Beef Demand: Recent Determinants and Future Drivers

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Research Project completed for the Cattlemen’s Beef Board
Purpose

Our Goal
Identify drivers shaping future domestic beef demand emphasizing factors industry can use to prioritize strategies

Objectives
1. Determine:
   - beef demand drivers
   - ability of industry to influence drivers

2. Provide recommendations for demand enhancement
Procedure

Importance & Feasibility to Influence Future Beef Demand 10 Years Forward

Published work
- 15 attribute rank
- 22 willing to pay
~25,000 respondents

Demand Expert Survey
- 159 experts
Steak & Ground Beef

Consumer Survey
- 975 respondents
Steak & Ground Beef
Expert Survey

Determine collective expert opinions on:

- Ranking beef demand drivers
- Ranking feasibility of industry to influence drivers

Who were they?

Last 20 years US published research on:
  “beef demand”; “beef quality”; “beef nutrition”

+ LMIC Technical Advisory Committee

159 beef expert complete respondents
69% economists
11% meat and/or food scientists
11% meat industry executives
  7% animal scientists
2% medical researchers
7 Salient Beef Demand Drivers

1. Food Safety (E. coli, Salmonella, Listeria...)
2. Product Quality (Fresh, Taste, Tender, Convenience ...)
3. Price ($ per pound)
4. Nutrition (Protein, Iron, Zinc...)
5. Health (Fat Amount & Type, Cholesterol, Sodium...)
6. Sustainability (Environment, Labor, Community...)
7. Social Aspects (Welfare, Country of Origin, Natural...)
“...by a wide margin Product Quality and Food Safety are ...the factors the industry can most feasibly improve upon to increase beef demand in the next 10 years”
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### Expert Survey Ranking of Industry Ability to Influence Impact of Broad Factors on Per Capita Beef Consumption

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<th>Ground Beef</th>
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Demand Factors within Impact and Feasibility Space, Beef Steak
(Medians and Quartile Ranges; Impact N=89, Feasibility N=81)
Demand Factors within Impact and Feasibility Space, *Ground Beef* (Medians and Quartile Ranges; Impact N=88, Feasibility N=81)
Ranked Priorities

1. Food Safety
2. Product Quality
3. Price

4. Nutrition
5. Health

6. Social Aspects
7. Sustainability Dimensions
1. Invest in food safety enhancement & reassurance
   - Essential domestically; also critical for exports

2. Emphasize product quality consistency
   - New products have role & certification programs

3. Appreciate beef price and relative price sensitivity
   - Technology adoption critical for price competitiveness
   - Assess food safety and product quality impacts

4. Health and Nutritional aspects warrant attention
   - Younger protein interest (tomorrow’s high earners)

5. Social and Sustainability issues cannot be ignored
   - Communication and consumer education critical but lower demand enhancement payoff relative to other key areas
Important Needs for Future

1. Lever retail scanner data improve demand monitoring
   - Derive alternative demand indices to measure progress
   - Subcategory & regional analysis to better target strategies

2. Need to know more about growing heterogeneity
   - How industry optimizes demand for a more diverse consumer
   - Multiple demand enhancement strategies may make sense

3. Changing information technology effect on demand
   - Most effectively connecting to shoppers
   - Multiple media impacts on beef demand
Important Needs for Future

4. Impacts of generational shifts on demand strategies
   - What does millennial generation (1980-2000 births) demand?
   - Implications of growing Hispanic and Asian origins in US

5. Global beef demand and US strategy
   - Tremendous opportunity for global meat demand growth in next 10 years
   - Where and who will supply it?
   - Is US beef industry well-positioned to capitalize?
2013 Beef Demand Determinant Study

In Fiscal Year 2013, the Beef Checkoff Program commissioned a Beef Demand Determinant Study to identify the beef demand drivers on which the checkoff programs should focus to have the most compelling effects on beef demand moving forward.

Below you will find links to a one-page abstract, a summary report, and the full results of the study, authored by Dr. Ted Schroeder, professor of livestock marketing, and Dr. Glynn Tonsor, associate professor of livestock marketing, both at Kansas State University, in addition to Dr. James Minter, assistant director of Extension for Agriculture and Natural Resources at Purdue University:

- **One-page Summary Abstract: "Beef Demand: Determinants and Future Drivers"**
- **Beef Demand Summary Report 2013**
- **Chapter 2: Previous Research Preference Rankings**