



PORK'S SITUATION: ERODING CONSUMER SENTIMENT & MIXED SIGNALS

RETAIL ADVISORY COMMITTEE
(RAC) /

PACKER PROCESSOR INDUSTRY
COUNCIL (PPIC) SPRING MEETING

DR. GLYNN T. TONSOR
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NAPA, CA
APRIL 23, 2025



Roadmap of Today's Discussion

1. Wholesale Pork Price Reporting – USDA AMS Review with Joe Parcell
2. Status & Implications of Eroding Consumer Sentiment
3. Mixed Signals & Unfunded Mandates: Positive Developments & Reasons for Optimism

<https://www.agmanager.info/livestock-meat/meat-demand>



<https://www.ams.usda.gov/rules-regulations/mmr/lmr>

Livestock Mandatory Price Reporting

HOME › RULES & REGULATIONS › MANDATORY MARKET REPORTING › LIVESTOCK MANDATORY PRICE REPORTING

Livestock Mandatory Reporting was developed to facilitate open, transparent price discovery and provide all market participants, both large and small, with comparable levels of market information for slaughter cattle, swine, sheep, boxed beef, lamb meat, and wholesale pork.



Wholesale Pork Price Reporting Analysis

Commissioned by the
Agricultural Marketing Service, United States Department of Agriculture

November 2009



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https://www.ageconomics.k-state.edu/directory/faculty_directory/index.html

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"Mama always said life was like a
box of chocolates. You never know
what you're gonna get."

~Forrest Gump



QuoteDiaries.com



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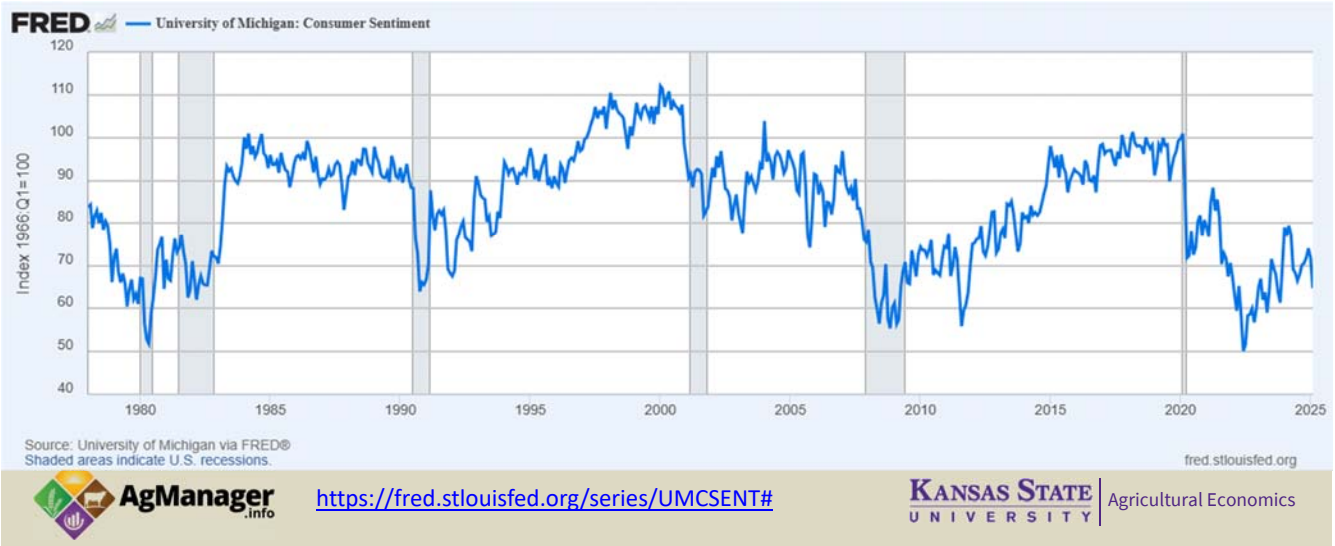
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Consumer Sentiment

April 25' mid-month #s

50.8 (-11% from March)

Now down >30% since Dec. 2024



Consumer Sentiment

April 25' mid-month #s

- Year-Ahead Inflation Expectations: 6.7% (vs 5.0% in March)
 - Highest reading since 1981
- Share expecting unemployment is double Nov. 2024 level & highest since 2009
- Director Hsu: “*decline was, like the last month’s, pervasive and unanimous across age, income, education, geographic region, and political affiliation. Sentiment has now lost more than 30% since December 2024 amid growing worries about trade war developments that have oscillated over the course of the year.*”

Hard & Soft, Data & Science

- ❑ Soft Data: Univ. of MI Consumer Sentiment, NFIB Small Business Optimism Index, etc.
 - ❑ Often ex-ante or pre-event data
 - ❑ Hard Data: Circana reported retail pork prices & volumes, actual business earnings, etc.
 - ❑ Often ex-post or realized data
 - ❑ Hard Science: engineering, physics, math, parts of economics
 - ❑ Soft Science: sociology, philosophy, psychology, marketing, parts of economics
- **GT: Soft Data & Science + Hard Data & Science = Improved Understanding**



<https://finance.yahoo.com/news/why-economists-talking-soft-hard-195724740.html>

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Consumer Sentiment

-- univ of MI chart and key points

see FRED sntimet, inflation, real wages, etc charts // is soft data ~4 month leading indicator of decline in hard data????

-- MDM points

Q1 special report & March base report Ad Hoc

-- past NPB work on inflation impacts and price sensitivity (circana data based)

- See Lusk report / share slide from past RAC // more needed here as 2025 evolves



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

Justin D. Bina, Glynn T. Tonsor¹

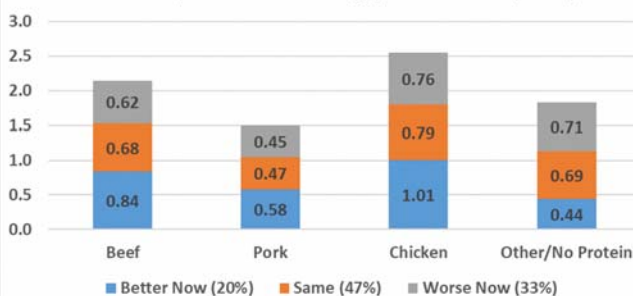
Kansas State University, Department of Agricultural Economics – April 2025

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



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Prior Day Meal, Protein Inclusion Rate by Financial Sentiment (Now vs One Year Ago) for Mar. 2025 (MDM)



Implied Weekly (@21 total meals):

20%: 4.06 meals w/ pork

47%: 3.29 meals w/ pork (-19%)

33%: 3.15 meals w/ pork (-4%)

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Agricultural Economics
Vol. 6, Issue 3 • Mar. 2025

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.

Average Weekly Food Expenses, by Financial Sentiment (Now vs One Year Ago) for Mar. 2025 (MDM)



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

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THE IMPACT OF INFLATION ON THE PORK CATEGORY

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

OCTOBER 6, 2022

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Recent Research Findings w/ Dr. Jayson Lusk

- How Has Economy-Wide Inflation Impacted Consumer Sensitivity to Pork Prices (Sept. 2022)

<https://www.agmanager.info/livestock-meat/meat-demand>



How is Elevated Inflation Impacting Pork Price Sensitivity?

First Consider Econometric Evidence from IRI Data

- Jan 2017 – Aug 2022, 51 U.S. Retail Pork Markets (n=14,208)

Table 1. Own-Price Elasticity Estimates, Across CPI-Delineated Regimes (Mixed Model Approach)

CPI Regime	Loin	Ribs	Shoulder	Breakfast Sausage	Dinner Sausage	Bacon	Pork (Aggregate)
CPI Regime 1 (Under 2.5%)	-0.488	-1.286	-1.746	-3.972	-1.122	-1.773	-0.676
CPI Regime 2 (2.5%-3.0%)	-0.547	-1.399	-1.680	-4.141	-1.218	-1.798	-0.830
CPI Regime 3 (3.0%-4.0%)	-0.466	-1.596	-1.646	-4.068	-1.256	-1.783	-0.677
CPI Regime 4 (Over 4.0%)	-1.003	-1.467	-1.961	-4.299	-1.088	-1.789	-1.246



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<https://www.agmanager.info/livestock-meat/meat-demand/meat-demand-research-studies/how-has-economy-wide-inflation-impacted>

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How is Elevated Inflation Impacting Pork Price Sensitivity?

Trends in Meat Demand Monitor (MDM)

- Q2.2021 to Q2. 2022
 - Reported household income: up 0.3%
 - Spending on food for at-home consumption: up 6.4%
 - Spending on food for away-from-home consumption: up 1.4%
- Protein Values & Relative Role of Price
 - Q2.2021 46.3% indicated Price was a top 4 consideration
 - Q2.2022 48.2% indicated Price was a top 4 consideration



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Mixed Signals of Customers, Consumers, & Voters

- Inconsistent signals lead to adverse economic outcomes
- Misalignment of incentives leads to aggregate, social economic welfare loss

I Will Give You My Vote but Not My Money: Preferences for Public versus Private Action in Addressing Social Issues

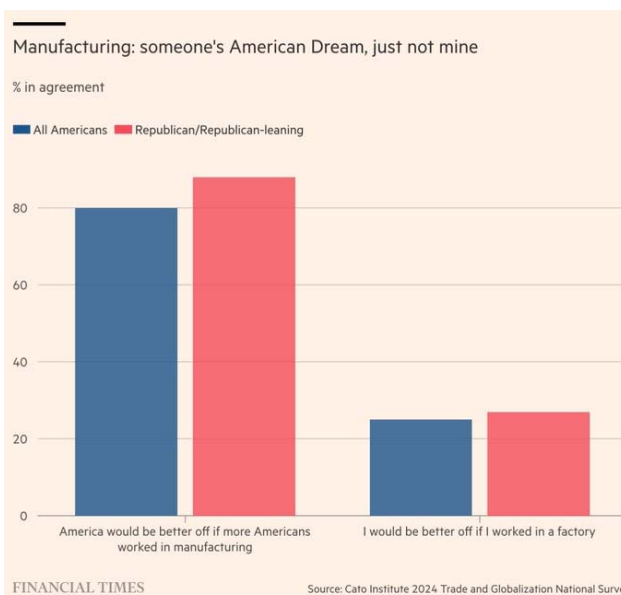
Franklin Bailey Norwood ✉ Glynn Tonsor, Jayson L Lusk

First published: 12 March 2018

<https://doi.org/10.1093/aepp/ppy002>



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“America would be better off if more people worked in manufacturing.”

☐ 80% of Americans agree

☐ 20% disagree

“I would be better off if I worked in a factory.”

☐ 25% of Americans agree

☐ 73% disagree

☐ 2% currently work in a factory



https://www.cato.org/sites/cato.org/files/2024-08/Globalization%20Survey_2024.pdf

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Do you have a favorable or unfavorable opinion of:

**Globalization, Int'l Trade, Free Trade,
Trade Deals, Tariffs (Aug. 24')**

	Globalization	Int'l Trade	Free Trade	Trade Deals	Tariffs
Favorable	34%	55%	53%	45%	34%
Neither Favorable or Unfavorable	31%	29%	31%	38%	38%
Unfavorable	24%	12%	11%	11%	20%
Never Heard of	10%	4%	5%	6%	9%



https://www.cato.org/sites/cato.org/files/2024-08/Globalization%20Survey_2024.pdf

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Feature Article

Public animal welfare discussions in the United States: perspectives from a Missouri farm boy turned economist

Glynn T. Tonsor

Department of Agricultural Economics, Kansas State University, Manhattan, KS



<https://academic.oup.com/af/article/8/1/4/4967584>

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“Science tells us if we can do something. Society tells us if we should do it.”

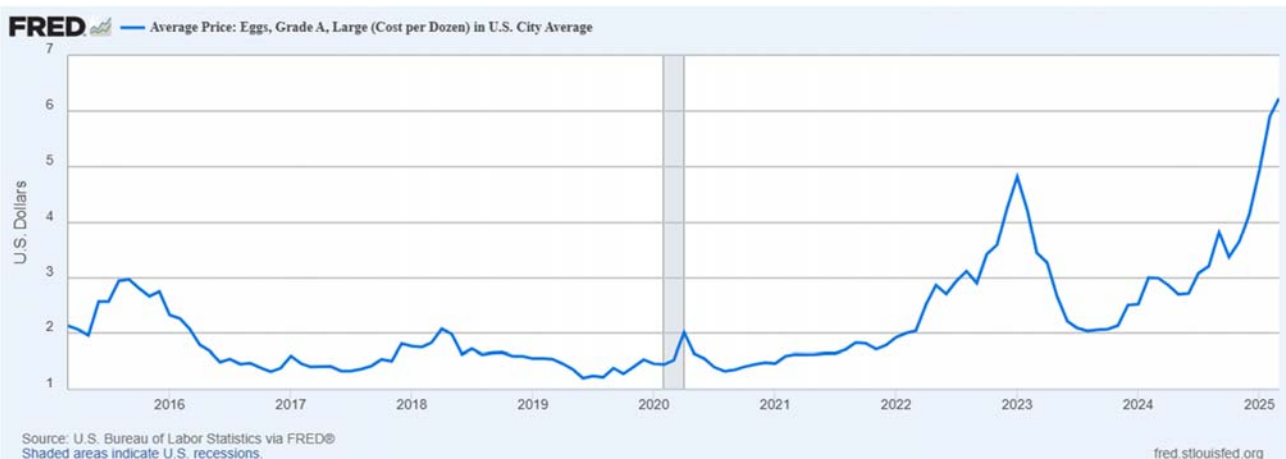
Center for Food Integrity, September 2013

■ GT: Pork illustrative application

- Scientific ability to increase stocking density, reduce disease, etc. exists and is ever-advancing
- Societal signals (customer acceptance/requirements, consumer buying, and resident voting) vary and evolve
- Consider gestation housing, feed additives, antibiotic use, genetic editing

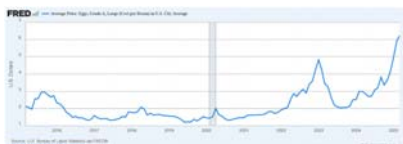


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<https://fred.stlouisfed.org/series/APU0000708111#>

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FMI Foundation

United Egg
Producers
Leadership by Egg Farmers for Egg Farmers

United Egg
Association
Allied Industry Division

THE TRANSITION TO CAGE-FREE EGGS

Authors: Dr. Vincenzina Caputo, Dr. Jayson Lusk, Dr. Glynn Tonsor, and M.S. Aaron Staples

February 2023



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<https://unitedegg.com/wp-content/uploads/2023/02/Full-Report-Caputo-et-al.-2023-February-20.pdf>

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CA-Prop 12: “Domestic Trade & Mixed Signals” Lessons

Bina, Tonsor, & Lusk (working research)

- July 2023 – Sept. 2024 MDM Data
 - N=2,522 CA respondents
- Economic welfare losses vary over time & consumers
- CA annual consumer welfare loss of \$488 million on pork chops & bacon
- Disproportionate loss for lower-income
 - With under 40% the income, losses are 84% those of higher-income households

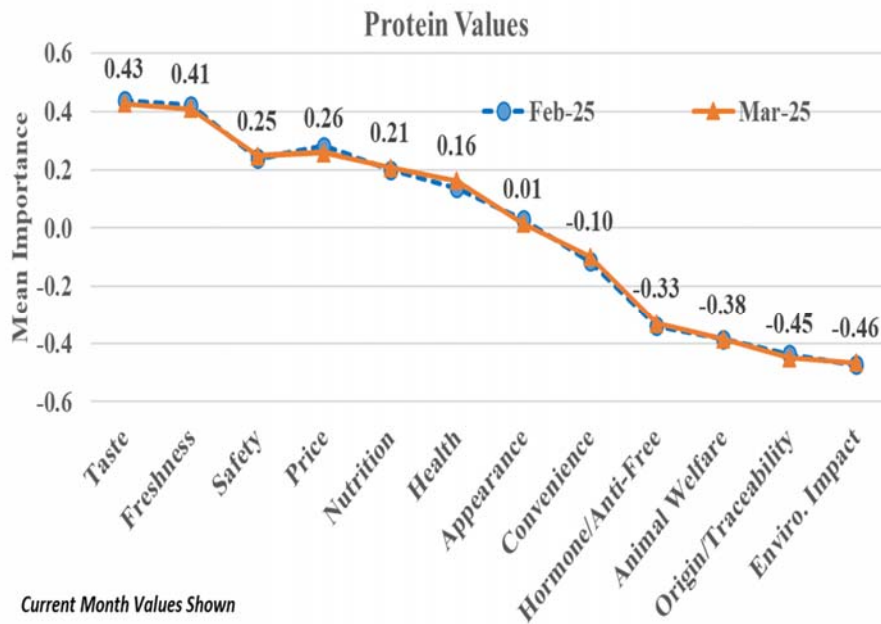


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<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

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Average U.S. Consumer

Animal Welfare is 10th out of 12 when examined in forced-rank format

Taste is 1.65x the importance of Price

Convenience is 4.6x the importance of Env. Impact

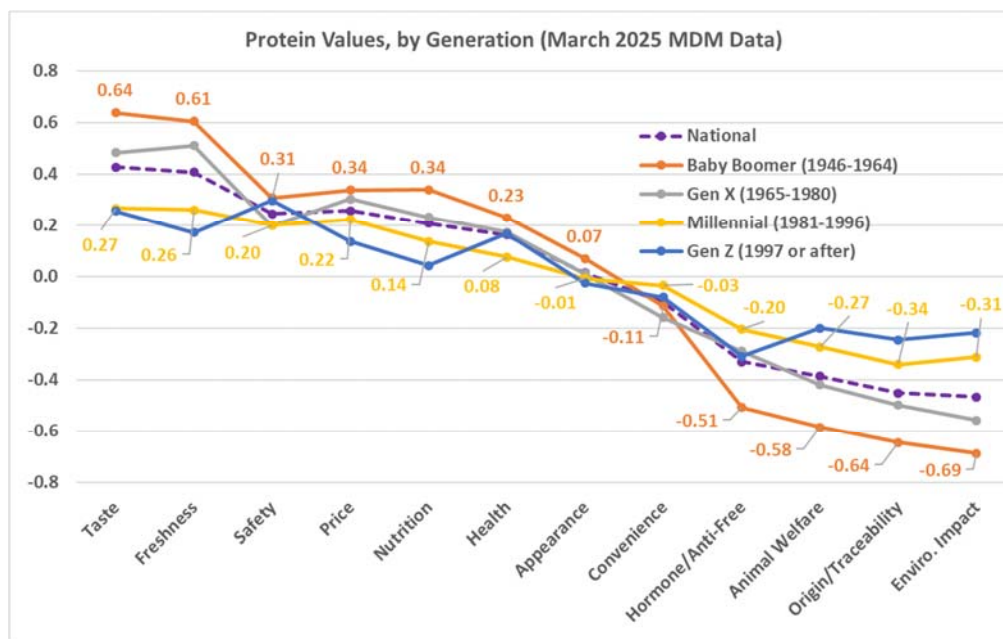


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MDM: Meat Demand Monitor

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.

Measure	National Average	Culinary Adventures	Mindful Choicemakers	Culture Celebrators	Tasty Value Seekers	Confident Meat Eaters	Simple Feeders	Meat Minimizers
Protein Values, Taste	0.436	81	59	92	117	135	122	76
Protein Values, Freshness	0.418	78	91	78	114	131	110	77
Protein Values, Price	0.271	64	-14	94	150	142	152	87
Protein Values, Safety	0.248	93	103	100	108	95	112	95
Protein Values, Nutrition	0.219	89	142	97	124	78	63	109
Protein Values, Health	0.128	95	210	126	135	33	14	113
Protein Values, Appearance	0.023	68	-470	8	181	518	528	-355
Protein Values, Convenience	-0.117	151	251	171	62	50	-33	76
Protein Values, Hormone/Antibiotic-Free	-0.330	65	37	88	133	133	140	88
Protein Values, Animal Welfare	-0.378	85	63	86	131	124	114	74
Protein Values, Origin/Traceability	-0.444	78	79	83	120	120	117	90
Protein Values, Environmental Impact	-0.474	75	68	88	128	126	123	76



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

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Jaime Luke's KSU PhD Dissertation: *"Enteric methane emissions mitigation in U.S. beef production: Industry adoption, public perception, and potential market impacts"*

- U.S. beef cattle industry receiving pressure to reduce greenhouse gas emissions
- Not yet approved for U.S. beef production, feed additive 3-NOP is worth assessment
- Subsidies or market premiums required for feedlot producer adoption (if approved)
- No statistical evidence of consumer WTP for ground beef or ribeye carrying climate claim
- Resident voting preference for feeding seaweed (not viable today) to reduce emissions
 - **GT: So unfunded request (not mandate) accurately describes situation**

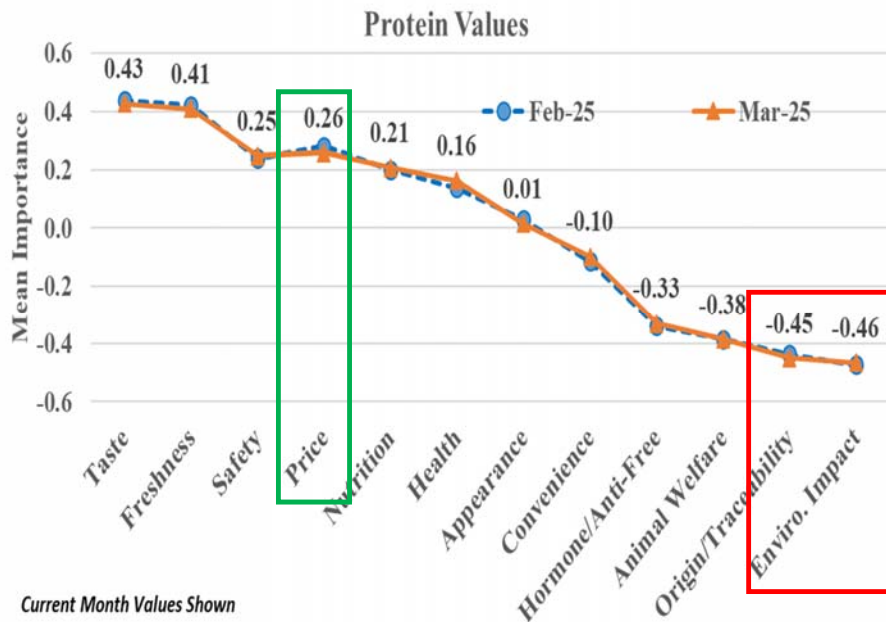


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<https://krex.k-state.edu/server/api/core/bitstreams/8afb746f-2788-4c99-b0a6-b4ca93e01466/content>

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**Pessimists see the
glass half empty**

**Optimists are
already opening
another bottle**



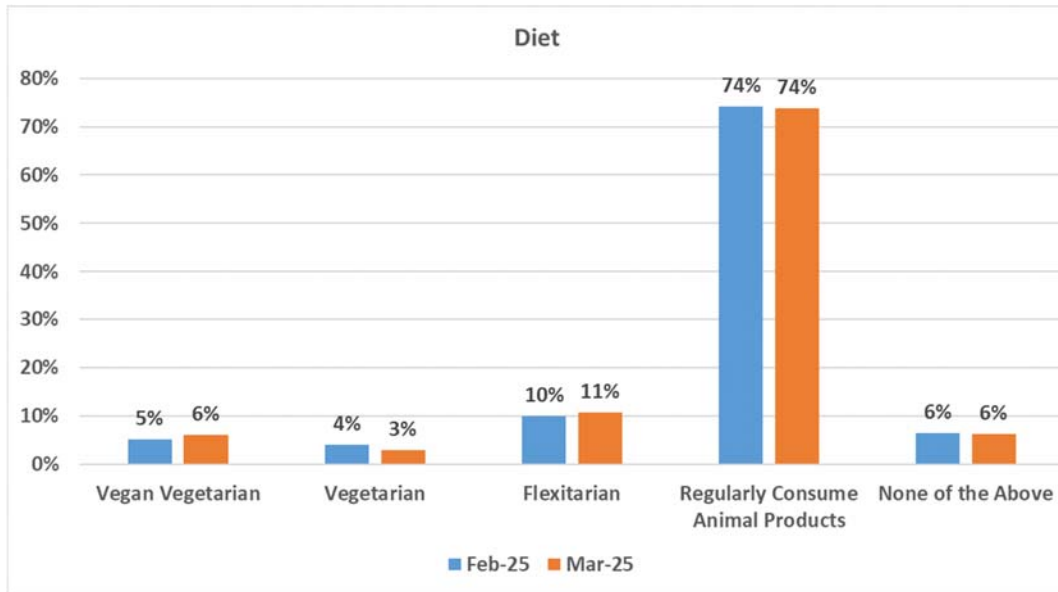
glass half full!



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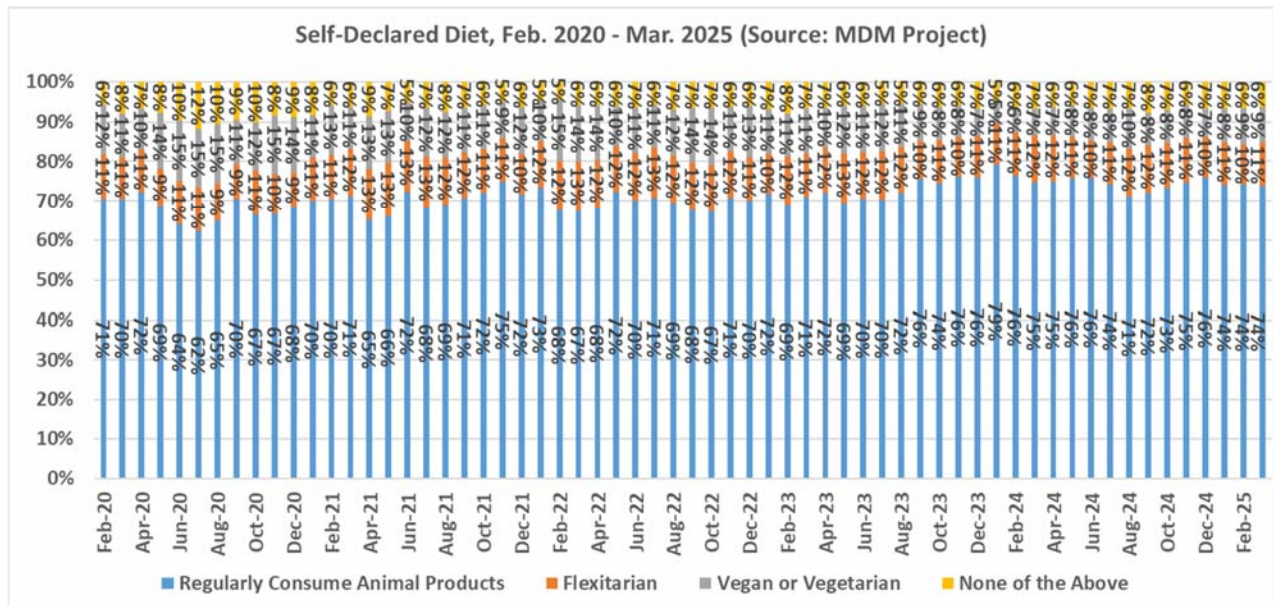


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USDA & MDM Info: *Meat Demand Outdoes Meat Avoidance*

Meat Science 190 (2022) 108843



Contents lists available at ScienceDirect

Meat Science

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



U.S. perspective: Meat demand outdoes meat avoidance

Glynn T. Tonsor^a, Jayson L. Lusk^{b,*}

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^b Department of Agricultural Economics, Purdue University, United States of America



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

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The Atlantic

Sign In Subscribe

HEALTH

America Is Done Pretending About Meat

Plant-based eating has lost its appeal.

By Yasmin Tayag



Illustration by Paul Spella / The Atlantic. Source: Getty.

Majority of self-declared Vegan & Vegetarian MDM respondents also declared prior day meat consumption...

MARCH 24, 2025

SHARE SAVE



<https://www.theatlantic.com/health/archive/2025/03/meat-boom-trump-rfk-jr/682150/>

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Meat Demand Monitor: Protein in the GLP-1 Era

Justin D. Bina, Glynn T. Tonsor¹

Kansas State University, Department of Agricultural Economics – January 2025

- July-Dec 2024 MDM: 15% currently using a GLP-1
 - More likely male, under 45, high earners, and have larger household sizes
 - Key evolving factor spanning entire food space
 - **Consume pork more frequently (0.68 prior day meals vs 0.47)**
 - Bacon: 0.24 vs 0.15
 - **Pork chop: 0.16 vs 0.06**
 - Pork sausage: 0.25 vs 0.16
 - Report buying larger package sizes (i.e. 1 lb larger bacon package)



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

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Final Thoughts

- Globally public clearly wants meat protein & pork has opportunity
- Macroeconomic challenges are real and associated economic impacts must not be ignored
- Customer-consumer & resident voter-wallet disconnects in food sector may be softening = improved signaling, decision-making, & economic viability



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More information available at:



This presentation will be available in PDF format at:

<http://www.agmanager.info/about/contributors/individual/tonsor.asp>

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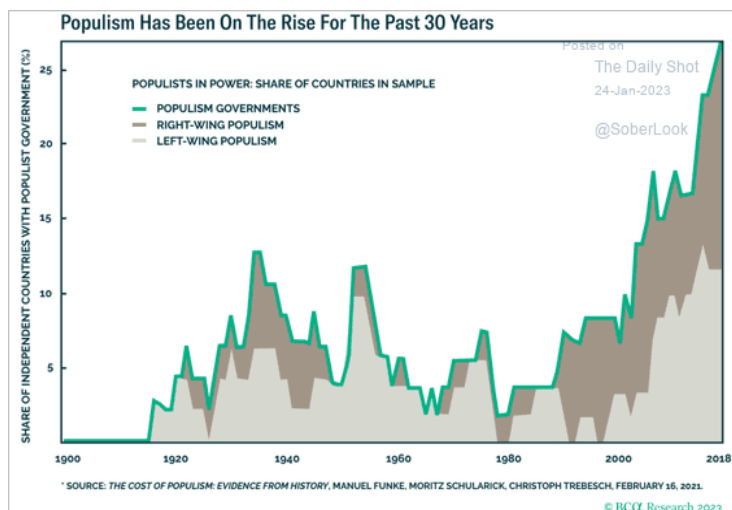


~15% of
Human Population

~85% of
Human Population

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[Zero-sum | Jan 14th 2023 | The Economist](#)

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<http://library.meetingplace.com/publication/frame.php?i=727245&p=72&pn=&ver=html5>

“Any good business plan or policy needs a clearly stated goal...”

- Think global
- Manage local & focus on things you can influence



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