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The Webinar will begin soon.**

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# Consumer Insights: Setting the Table with Beef at Home and Dining Out

May 12, 2021



# Consumer Insights

1

COVID

2

Beef Demand  
and  
Consumption

3

Consumer  
Landscape

4

Meat  
Alternatives







1  
COVID



# Unemployment

The pandemic led to a spike in American unemployment



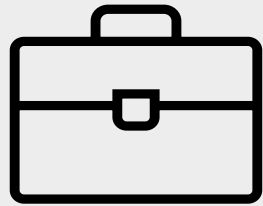
# Reasons for Concern

The actual reasons for concern may differ for many



**Economy**

**70%**



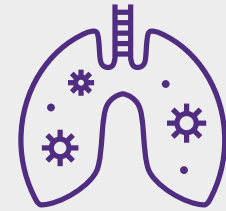
**Job  
Security**

**46%**



**Kids'  
Learning**

**58%**

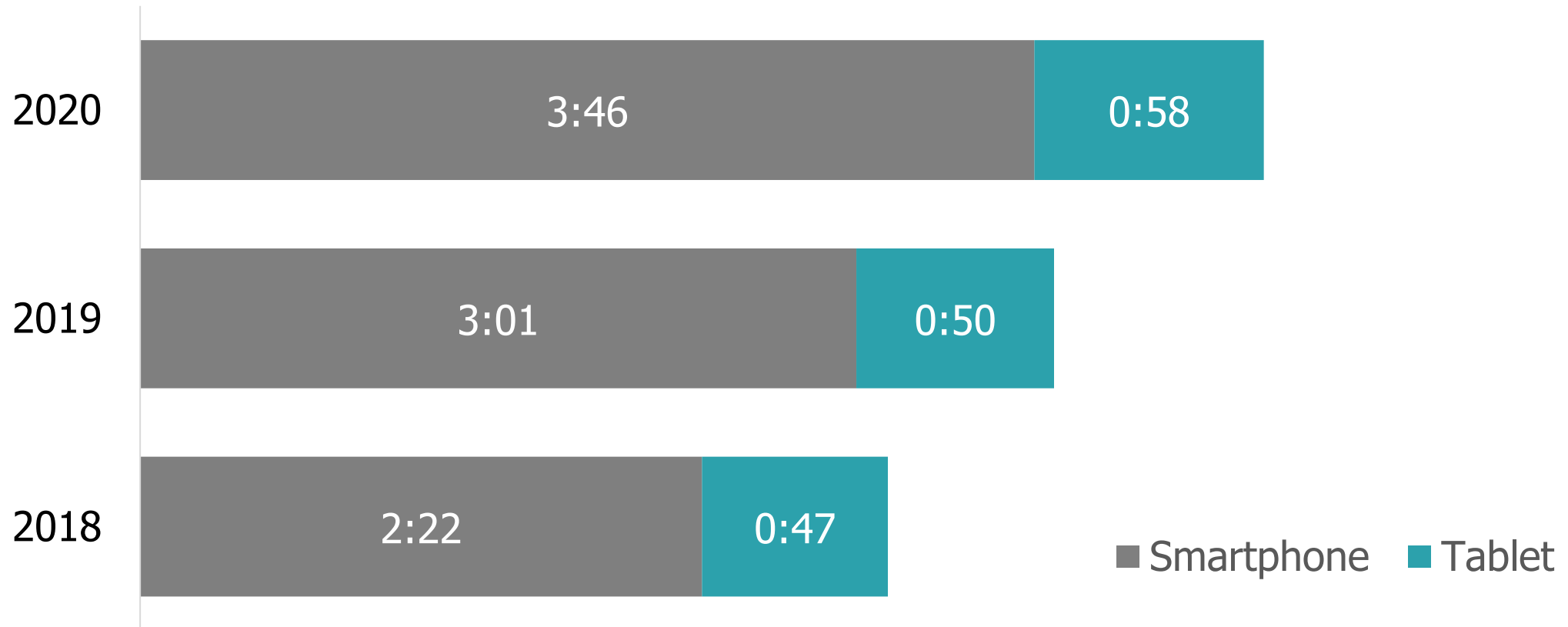


**Will contract  
COVID-19**

**25%**

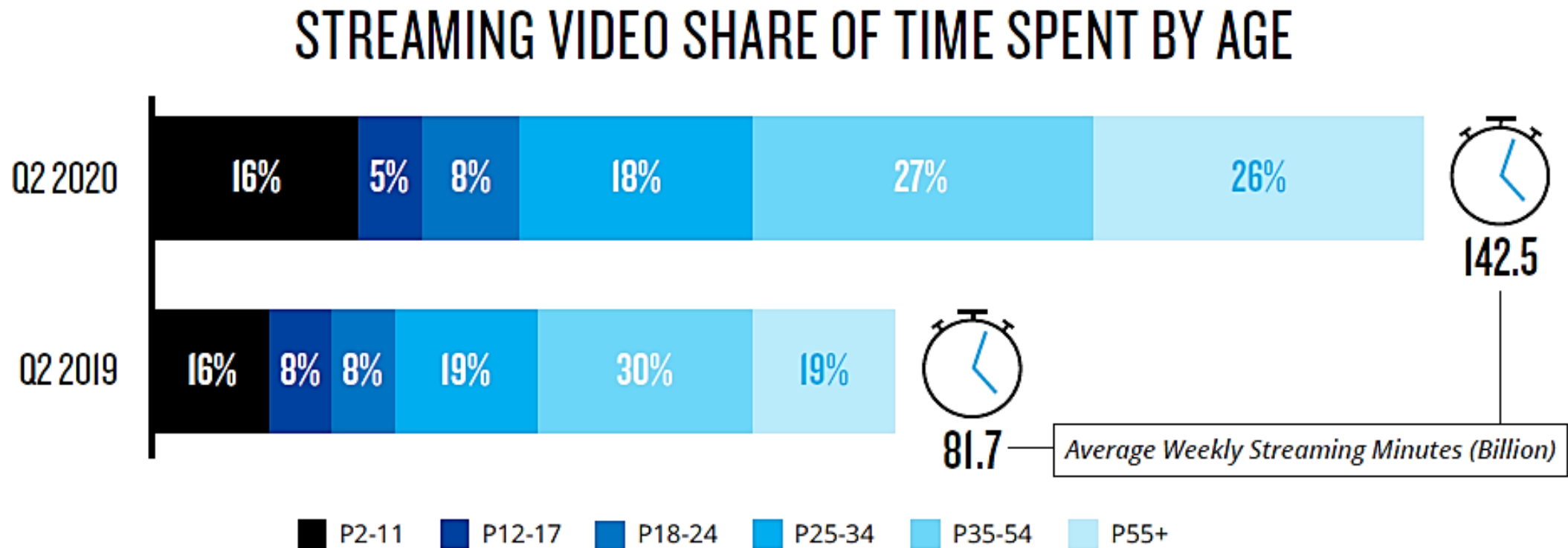
# Time Spent on Apps/Web

Consumers are spending even more time on apps or the web through their smart phone and tablets



# Video Streaming

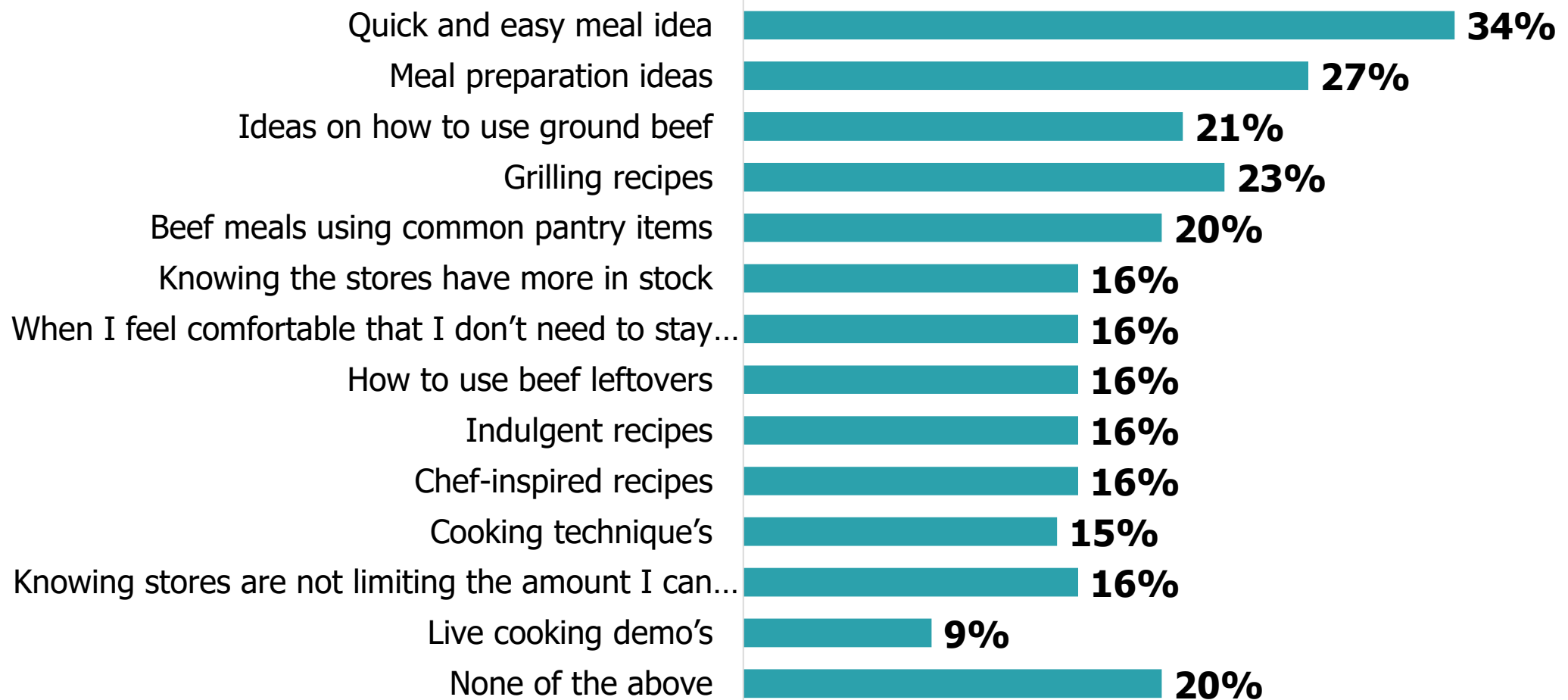
- Video streaming has significantly gone up compared to last year





# Incentives to EAT the Beef They Have

Many consumers appear to be looking for convenient meal ideas around ground beef and pantry items



↑↓ Significantly Higher/Lower than Prior Period

Even if you mentioned it in the previous question, please select what would entice you to eat the beef in your freezer from the list below. Please select all that apply.

SOURCE: Beef Behavior and COVID Report, April 2020

# BIWFD Landing Pages Behavior Through Organic Search

BIWFD has seen in uptick in search related visits driven by the staples, recipes, and roasts

Landing Page March - Sept 2020	Avg Month	Landing Page Sept 2019 - Feb 2020	Avg Month
Classic Beef Meatloaf	139,389	Classic Beef Meatloaf	128,416.33
Classic Beef Stuffed Peppers	20,469	Best Beef Cuts For Oven Roasting	16,655.83
Classic London Broil	14,914	Classic Beef Stuffed Peppers	15,646.17
Oven Roasting Time Guidelines	14,165	Ground Beef	8,572.33
Recipes	13,113	Recipes	8,515.83
Best Beef Cuts For Oven Roasting	11,193	Classic London Broil	7,730.83
Classic Beef Gravy	8,731	Broiling Basics	7,088.83
Cut Charts	8,206	Eye Of Round Steak	5,036.33
Eye Of Round Steak	7,063	Cut Charts	4,941.50
Ridiculously Tasty Roast Beef	6,002	Bottom Round Roast	4,164.83
Top Round Steak	5,938	Eye Of Round Roast	4,068.33
Five Way Mini Meatloaves	5,070	Top Round Steak	4,055.00

# At Home Eating Influenced By COVID-19

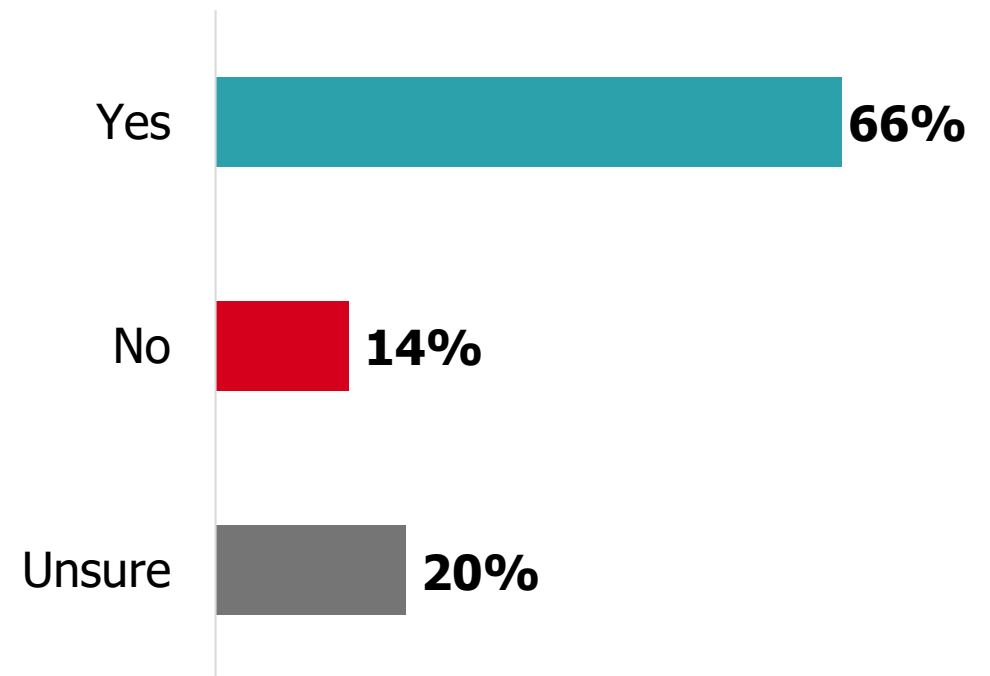
Prices going up, food shortages, and concerns at packing plants are the top fears, worries, or concerns for consumers going forward

**83%** Of consumer's meals are currently being cooked at home

Change in At Home Cooking Behavior




Will You Continue to Cook More Meals at Home?





# Our Strategy

## Protect Beef's Reputation



RECIPESCOOKINGCUTSNUTRITIONRAISING BEEFNEWSROOM

NEWSROOM

### COVID-19 AND BEEF FREQUENTLY ASKED QUESTIONS







Q: Are animals responsible for COVID-19 in people?

- The predominant route of transmission of COVID-19 appears to be from human to human.<sup>1</sup>
- According to the CDC, there is no evidence that animals, including pets, play a significant role in spreading the virus that causes COVID-19.
- In isolated cases, it appears the virus can spread from people to animals, though further research is needed to understand how animals could be affected by COVID-19. Based on limited information available, the risk of the virus spreading between animals and people is considered low.<sup>9</sup>
- Current evidence suggests that the COVID-19 virus has an animal source. Ongoing investigations are important for identifying the animal source. To date, there is not enough scientific evidence to identify that source or to explain the route of transmission from an animal source to humans.<sup>1</sup>


Q: Can the bovine coronavirus vaccine be used to treat people?

- Bovine coronavirus is **NOT** the same as COVID-19.
- There is no evidence to suggest that the bovine coronavirus vaccine has any effect on humans or the COVID-19 strain. Vaccines are developed and tested for specific strains of viruses and species and should only be used according to label instructions.<sup>2, 3</sup>
- The bovine coronavirus, as the name suggests, is specific to cattle and other domestic animals (i.e., horses, water buffalo, deer, elk, etc.). There is no cross protection between bovine coronavirus and COVID-19.<sup>2, 3</sup>
- There are currently no antiviral drugs recommended or licensed by FDA to treat COVID-19, and there is no immunization available.<sup>4</sup>


Q: Will beef from cattle vaccinated for bovine coronavirus help build immunity against COVID-19?




#### NOW TRENDING




Grilling Favorites >



United We Steak >




## Provide At-Home Cooking Knowledge




RECIPESCOOKINGCUTSNUTRITIONRAISING BEEFNEWSROOM


POPULAR DINNER RECIPES:




CLASSIC BEEF MEATLOAF




CLASSIC BURGER RECIPES




CLASSIC BEEF SLOPPY JOES




BEEF CHILI




BAKED ITALIAN MEATBALL RECIPE







RIDICULOUSLY TASTY ROAST BEEF



CLASSIC BEEF STUFFED BELL PEPPERS

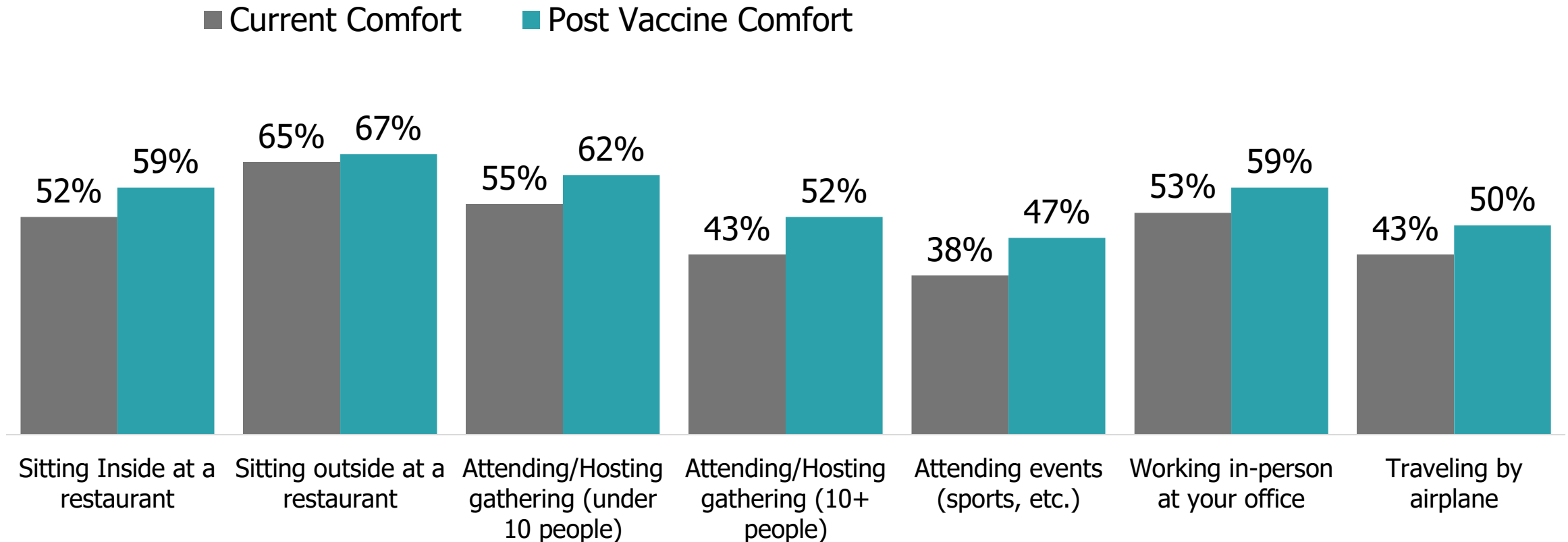


NO FUSS BEEF LASAGNA



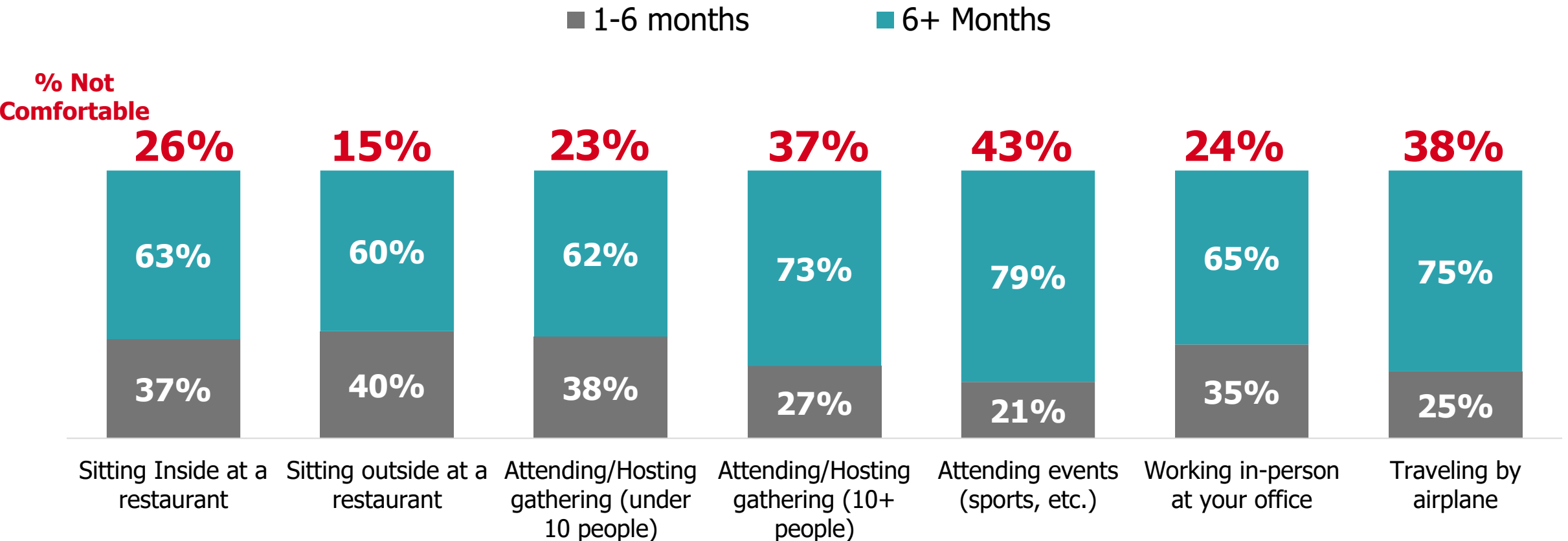
# Comfort Current and Post Vaccine

Most consumers are still hesitant to participate in many activities even after the vaccine is available



# When will consumers be comfortable

Most activities are still going to take 6+ months for consumers to be comfortable



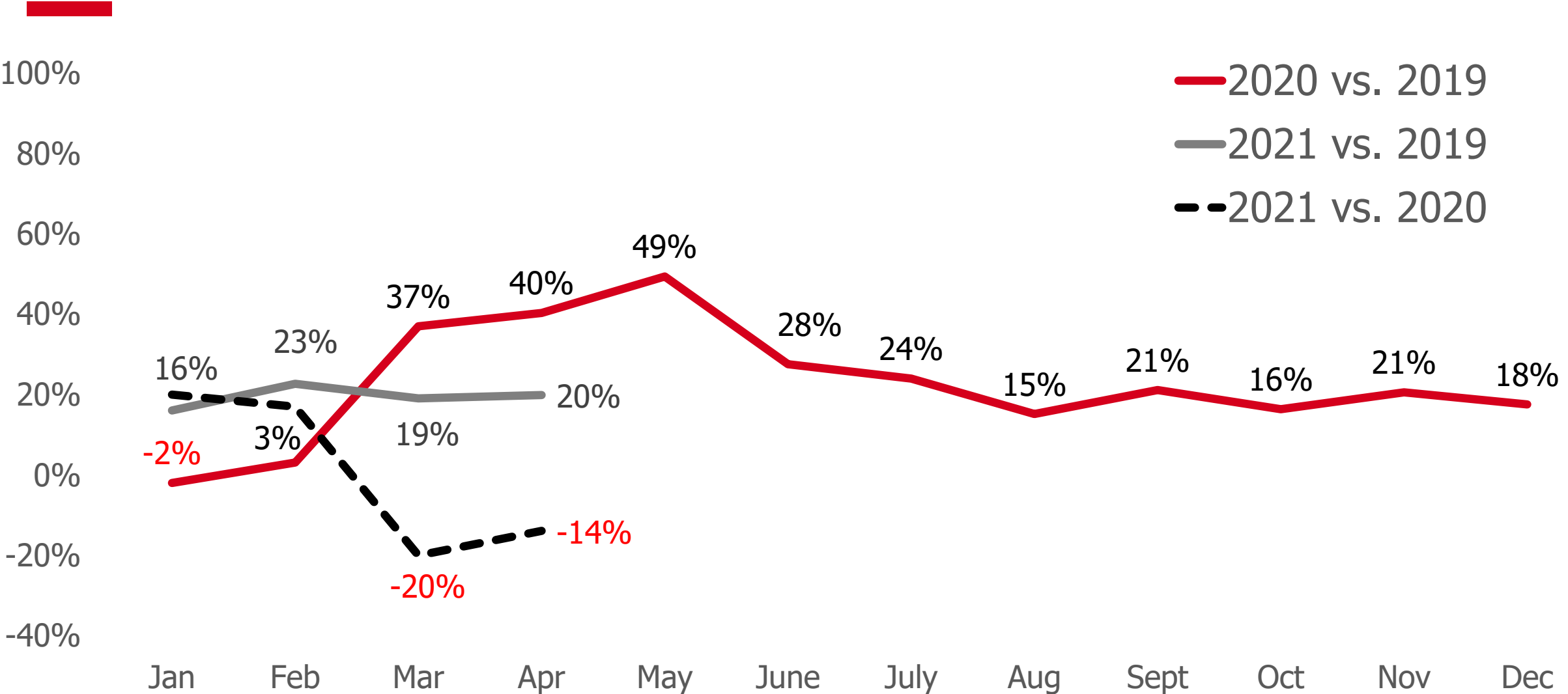




2

# Beef Demand and Consumption

# Year/Year Beef Retail Growth (Dollars)



# Average Retail Price Per Volume

Supply constraints and high demand led to increased prices in all proteins, with Beef seeing the highest growth rate

	Average Price	Change vs Prior Year
	\$5.34	+10.1%
	\$2.46	+4.7%
	\$2.97	+7.0%



# Meat Sales at Retail

Typically, year over year growth/decline rates are 0-2%

Meat in Multi-Outlet  
Retailers




**+19.5%**

\$ sales growth

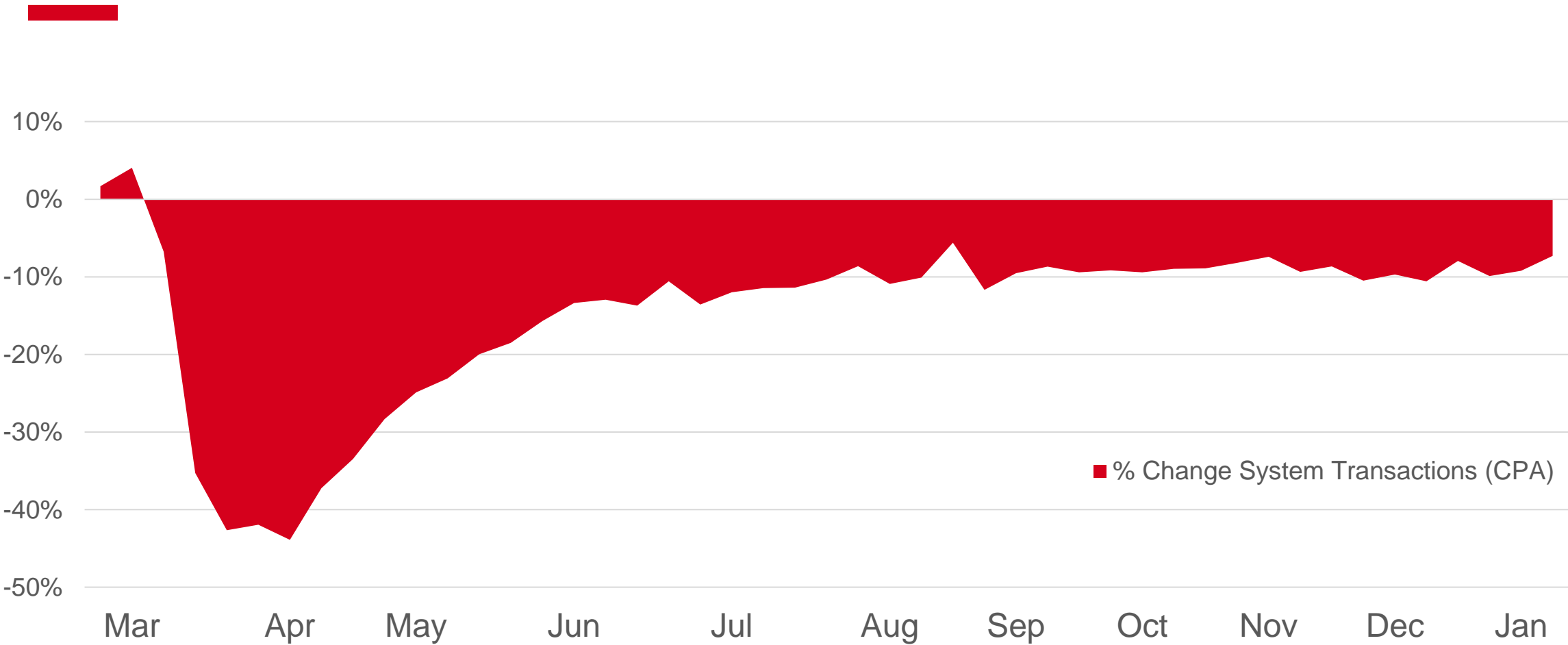
**+10.1%**

Lbs. sales growth

**Fresh Meat \$59 Billion in 2020**

	\$	Lbs.
	+23%	+11%
	+15%	+10%
	+18%	+10%

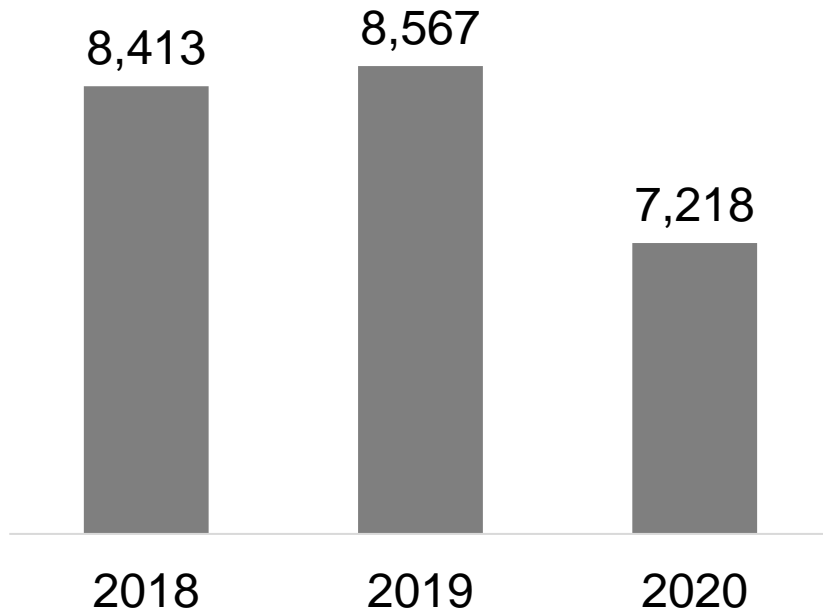
# COVID-19 Foodservice Impact



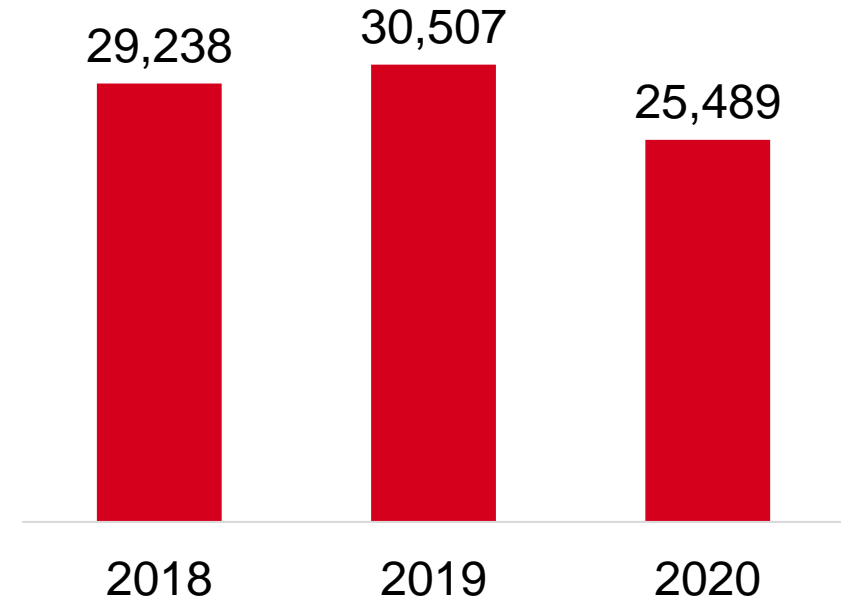
# Beef Sales at Foodservice

Foodservice beef volume saw increasing sales in 2018 and 2019, however the COVID-19 pandemic reduced sales and revenue

**Beef Pounds In Millions Lbs.**



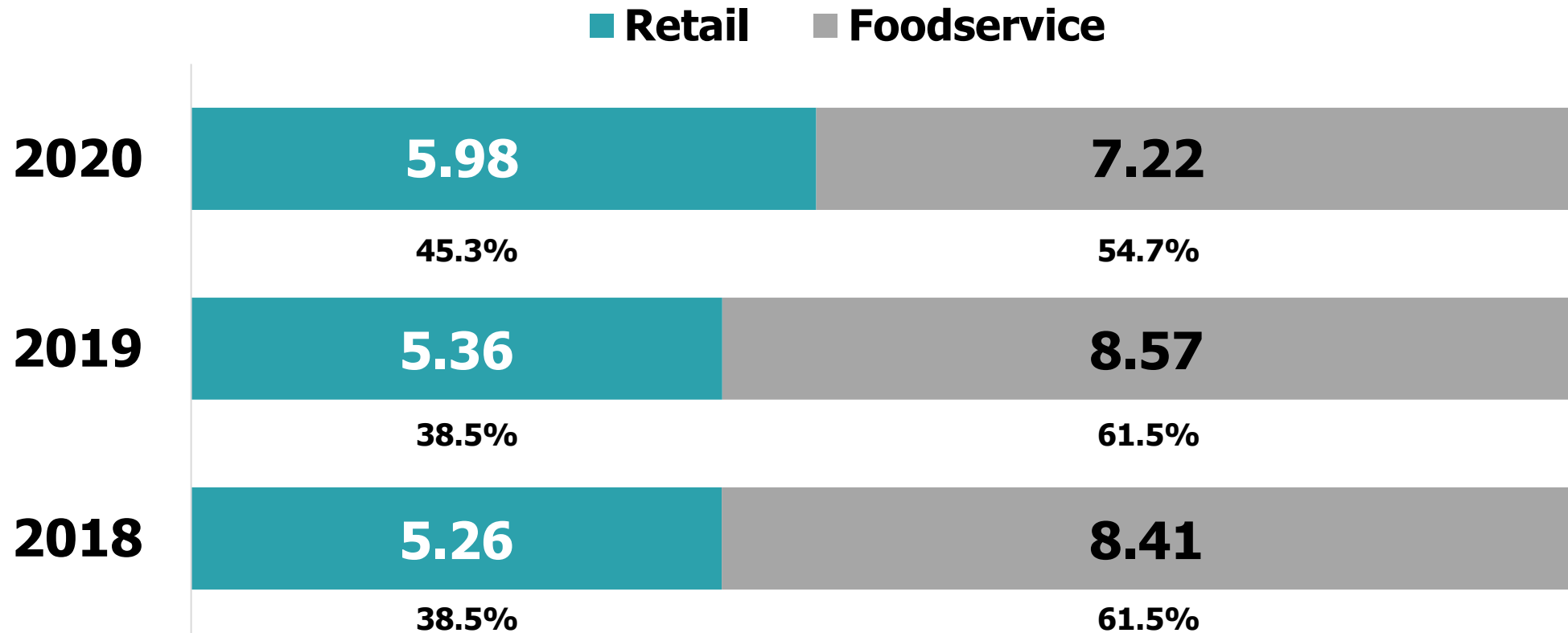
**Beef Sales In Millions \$**





# Foodservice/Retail Split (Billions of Pounds)

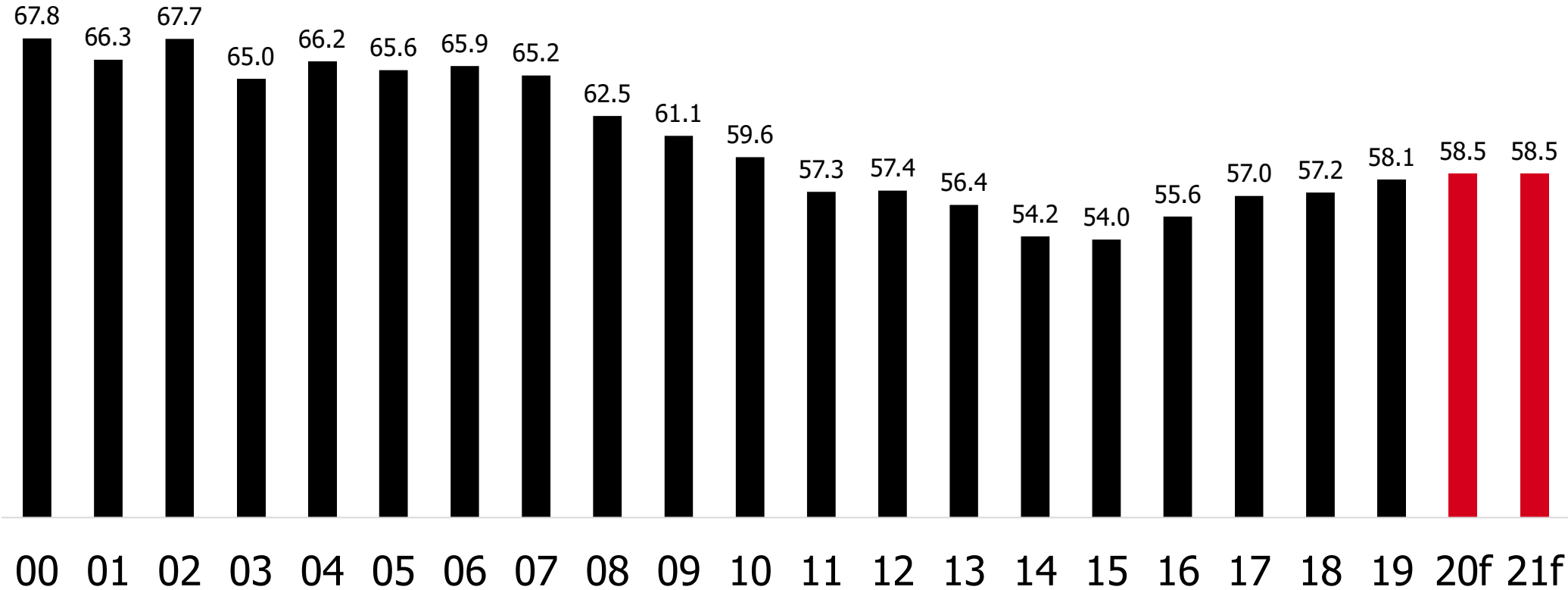
The Foodservice industry comprises ~60% of annual beef demand in “normal” years



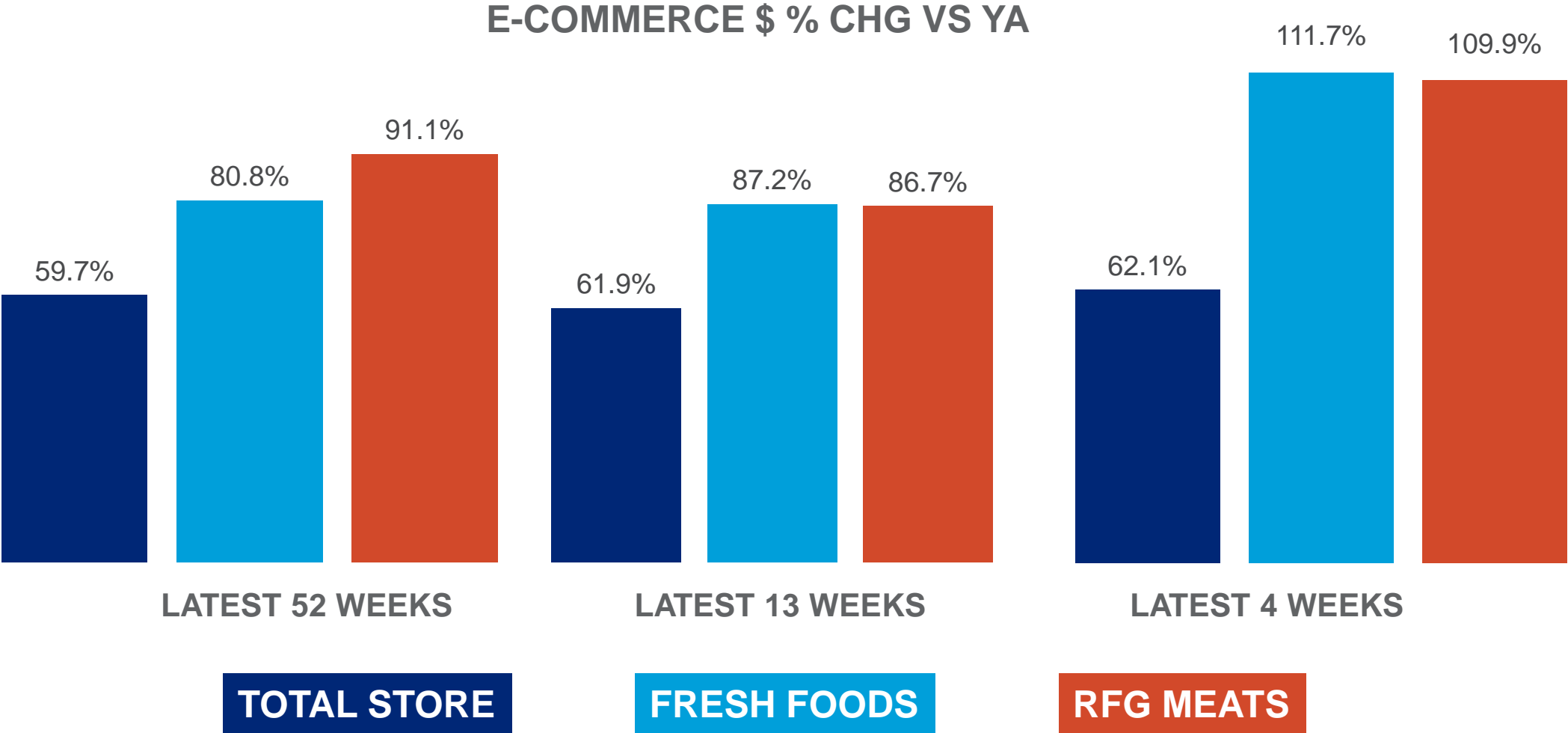
# U.S. Per Capita Net Beef Consumption (Lbs/Person)



Per capita consumption is expected to have risen in 2020, with steady net consumption expected in 2021



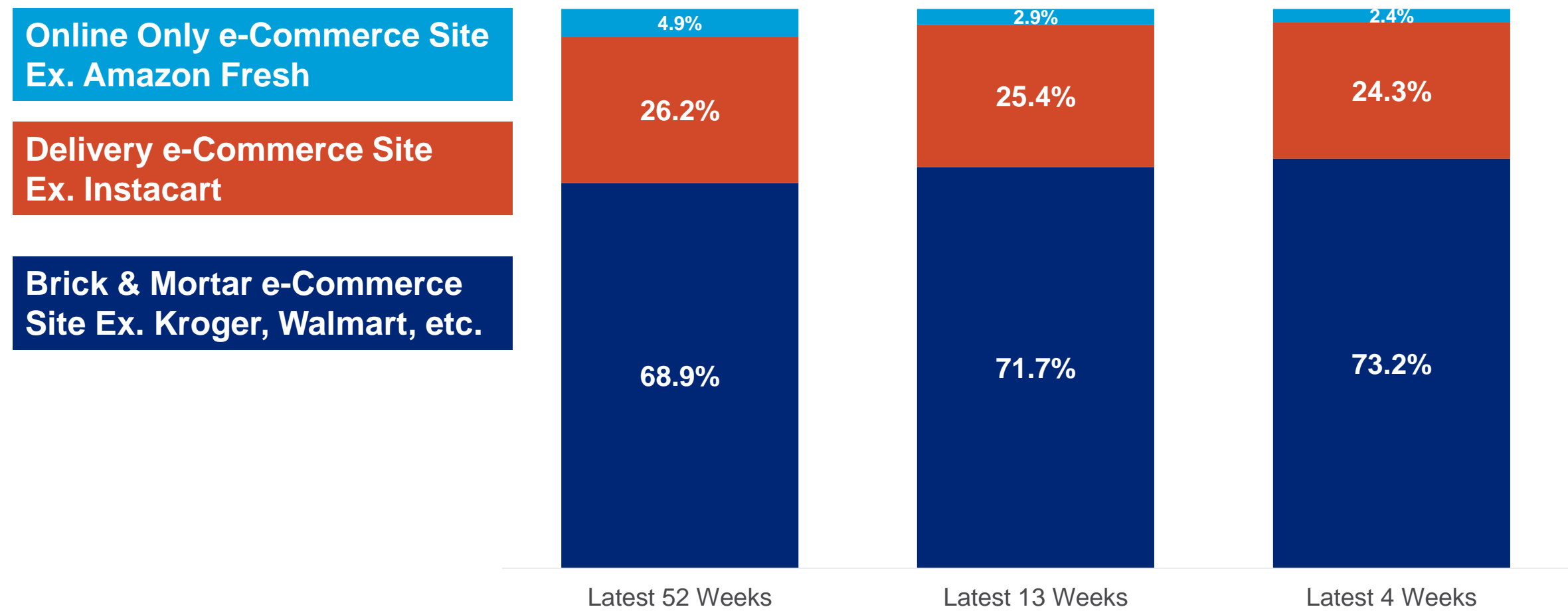
# Consumers embracing e-commerce



Source: IRI eMI, Total Ecommerce, Latest Data Ending 11/29/2020

# Consumers embracing e-commerce

SHARE OF CPG E-COMMERCE DOLLAR SALES BY FULFILLMENT TYPE

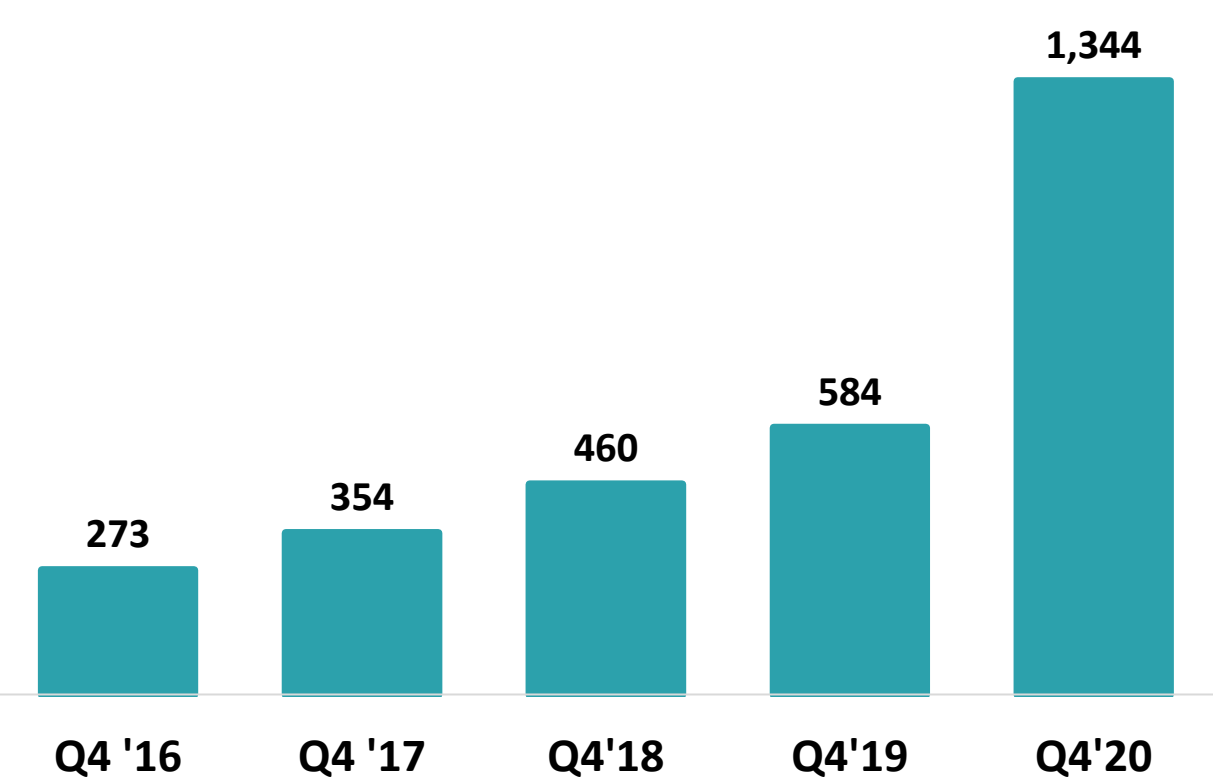




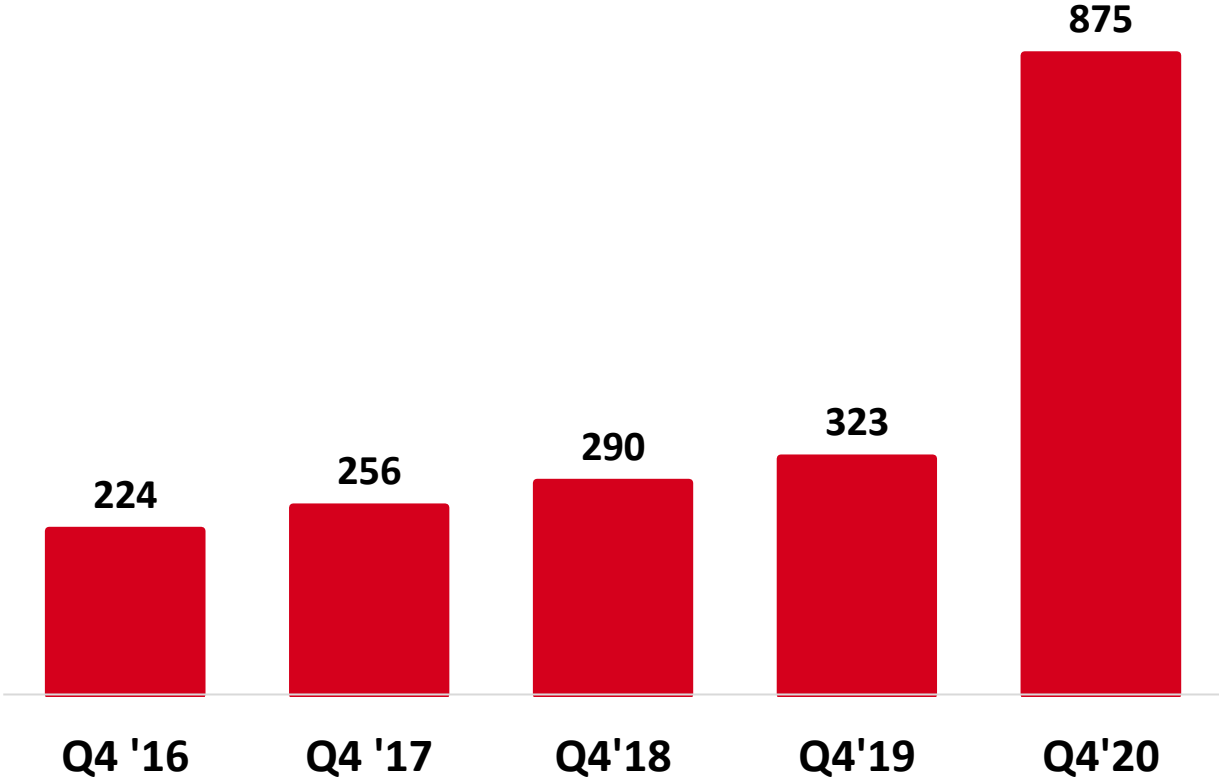
# Foodservice Digital Ordering



**Digital Pickup**  
**(Millions of Transactions)**



**Digital Delivery**  
**(Millions of Transactions)**



Source: The NPD Group / CREST® Performance Alerts.

A person wearing a denim jacket is holding a clear plastic container filled with brown, round items, possibly bread or pastries. They are standing at a market stall. In the background, there are several green glass bottles, a wooden basket filled with green apples, and various other food items. In the foreground, there are clear plastic containers filled with green salads. Two small chalkboard signs are visible: one on the left that reads "Tenderloin, Cranberry + Pear Salad" and one on the right that reads "Churrasco Steak".

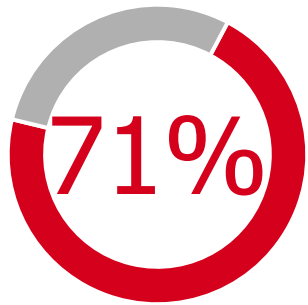
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# Consumer Landscape

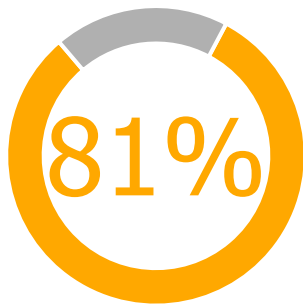
# Average - At Least Weekly Consumption

Beef and chicken are consumed by most consumers on a weekly or more basis

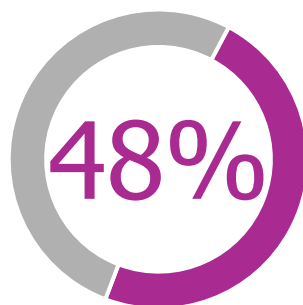
Average Consumed at Least Weekly



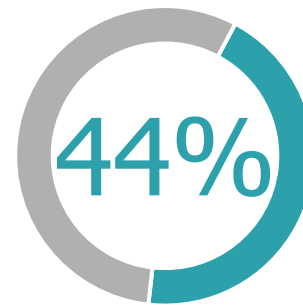
Beef



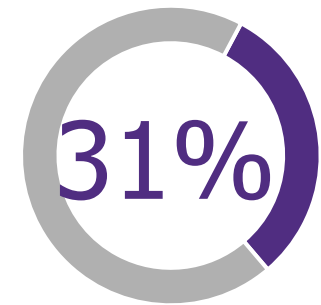
Chicken



Pork



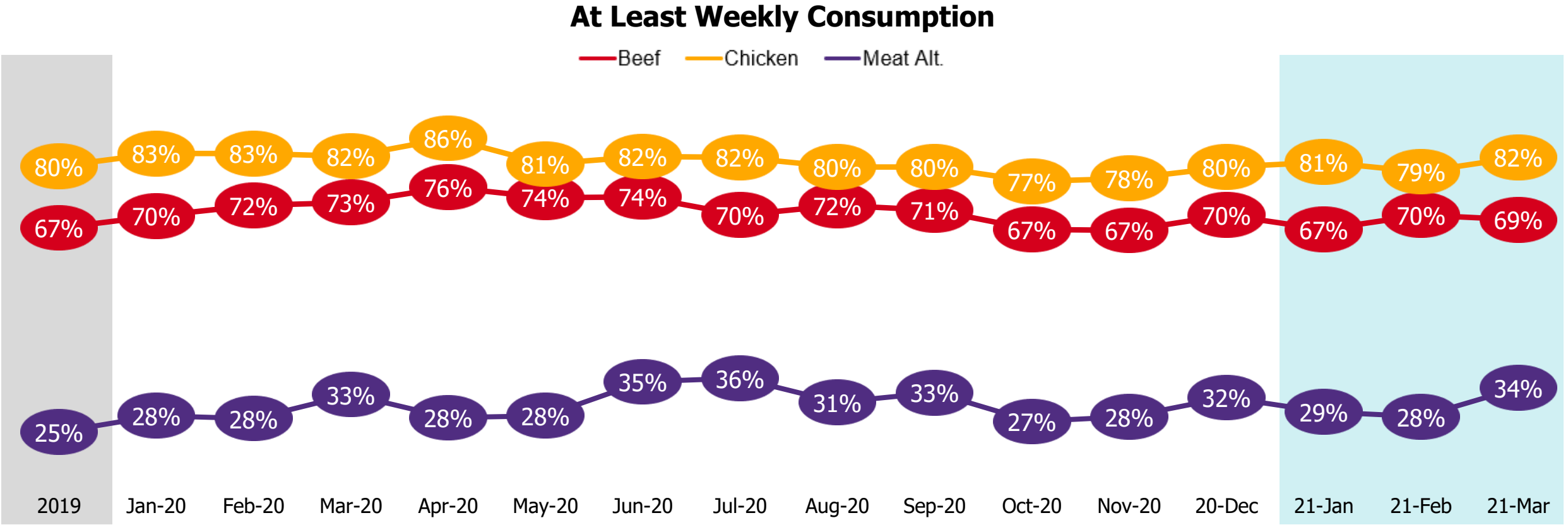
Fish



Meat  
Alternatives

# Trending Weekly Consumption

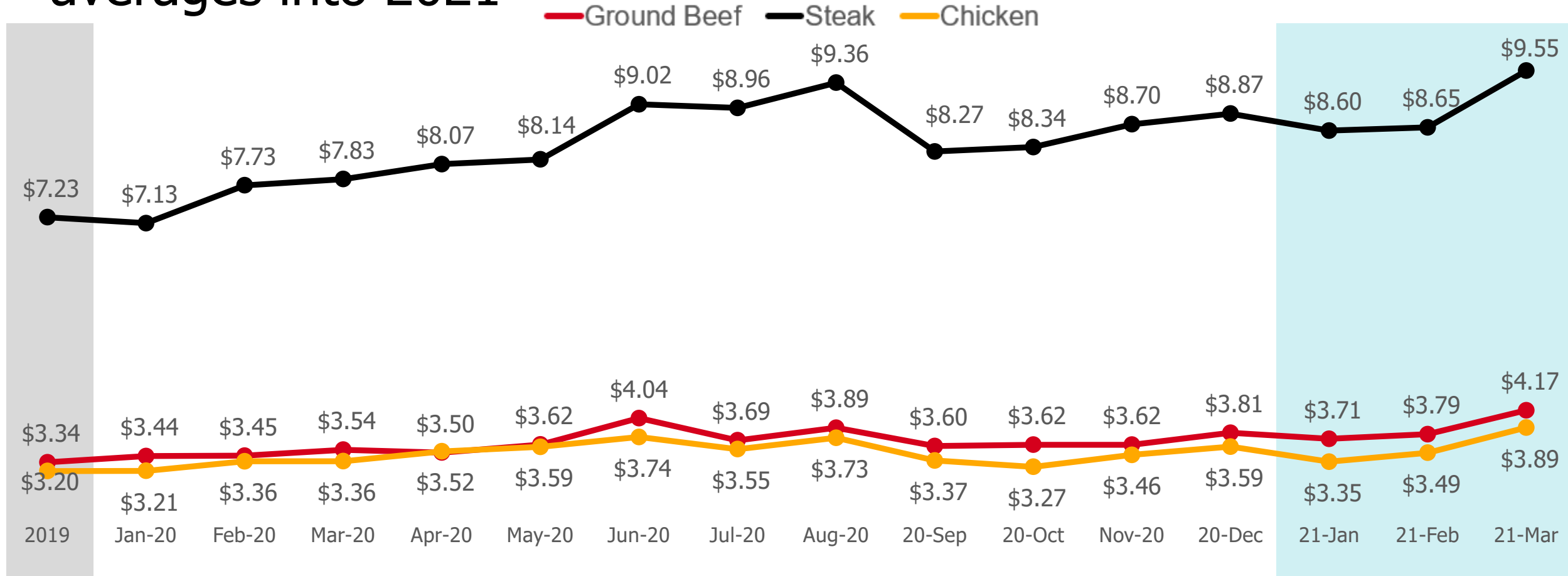
Weekly beef and chicken consumption has returned to levels similar to the 2019 average





# Trending Willingness to Pay

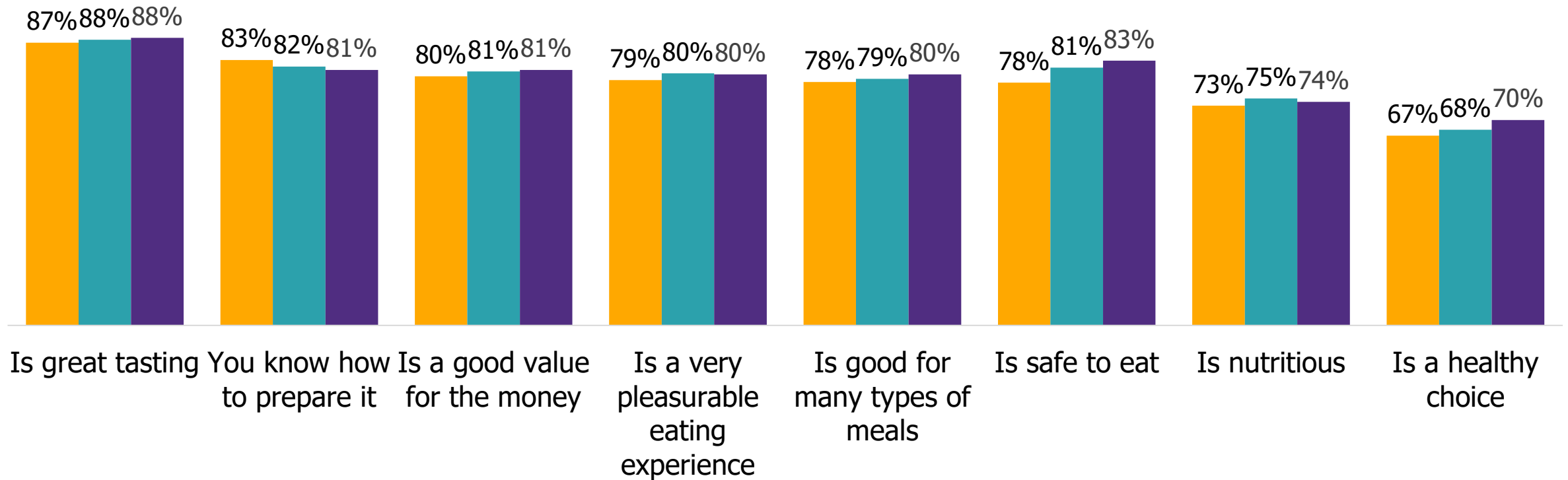
Willingness to pay for protein remains higher than 2019 averages into 2021



# Protein Consideration

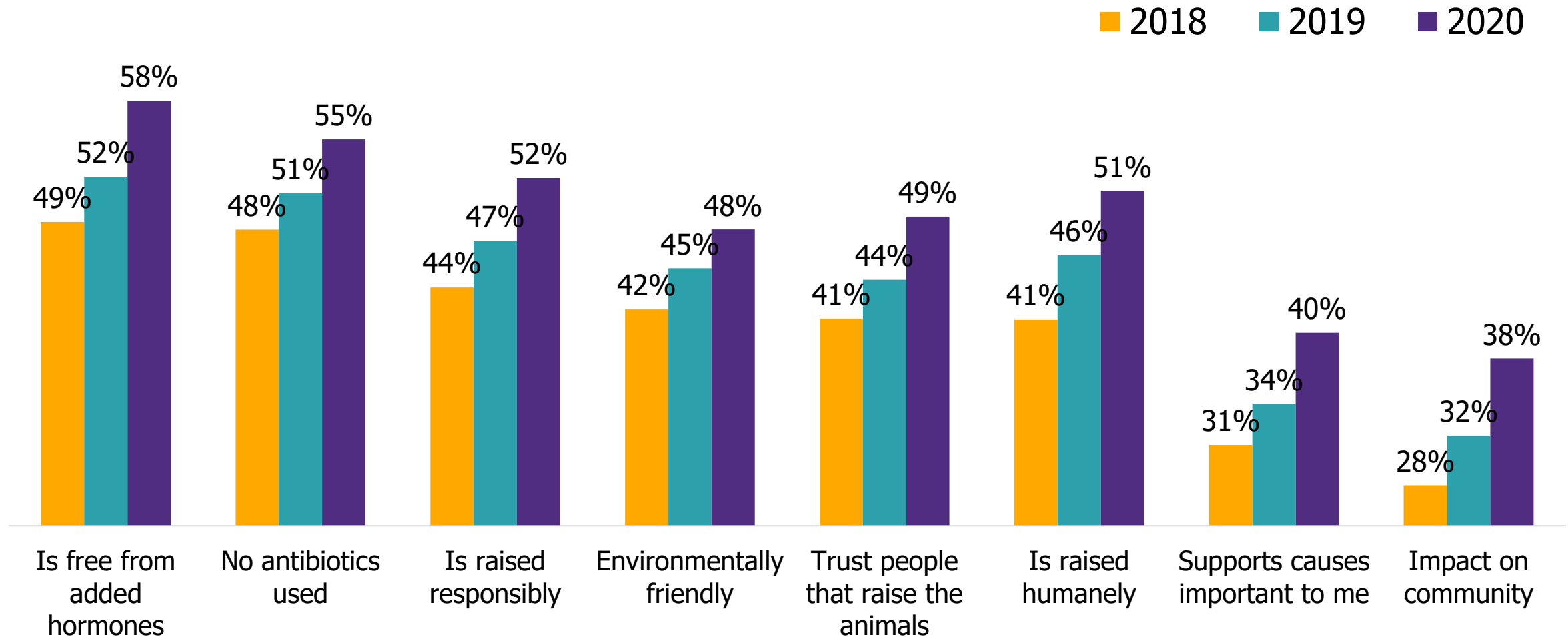
Protein consideration is driven most by taste, followed by things like safety, value, and the eating experience

2018 2019 2020



# Consideration Yearly Comparison

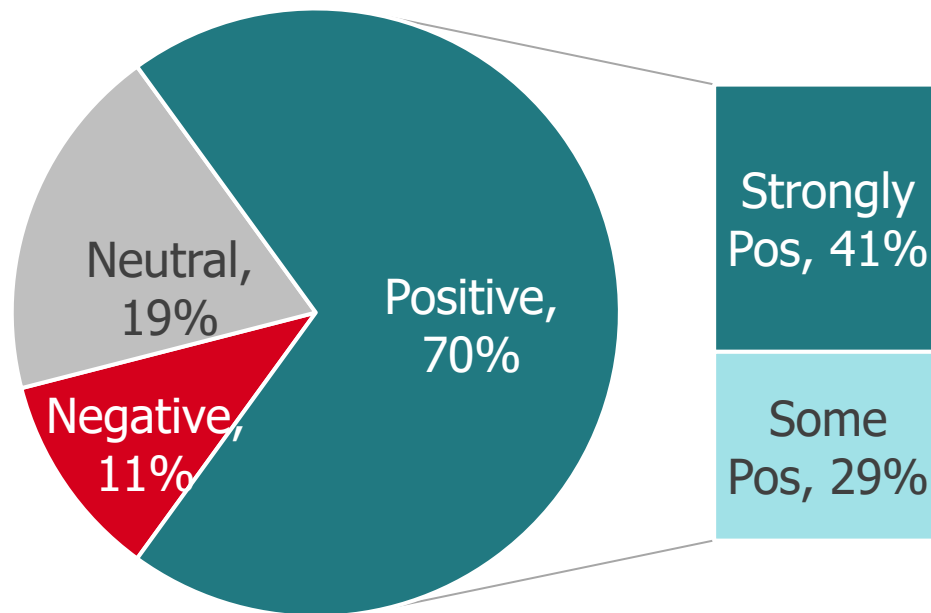
Across production related attributes, consumer consideration has increased from 2018 to 2019



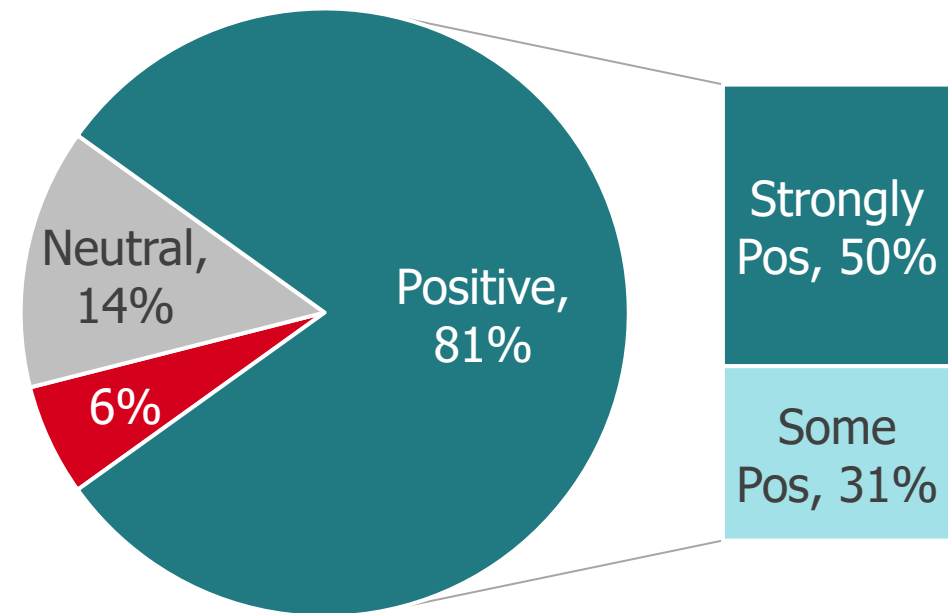
# Overall Perceptions

Overall perceptions have changed little over time for beef and chicken, but beef still lags behind chicken

Overall Beef Perceptions

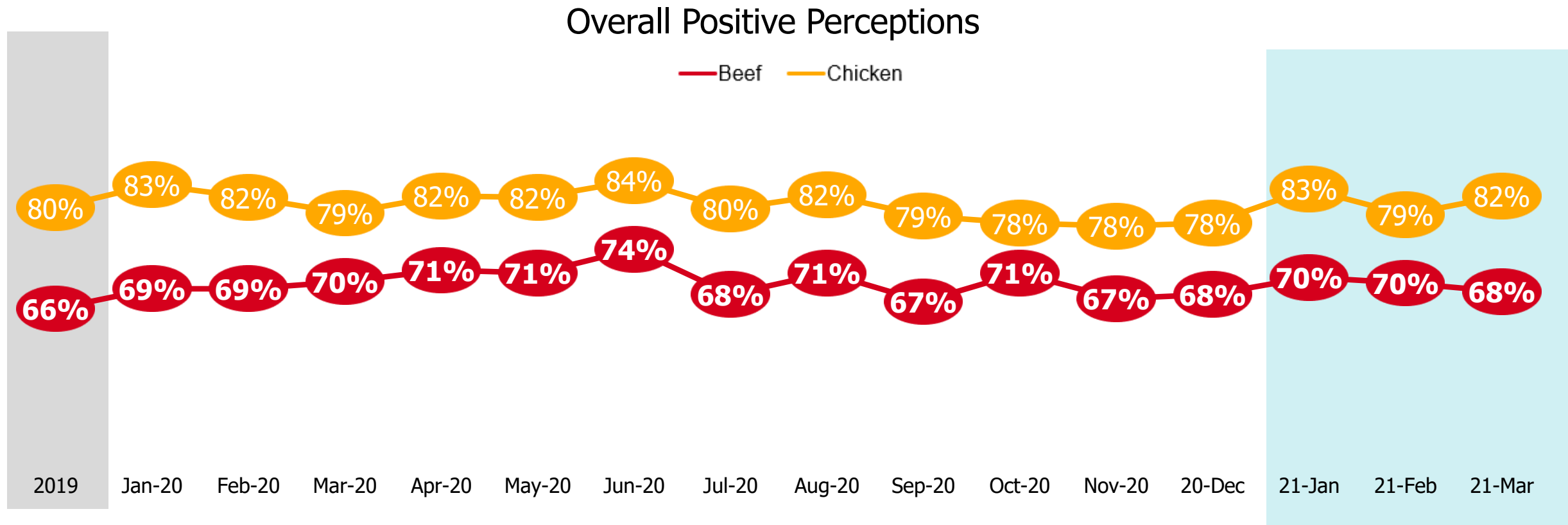


Overall Chicken Perceptions



# Trending Overall Perceptions

Perceptions continue to trend higher for beef into 2021





# Future Consumption of Beef

Plan to Eat  
the Same

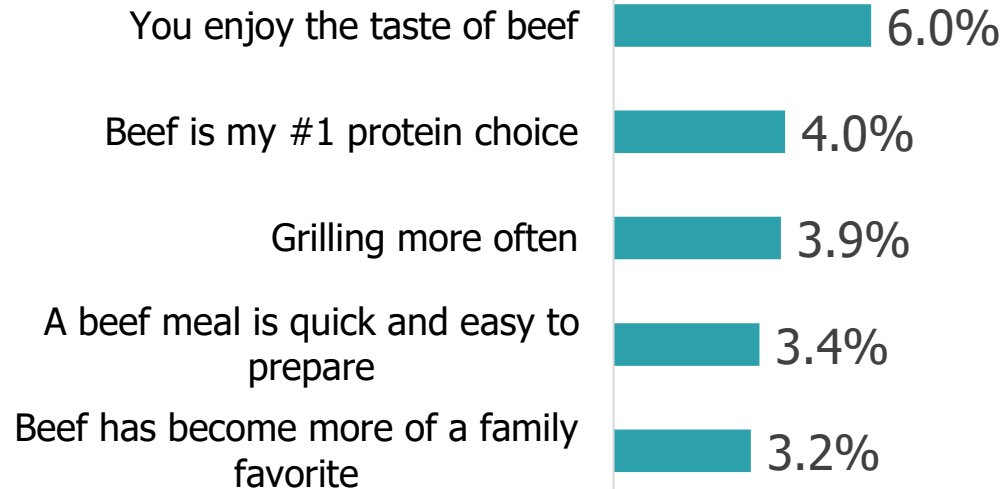
63%

Consumers plan to eat more beef mostly due to its taste and a variety of reasons to eat less beef

## Reasons to Eat More

14%

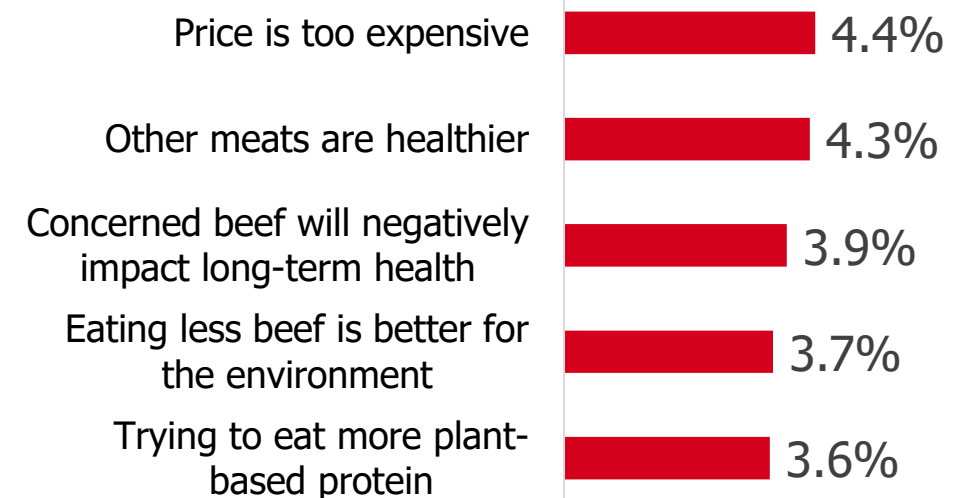
Plan to Eat More



## Reasons to Eat Less

15%

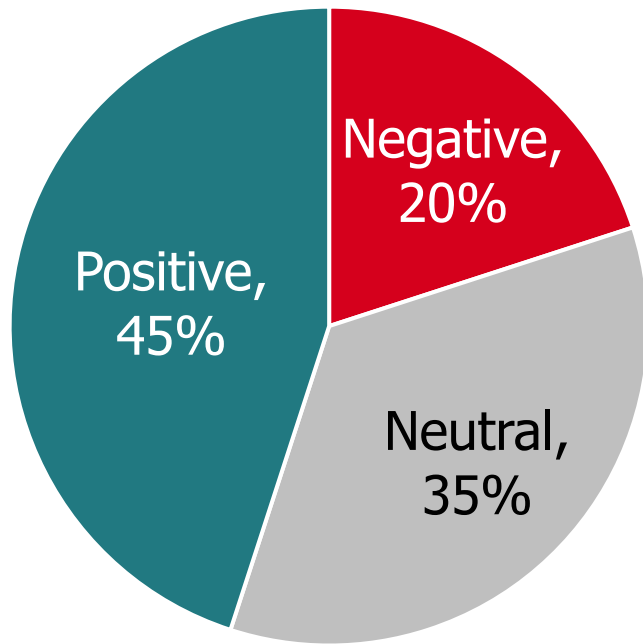
Plan to Eat Less



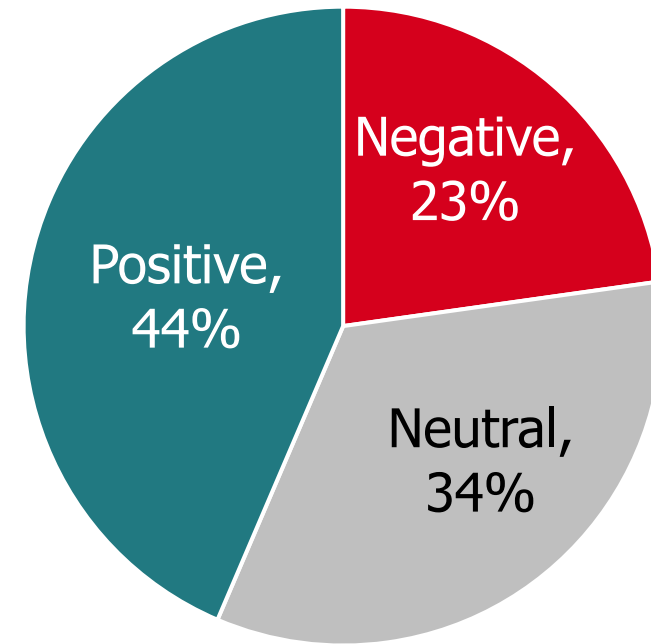
# Production Perceptions

When it comes to production perceptions, beef outperforms chicken

Beef Production Perceptions

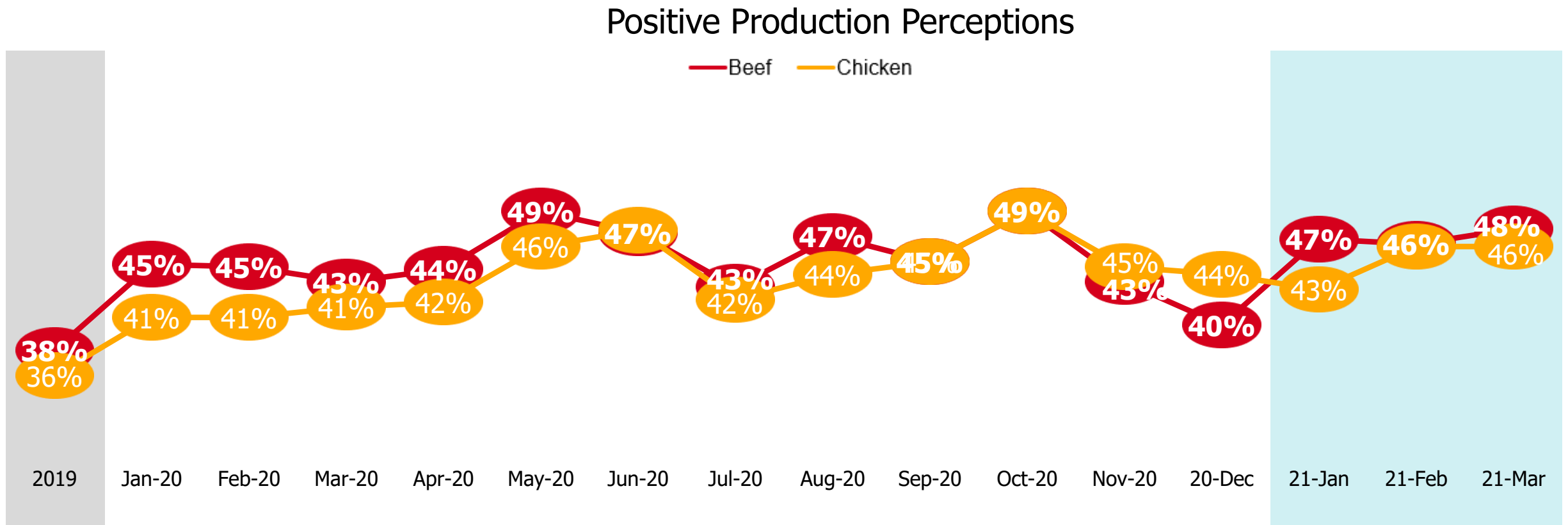


Chicken Production Perceptions



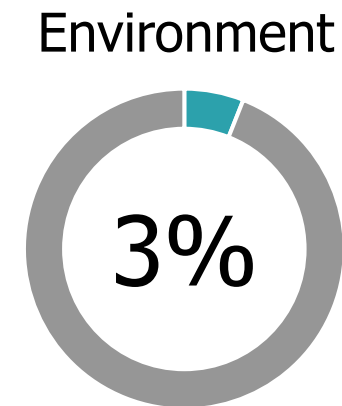
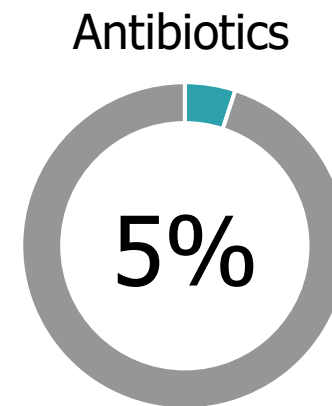
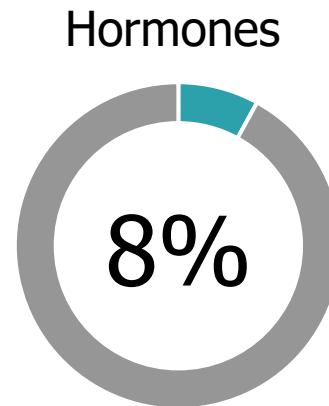
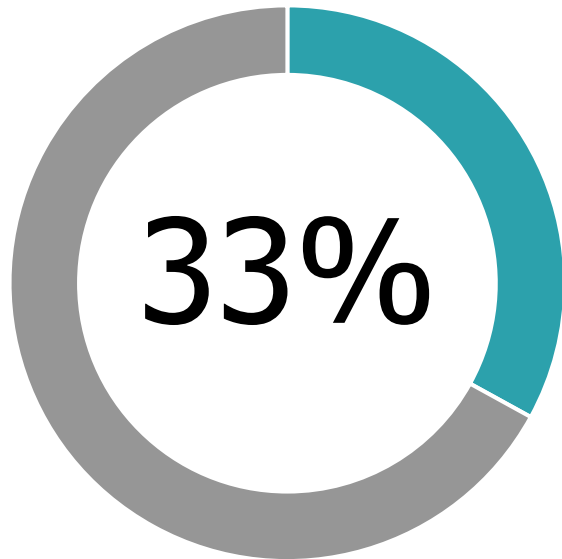
# Trending Production Perceptions

Beef and chicken continue to compete closely on production perception, both improving significantly since 2019



# Concerns with How Cattle are Raised

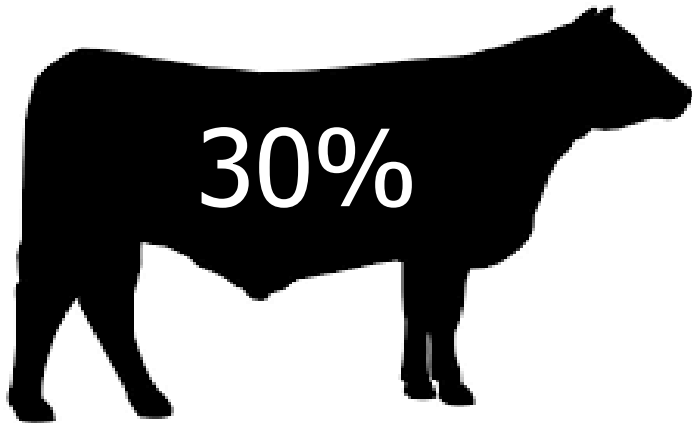
Of the **58%** who have a concern...Animal Welfare



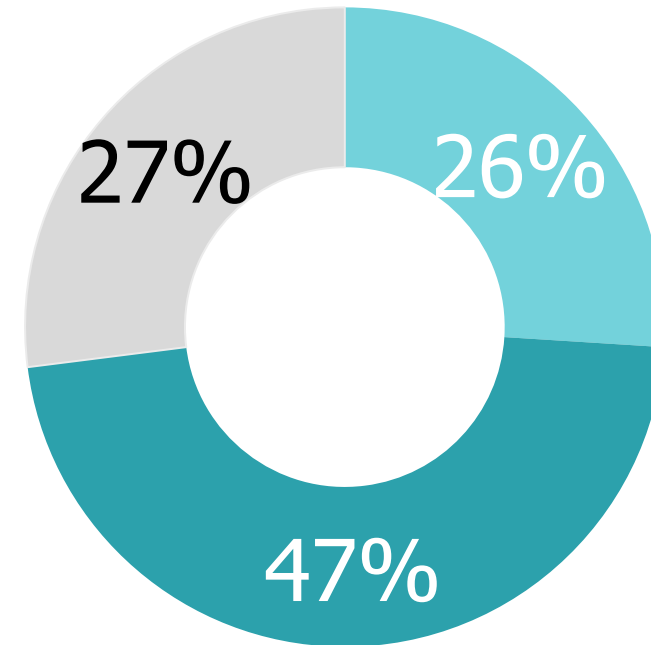
# Consumer Knowledge

Consumers are unfamiliar with how cattle are raised, but consider this aspect when choosing a protein

Familiarity with How Cattle  
are Raised



Consider How Food Was  
Raised/Grown



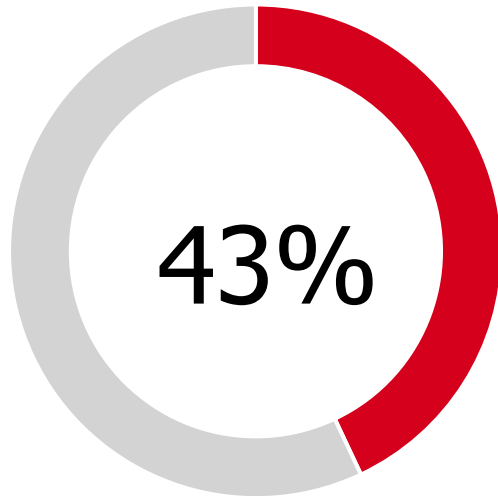
■ Sometimes ■ Often/Always ■ Never/Rarely



# Low Knowledge Level

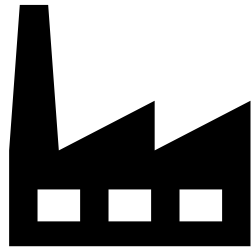
A portion of consumers believe cattle live in confinement all of their lives

Confined Conditions



# Issues For Consumers

General consensus is there are large scale farms/ranches that operate like “corporations” and then, there are small family farms



Focused on money

Large scale

Inhumane treatment, crowding, overuse of ABX

Current state of food production



Smaller, family-owned farms

Higher quality, better conditions

Dying breed

Niche Markets

# Sustainability Focus Groups



## **HIGH SUSTAINABILITY KNOWLEDGE**

Care a lot about topics related to sustainability.

Are very interested in topics related to food / animal proteins and sustainability.

At least sometimes think about sustainability issues when preparing a meal at home.

Care about, research, and at least sometimes change behaviors because of sustainability topics.


## **MODERATE SUSTAINABILITY KNOWLEDGE**

Care about topics related to sustainability.

Are at least somewhat interested in topics related to food / animal proteins and sustainability.

At least sometimes think about sustainability issues when preparing a meal at home.

Care about and sometimes research topics related to sustainability.



Although we recruited HIGH and MODERATE Sustainability Knowledge consumers, many were still challenged to talk about sustainability issues as they relate to the cattle industry.

# KEY INSIGHTS + IMPLICATIONS

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Today, **top-of-mind sustainability topics are linked to more “popular” topics** like recycling, pollution, and single-use plastics. Across segments, there is a focus on improvement and providing a better future for generations to come.

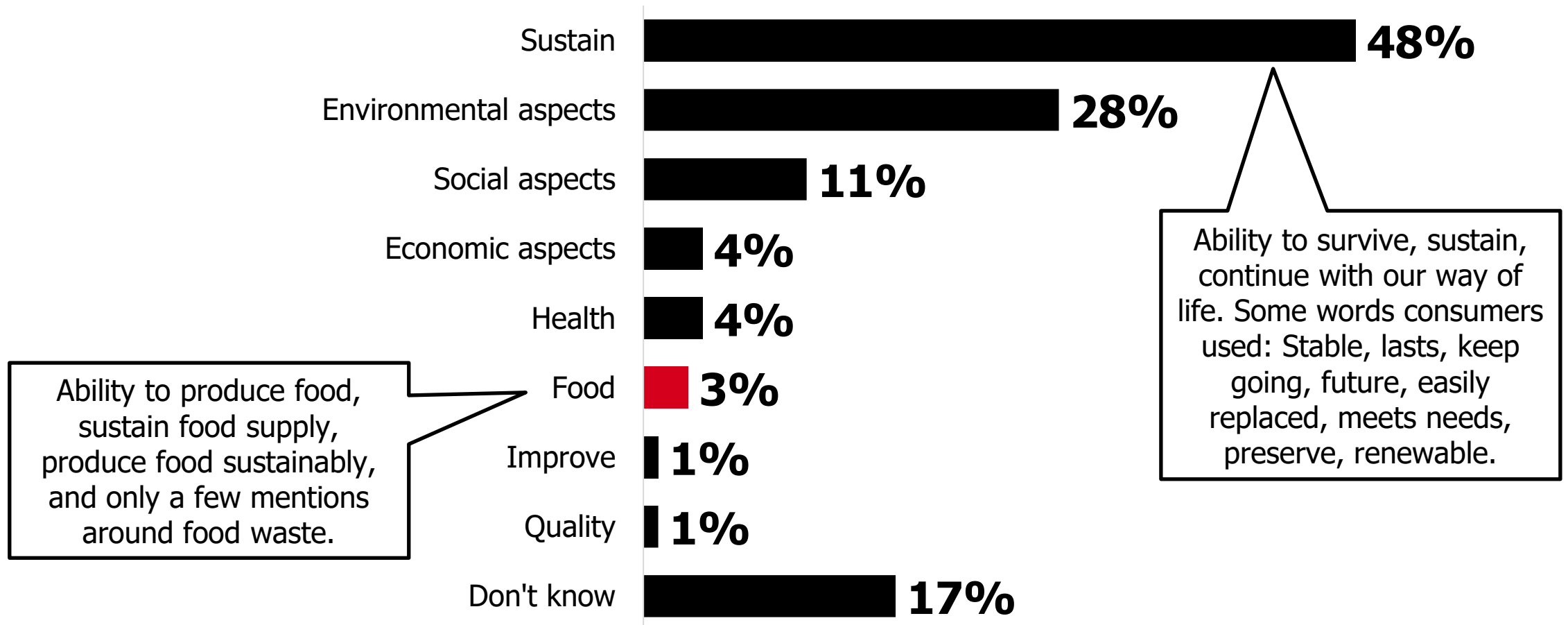
High Knowledge consumers are likely to be aware of a broader range of sustainability issues

Moderate Knowledge consumers have a more limited awareness of sustainability topics and are “trying their best” to make choices related to sustainability.



# Defining Sustainability

When defining the term, most default to the nature of the word;  
However, many do define it based on the impact on the environment



# KEY INSIGHTS + IMPLICATIONS

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Consumers have **limited knowledge about sustainability and the beef category**. Much of what they know is linked to documentaries, word of mouth or anecdotal information.

Key topics related to beef and sustainability include Animal treatment and general environment mentions. More aidedly emissions from cattle production, grass-fed vs. grain-fed and rising prices.

Most consumers are not actively thinking about sustainability issues at the shelf when purchasing beef.



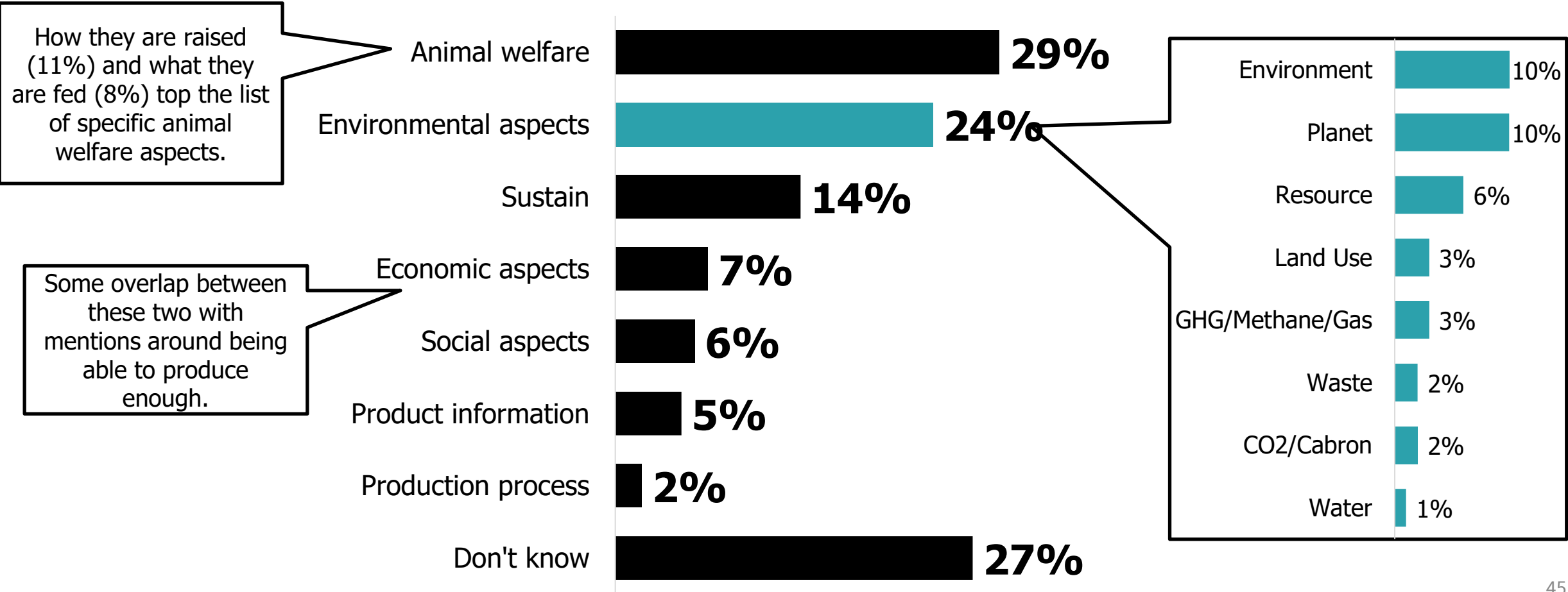
**IMPLICATION:** Different level of awareness regarding beef and sustainability will drive the need for varied levels of education.





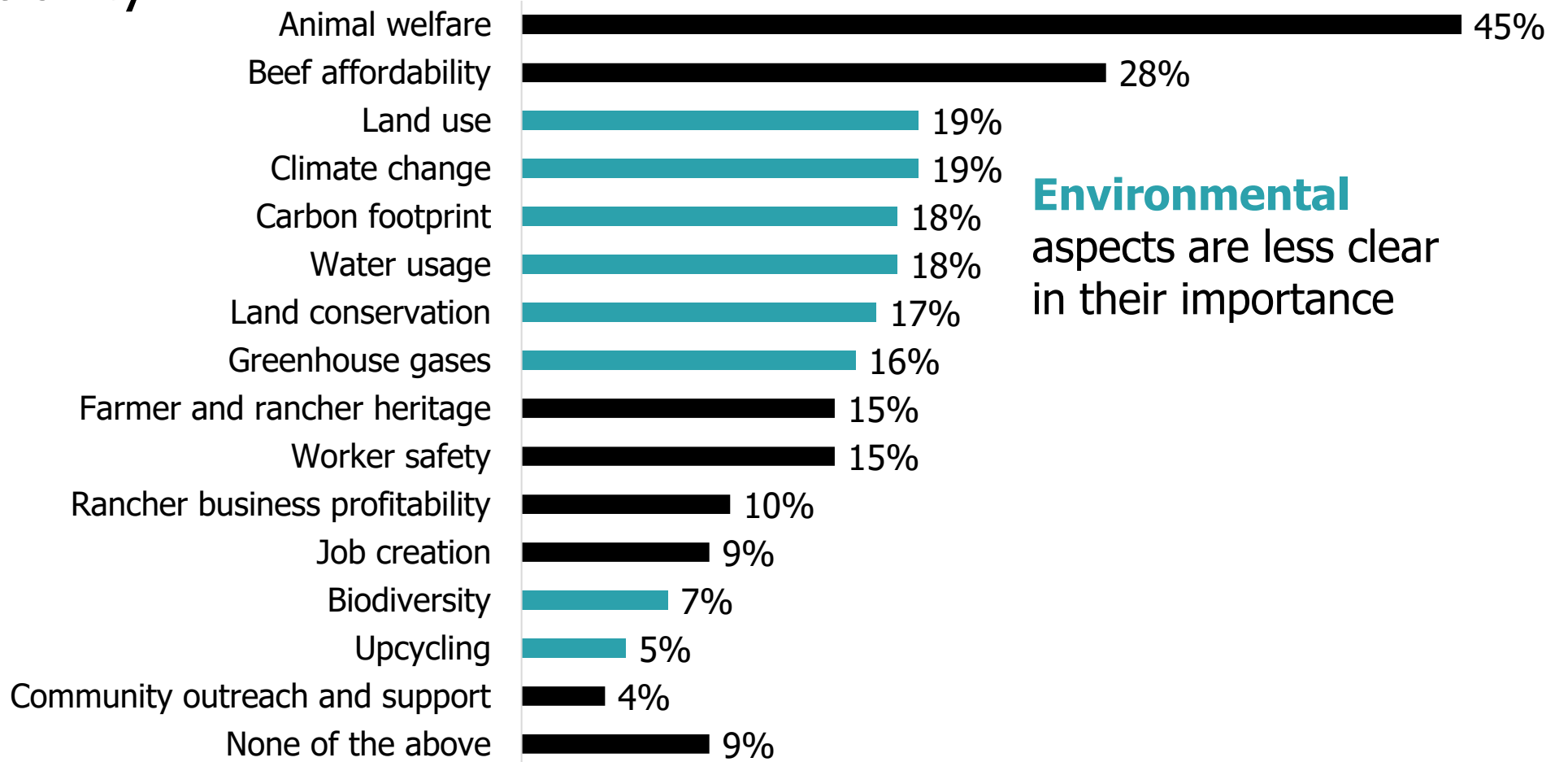
# Defining Sustainability for Raising Cattle

Animal welfare comes up unaided more often when talking about beef and sustainability; Environmental factors are still relevant as well



# Beef & Sustainability Topics

Animal welfare is clearly most important to address when it comes to beef sustainability



# KEY MESSAGE INSIGHTS + IMPLICATIONS



**A messaging playbook for the beef industry as it relates to sustainability includes the following “must-dos:”**

Speak in clear, concise and bold language.

Prioritize action over details and data.

Increase transparency.

Humanize the industry.

Include trusted third-party entities.

**Award programs offers a clear example of how to talk about sustainability:**

Video messages are powerful, easy to understand and offer some insight into a “real” farmer or rancher experience.

Despite positive visuals, consumers want to know more specifics about how sustainability is being achieved.

Push to make representative

**Simplifying messages and visuals, along with using more “consumer-speak” vs. industry jargon will serve to increase message appeal:**

Across messaging concepts, consumers asked for clearer language and simpler visuals.

Transparent, easy-to-understand data points are more believable and engaging.

A photograph of a herd of cattle in a field. The cattle are of various colors, including brown, white, and black. They are standing in a line across the middle of the frame. The background shows rolling hills under a clear blue sky. A white building is visible on the right side of the horizon. The number '4' is overlaid in red on the image.

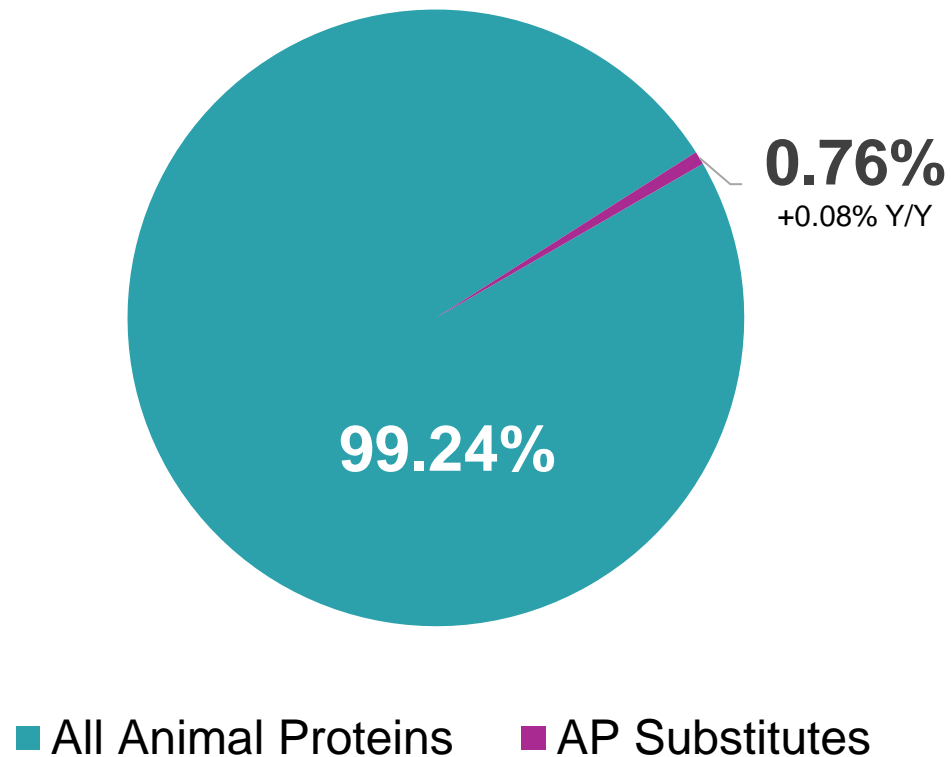
4

# Meat Substitutes

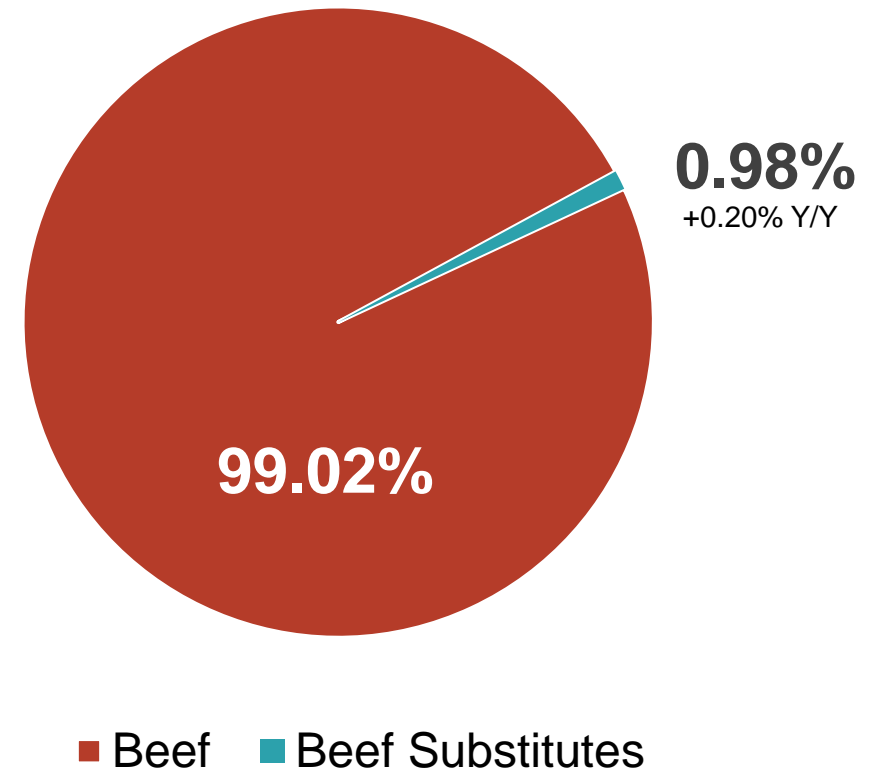
# Meat and Beef Substitutes Own Little Market Share

While protein substitutes continue to grow, the market share is small

Animal Proteins vs. Substitutes



Beef vs. Beef Substitutes

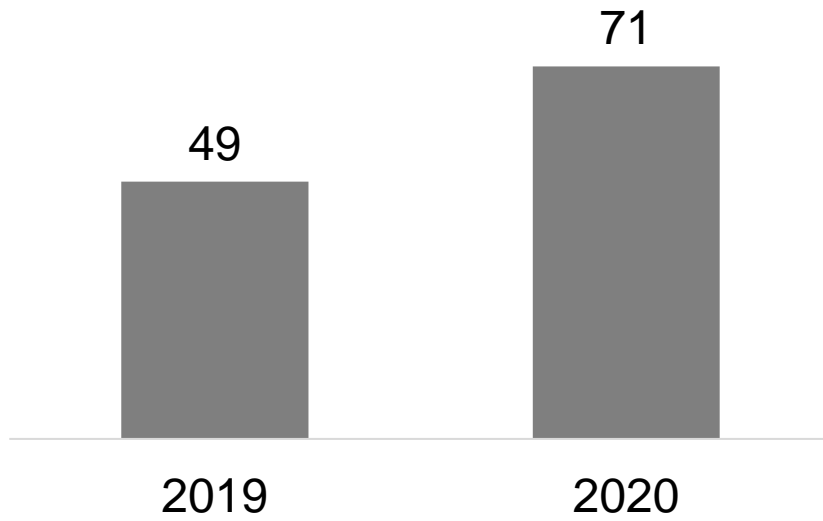




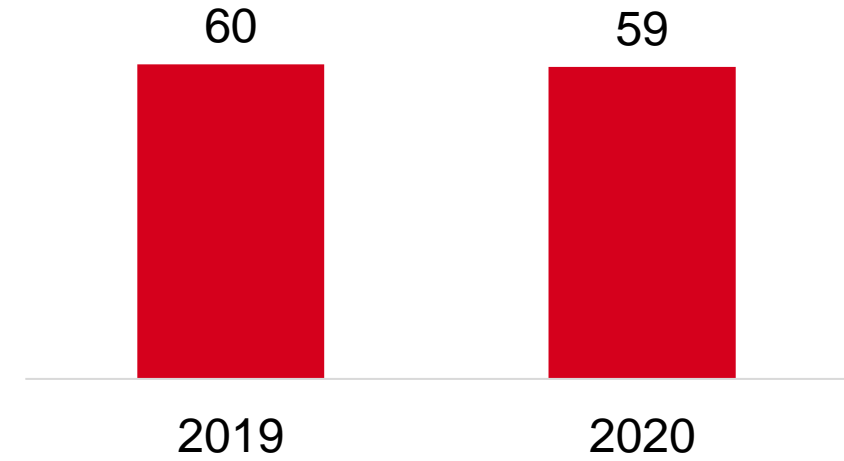
# Beef Sub Sales at Channels (Mln Lbs.)

Substitutes replacing beef products followed the protein market with increased retail demand and reduced foodservice demand

**Retail Beef Substitutes**



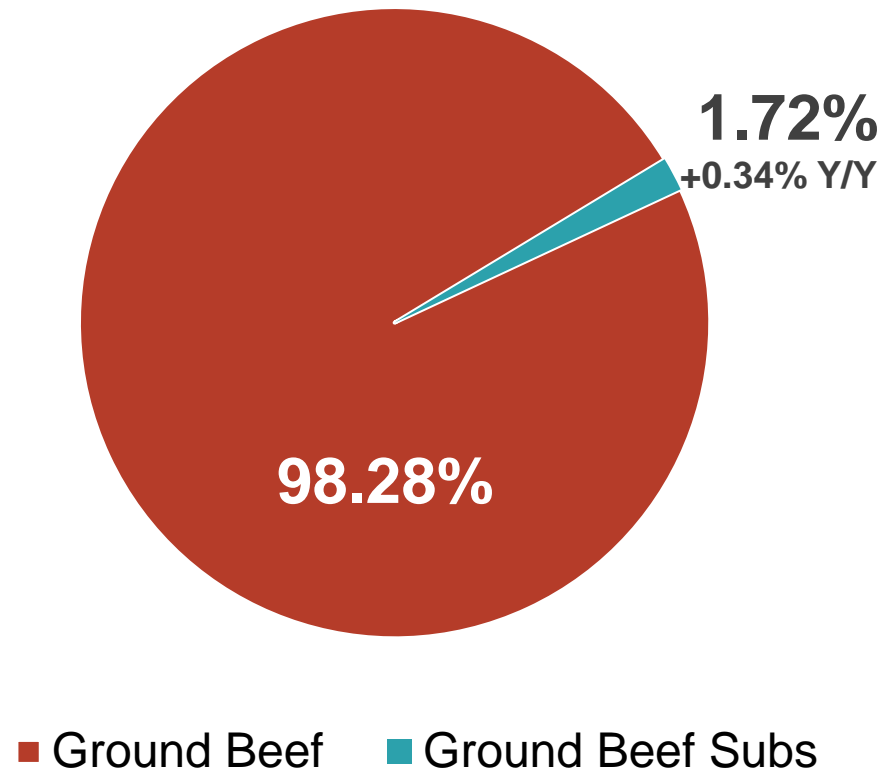
**Foodservice Beef Substitutes**





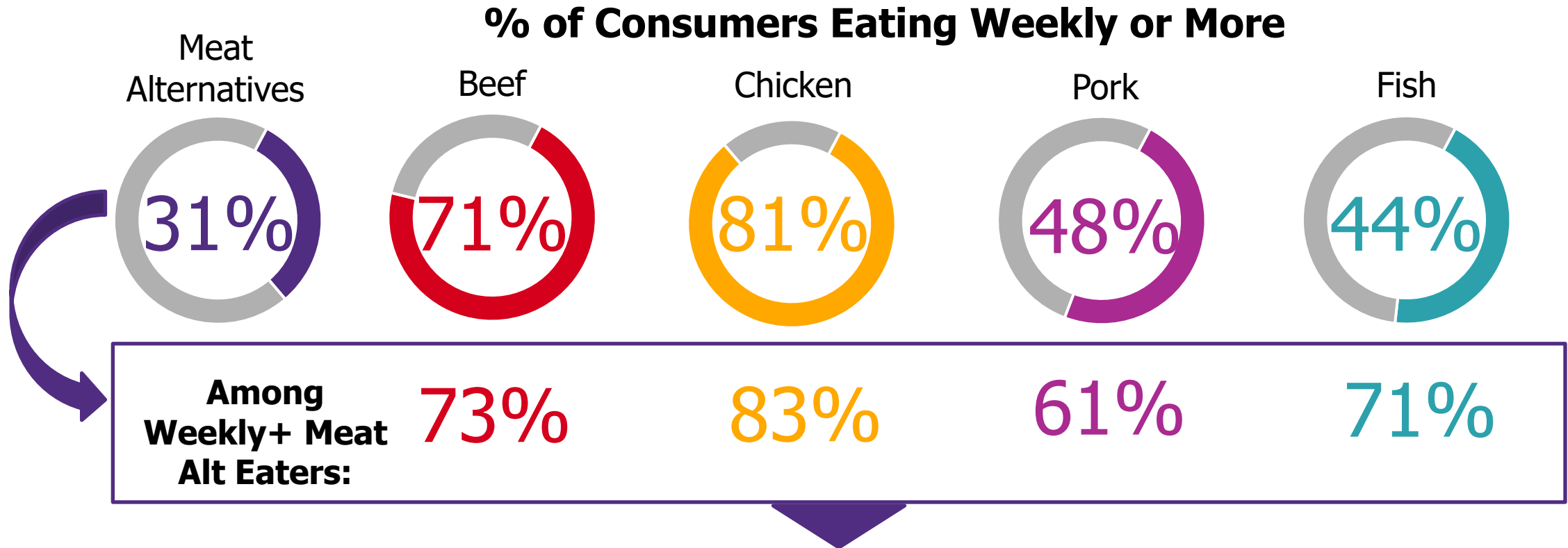
# Ground Beef vs. Ground Meat Substitutes

Ground beef substitutes are the most popular replacement, however they are still a small share of the ground protein market

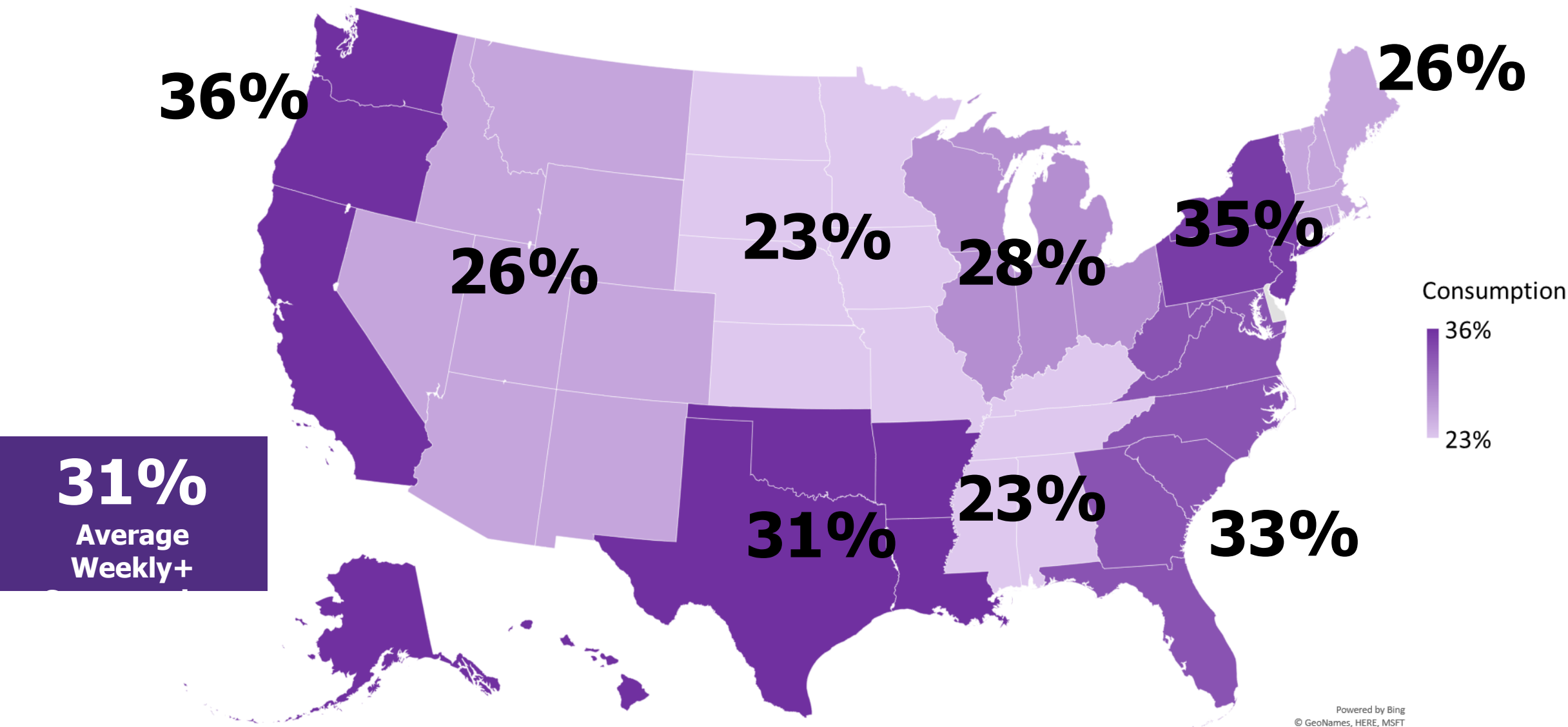


# Consumption of Protein

Frequent meat alternative consumers are eating a variety of other meat proteins including beef



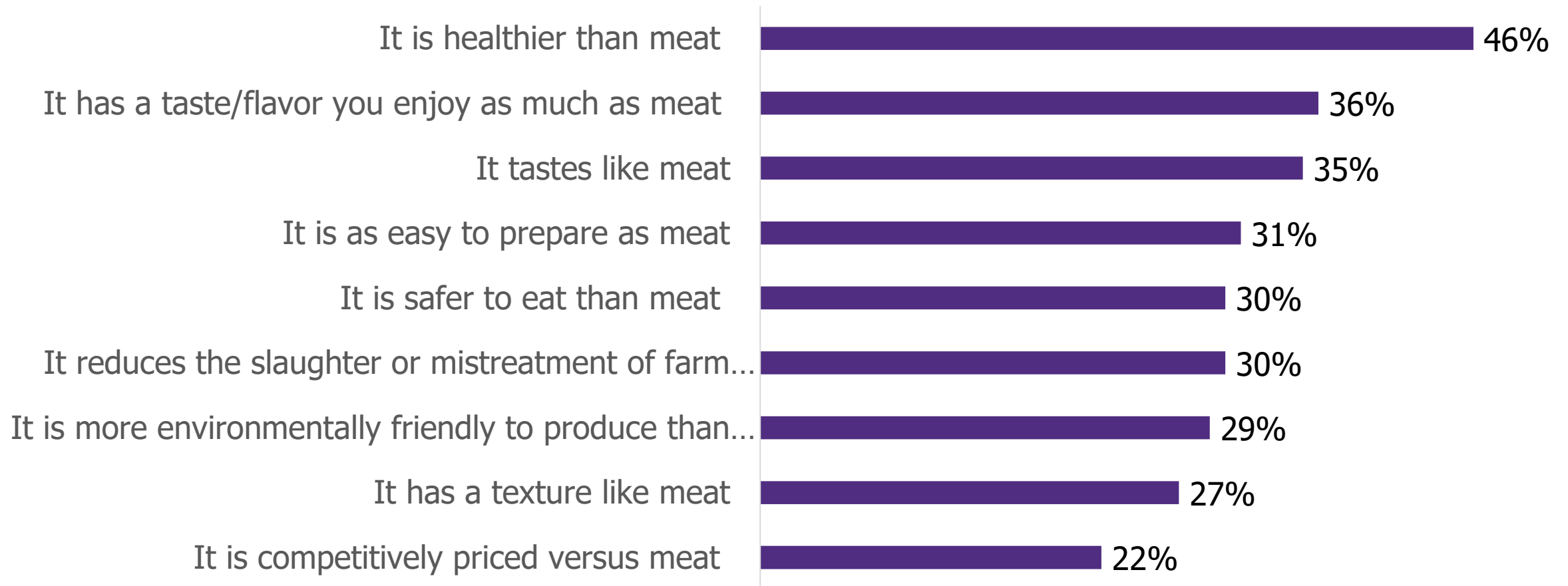
# Regional Meat Alt. Consumption



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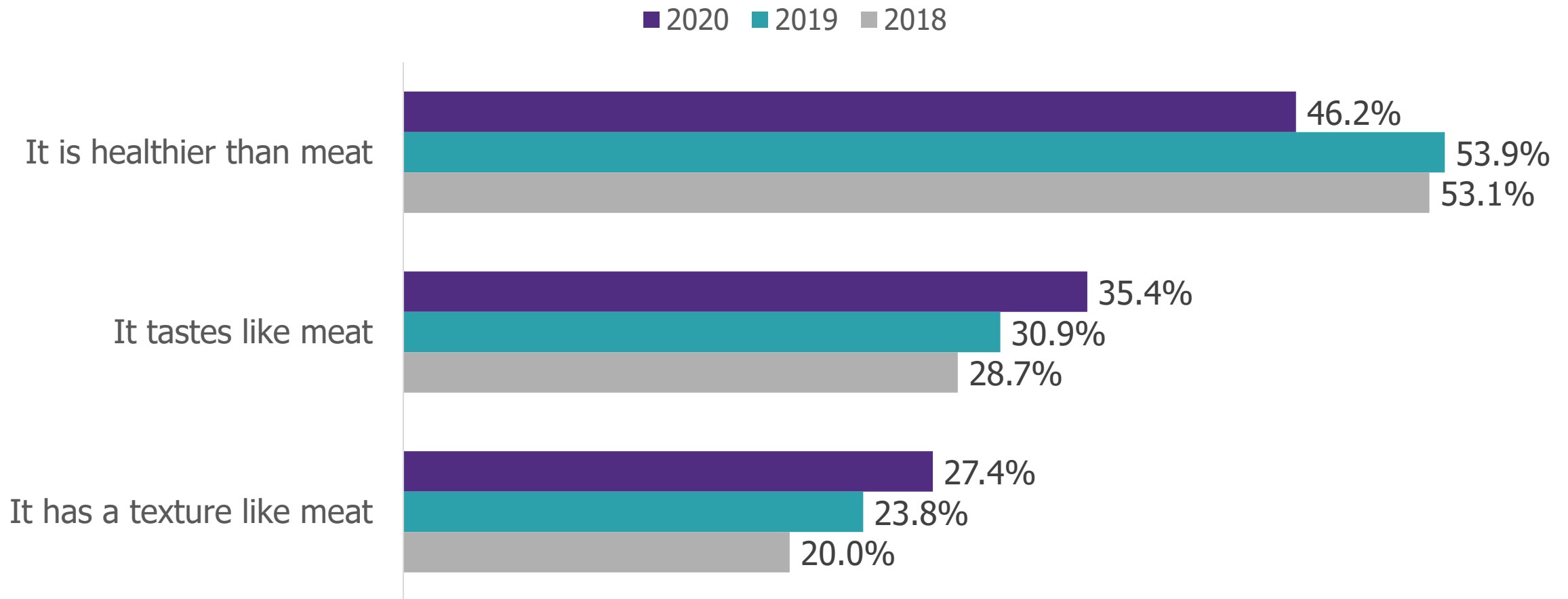
# Reasons for Choosing Meat Substitutes

Based on those who have intentionally avoided eating meat, most are choosing meat substitutes because of their healthier perceptions



# Choosing Meat Substitutes – Trended

Health has declined as a top reason for choosing meat substitutes over in the past year, while reasons like taste and texture have increased



## Action items delivered by Beef. It's What for Dinner and other programs, managed by NCBA, a contractor to the Beef Checkoff:

- NCBA will continue to complete first-of-its-kind exploratory e-commerce marketing campaigns in this rapidly changing environment.
- NCBA will continue to push out cooking information and recipe inspiration through digital, social media and traditional media platforms and leverage impactful, high-profile influencers or thought leaders.
- NCBA will continue to look for opportunities to remind consumers that beef should be the centerpiece of their dinner.
- Beef demand and perceptions have remained strong throughout 2020. With strong domestic consumer demand-building programs NCBA is focused on keeping this strong demand going.



# State of the Consumer

- The handout can be found on [beefresearch.org](https://www.beefresearch.org)

<https://www.beefresearch.org/resources/market-research-planning/white-papers/state-of-the-consumer-fall-2020>



## OUTLOOK FOR BEEF

What does all of this mean? The current environment and confusion regarding food—or the world and life in general—is probably not going to change any time in the near future. Given the lack of comfort and so many questions across the consumer population, it is hard to say when consumers will feel comfortable enough to get back to a sense of normalcy. All that said, beef is in a good position and consumer perception on the beef industry has positively shifted. From January to September 2020 the percentage of consumers claiming to eat beef at least weekly has increased from 67% to 72% compared to 2019. In addition, the number of

people with a positive perception of beef has increased, resulting in positive perceptions reaching 70% for the first time. Furthermore, positive production perceptions regarding how cattle are raised have increased 18% compared to 2019<sup>8</sup>. A lot of things are on consumers' minds right now—from the pandemic, to the economy, from protests to the election, not to mention children going back to school. At least temporarily, it may just be that consumers do not have enough bandwidth to worry about some of the things they were previously worried about when it comes to food—like health or production-related issues with beef. ■

## KEY TAKE-AWAYS

- Online ordering for both groceries and meal ordering is likely here to stay. It is expected online ordering and delivery will grow and at a more rapid pace than originally projected due to COVID-19. Beef, It's What's For Dinner, managed by NCBA, a contractor to the Beef Checkoff, will continue to complete first-of-its-kind exploratory e-commerce marketing campaigns to help the supply chain accelerate the sales of fresh beef in this rapidly changing environment.
- Consumers are cooking more meals at home now than prior to COVID-19. This means they are searching for information to help them cook meals at home. Though expected to continue for the short term, a long-term shift is difficult to assess. Beef, It's What's For Dinner, managed by NCBA, a contractor to the Beef Checkoff, will continue to utilize a variety of techniques by pushing out cooking information and recipe inspiration through digital, social media and traditional media platforms and leveraging impactful, high-profile influencers or thought leaders to teach consumers how to cook.
- Consumers are spending more time at home and online than prior to COVID-19. Along with that comes the rise of more TV and movie-streaming platforms and the decline of in-person movie theater watching experience, which could signal a long-term shift in consumers using more media "inside of the home" compared to "out-of-home." Beef, It's What's For Dinner, managed by NCBA, a contractor to the Beef Checkoff, will continue to utilize a variety of marketing platforms to continuously reach the consumer through paid, earned and owned digital, social and traditional media platforms.
- Currently, consumers are more focused on spending their money on essential needs, such as groceries, household supplies and personal care and cleaning products. This will likely adjust back at some point, it is just a matter of when. Beef, It's What's For Dinner, managed by NCBA, a contractor to the Beef Checkoff, will continue to look for opportunities to remind consumers that beef is the classic comfort food that they want as the centerpiece of their dinner, especially as we move into the holiday season.
- Positive consumer perceptions of beef and beef production increased during the pandemic and will likely remain higher for the next several months. Consumers may return to expressing concerns about food production when focus evolves from current concerns. NCBA, a contractor to the Beef Checkoff, will continue programs that educate consumers about beef and beef production.
- Beef demand has remained strong to-date. Consumers increased weekly beef eatings and were willing to pay more for the product. With strong domestic consumer demand-building programs managed by NCBA, a contractor to the Beef Checkoff, is focused on keeping this strong demand going.





# THANK YOU

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