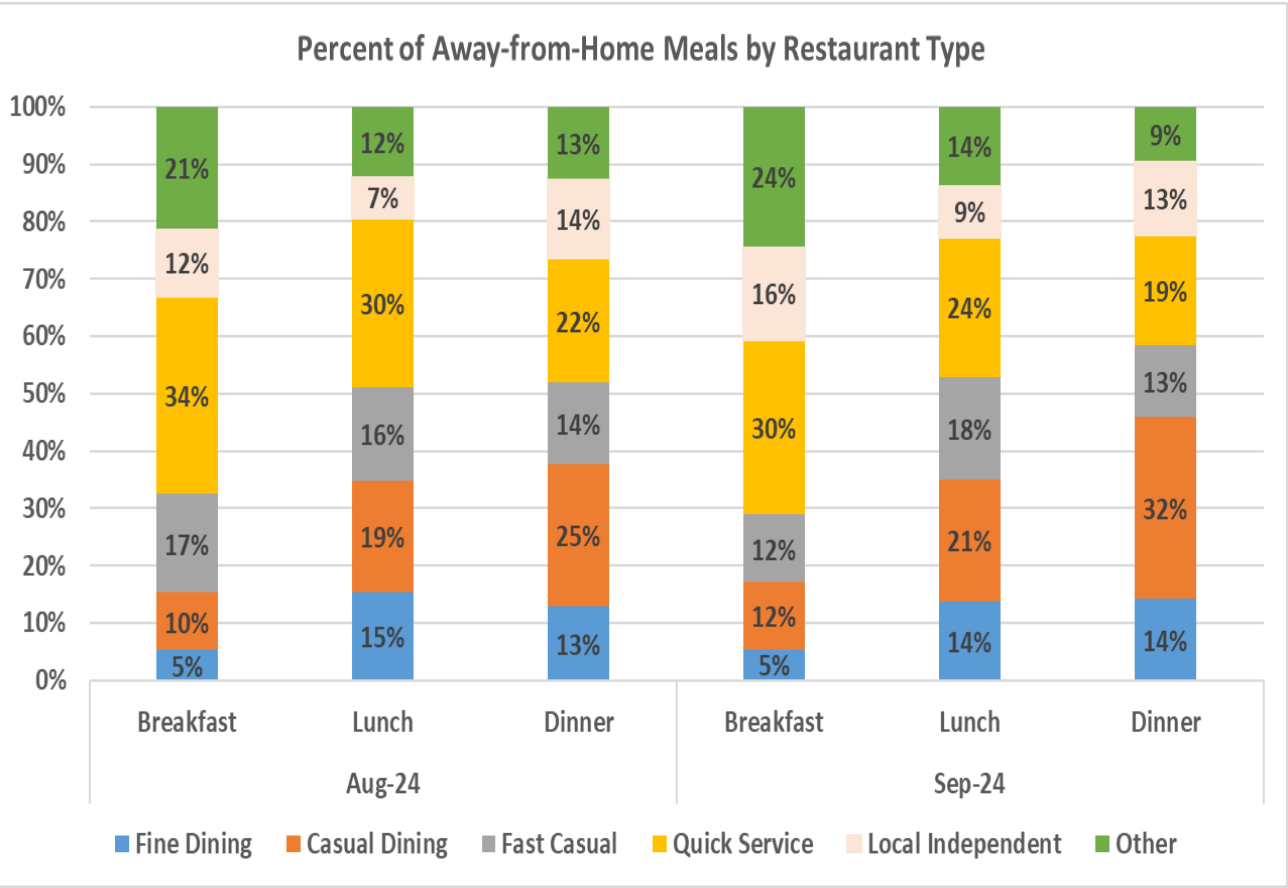




Broad Overview of Survey Sections

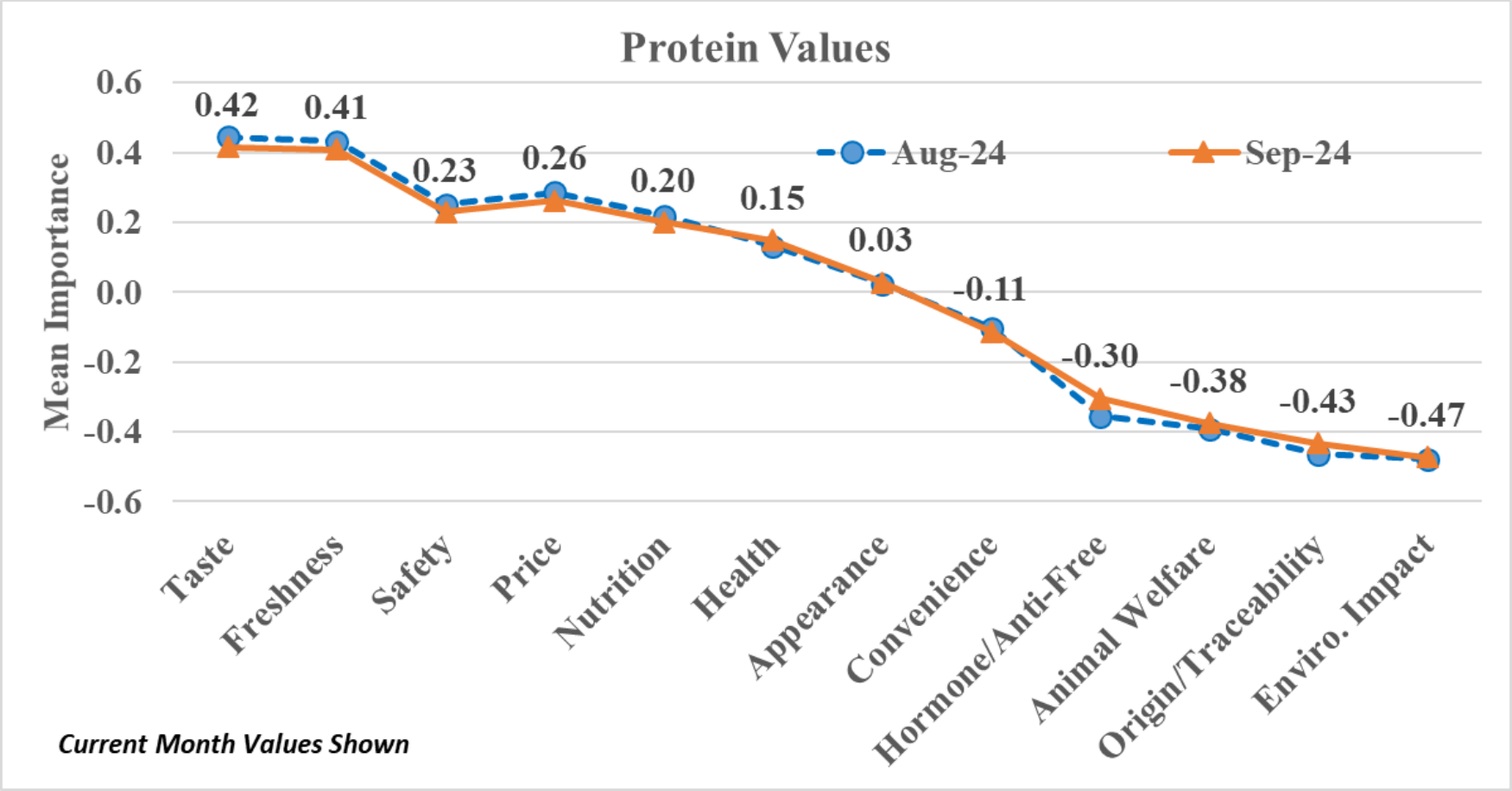
- **Prior Day Recall**
  - Protein-Species-Source (i.e. breakfast: at-home, pork-bacon, bought from Grocery)



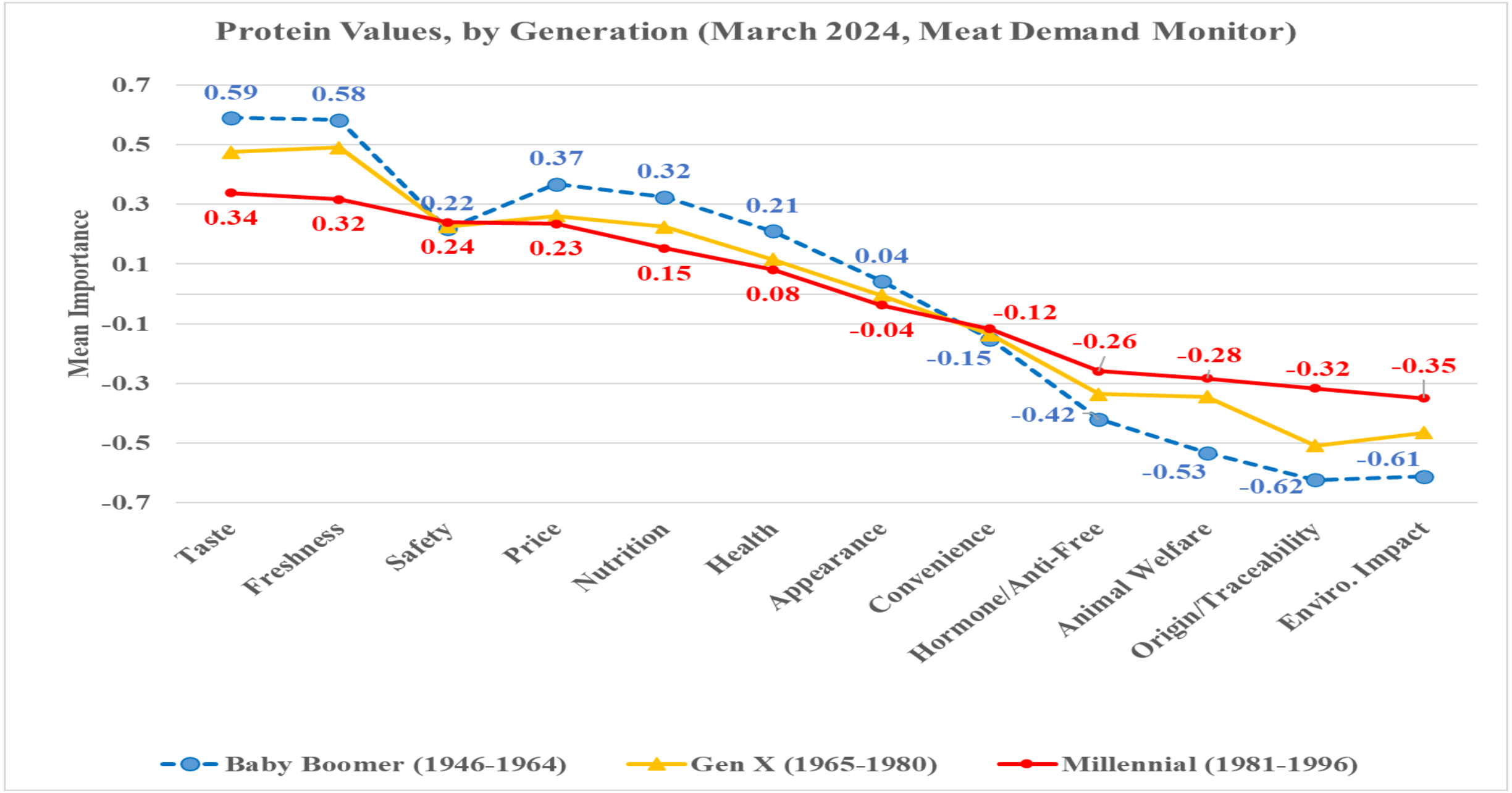


Broad Overview of Survey Sections

- **Protein Values**
  - Most/Least important factors in protein purchasing decision



Protein Values – What Drives Purchasing?



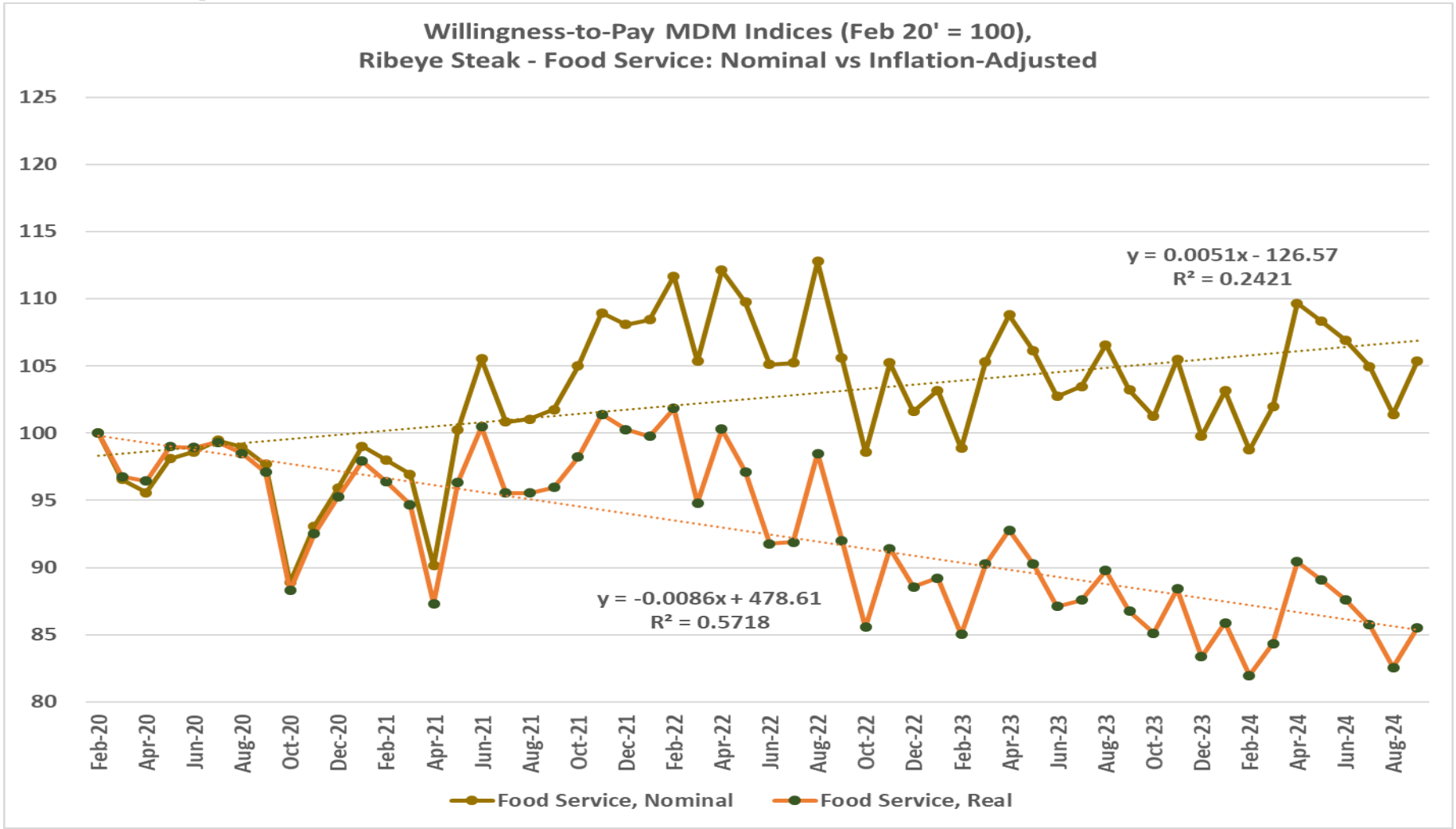
Broad Overview of Survey Sections

- **Choice Experiment: Mean WTP Estimates**

RETAIL		Ribeye Steak	Ground Beef	Pork Chop	Bacon	Chicken Breast	Plant-Based Patty	Shrimp	Beans and Rice	Something Else
Aug-24	*WTP ($/lb)*	$ 17.70	$ 9.04	$ 7.49	$ 5.97	$ 8.86	$ 8.32	$ 9.78	$ 3.40	
	Market Share	**8%**	**24%**	**13%**	**7%**	**27%**	**2%**	**5%**	**7%**	**6%**
Sep-24	*WTP ($/lb)*	$ 17.45	$ 8.61	$ 6.82	$ 5.71	$ 8.28	$ 8.44	$ 9.33	$ 2.88	
	Market Share	**8%**	**24%**	**12%**	**8%**	**26%**	**3%**	**4%**	**7%**	**7%**
FOOD SERVICE		**Ribeye Steak**	**Beef Hamburger**	**Pork Chop**	**Baby Back Ribs**	**Chicken Breast**	**Plant-Based Patty**	**Shrimp**	**Salmon**	**Something Else**
Aug-24	*WTP ($/lb)*	$ 26.15	$ 19.54	$15.14	$ 17.58	$ 17.51	$ 12.06	$ 17.32	$18.69	
	Market Share	**15%**	**26%**	**4%**	**9%**	**15%**	**4%**	**13%**	**9%**	**6%**
Sep-24	*WTP ($/lb)*	$ 27.18	$ 20.46	$16.33	$ 19.00	$ 18.37	$ 12.60	$ 17.97	$19.50	
	Market Share	**15%**	**26%**	**5%**	**10%**	**14%**	**3%**	**12%**	**9%**	**5%**

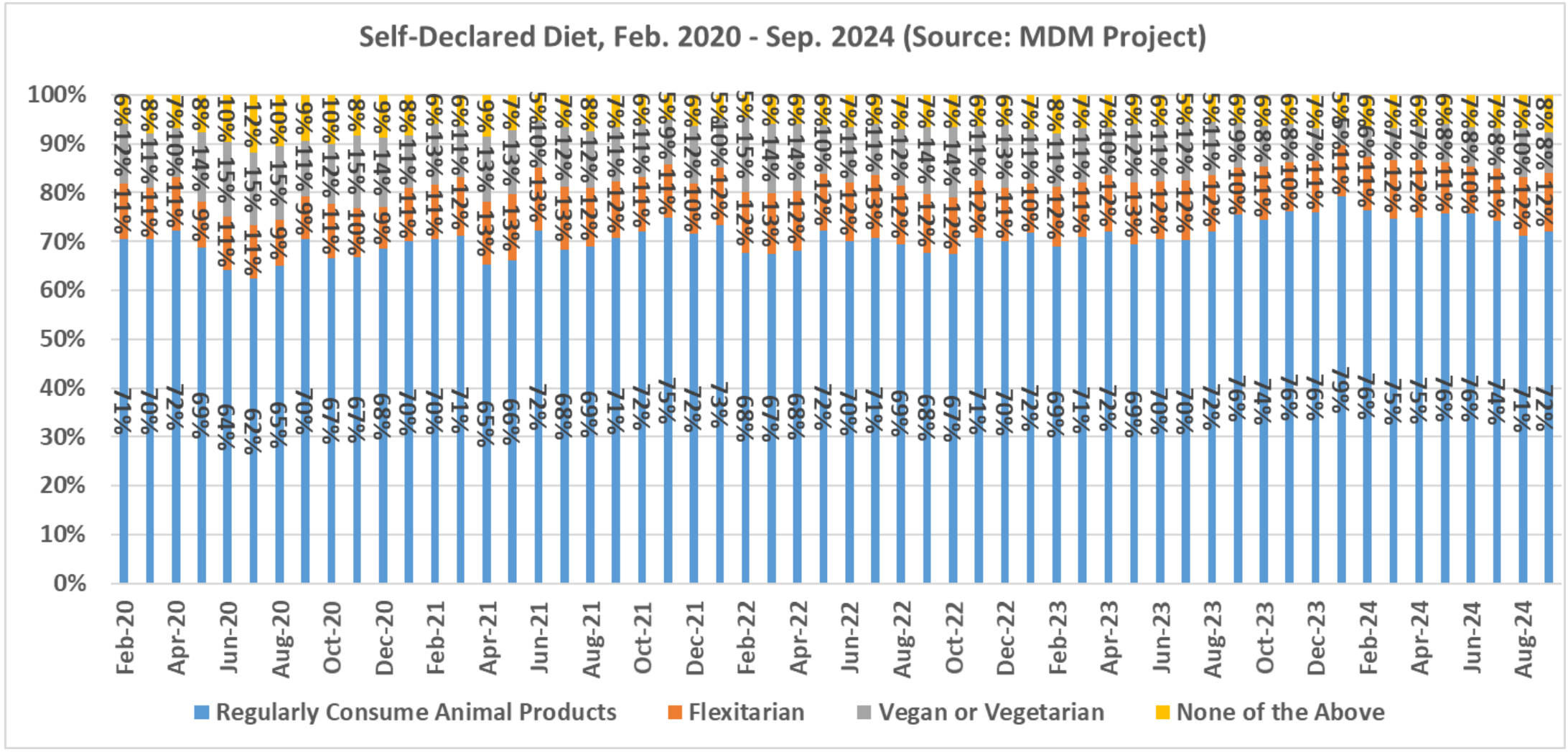
Broad Overview of Survey Sections

- **WTP Trend Examples**



Broad Overview of Survey Sections

- **Socio-Economic Questions**



Meat Demand Outdoes Meat Avoidance

Meat Science 190 (2022) 108843

Contents lists available at ScienceDirect

Meat Science

journal homepage: www.elsevier.com/locate/meatsci

Check for updates

U.S. perspective: Meat demand outdoes meat avoidance

Glynn T. Tonsor [a], Jayson L. Lusk [b,*]

[a] Department of Agricultural Economics, Kansas State University, United States of America
[b] Department of Agricultural Economics, Purdue University, United States of America

https://www.sciencedirect.com/science/article/pii/S0309174022001115

Punchline point:

- **Yes meat prices are up, compared to prior years BUT**
  - **this reflects elevated farm-to-plate costs**
  - **& in some cases (but not all) stronger meat demand**

9/2/24, 8:28 AM Kamala Harris' Grocery 'Price Gouging' Plan Is Riddled With Problems, Experts Say - Newsweek

Newsweek SUBSCRIBE FOR $1 Login

Politics | Kamala Harris | Donald Trump | 2024 Election | Tim Walz | JD Vance | Inflation | Economy

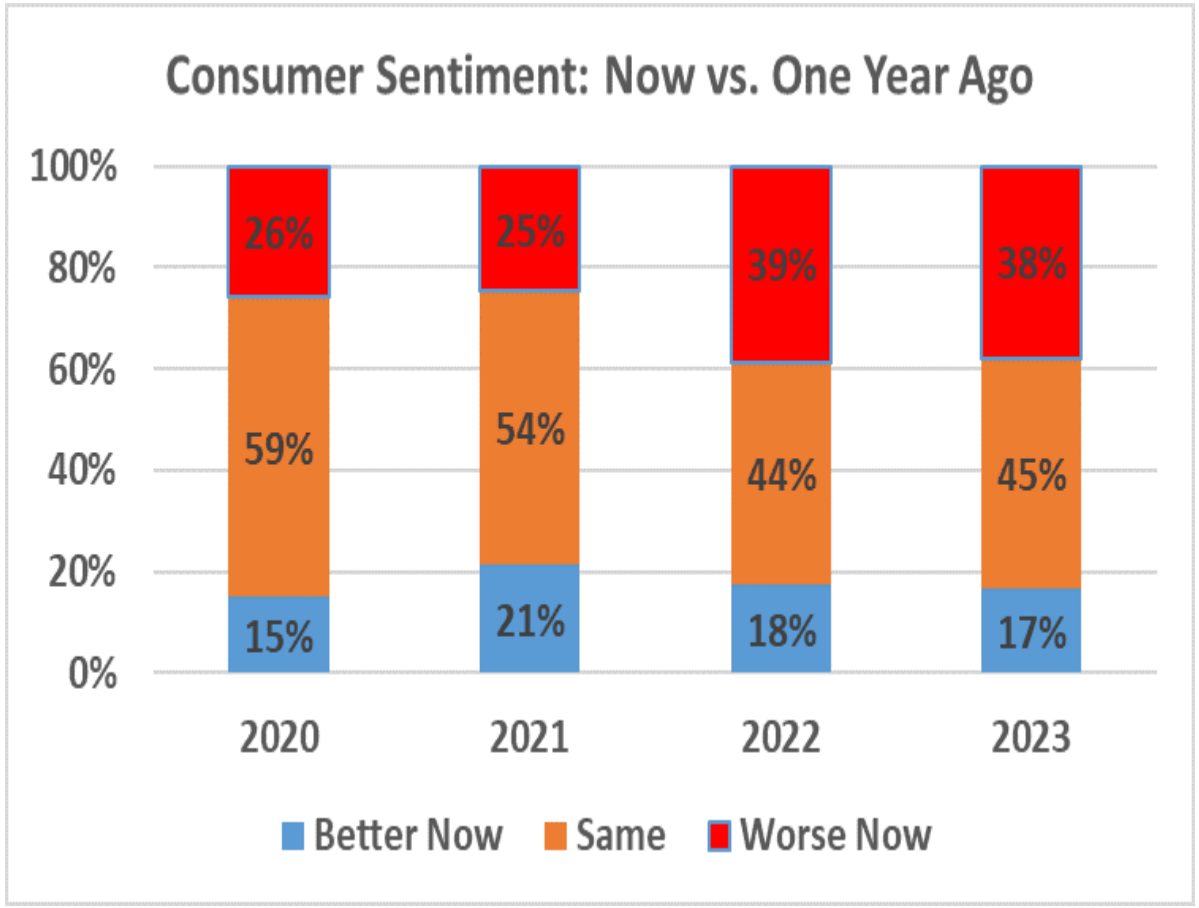
Kamala Harris' Grocery 'Price Gouging' Plan Is Riddled With Problems, Experts Say

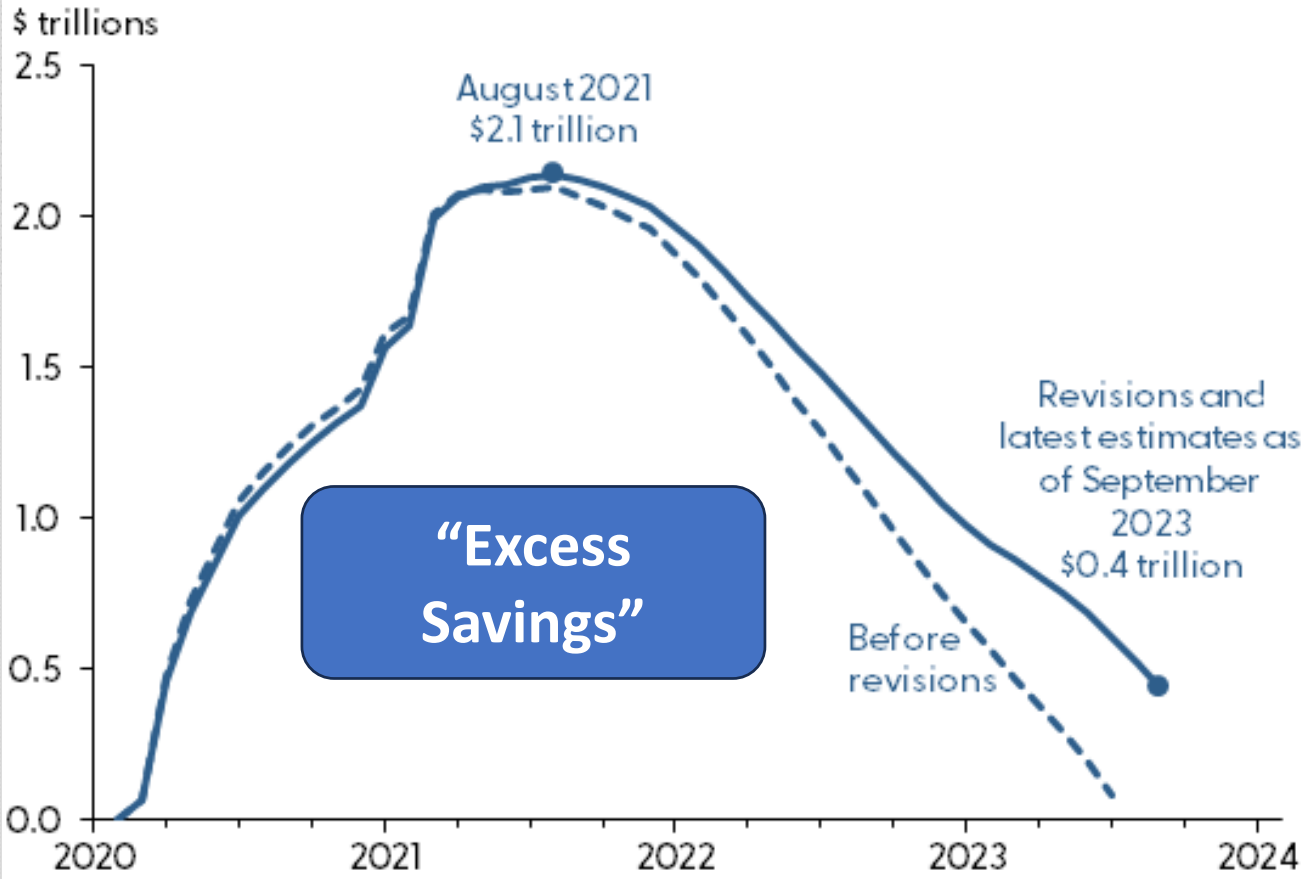
Meat Demand Monitor: Financial Sentiment Matters

U.S. Meat Demand Update & Role of Financial Sentiment: 2020-2023

https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/us-meat-demand-update-and-role

Meat Demand Monitor: Financial Sentiment Matters





https://www.frbsf.org/research-and-insights/blog/sf-fed-blog/2023/11/08/data-revisions-and-pandemic-era-excess-savings/

Meat Demand Monitor: Financial Sentiment Matters

Percentage Change in Inflation-Adjusted Retail Willingness to Pay vs. Prior Year, by Year and Financial Sentiment Subset												
Year	*Diet Subset*	*Ribeye*	*Ground Beef*	*Pork Chop*	*Bacon*	*Chicken Breast*	*Plant-Based Patty*	*Shrimp*	*Beans and Rice*	*Respondents*	*Share of Respondents*
2021	Better Now	12.72%	27.24%	36.05%	53.52%	33.15%	36.29%	37.32%	160.49%	3,148	21.60%
2021	Same	1.74%	5.02%	6.86%	13.08%	4.50%	5.01%	3.17%	33.79%	7,857	53.90%
2021	Worse Now	2.61%	5.58%	7.86%	18.22%	2.58%	-4.64%	-1.04%	37.29%	3,572	24.50%
2022	Better Now	12.63%	29.26%	33.48%	38.54%	30.94%	19.30%	13.39%	35.44%	3,075	17.68%
2022	Same	-4.56%	2.71%	0.84%	0.08%	2.48%	-4.02%	-6.56%	15.50%	7,614	43.78%
2022	Worse Now	-11.77%	-9.91%	-8.06%	-11.82%	-9.23%	-13.06%	-9.94%	-7.69%	6,703	38.54%
2023	Better Now	-13.89%	-16.97%	-18.83%	-32.47%	-21.30%	-31.01%	-23.51%	-23.52%	2,815	17.17%
2023	Same	-8.20%	-7.51%	-8.35%	-10.48%	-8.73%	-13.48%	-6.43%	-12.31%	7,356	44.87%
2023	Worse Now	-4.92%	-7.36%	-8.51%	-6.30%	-7.33%	-9.39%	-5.72%	-8.20%	6,223	37.96%

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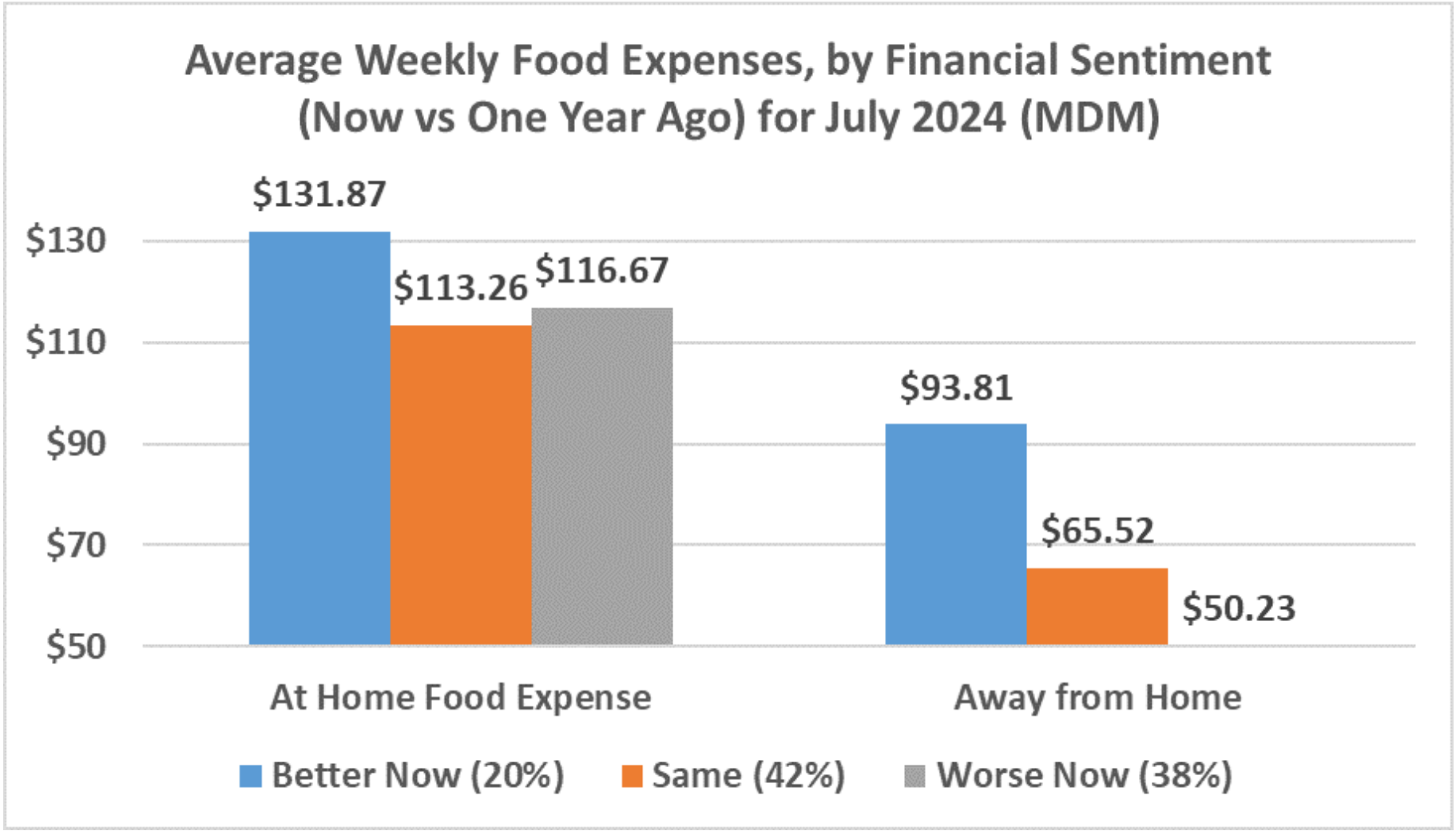
Department of Agricultural Economics
Vol. 5, Issue 7 • July 2024

MDM: Meat Demand Monitor

The MDM tracks U.S. consumer preferences, views, and demand for meat with separate analysis for retail and food service channels. MDM is a monthly online survey with a sample of over 2,000 respondents reflecting the national population.



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

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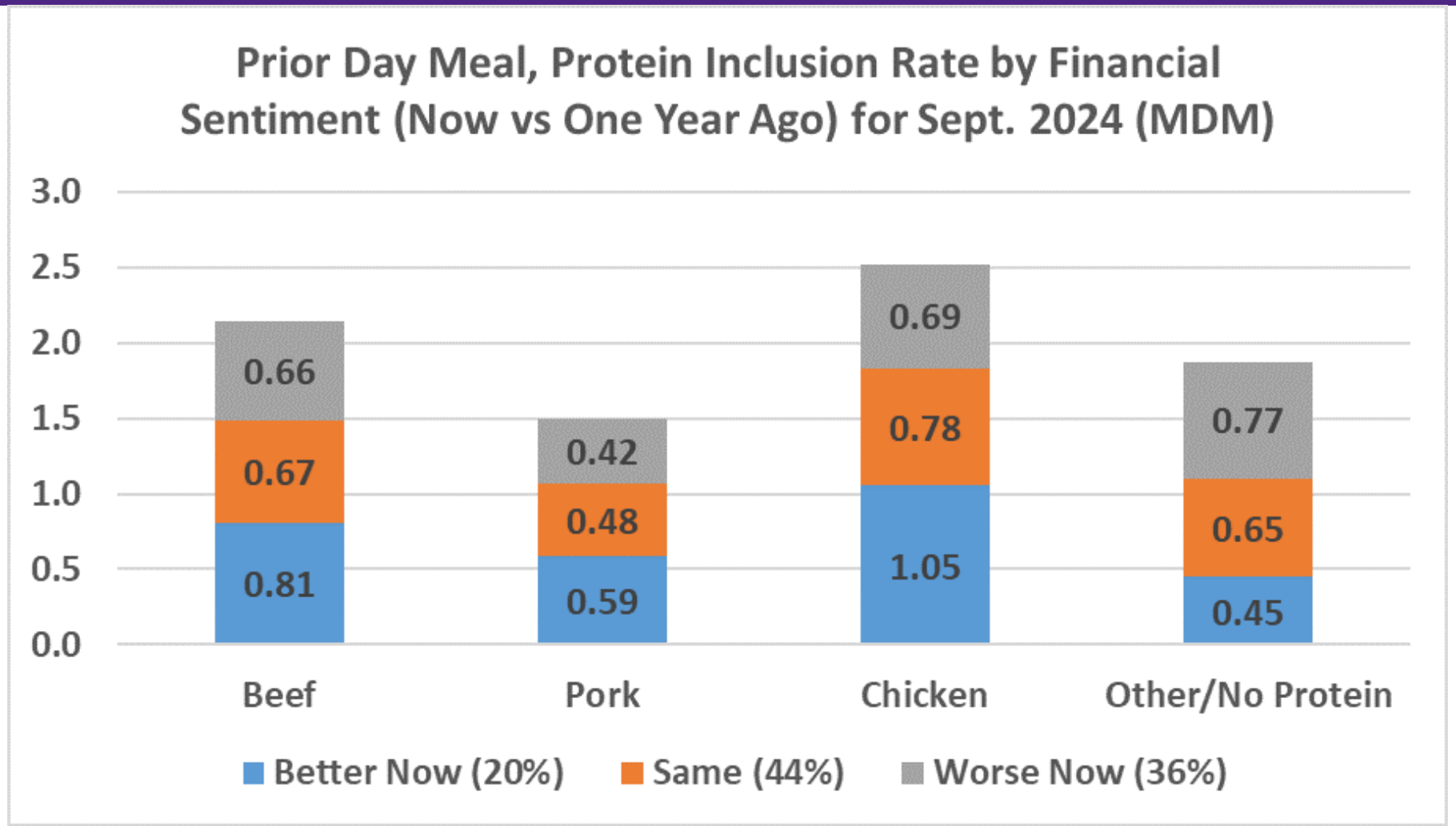
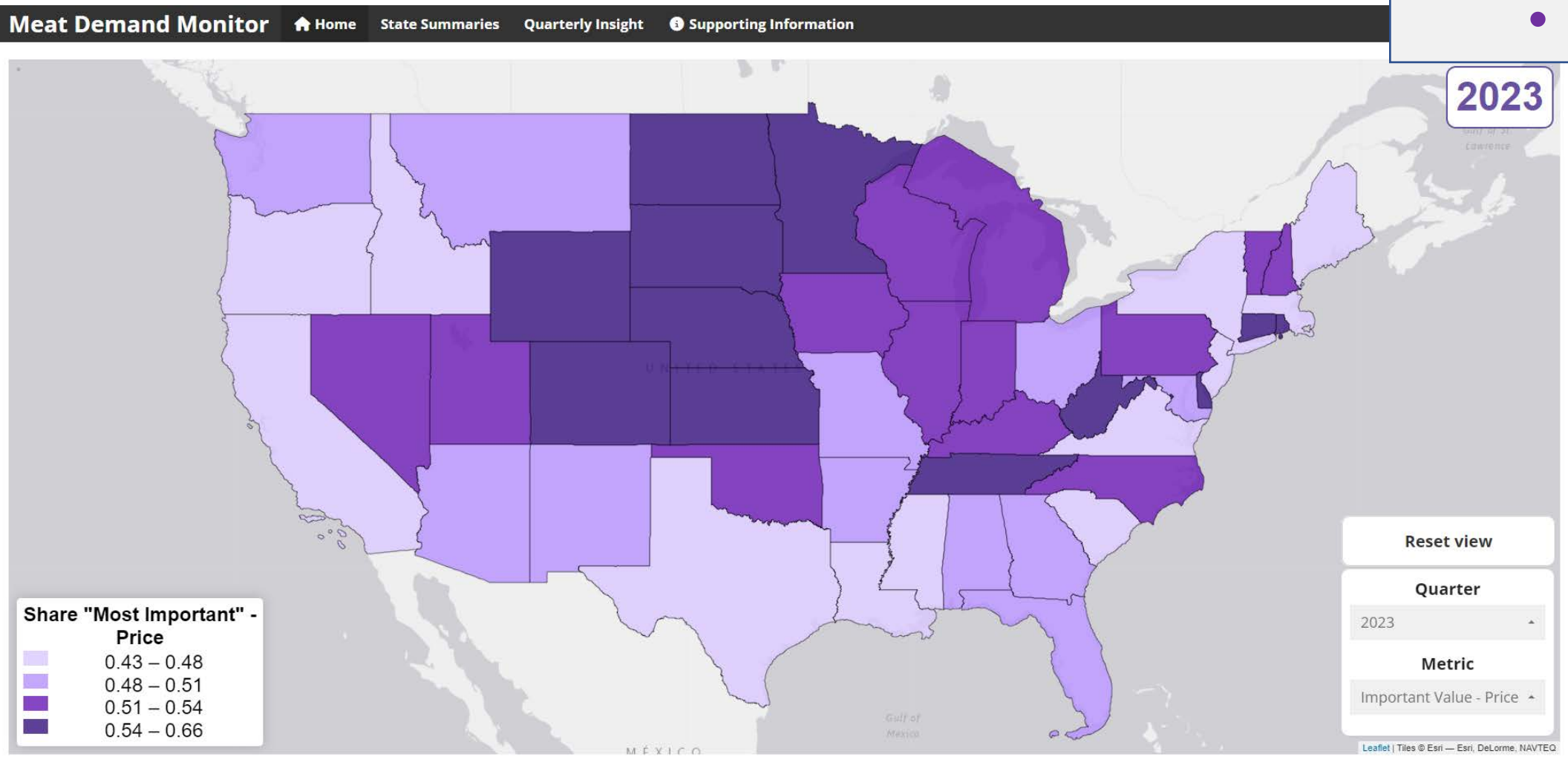


State-Level Dashboard (Justin Bina)

https://ksumeatdemandmonitor.shinyapps.io/MDMapp/

- ND: 0.66
- WY: 0.62

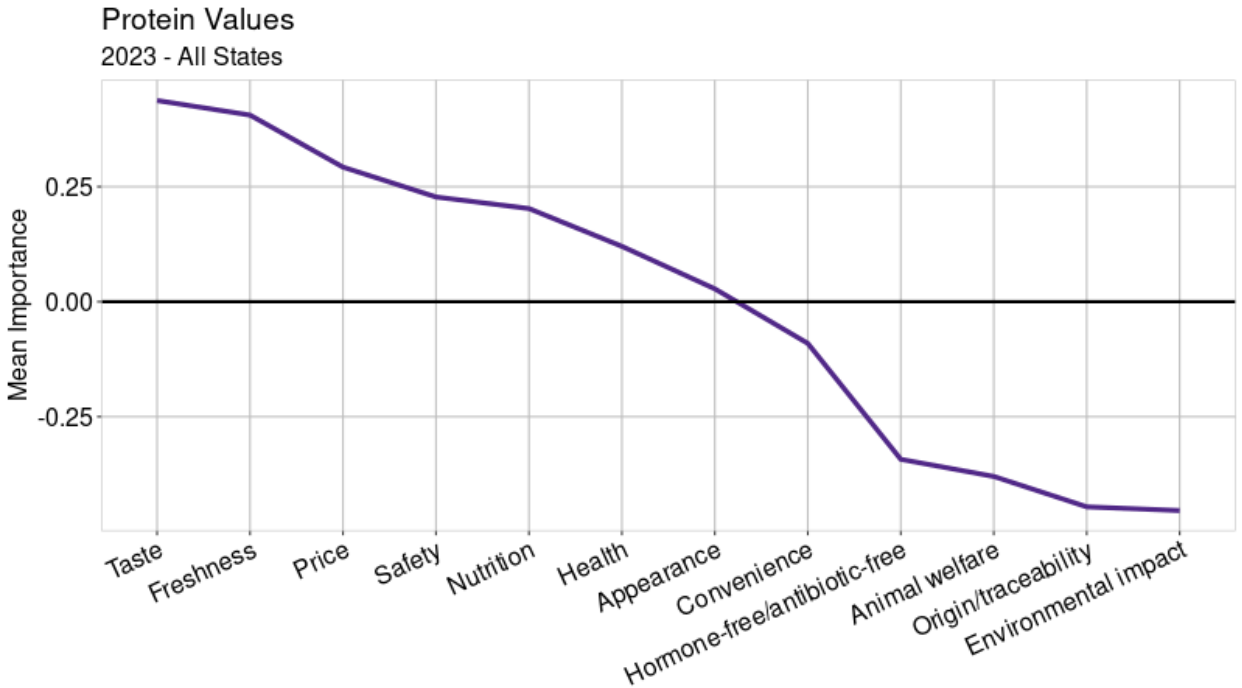
- CA: 0.45
- HI: 0.43

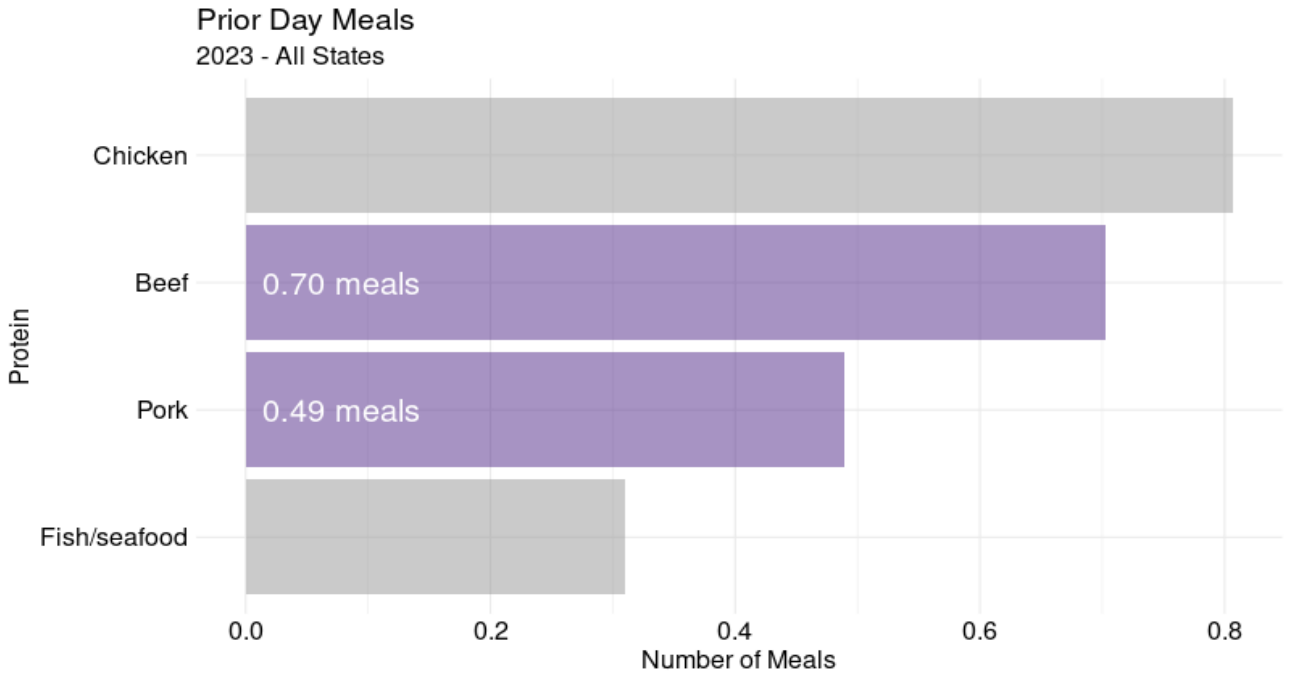


State-Level Dashboard (Justin Bina)

https://ksumeatdemandmonitor.shinyapps.io/MDMapp/

- ✓ **UNITED STATES**
  - ✓ 33,135 respondents in 2023
    - ✓ Mean $73.4k household income
    - ✓ Mean $115 ($68) at-home (away-from-home) weekly food expenditures
    - ✓ 72% regularly consume meat, 11% flexitarian, 10% veg or veg, 6% other

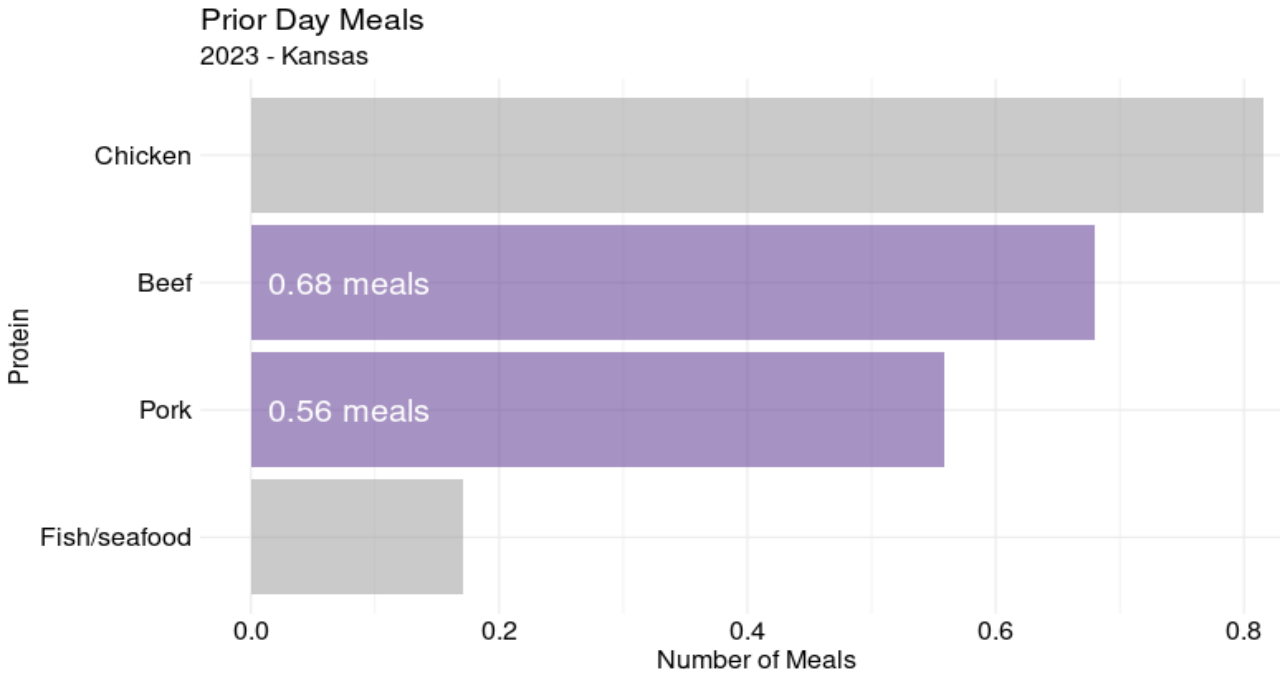


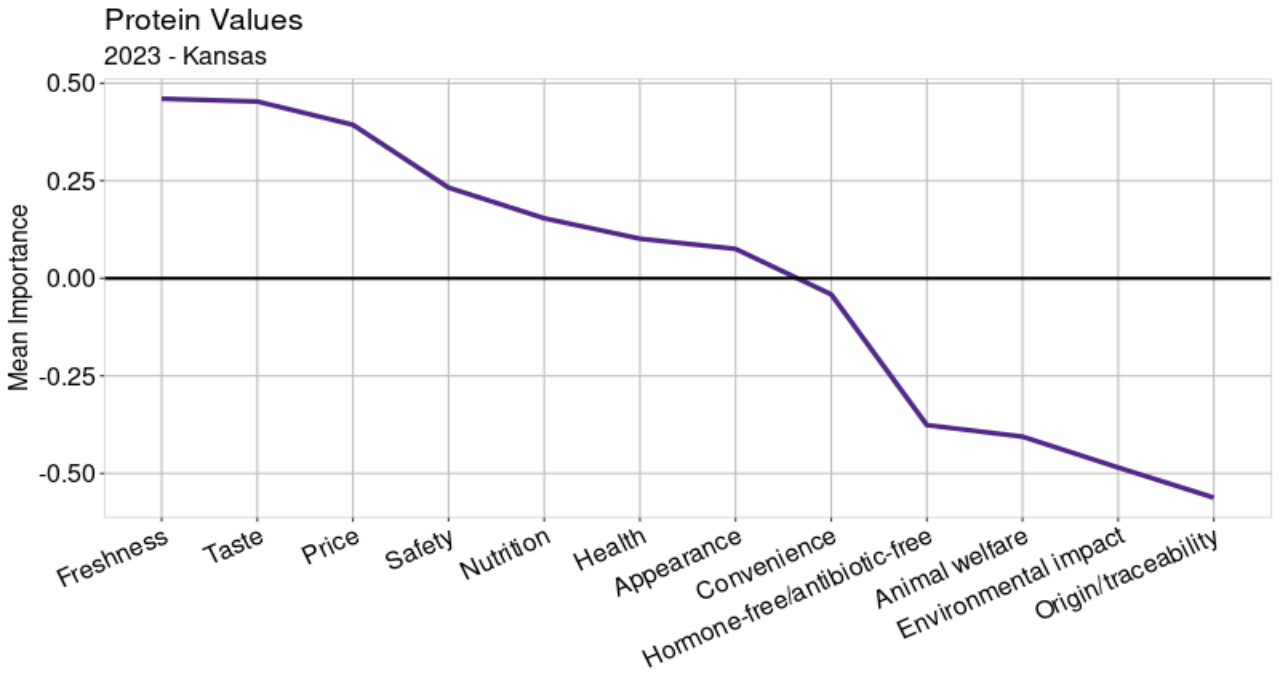


State-Level Dashboard (Justin Bina)

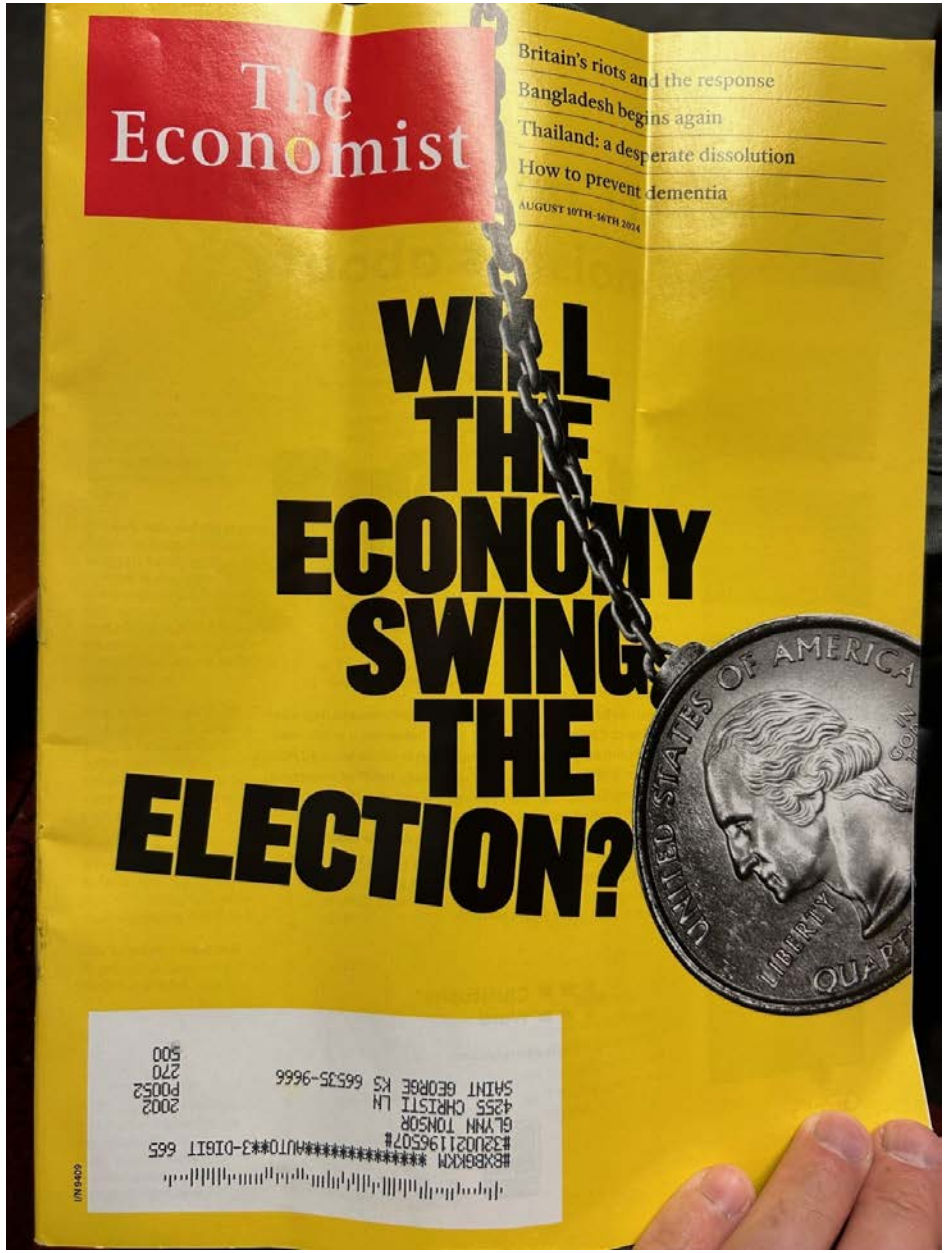
https://ksumeatdemandmonitor.shinyapps.io/MDMapp/

- ✓ **KANSAS (<1% OF U.S. POPULATION)**
  - ✓ 317 respondents in 2023
    - ✓ Mean $63k household income
    - ✓ Mean $105 ($65) at-home (away-from-home) weekly food expenditures
    - ✓ 74% regularly consume meat, 13% flexitarian, 6% veg or veg, 7% other

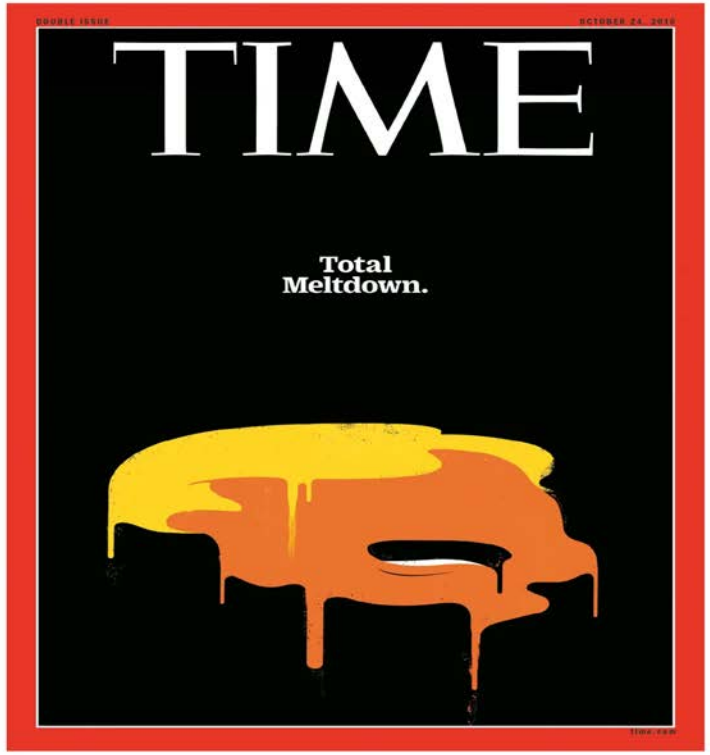




GT's Thought Framing Suggestions for "Contentious Times"


The Economist
Britain's riots and the response
Bangladesh begins again
Thailand: a desperate dissolution
How to prevent dementia
AUGUST 10TH-16TH 2024
WILL THE ECONOMY SWING THE ELECTION?
UNITED STATES OF AMERICA
LIBERTY

TIME
Meltdown.


TIME
Total Meltdown.

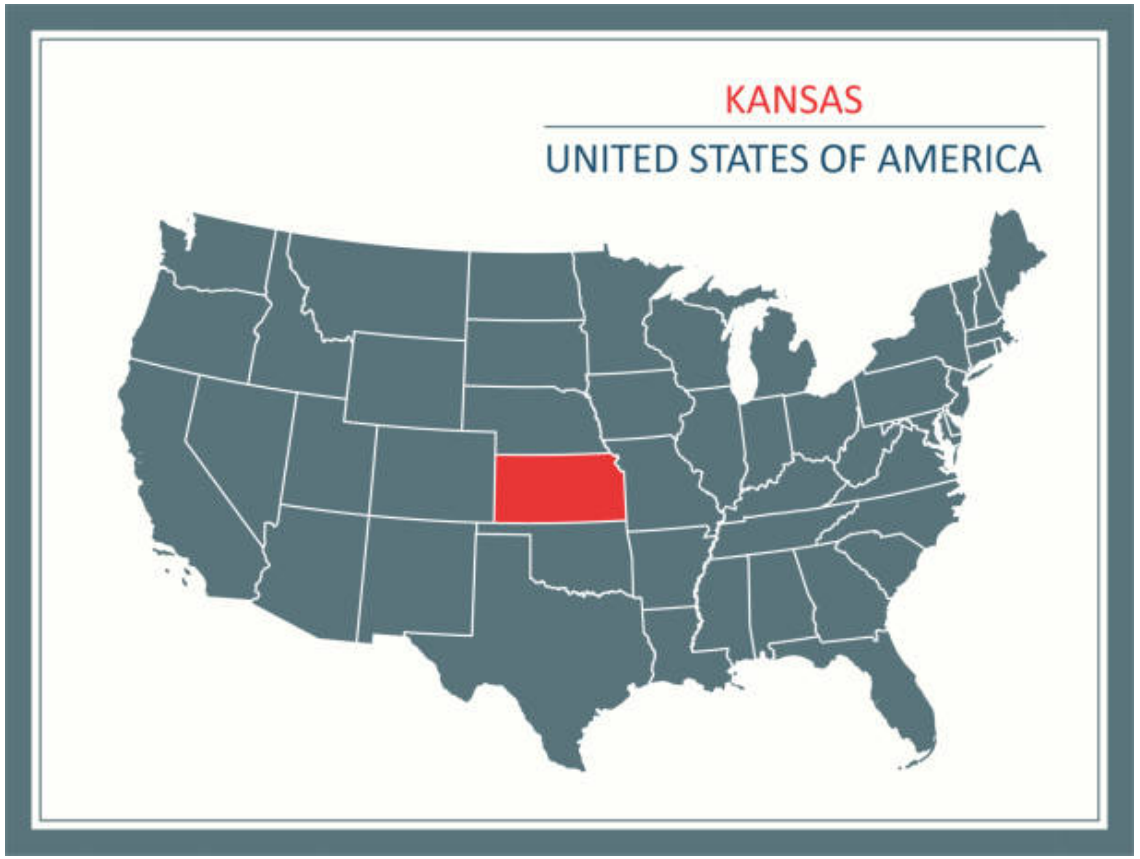
TIME
HER MOMENT
by
CHARLOTTE ALTER

“IT IS TO A MAN’S HONOR TO AVOID STRIFE, BUT EVERY FOOL IS QUICK TO QUARREL”

PROVERBS 20:3

"MY DEAR BROTHERS AND SISTERS, TAKE NOTE OF THIS: EVERYONE SHOULD BE ***QUICK TO LISTEN, SLOW TO SPEAK*** *..."*

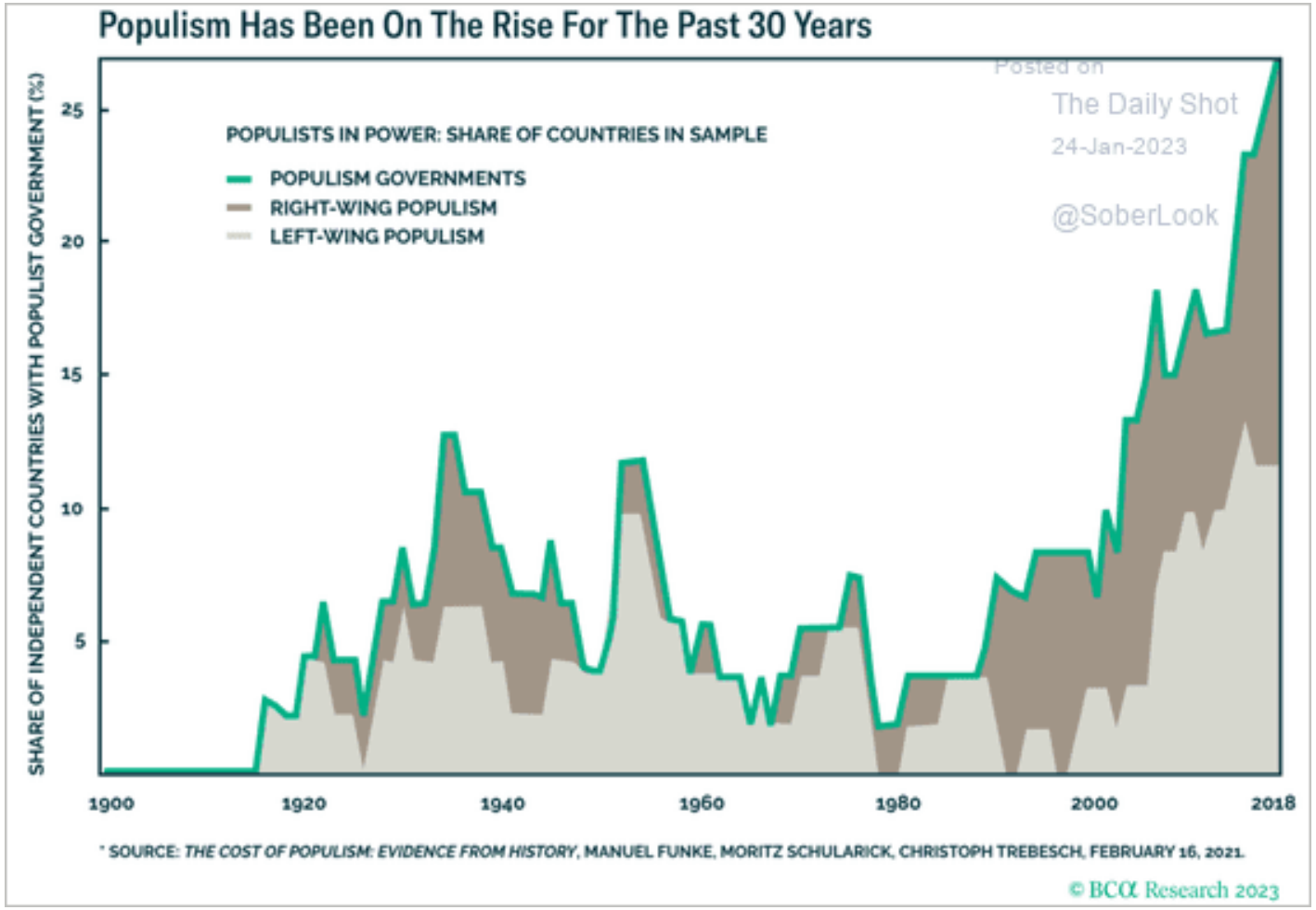
JAMES 1:19



	Population (residents)	Arable Land (hectares)
KS	2.94 million	18.1 million

Jan. 1, 2024 USDA	US (mil hd)	KS (mil hd)	KS % of US
Beef cows	28.223	1.264	4.5%
Steers, 500 lbs & over	15.789	2.04	12.9%
Cattle on Feed	14.4233	2.6	18.0%

	Population (residents)	**Arable Land (hectares)**
World	8.12 billion	1.38 billion
U.S.	345 million	157.7 millon
U.S. % of Globe	4.2%	11.4%
KS	2.94 million	18.1 million
KS% of U.S.	0.85%	11.48%
KS% of Globe	0.04%	1.31%


Populism Has Been On The Rise For The Past 30 Years
Posted on
The Daily Shot
24-Jan-2023
@SoberLook
POPULISTS IN POWER: SHARE OF COUNTRIES IN SAMPLE
POPULISM GOVERNMENTS
RIGHT-WING POPULISM
LEFT-WING POPULISM
SHARE OF INDEPENDENT COUNTRIES WITH POPULIST GOVERNMENT (%)
25
20
15
10
5
1900
1920
1940
1960
1980
2000
2018
* SOURCE: THE COST OF POPULISM: EVIDENCE FROM HISTORY, MANUEL FUNKE, MORITZ SCHULARICK, CHRISTOPH TREBESCH, FEBRUARY 16, 2021.
© BCA Research 2023

The Economist
ZERO-SUM
The destructive logic that threatens globalisation

~15% of
Human Population

~85% of
Human Population

Thank you!

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WATCH FOR: *#MDM*

MDM Project Webpage https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data

RETAIL ADVISORY COMMITTEE (RAC) / PACKER PROCESSOR INDUSTRY COUNCIL (PPIC) FALL MEETING

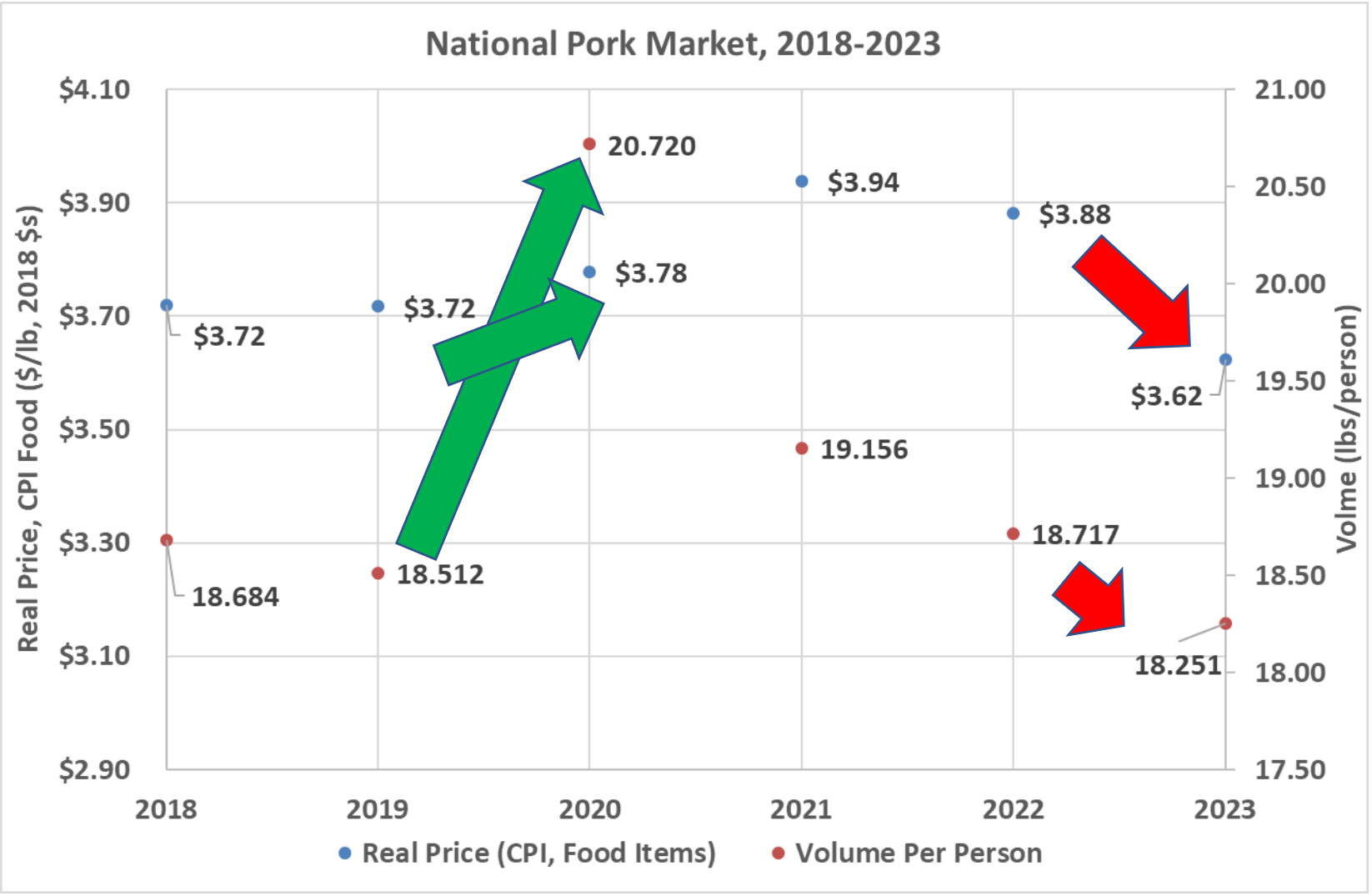
NASHVILLE, TN

Shared Recent Research Findings w/ Dr. Jayson Lusk

- *Consumer Sensitivity to Pork Prices: A 2018-2023 Comparison of 50 U.S. Retail Markets and 6 Pork Products?*
- *Modeling Impacts of Location- and Product-Targeted Demand Enhancement on Pork Producer Profitability*

https://www.agmanager.info/livestock-meat/meat-demand/meat-demand-research-studies

Reconsider national pork market



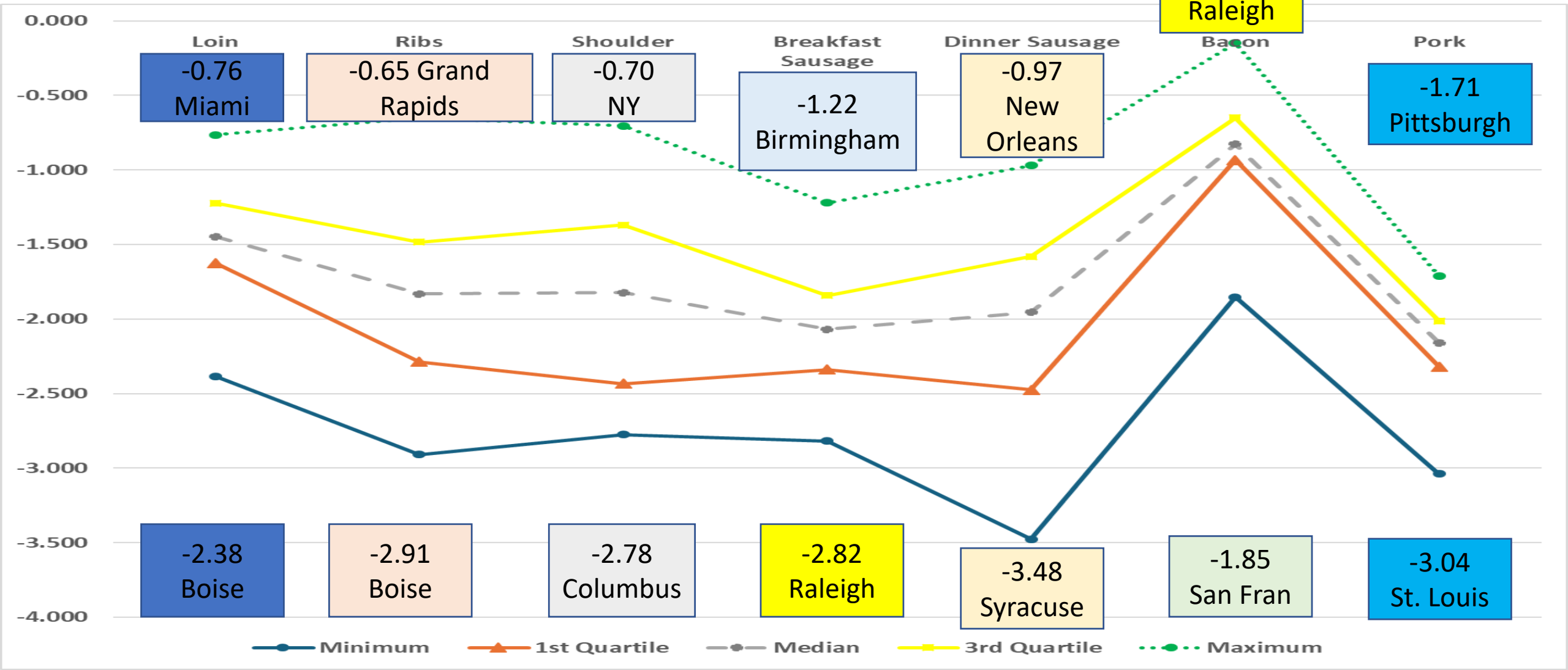
✓ REAL (CPI, Food) $/lb vs Lbs/person

✓ "Clear demand growth" in 2020

✓ "Clear demand decline" in 2022 & 2023

✓ -- note real 2023 price was below 2018

Consumer Sensitivity to Pork Prices: A 2018-2023 Comparison of 50 U.S. Retail Markets and 6 Pork Products? (March 2024)



Final Thoughts – RAC/PPIC Remarks

- We CAN & SHOULD act strategically given latest price-sensitivity and demand pattern insights

  ✓**Targeted promotion, periodic evaluation & ongoing re-assessment have increasing merit**