

Beef Demand Determinants: Research Summary & Implications



Glynn Tonsor, Ph.D.

Dept. of Ag. Economics, Kansas State Univ.

Email: gtonsor@ksu.edu Twitter: [@TonsorGlynn](https://twitter.com/TonsorGlynn)

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Demand is **NOT** Per Capita Consumption

*2013 Beef
Demand
Determinants
Study*



[http://www.beefboard.org/evaluation/
130612demanddeterminantstudy.asp](http://www.beefboard.org/evaluation/130612demanddeterminantstudy.asp)



MARKETING > OUTLOOK

What's The Similarity Between Blue Jeans and Beef Demand?

Beef consumption and beef demand isn't the same thing. Here's an explanation.

Burt Rutherford | Sep 19, 2013

Assessing Beef Demand Determinants

Glynn T. Tonsor, Jayson L. Lusk, and Ted C. Schroeder

Joint Evaluation Advisory Committee Meeting

January 31, 2018

[https://www.beefboard.org/news/files/FY2018/
Assessing%20Beef%20Demand%20Determinants_FullReport.pdf](https://www.beefboard.org/news/files/FY2018/Assessing%20Beef%20Demand%20Determinants_FullReport.pdf)

Presentation at 2018 Cattle Industry Convention

Phoenix, AZ

Project Process

Process

- **Conducted 4 separate analyses varying in time periods, levels of product aggregation, and socio-economic factors considered**
- **Summarize findings and provide main recommendations**
- **Widely disseminate results and implications**

1. Aggregate Demand Elasticities Update

Key Findings:

Insights across time periods: “Beef demand is _____”

- ❑ ... becoming less sensitive to own-price changes,
- ❑ ... becoming more sensitive to consumer expenditures,
- ❑ ... comparatively insensitive to competing protein prices

2. Media and Medical Information Effects

Key Findings: 2008-2017 Period

Demand **Catalysts**: 1% Increase in Coverage:

- Atkins = +0.014% in beef demand
- Cancer = +0.197% in beef demand
- Fat = +0.031% in beef demand
- Sustain = +0.058% in beef demand
- Taste, Tender, Flavor = +0.479% in beef demand
- Welfare = +0.098% in beef demand

Demand **Detriments**: 1% Increase in Coverage:

- Climate = -0.209% in beef demand
- Convenience = -0.054% in beef demand
- Safety = -0.072% in beef demand
- Vegan = -0.240% in beef demand
- Zinc, Iron, Protein = -0.198% in beef demand

2. Media and Medical Information Effects

Differences from 1990-2007:

- Atkins positive effect reduced
- Fat effect was negative, now positive
- 6 “new topics” now significant
- Seasonality effects reduced

3. Food Demand Survey (FoodS) Insights

- ❖ June 2013 – May 2017, 48,358 individual survey responses
- ❖ Each survey involved 9 choices with varying prices:

Which of the following would you purchase?

	Hamburger \$2.00/lb	Beef Steak \$6.50/lb	Pork Chop \$3.75/lb	Deli Ham \$2.65/lb	Chicken Breast \$3.25/lb	Chicken Wing \$1.75/lb	Beans and Rice \$0.50/lb	Tomato-Pasta \$2.50/lb	If these were the only options, I would buy something else.
I would choose...	 <input type="radio"/>	 <input type="radio"/>	 <input type="radio"/>	 <input type="radio"/>	 <input type="radio"/>	 <input type="radio"/>	 <input type="radio"/>	 <input type="radio"/>	<input type="radio"/>

- ❖ We identify number of ground beef & beef steak choices
- ❖ Examine impact of Food Values and Socio-Economic traits

3. Food Demand Survey (FoodS) Insights

Key Findings: Steak Demand

- ❖ Higher (+)

- ❖ Observables

- ❖ Higher Incomes, Older Respondent, Larger Households, College, Hispanic, Midwest, Politically Conservative,

- ❖ Food Values

- ❖ Taste, Convenience, Novelty, Origin, Appearance

- ❖ Lower (-)

- ❖ Observables

- ❖ White, Females

- ❖ Food Values

- ❖ Naturalness, Price, Nutrition, Environment, Animal Welfare

3. Food Demand Survey (FoodDS) Insights

Key Findings: Ground Demand (*denotes change from Steak Demand*)

- ❖ Higher (+)

- ❖ Observables

- ❖ **Lower Incomes**, Older Respondent, Larger Households, College, **White**, Black, Midwest, Politically Conservative,

- ❖ Food Values

- ❖ **Price**, Taste, Safety, Convenience, Novelty, Appearance

- ❖ Lower (-)

- ❖ Observables

- ❖ **Hispanic**, Females

- ❖ Food Values

- ❖ Naturalness, Nutrition, Environment, Animal Welfare

Implications for Meat Science

1. Ongoing Demand vs. Consumption Confusion

- Economic education (& periodic reminders) critical
 - Maximum yield is NOT always optimal

Implications for Meat Science

2. “Beef Quality” Importance Persist

- R&D critical 2 retain taste differential
 - Within domestic traditional meat, global meat, AND broader protein space



Implications for Meat Science

3. Income Effect Growing

- Opportunity for new, more expensive products if target marketed

AND

- Need to monitor recessionary impacts

Implications for Meat Science

4. “Hot Topics” are Dynamic

- Monitor, but don't over-react
 - Fat is now “in”
 - Sustainability & Environment/Climate often discussed

Implications for Meat Science

5. Cross-price effects are declining
 - Pivot mind-set from “competing meats” to “meeting broader protein demand”



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Meat Demand

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Meat Demand

Title	Author	Date	Downloads
Monthly U.S. Pork Export Demand Index (2010-present) (/livestock-meat/meat-demand/monthly-us-pork-export-demand-index-2010-present)	Tonsor (/contributors/tensor)	May 30, 2019	
Monthly U.S. Chicken Export Demand Index (2010-present) (/livestock-meat/meat-demand/monthly-us-chicken-export-demand-index-2010-present)	Tonsor (/contributors/tensor)	May 30, 2019	
Monthly U.S. Beef Export Demand Index (2010-present) (/livestock-meat/meat-demand/monthly-us-beef-export-demand-index-2010-present)	Tonsor (/contributors/tensor)	May 30, 2019	
Historical Export Demand Indices (/livestock-meat/meat-demand/historical-export-demand-indices)	Tonsor (/contributors/tensor)	May 30, 2019	
Recent Export Demand Indices (/livestock-meat/meat-demand/recent-export-demand-indices)	Tonsor (/contributors/tensor)	May 30, 2019	
Overview of KSU Export Meat Demand Indices (/livestock-meat/meat-demand/overview-ksu-export-meat-demand-indices)	Tonsor (/contributors/tensor)	May 30, 2019	Downloads
Recent Domestic Demand Indices (/livestock-meat/meat-demand/recent-domestic-demand-indices)	Tonsor (/contributors/tensor)	May 28, 2019	
Monthly Domestic, Retail Chicken Demand Index, 1988-present (/livestock-meat/meat-demand/monthly-domestic-retail-chicken-demand-index-1988-present)	Tonsor (/contributors/tensor)	May 28, 2019	
Monthly Domestic, Retail Pork Demand Index, 1988-present (/livestock-meat/meat-demand/monthly-domestic-retail-pork-demand-index-1988-present)	Tonsor (/contributors/tensor)	May 28, 2019	
Monthly Domestic, Retail Choice Beef Demand Index, 1988-present (/livestock-meat/meat-demand/monthly-domestic-retail-choice-beef-demand-index-1988-present)	Tonsor (/contributors/tensor)	May 28, 2019	
Monthly Domestic, Retail All-Fresh Beef Demand Index, 1988-present (/livestock-meat/meat-demand/monthly-domestic-retail-all-fresh-beef-demand-index-1988-present)	Tonsor (/contributors/tensor)	May 28, 2019	
Historical Domestic Demand Indices (/livestock-meat/meat-demand/historical-domestic-demand-indices)	Tonsor (/contributors/tensor)	May 28, 2019	
Updated Overview of KSU Domestic Meat Demand Indices (/livestock-meat/meat-demand/updated-overview-ksu-domestic-meat-demand-indices)	Tonsor (/contributors/tensor)	May 28, 2019	Downloads

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

Beef Demand Overview

Glynn T. Tonsor

Dept. of Ag. Economics

Kansas State Univ.

gtonsor@ksu.edu @TonsorGlynn

Committee Leadership Summit

Denver, CO

December 11, 2018

<https://www.agmanager.info/beef-demand-overview>

More information available at:



This presentation will be available in PDF format at:

<http://www.agmanager.info/contributors/tonson>

Glynn T. Tonsor, Professor

Dept. of Agricultural Economics, Kansas State University

Email: gtonson@ksu.edu Twitter: @TonsorGlynn

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