Forecast for 2023: What's ahead for pork demand?

FEEDSTUFFS 365
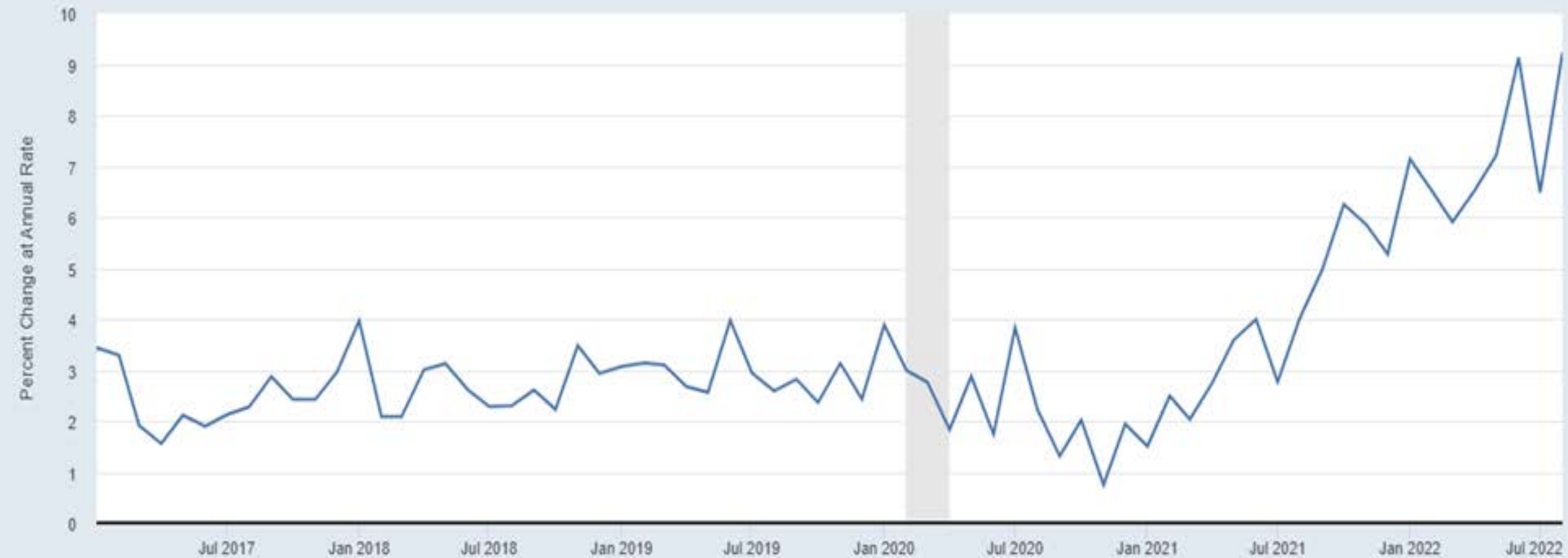
SEPTEMBER 28, 2022 WEBINAR

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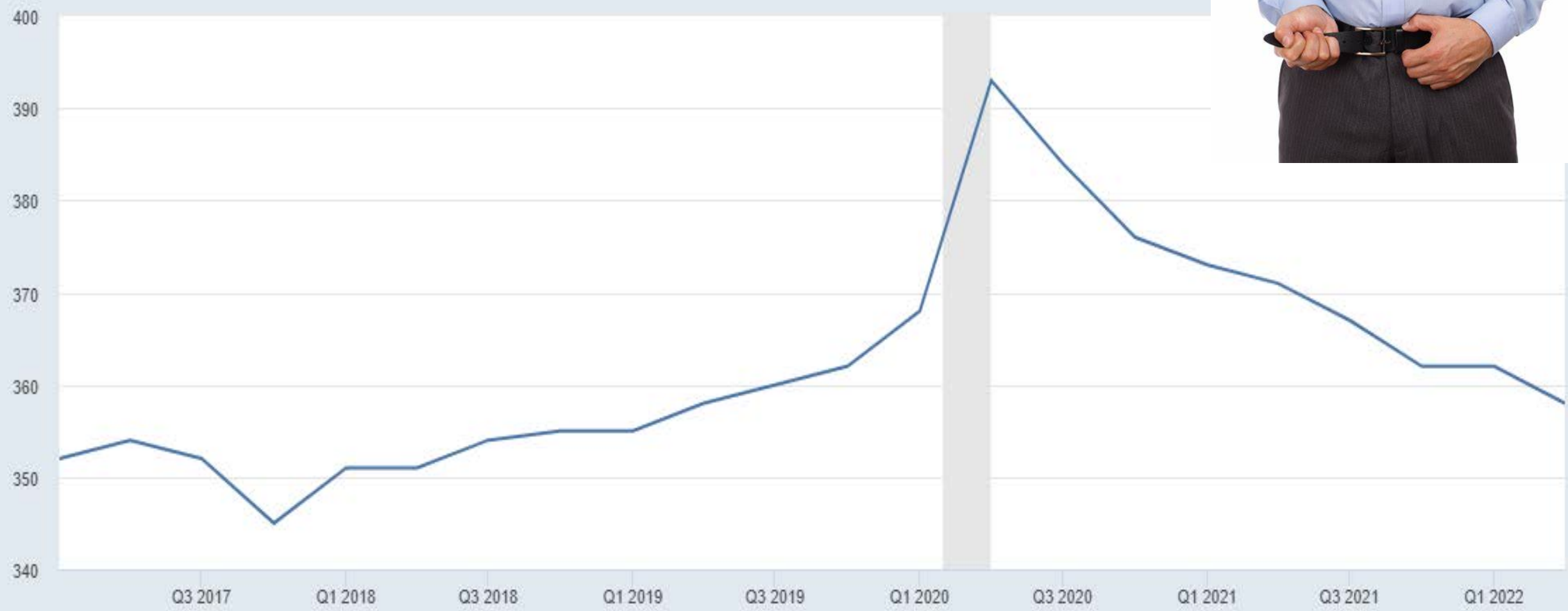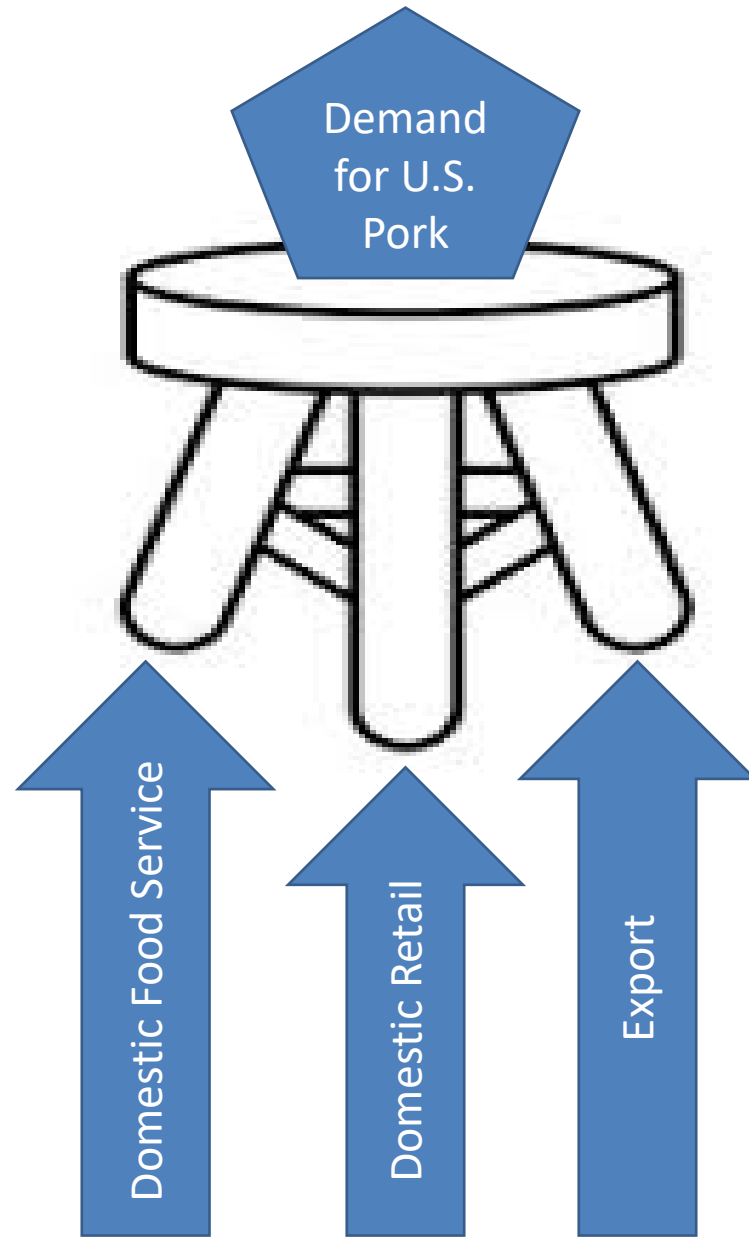
We Live in a Global World!
U.S. Pork Export Demand – Peaked 3/20'

Monthly U.S. Pork, Export Demand Index, Jan. 2010 (base) - present

Jul-2022: 128.01
Jun-2022: 130.53
Jul-2021: 149.78
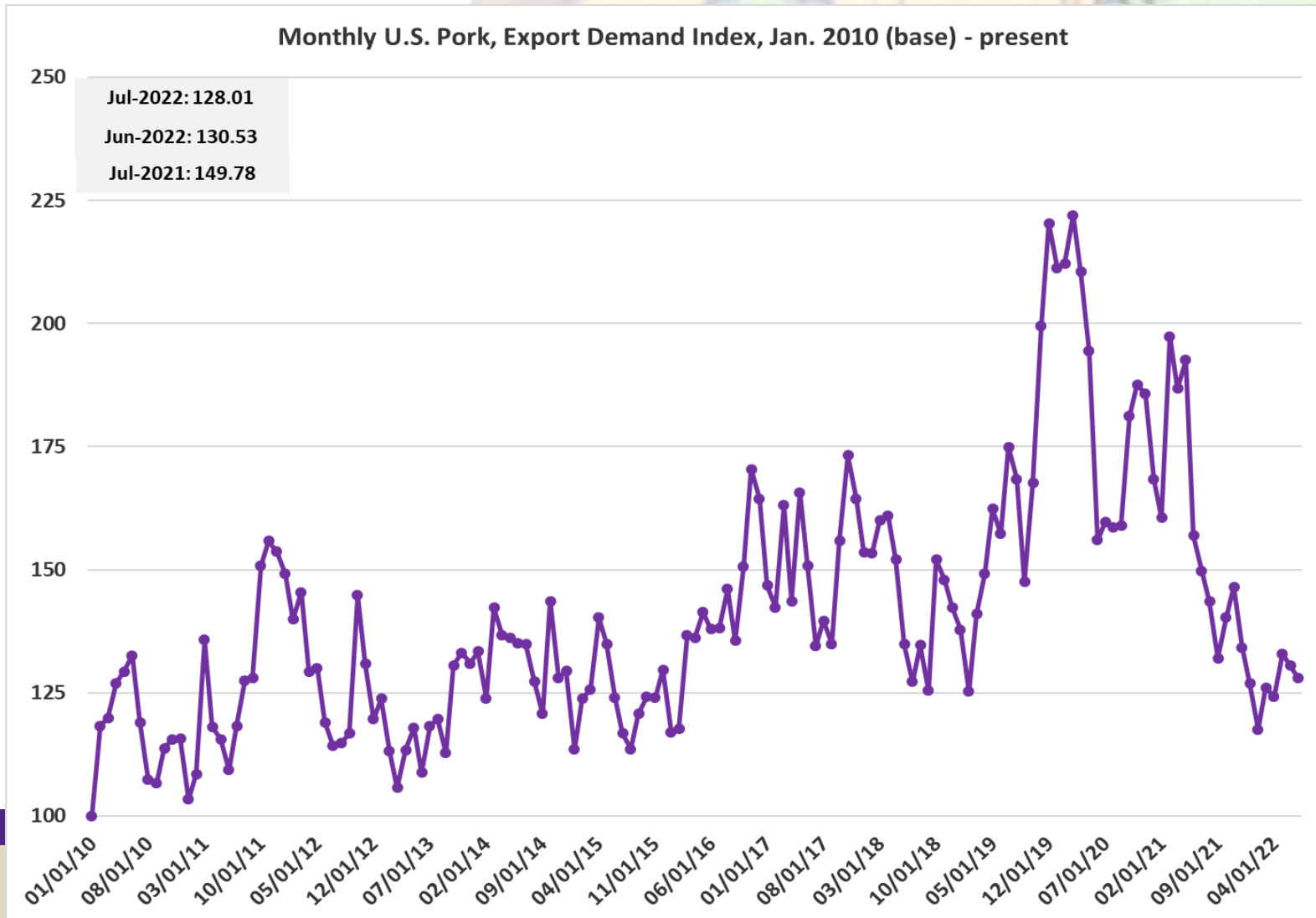
We Live in a Global World!
Consider Evolution of U.S. Pork Exports

Importantly, diversity of U.S. meat export portfolios has developed!

https://www.agmanager.info/livestock-meat/marketing-extension-bulletins/trade-and-demand/concentration-us-pork-exports

U.S. Pork Exports (Volume-Based), Annual Herfindahl-Hirschman Index

Source: USDA FAS Data, Luke calculations

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Monthly Meat Demand Monitor, Methods, and Supporting Information
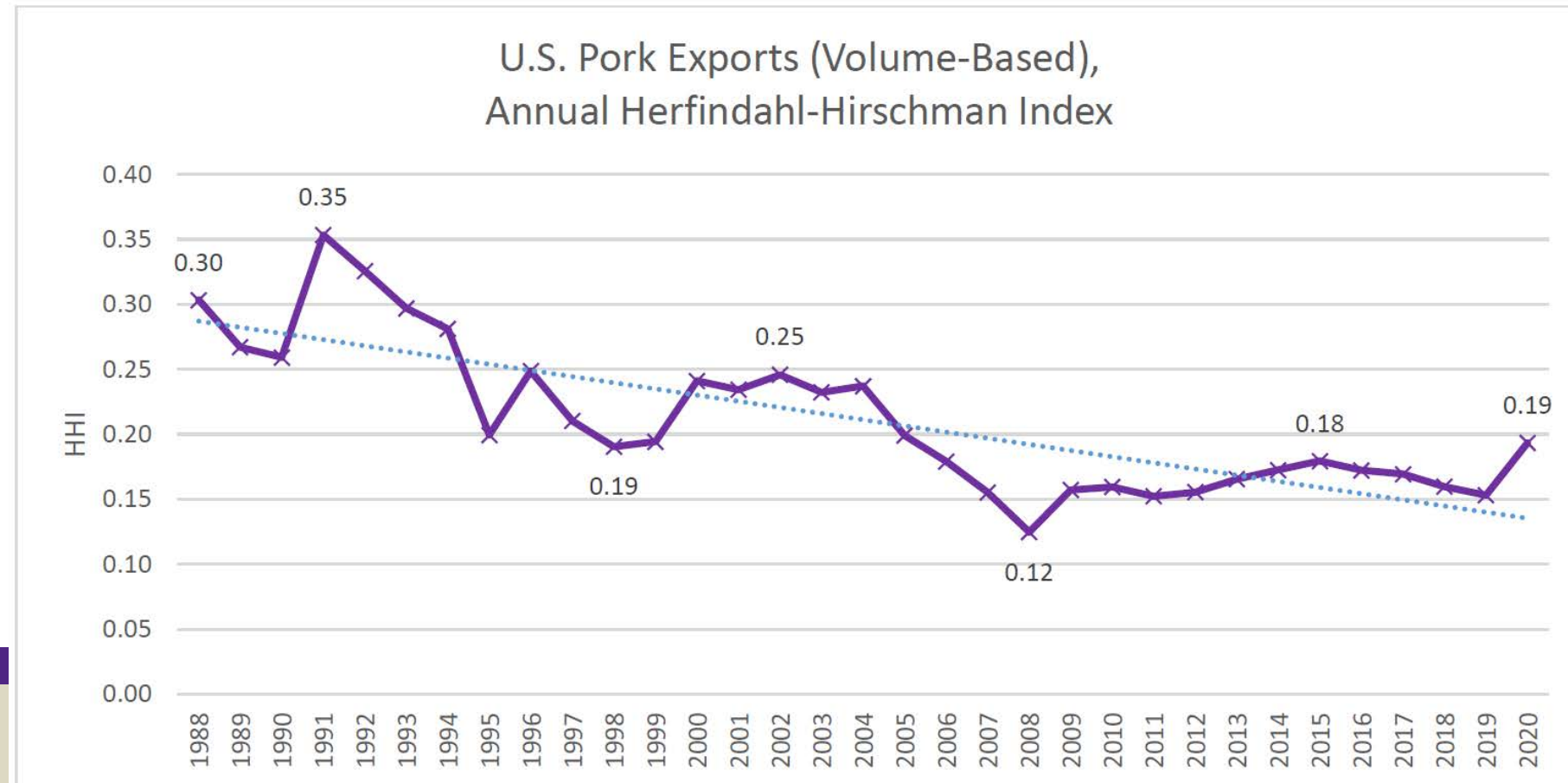
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Livestock & Meat

Projected Feeder Cattle Prices

Cattle Finishing Returns

Meat Demand

  Maps - Meat Demand

  Meat Demand Research Studies

  Monthly Domestic Meat Demand Indices [USDA/BLS Data]

  Monthly Export Meat Demand

Monthly Meat Demand Monitor [Survey Data]

Add to Favorites

The Meat Demand Monitor (MDM) project is funded in-part by the beef checkoff and the pork checkoff. Monthly reports and supporting documentation are available here.

BEEF
Funded in part by
the Beef Checkoff.

K·STATE
Research and Extension

pork
checkoff.

Meat Demand Monitor Dashboard (National Maps & State-Level Summaries)

LINK

Monthly Meat Demand Monitor

Title	Author	Date	Downloads
Meat Demand Monitor - August 2022	Tonsor	September 1, 2022	Downloads ▾
Meat Demand Monitor - July 2022	Tonsor	August 5, 2022	Downloads ▾
Meat Demand Monitor - June 2022	Tonsor	July 1, 2022	Downloads ▾

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

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WTP Indices (Feb 20' = 100), Pork Chop Offerings

https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data
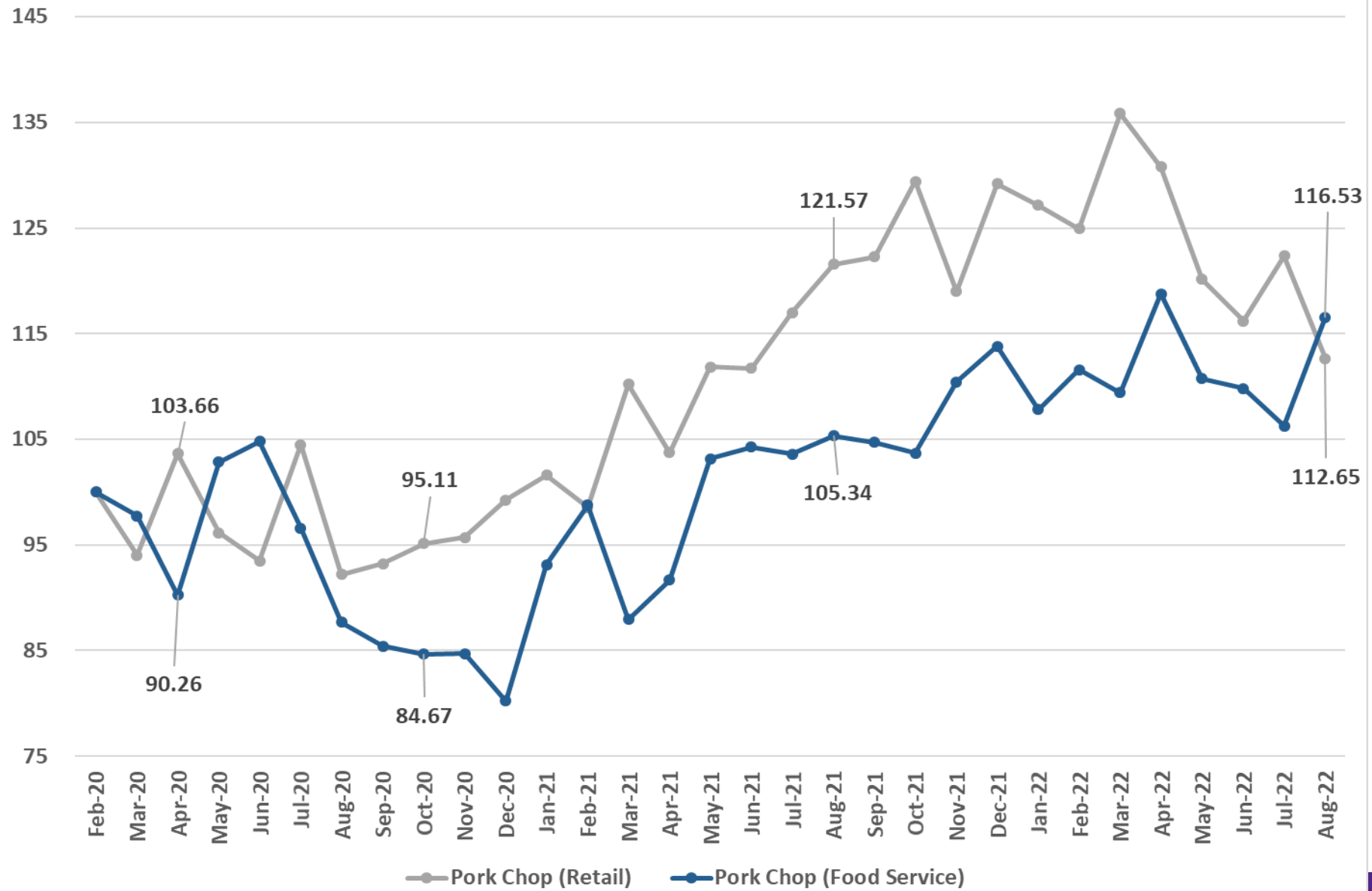
MDM Ad Hoc Questions: Inflation Response

Which of the following best describes changes you have made in response to higher retail meat prices in 2022 (please check all that apply)?

Legend: Mar-22, Jun-22, Jul-22, Aug-22

- None/ no changes: 32.3%, 31.3%, 27.7%, 31.3%
- Buy same type (brand, cut, package size) / now fewer...: 27.2%, 29.3%, 31.3%, 27.3%
- I buy different brands of meat products now: 14.9%, 15.8%, 13.6%, 16.1%
- I buy different cuts of meat products now: 18.32%, 18.7%, 20.3%, 18.0%
- I buy smaller package sizes now: 21.88%, 22.9%, 25.4%, 24.6%

How Has Economy-Wide Inflation Impacted Consumer Sensitivity to Pork Prices?
Tonsor & Lusk, Sept 2022 – NPB Report

❑ Real earnings declined since Q2.2020

❑ Relative importance of Price (#MDM) higher in Q2.2022 than Q2.2021

❑ Analysis of IRI Scanner data (Jan 2017 – Aug 2022):
   - ❑ Consumers are becoming more sensitive to prices on retail pork products
   - ❑ Loin market stands out "leading" in increased price sensitivity

Where is Price Most Important in Protein Purchasing Decisions?

Quarter 3 2022

Share "Most Important" - Price
- 0.36 – 0.47
- 0.47 – 0.52
- 0.52 – 0.56
- 0.56 – 0.73
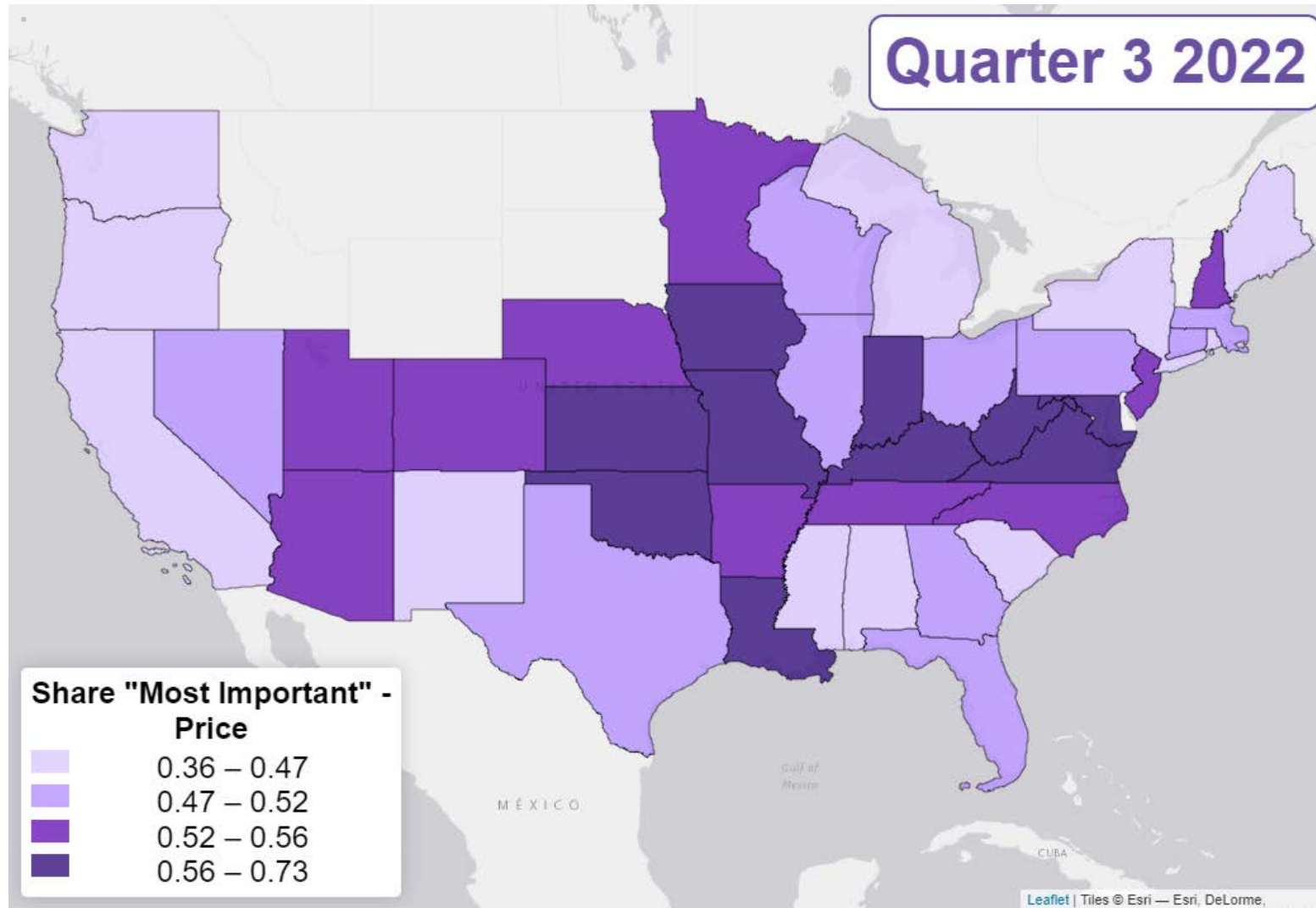
Q3-2022

Nationally: 50%

IA: 73%
WV: 73%

RI: 36%
WA: 40%

GT's 2023 Punchline

1. Export demand could grow **IF** USD weakens & foreign economies hold-up

2. Domestic demand is mixed story

   ◦ Ongoing , general desire for protein is supportive (*Meat Demand Outdoes Meat Avoidance!*)

   ◦ Yet, ongoing macroeconomic challenges are increasingly weighing on consumer buying power

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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

Glynn T. Tonsor

Professor

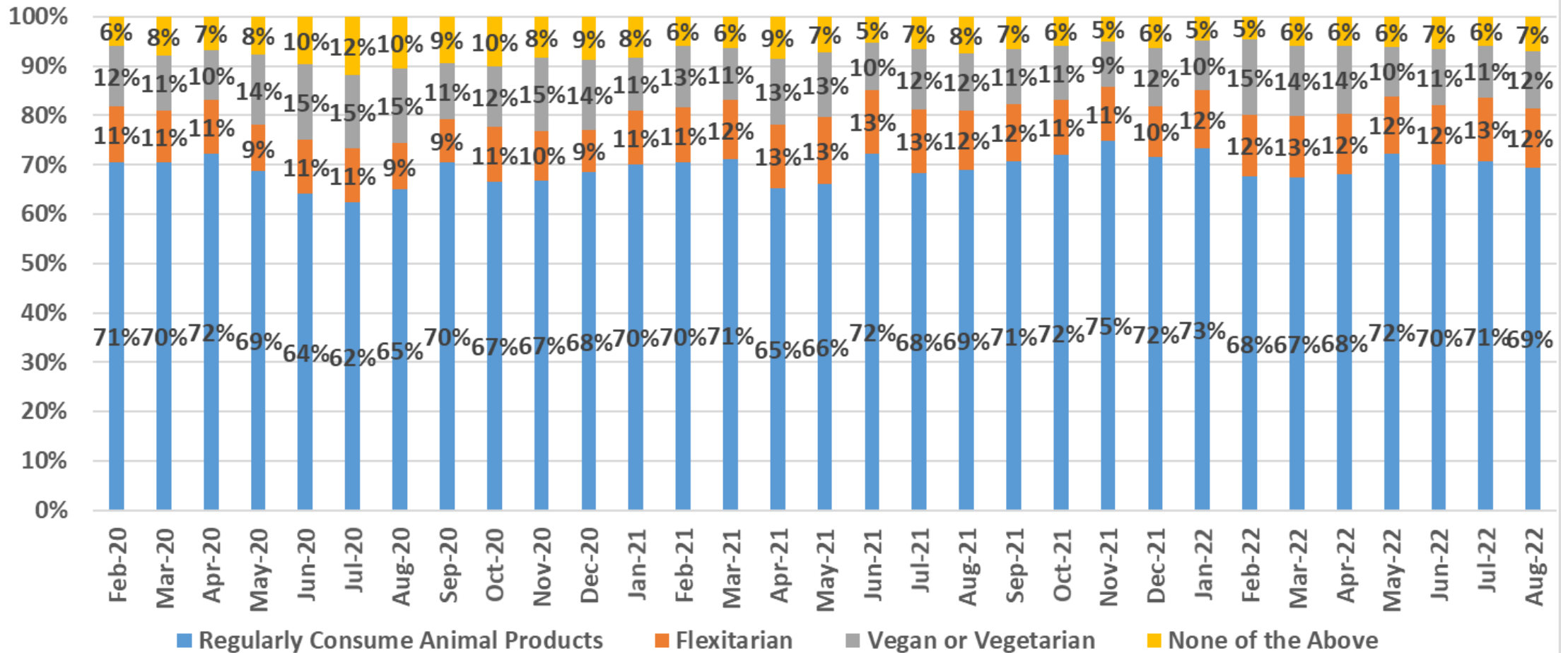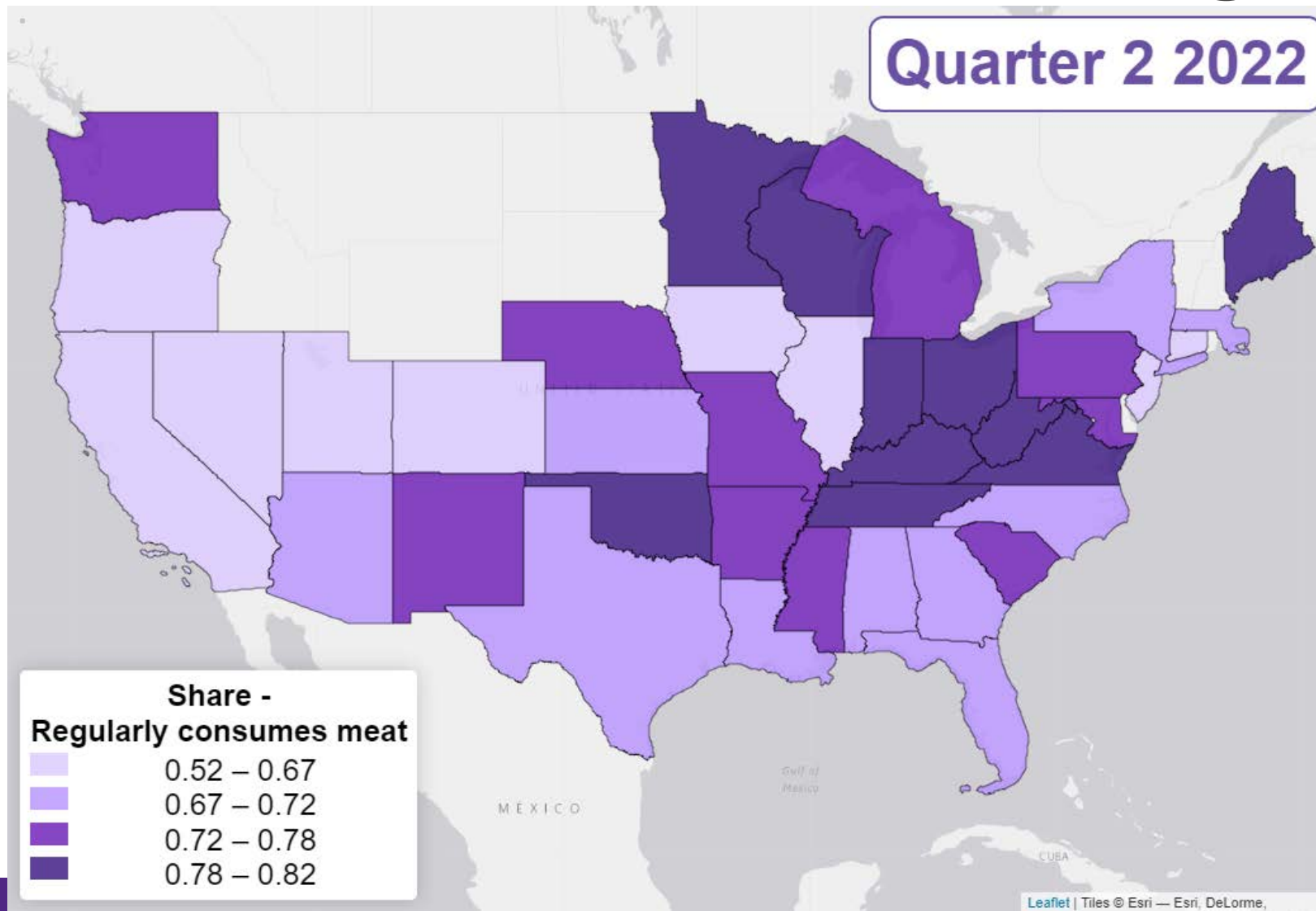Dept. of Agricultural Economics

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Self-Declared Diet Tracking

Self-Declared Diet, Feb. 2020 - Aug 2022 (Source: MDM Project)

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

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Self-Declared Diet Tracking

Quarter 2 2022

Share -
Regularly consumes meat
0.52 – 0.67
0.67 – 0.72
0.72 – 0.78
0.78 – 0.82

Q2-2022

Nationally: 70%

KY & WV: 82%
IN & OK: 81%

UT: 52%
CA: 59%

Leaflet | Tiles © Esri — Esri, DeLorme,

U.S. Pork Demand: Declining own-price sensitivity...

Assessing Beef Demand Determinants

Prepared for the Cattlemen's Beef Board

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January 18, 2018

Table 2.1. Aggregate Meat Demand Elasticities Summary

Period	Beef Price Used	Beef Demand Own-Price	Beef Demand Pork Cross-Price	Beef Demand Chicken Cross-Price	Beef Demand Exp.	Pork Demand Own-Price	Pork Demand Exp.	Chicken Demand Own-Price	Chicken Demand Exp.
1988-2017	All-Fresh	-0.479	0.087	0.023	0.803	-0.307	0.141	-0.339	0.425
1988-2007	All-Fresh	-0.645	0.145	0.026	0.790	-0.229	-0.262	-0.345	0.371
2008-2017	All-Fresh	-0.450	-0.032	0.083	0.959	-0.089	1.231	-0.378	0.856
1970-2017	Choice	-0.593	0.120	0.041	0.118	-0.973	-0.170	-0.133	0.218
1988-2017	Choice	-0.490	0.085	0.021	0.781	-0.313	0.146	-0.345	0.430
1970-1994	Choice	-0.594	0.138	0.039	0.118	-0.924	-0.004	-0.159	0.003
1995-2017	Choice	-0.468	0.049	-0.044	0.867	-0.287	0.634	-0.469	0.960

Note: "Exp." is Expenditure abbreviated. All Rotterdam models were estimated using iterative three-stage least squares.
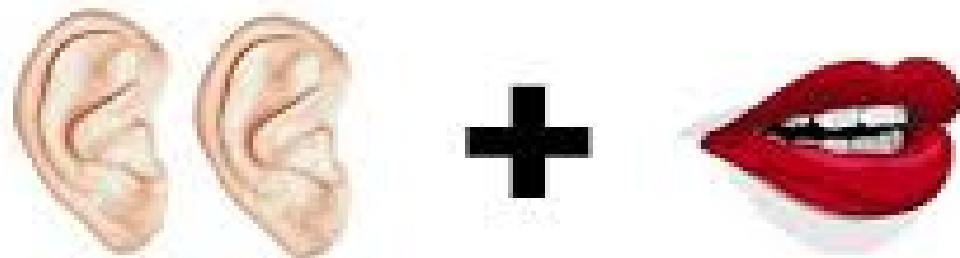
*"MY DEAR BROTHERS AND SISTERS, TAKE NOTE OF THIS: EVERYONE SHOULD BE **QUICK TO LISTEN**, **SLOW TO SPEAK** ..." JAMES 1:19*