

Keeping Up with

Beef industry responds to shifts in consumer demands.

by **Bridget Beran**, editorial intern

Many things have changed about Americans through the years, but their love of beef isn't one of them. However, the manner in which the American consumer purchases and consumes beef has shifted.

"I think the big change that occurred started in 2006 to 2008 when we started seeing cattle prices escalate and yet consumer demand has not backed off," says Larry Corah, a consultant for the *Certified Angus Beef*® (CAB®) brand. "The expectation of a quality eating experience has changed. Consumers expect more for their dollar."

With demand for beef being a critical factor in the ultimate price of cattle, understanding the expectations of consumers is vital to the future of the beef industry. The beef checkoff recently conducted a study on the priorities consumers set on their protein selections before purchasing. Above all else, the taste was the most important factor in any protein purchase.

"Taste is the number one goal. It's got to be good, and we can't ever take our eyes off that end goal," says John Lundeen, senior executive director of market research for the National Cattlemen's Beef Association (NCBA), a contractor to the beef checkoff. "Over 90% of our respondents said that taste was either very important or extremely important in their decision."

Luckily for beef, the reputation of great taste has stuck with it. Beef is considered a step up from competing proteins, says Tracey Erickson, vice president of marketing for CAB, and it brings a celebratory component to any meal. Keeping beef consistent is something to strive for to keep its reputation intact.



Understanding the expectations of consumers is vital to the future of the beef industry.

"Consumers are looking for great taste — each and every time," says Erickson.

Also high on consumers' priority list is the safety of a product. Parents want to ensure that they're feeding their family something that is safe, followed up by nutritional value. Rounding out consumers' top four priorities is convenience, Lundeen says.

So what protein offers great flavor, is

known for safety and nutritional value, and can be made quickly and easily by even the most unskilled chef? Lundeen says ground beef fits the ticket.

"A lot of it is a demographic issue," Lundeen says. "The millennial generation, those 20-somethings and young 30-year-olds, make up a big part of the population. These are folks that probably haven't had a cooking class throughout school and are just getting out on their own and learning how to cook. Ground beef is an easy first beef product for them to master. You put it in a skillet, it turns brown and you know it's done."

Corah agrees that the preferences of millennial consumers will be a key part of shaping the coming direction of the beef industry. He notes that the millennial generation seems to be particular about what they purchase, but beef is still a priority protein for this group, and he expects demand will continue to be optimistic.



PHOTOS COURTESY CERTIFIED ANGUS BEEF LLC

Consumers

“If you look at the difference between Choice and Select ground beef or premium CAB, there’s a 10¢-13¢ difference for a higher-quality product,” Corah explains. “Not only are consumers looking for higher quality, but they’re willing to pay for it. That’s positive. We’ve seen a continued increase in ground beef in 2014 and 2015. It has softened a little bit since then, but ground beef has supported the price structure we’ve seen in the industry.”

Budgetary restraints have also aided the ground-beef boom in popularity. Lundeen says many people falling into the young-professional millennial generation are just starting their careers and beginning to have families. Ground beef offers a high level of value for a low price point.

Fresh and foreign flavors

Also gaining in popularity are previously undervalued cuts of meat. With an increase of interest in international flavors, beef’s place on the table has never been more colorful.

“Consumers are looking for new ways to prepare favorites and put international twists on traditional meals. Beef fits the bill with a high level of versatility, making it easy to incorporate into many dishes and cooking styles,” Erickson explains. “Their desire for great taste has not waned. A portion of them are now more adventurous and willing to try new ways of preparing beef. The rise in popularity of numerous cooking and lifestyle shows, celebrity chefs, and the ability to share recipes and images through social media have all contributed to this food-focused subculture, driven by the people often referred to as ‘foodies.’”

A lack of recipe or preparation ideas is one major factor that can hinder beef consumption, followed by a lack of understanding about beef cuts and how each cut is best prepared and enjoyed, according to Erickson. Providing information for both of these issues is critical to keeping beef on America’s dinner table.

Lundeen says that expanding tastes have provided the beef checkoff and other agriculture organizations with the opportunity to reach out and be a resource for a consumer. With many consumers looking for easy and quick recipes, ensuring that beef fits into their cooking style is just one of the ways to keep beef on the table.

“When a family Googles for ‘easy beef recipes,’ we are there with answers for them,” Lundeen says. “From a culinary standpoint, there are so many things you can do with beef that it keeps people interested in the product.”

Staying power of steak

However, that doesn’t mean the consumer has forgotten about the steak.

“Middle meats, or higher-valued cuts, are as important today as they have ever been,” Erickson says. “The increase in the popularity of underutilized and innovative beef items certainly helps add value to the entire carcass. They also represent an opportunity for consumers to enjoy beef as an ingredient in a dish like a stir-fry, rather than the main item on the plate. While those types of dishes can, and do, provide consumers a pleasurable experience, the middle-meat steak item is still king and needs to maintain center stage,



PHOTO BY KASEY BROWN

▶ “Taste is the number one goal. It’s got to be good, and we can’t ever take our eyes off that end goal,” says John Lundeen, senior executive director of market research for the National Cattlemen’s Beef Association.



▶ “If you look at the difference between Choice and Select ground beef or premium CAB, there’s a 10¢-13¢ difference for a higher-quality product,” Larry Corah explains. “Not only are consumers looking for higher quality, but they’re willing to pay for it.”

while continuing to drive value from a carcass standpoint.”

With 11 consecutive years of growth in *Certified Angus Beef* brand sales, Erickson explains that demand for high-quality beef is continuing to grow. CAB is striving to respond to consumers’ desire to know more about those raising the beef they feed their families by increasing their focus on sharing the stories and heritage of the families behind the CAB brand.

Adapting to consumers’ shifting preferences is vital to the future of the beef industry and the industry is speaking the consumers’ language more and more as time goes on.

“Knowing that consumers desire more information and resources, industry partners are providing this content and engaging consumers where they are searching — whether it’s online or at the meat counter,” Erickson says. “They’re also educating consumers about the benefits and versatility of beef, and its role in a healthful diet.”

What is the farmers’ and ranchers’ role in this?

“Just continue to produce the best-quality animal,” Lundeen says.



Editor’s Note: Bridget Beran was the summer 2016 editorial intern for Angus Media.