

We Still Want Beef

Research shows consumers prefer beef and are willing to pay for quality beef.

by **Miranda Reiman**, Certified Angus Beef LLC



People love beef. When price skyrockets, and incomes are tight, people still love beef. That's according to a new Oklahoma State University (OSU) research report, "Retail and Foodservice Marketing Trends for Beef."

Co-authors Bailey Harsh and Deb VanOverbeke combined data from major consumer databases, like the "Power of Meat" survey, Technomic Inc. reports and beef checkoff research.

"Even as late as 2013, among consumers who changed their meat purchases, 91% were spending less," the paper (available at www.cabpartners.com/news/research.php) says, noting most indications show that's returning to prerecession levels.

"The majority of consumers today say beef isn't too expensive. But most importantly, 72% of consumers listed beef as their first or top choice of proteins in 2013," it states.

"Even during a recession, folks still want to have beautiful moments in their lives," says John Lundeen, senior executive director of market research for the National Cattlemen's

Beef Association (NCBA), a contractor of the beef checkoff.

Still, as drought and other herd-shrinking circumstances helped elevate prices and add to the cash register crunch, many predicted a decline in beef demand.

"If you look at the trends, beef consumption didn't really fall during that time," says VanOverbeke. "They maybe changed how they used it — maybe using more casserole-type dishes using beef, rather than having steak — but people didn't change beef consumption as a whole."

Trading middle meats, like ribeyes and tenderloins, for grinds gave home cooks a chance to stretch their food dollars, Lundeen says.

"Ground beef is very familiar, and you can do a lot of things with it," he says. "You can

make tacos, burgers, and all these different things. I can buy a pound of ground beef and feed my family, so there is a value story there."

It's easy to prepare — a trait most beef eaters are looking for today.

Millennials like beef

Beef consumption is higher among the millennial generation, 80 million people in the United States born from 1980 to 2000, than those older than 35.

"Millennials are a major target for beef marketing because they consume the most beef both at home and in restaurants of any generation and, given their age, will continue to be a major driver of beef demand for the next several decades," the research says.

In many cases, high-school cooking education,

like home economics courses, has declined. Couple that with more after-school activities



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taking families out of the kitchen, and Lundeen says many assumed it would all lead to a decrease in preparing beef for dinner.

“It’s not happening at school, and it’s happening to a smaller degree in the home, so you just don’t grow up with it,” he says, “but that does not mean that there isn’t a desire to cook.”

Indeed, this generation has grown up with the Food Network and a greater exposure to unique flavors and a vast array of food choices.

“Their horizon has expanded,” Lundeen says.

The average U.S. household consumes 3.8 home-cooked meals that include meat in a week.

“Cooking is a very social thing and is a common force among people,” he says, noting that the beef industry must equip consumers to work with the product.

In some cases, it’s increasing easy-to-prepare options. The paper says in the past four years the number of consumers preparing “convenience meats” has increased 12%, probably in part due to lack of meal planning.

“Today, 34% of consumers don’t know whether they’re cooking at home or eating out even two hours ahead of time, and, of those who decide to eat at home, 39% don’t know what they’re going to prepare,” it says.

“We can’t assume anything,” Lundeen says. “We can’t assume that folks know how to buy the cut, how to season it, how to prep it and how to know when it’s done or what temperature to cook it at, but the desire for

knowledge is there, and people want great food. That’s what beef has to deliver on.”

Quality ensures desirability

The higher the quality of the beef, the more likely it is to live up to expectations, says Phil Bass, *Certified Angus Beef®* (CAB®) brand meat scientist.

“High-quality meat results in the high-quality end product,” he says, noting marbling increases the three palatability components: tenderness, juiciness and flavor. “Marbling is less dense than protein, so if you have the marbling in that piece of meat, it’s going to be easier to bite through.”

Research also shows that the more intramuscular fat there is, the more intense the “beautiful, buttery-flavor” and the juicier the meat is.

Higher-quality beef is also more forgiving. Beef checkoff studies show nearly 50% of people like their steaks cooked to a medium-well to well-done degree of doneness.

“As a result, if you don’t have that marbling in there, then it’s going to turn out to be a very dry steak,” Bass says. “The marbling doesn’t evaporate, but the water does cook off.”

Branding at the meatcase helps assure



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purchasers they’re getting what they want. The CAB brand was the first beef brand registered with USDA in 1978, but it was another two decades before the trend toward product differentiation took hold. In 2013 there were 91 branded beef programs, with nearly half of them being Prime or Choice.

“In all categories, consumers have preferred brands. When you talk about ketchup, most people are brand loyal,” VanOverbeke shares as an example. “We’re seeing beef move toward that brand recognition.”

Since 2002, CAB demand increased 108%, compared to a 51% increase for USDA Choice or higher and a decline of 1% for unbranded Choice, according to a Kansas State University demand index in 2014.

“Part of our goal is to get consumers to come back to that section of the meatcase over and over again because they are happy with the beef they had the last time,” she says.

Without formal instruction or agriculture knowledge, people look for clues when they go to buy meat, such as a brand or a marketing claim, Bass says.

“Give consumers a choice,” VanOverbeke says of the niche markets, “but I don’t think the industry needs to move to pushing more and more of that production, because the data indicates that you’re not going to see a huge increase in that market.”

Only 34% of shoppers bought natural and organic meats in a three-month period of 2014, and about a third of those say they plan to increase those purchases, the paper states.

The main message uncovered in the research, VanOverbeke says, is that beef came through the recession in good shape and poised for growth.

“When cost is factored in, consumers ultimately believe the price reflects beef’s value and continue to vote with their dollars for beef’s flavor, juiciness, tenderness and versatility,” the authors say.

People love beef.

Now it’s up to the industry to make sure they continue to have reasons to, Lundeen cautions. “We all have a good story to tell. We have to produce a great product that at the end of the day tastes good. Actually, it has to taste more than good. It has to taste great.”



Editor’s Note: Miranda Reiman is assistant director of industry information for Certified Angus Beef LLC.



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