

Assessing Beef Demand Determinants

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Checkoff Program Update

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Funded by the Beef Checkoff.

Presentation at 2018 Cattle Industry Convention

Phoenix, AZ

Project Purpose

Main Goal

Provide a multi-faceted assessment of current factors impacting domestic beef demand.

Project Process

Process

- Conducted 4 separate analyses varying in time periods, levels of product aggregation, and socio-economic factors considered:
 1. Aggregate Demand Elasticities Update
 2. Media and Medical Journal Information Effects
 3. Food Demand Survey Insights
 4. Consumer Beef Index Insights

- Summarize findings and provide main recommendations

- Widely disseminate results and implications

Key Determinants “Short List”

- ❑ **Ranked list ill-advised given multiple methods and data/information involved**

- ❑ **Short-list (unranked) of key determinants includes:**
 - ✓ **Beef Quality (taste, appearance, convenience, freshness)**
 - ✓ **Consumer Incomes**
 - ✓ **Coverage of Safety, Animal Welfare, Sustainability, Cancer, and Nutrition topics**
 - ✓ **Shifts in Race composition in U.S. population**

Main Unifying Themes / Recommendations

- ❑ **Meat prices have become less important while consumer income has become more important**
 - **Elevates importance of beef quality focus**

Main Unifying Themes / Recommendations

- ❑ Beef demand has increased or been stable over the past 5 years depending on measurement approach
 - Good news given volume of “negative media”

Main Unifying Themes / Recommendations

- Different methods offer unique insights into beef demand consistent with realities of available data**
 - Encourage use of multiple information sources**

Main Unifying Themes / Recommendations

- ❑ **“Hot topics” change notably over time**
 - **Impact on beef demand can substantially change**
 - **Don't over-react at expense of loyal beef customers**

Main Unifying Themes / Recommendations

- ❑ **Several drivers of steak and ground beef demand differ**
 - **Target marketing by beef product type and household type is encouraged**

Main Unifying Themes / Recommendations

- ❑ Examples of demand concepts being confused continue to exist**
 - Ongoing support of education on demand concepts and economic value to producers is encouraged**

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