



## What's the North American Beef Market Look Like 20 Years from Now?

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## PROGRAM TEXT

***General Session I: Opportunities for the Beef Value Chain: Can we become more coordinated and more profitable?***

***Moderator: Dave Weaber, VP of EMI Analytics, Beef, Express Markets, Inc.***

8:15 a.m. What's the North American beef market look like 20 years from now, opportunities for domestic and international growth. Dr. Glynn Tonsor/Dr. Ted Schroeder, Kansas State University

8:45 a.m. Beef as a consumer driven food business: Changing perspectives from cattle to food production. Dr. John Stika, Certified Angus Beef

9:15 a.m. Who's our consumer and what do they want 20 years from now? Trends in the protein landscape. Dr. Brad Morgan, Performance Food Group

9:45 a.m. Break

10:15 a.m. Genetics of meat science: what traits can we improve genetically that affect the value/palatability of beef? Dr. Keith Belk, Colorado State University

11 a.m. Panel discussion of General Session I speakers

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# Comparative Advantages

- World trust & places premium on N. American beef



# Comparative Advantages

- World trust & places premium on N. American beef
- Grain-finished production
- Sound & effective infrastructure
  - Feed grain base, processing, safety, transportation
  - Genetics & meat quality expertise
  - Research discovery & outreach education
- Property rights encourage investment



# Comparative **DIS**advantages

- Not lowest \$/lb producer
  - Research funding declining



# Comparative **DIS**advantages

- Not lowest \$/lb producer
  - Research funding declining
- Partially effective communication, coordination, and signaling
- Fragmented support of increased
  - traceability systems
  - focus on current and future beef demand



# Key Opportunities & Challenges

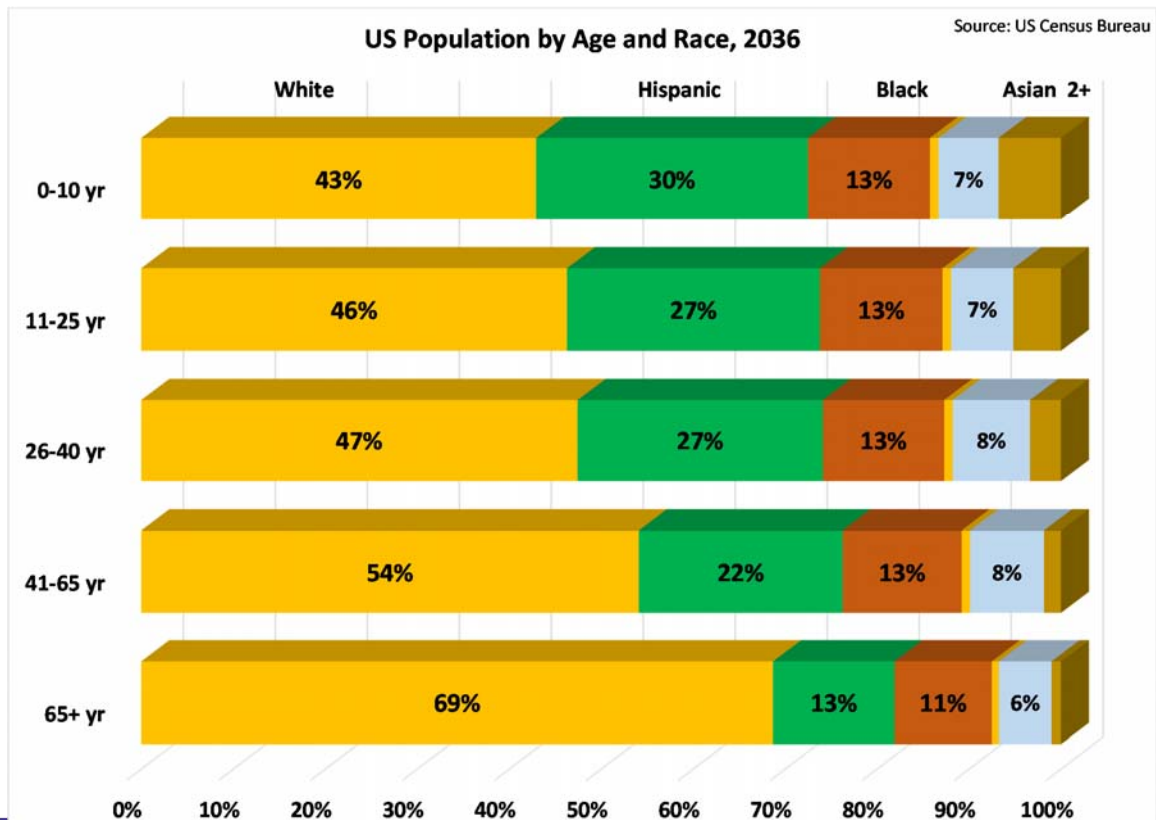
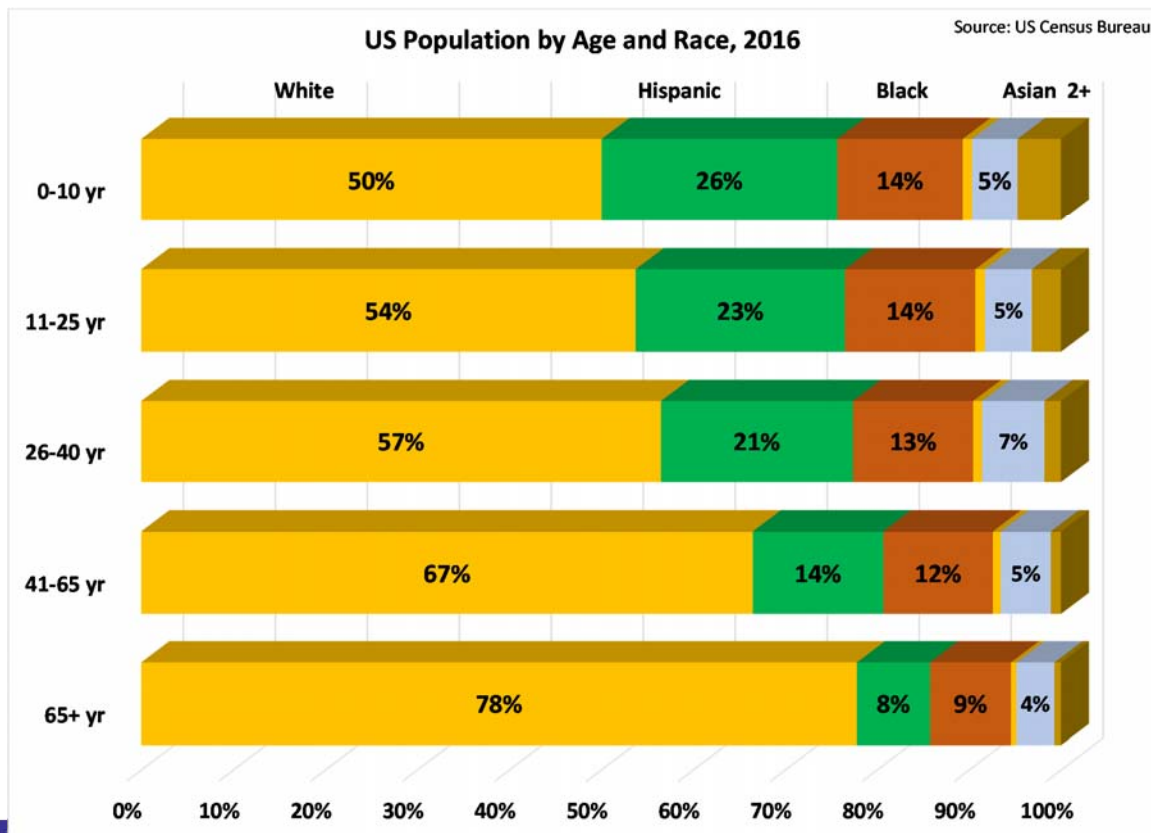
- Refining domestic consumer efforts
- Expanding foreign consumer focus



## Domestic Consumers

- Continue to leverage size, wealth, and historic reliance on domestic consumers
- Key questions
  - Cultural mix and diverse food preferences
  - Ongoing shift from FAH to FAFH
  - Preparation time and cooking knowledge
  - Ground beef's share of total beef volume





# Exports

- Arena of expected population and income growth = meat demand growth
- Key questions/issues
  - Identify “wealthiest top 10%” as target markets
  - TPP & TTIP trade deals
  - Global competitor adjustments
    - Mexico’s expanding infrastructure, Brazil’s move into grain-finishing, Ongoing India (buffalo meat) expansion

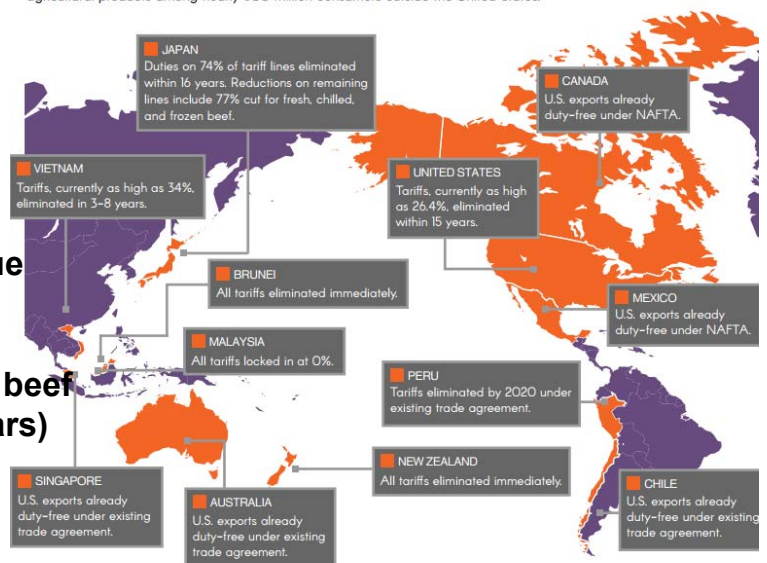


- 12 countries
- 830 million people
- Largest trade agreement
- 7 of 30 richest countries
- 37% World Beef Imports
- 54% US Beef Export value (\$3.4 billion in 2015)
- Reduces Japan tariff US beef (38.5% to 9% over 15 years)

## Trans-Pacific Partnership (TPP) BEEF AND BEEF PRODUCTS

Source: USDA FAS

The Trans-Pacific Partnership (TPP) will provide significant new market opportunities for U.S. exporters, promoting economic growth in 11 countries across the Asia-Pacific region and expanding demand for U.S. food and agricultural products among nearly 500 million consumers outside the United States.





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## Broad Situation Summary

- Immense opportunity exists



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**BUT**

- Internal industry coordination must improve
  - International trade deals
  - National animal ID & traceability
  - Generic advertising
  - MCOOL ...



## Forecast for 2036

- Less animals & operations yet more beef





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- Exports as share of production >11%
- Improved coordination & information flows

# Forecast for 2036

- Meat quality signals will expand & diversify

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- Quality

- Prime, **Choice**, Select, Standard
  - CAB, Dairy, Dark Cutter...

- Yield Grade

- <.1" fat thickness, ..., **<.6" (3 score)**,..., >1.2"

- Weight

- 4-500 lbs, ... , **6-900 lbs**, ... > 1,050 lbs

Current  
Signals

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Current  
Signals

- Future Signals?

- Tenderness, Technology/Production Practice  
Claims, Source Verification...



## Key Question for 2036

**Can specialization  
occur WITHOUT  
industry  
fragmentation?**



More information available at:



This presentation will be available in PDF format at:  
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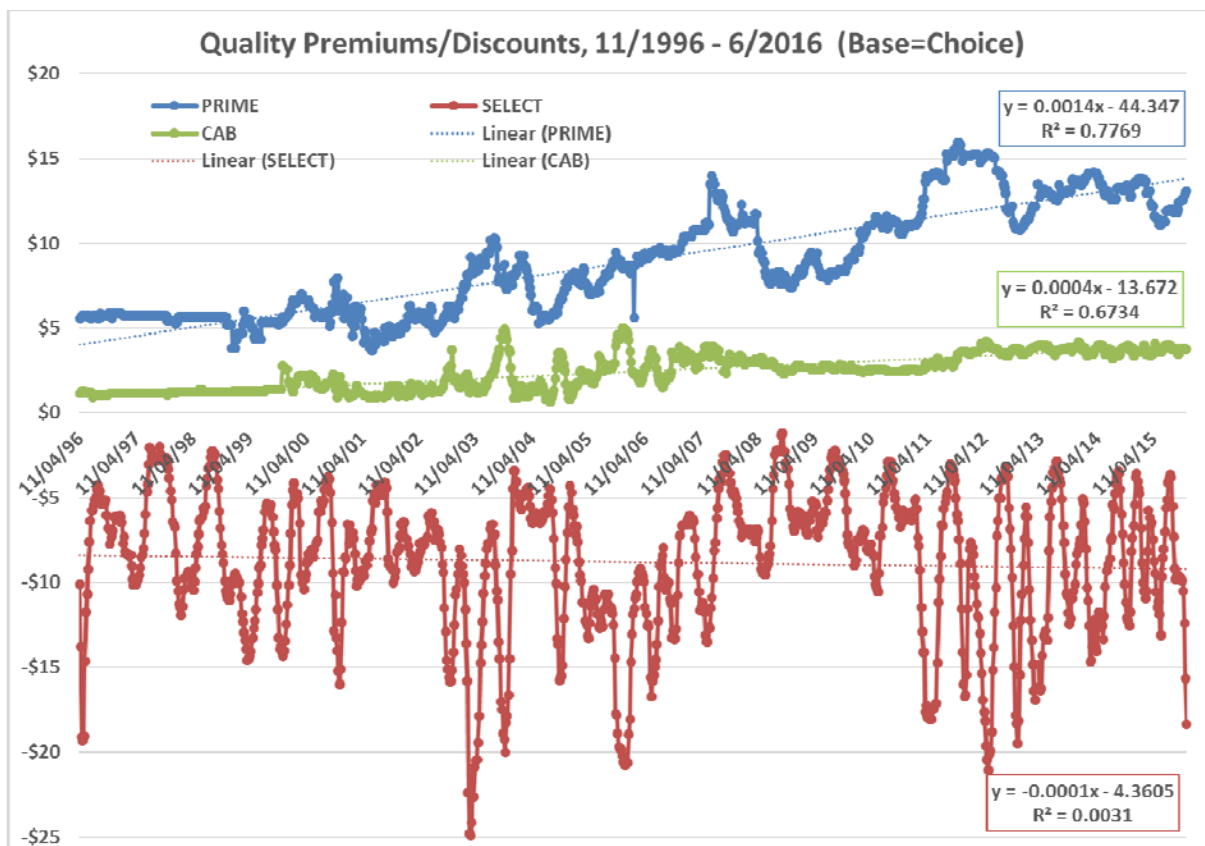
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