



**Thank you for joining us today!
The Webinar will begin soon.**

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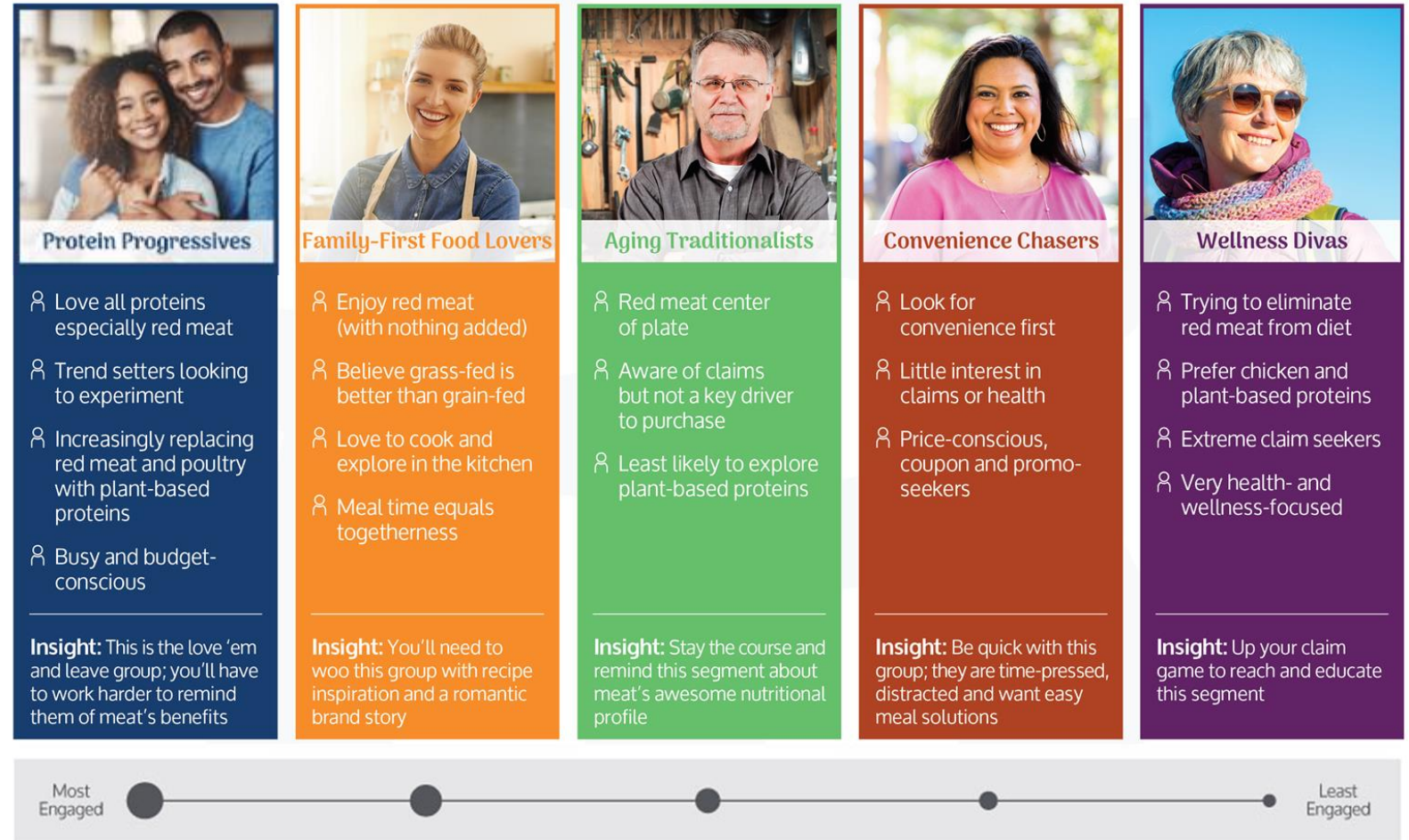
Today's Protein Consumer Revisited:

Changing Behaviors of Retail
and Foodservice Consumers

Danette Amstein, Principal
September 8, 2021

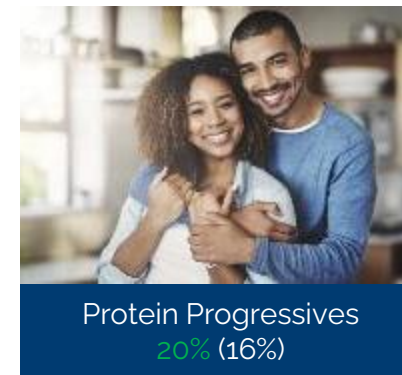
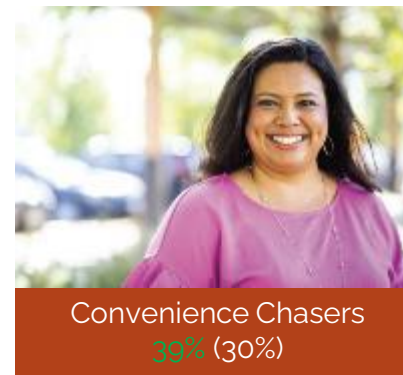
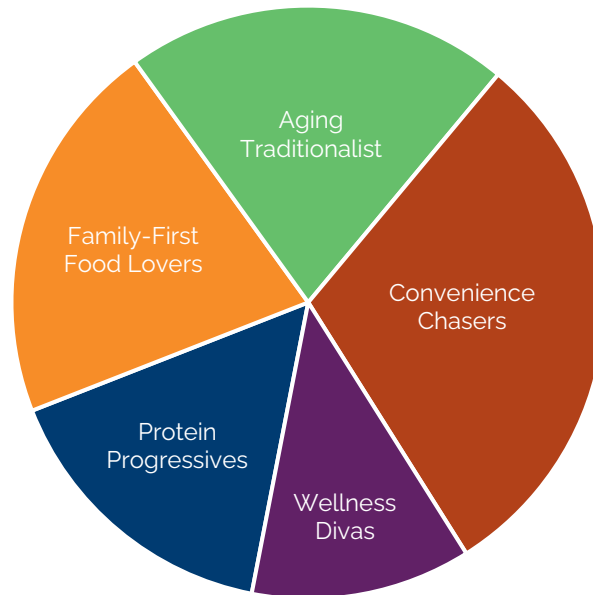


Today's Protein Eaters' Engagement With Meat

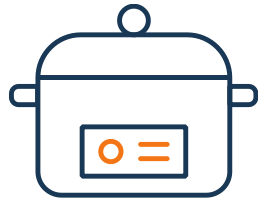


Shifts in Meat Consumer Segments

(Sept. 2020 vs. Jan. 2019)



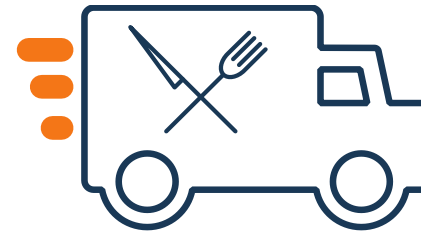
How Has the Pandemic Changed Meat Consumers?



59% of shoppers are experimenting with new ways to cook meat and chicken.



57% of meat consumers have purchased meat and chicken online in the past month.



59% of meat consumers ordered a restaurant meal online for delivery in the past week.



46% of consumers said beef is the protein they are most likely to order on their next foodservice trip.

Consumers Brought Restaurant Quality Home

Prime beef growth accelerated in 2020

Volume Sales up

55%



Restaurants Adapt to New Consumer Confidence



So What's Important to Today's Consumers?

Multicultural Meat Consumer

- Purchase larger variety of meat cuts
- More likely to share grocery responsibilities
- Aware of and interested in claims



Gen Z

- Adventurous eaters
- Interactive
- Likely to replace meat with vegetable/plant proteins in the future



Millennials

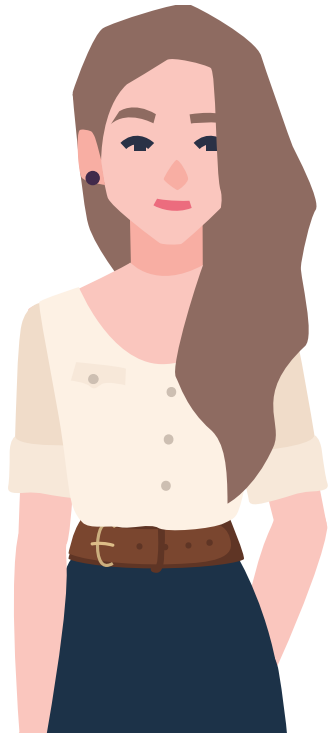
- High consumption of all protein types
- Encumbered with debt
- Like to experiment with new foods



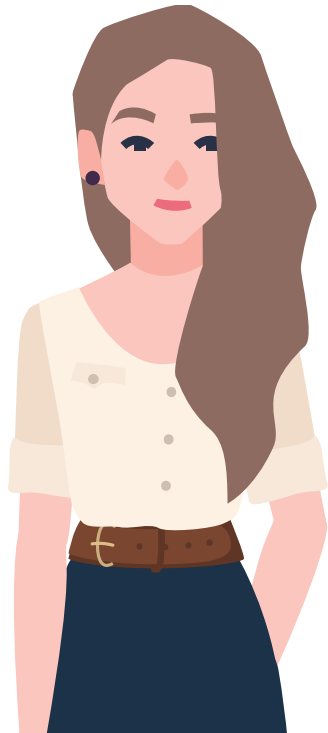
Shared Attitudes

Concerned about animal care practices, nutrition and the environment • Likely to shop online

How Does Meat Marketing Need to Change?



How Does Meat Marketing Need to Change?





CONSUMER EXPECTATIONS

Consumer Expectations



HEALTH & WELLNESS



E-COMMERCE



SUSTAINABILITY &
TRANSPARENCY



NEW TECHNOLOGIES



TRUST



HEALTH & WELLNESS

Eating Meat is Still the Norm

Consumers Who Identify...



71%

Meat Eater



19%

Flexitarian



6%

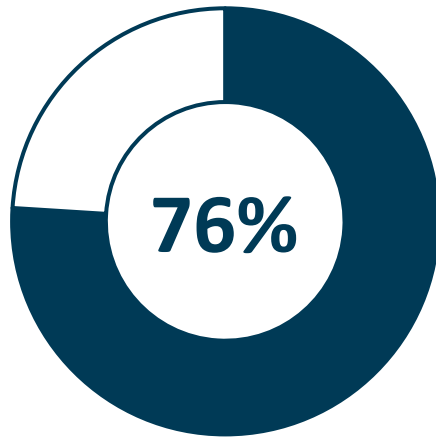
Vegetarian/Vegan



4%

Pescatarian

76% of Consumers Feel Meat Belongs in a Healthy Diet



Meat/poultry belong in a healthy, balanced diet

↑ Agreement increased 12 points



Agreement among Meat Eaters



Agreement among Flexitarians

↑ **from 50% in 2020**

Shoppers Want Protein Highlighted

Low-carb/high protein diets continue to dominate weight loss and healthy eating trends

91%

of shoppers want to see at least one item prominently highlighted on meat/poultry packaging

Protein	57%
Total fat	49%
Calories	43%
Cholesterol	42%
Saturated fat	41%
Sodium	40%
Iron	29%
Zinc	17%

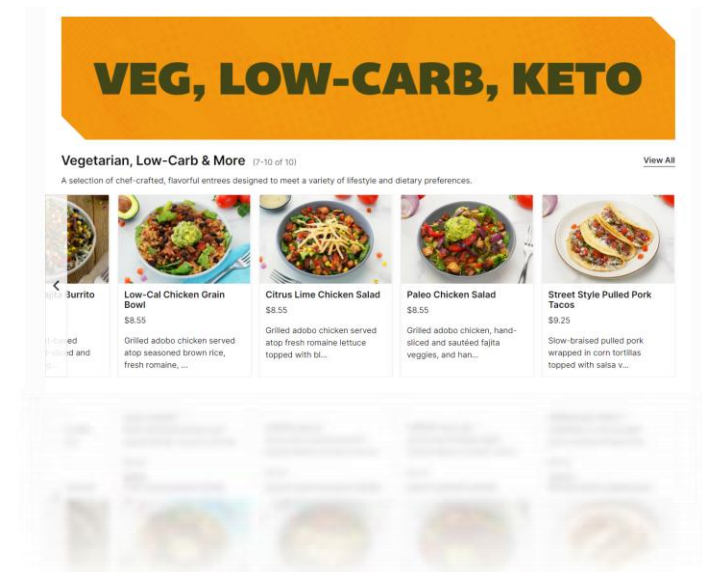


Shoppers Want Protein Highlighted



Nutrition Highlights Stand Out at Restaurants

Since May 2018, nutrition has been required on menus of operations with at least 20 restaurants.



Top Reasons for Choosing Natural/Organic Meat

1.



Free of "Additives"

2.



Better Health and Wellness

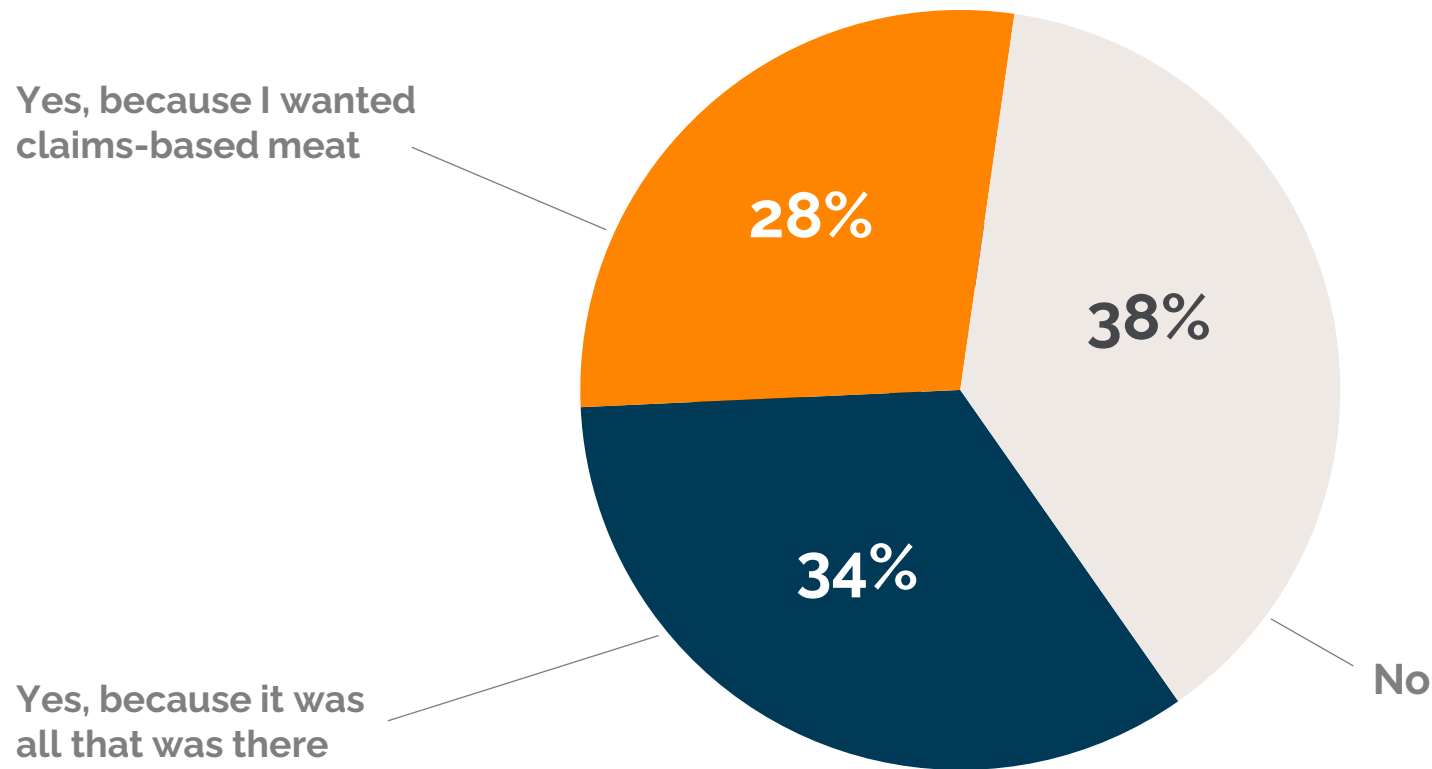
3.



Better Eating Experience

Claims Growth at the Meat Case is Hard to Pinpoint

Have you purchased claims-based meat in the past year?



True Claims Growth Hard to Pinpoint

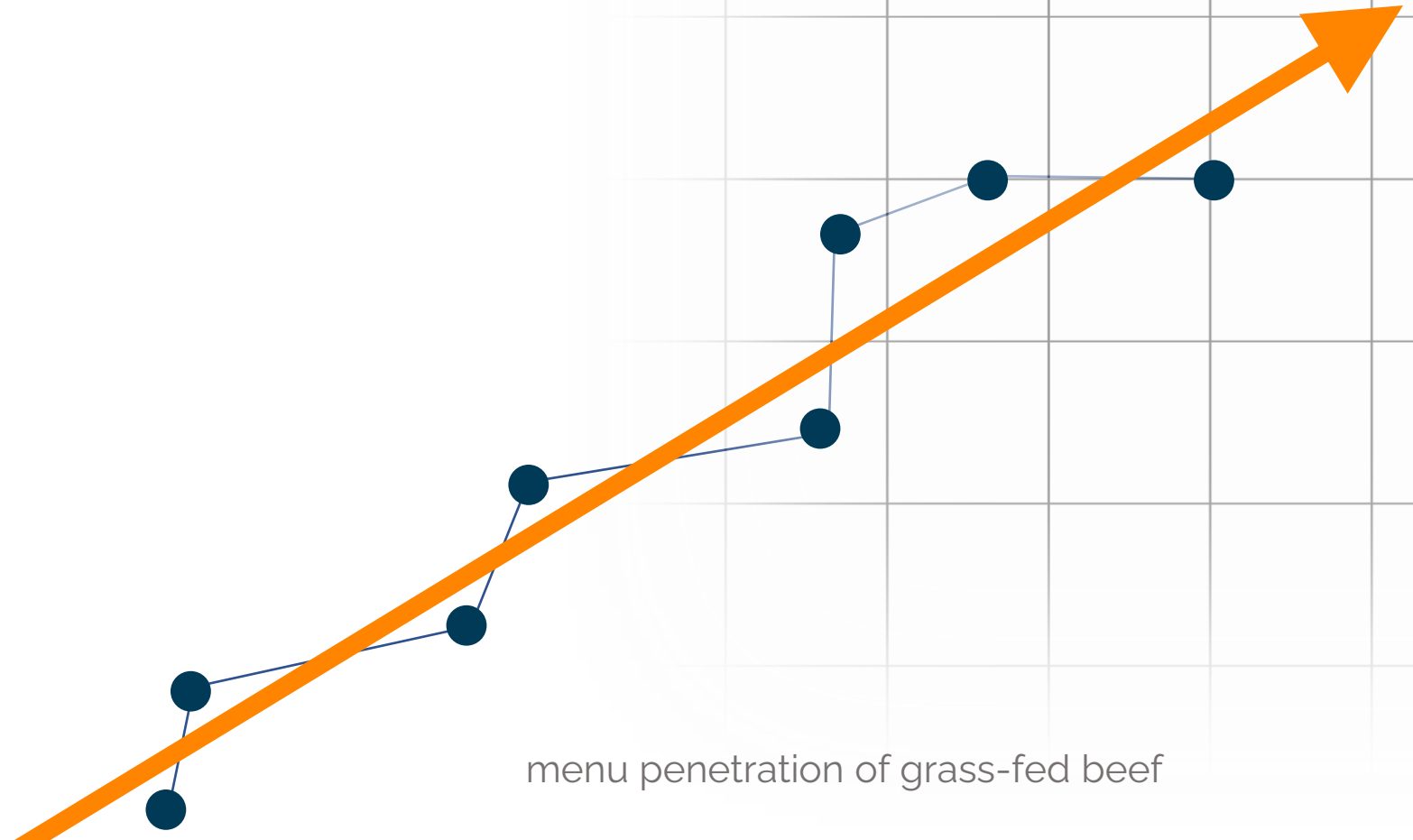
34%

of meat consumers purchased claims-based meat during COVID only because that was the only thing available.



Claims Help Foodservice Operators Tell Better Stories

- Grass-fed
- Antibiotic-free
- Humanely Raised
- Organic



menu penetration of grass-fed beef

Health Remains a Priority at Foodservice





E-COMMERCE

Consumers Now Open to Buying Meat Online

57%

of meat consumers purchased meat from an online source during March 2021.



Local Grocery Dominates Online Space

91%

of online meat shoppers have ordered their meat or chicken from a local retailer's website or app.



Online Shopping to Continue Post-Pandemic

Quantity of Meat Purchased Online in Past Month
from Online Shoppers

53%



Quantity of Future Online Meat Purchases
from Online Shoppers

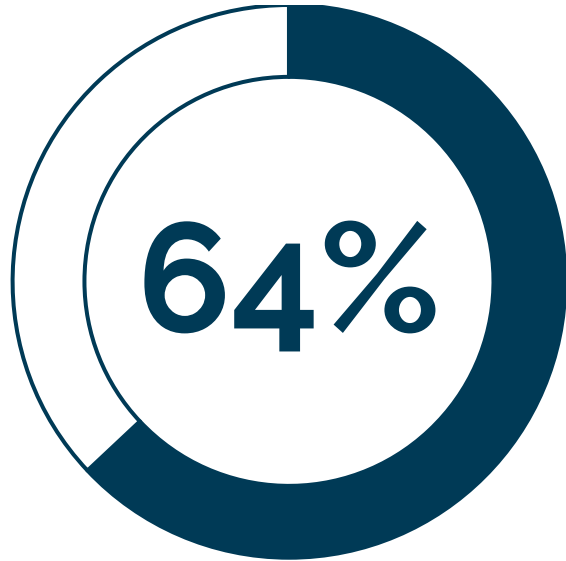
41%



Case Ready Meat Perfect for E-Commerce



Food Delivery Proliferation



of adults prefer to order directly from the restaurant for delivery rather than a third-party service.



DOORDASH

Uber Eats

GRUBHUBTM

New Payment Options Make Diners Feel Safer





SUSTAINABILITY & TRANSPARENCY

71% of Americans Say They Are “Worried About The Environment”

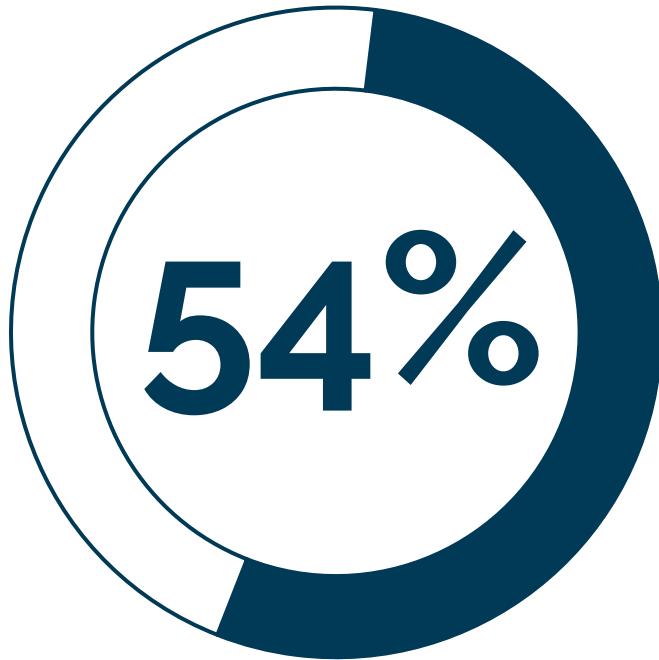
48% of consumers believe brands/companies have a responsibility to “do what’s best for the earth”

43% of consumers believe brands/companies should “protect natural resources”

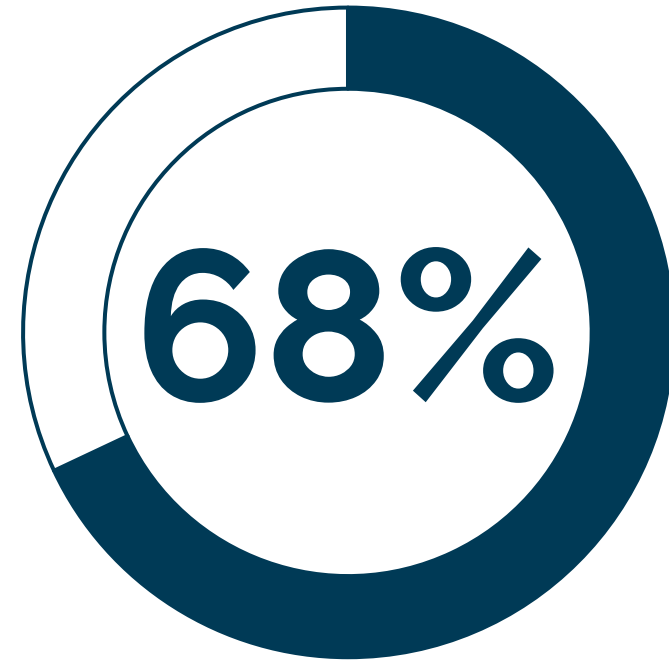
63% of consumers agree that “it’s worth paying for earth safe products”



Sustainability Influences Purchase Decisions



Meat



Non-grocery items

Concerns About Sustainably Raised Meat Increasing

34%

of meat consumers say they have become more concerned with the sustainability of meat products they purchase in the last year.



Consumer Definitions of Sustainably Raised Meat are Not Environment-Centric

UNAIDED



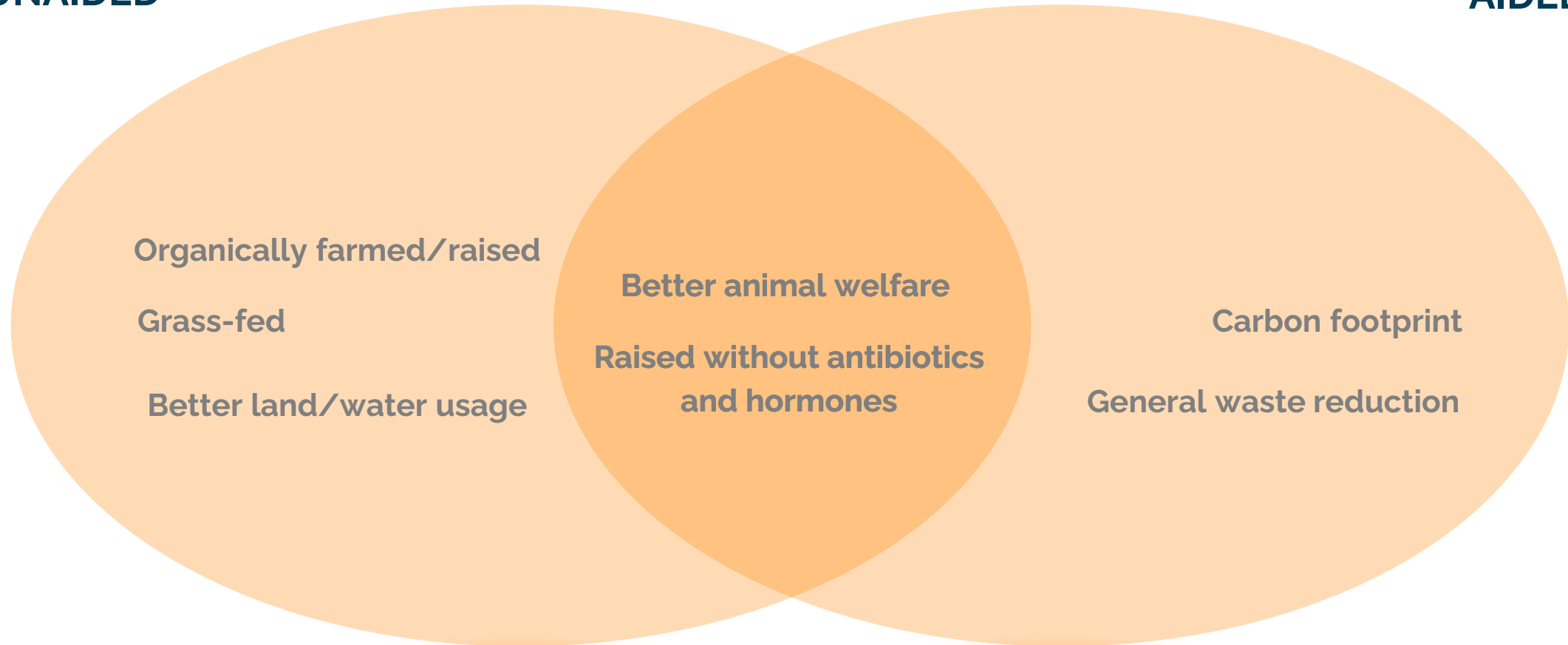
AIDED



Consumer Definitions of Sustainably Raised Meat are Not Environment-Centric

UNAIDED

AIDED



Meat Consumers Considering the Environment



Consumer Awareness and Greater Corporate Social Responsibility Driving Sustainability Efforts



Zero food waste by 2025



100% of Own Brand packaging will be green by 2025.



Reduce GHG emissions by **1 gigaton** by 2030

Consumer Awareness and Greater Corporate Social Responsibility Driving Sustainability Efforts



30% of beef aligning with the Global Roundtable for Sustainable Beef by 2022



As of 2019, **84%** of beef supply chain was verified to not be contributing to deforestation

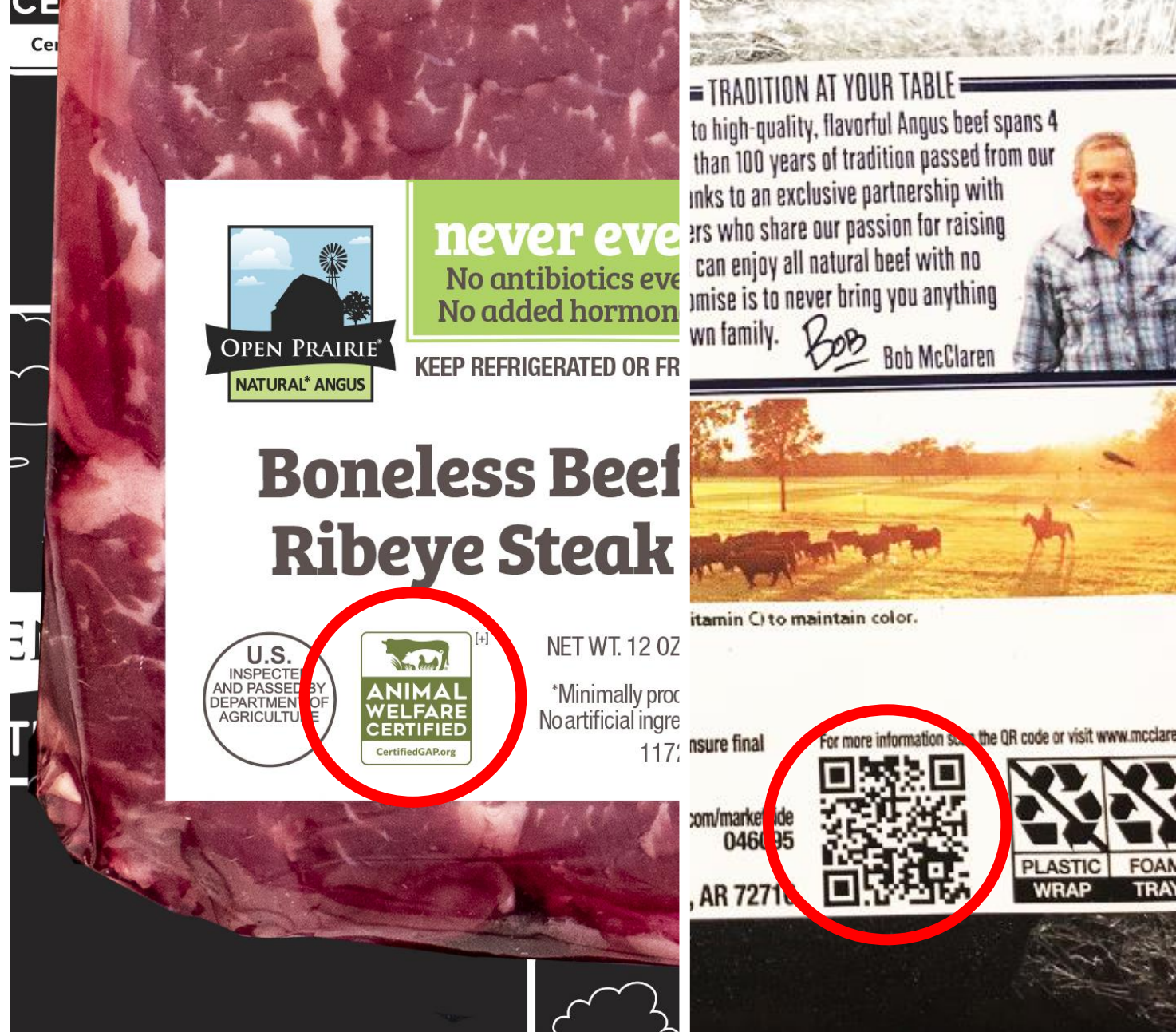


50% of beef supply will be raised under Progressive Beef standards by 2021

Transparency Fosters Trust

55%

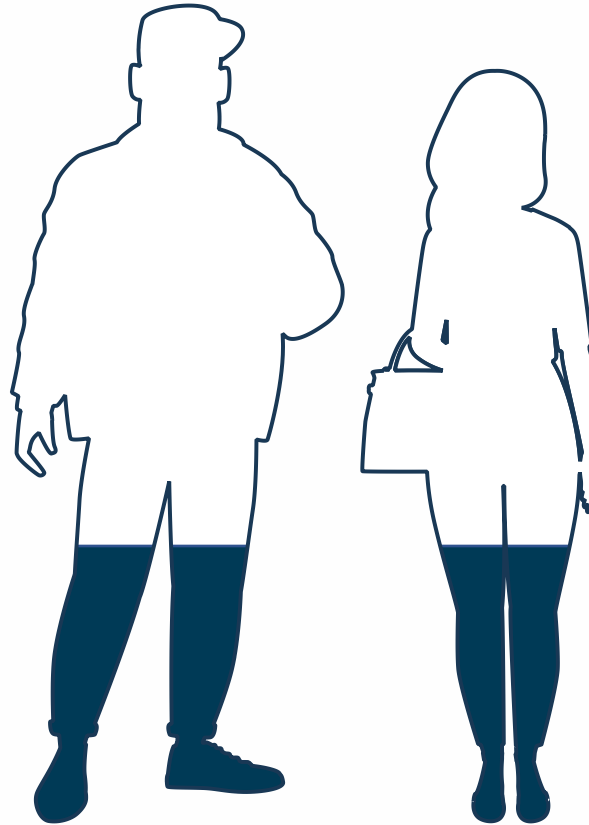
of consumers believe it's
important for grocery stores
and meat/poultry brands to
provide information on
how/where the livestock
was raised/processed.



Transparency Fosters Trust

32%

of consumers would like restaurants to be more transparent regarding sustainability.

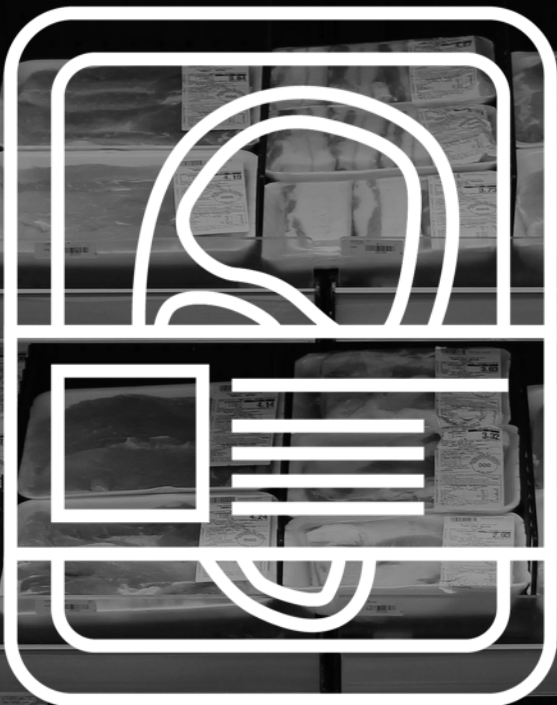


Restaurants Can Tell the Story Behind 'Real' Beef

33%

of consumers say they will pay “slightly” or “significantly” more for beef labeled on menus as “real.”

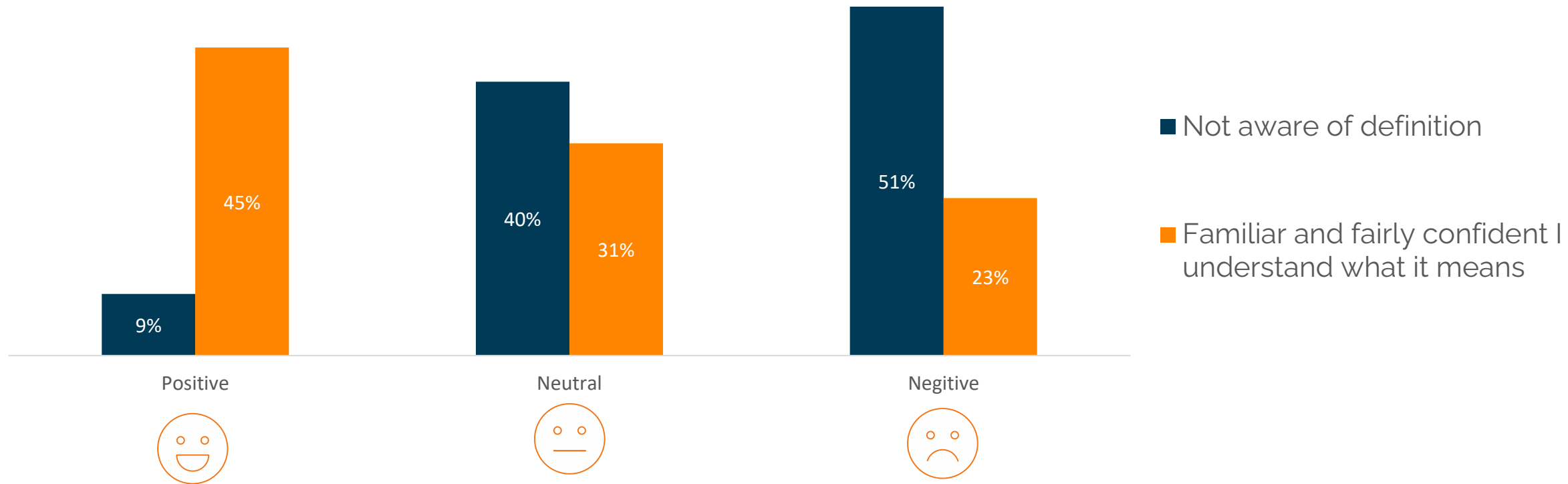




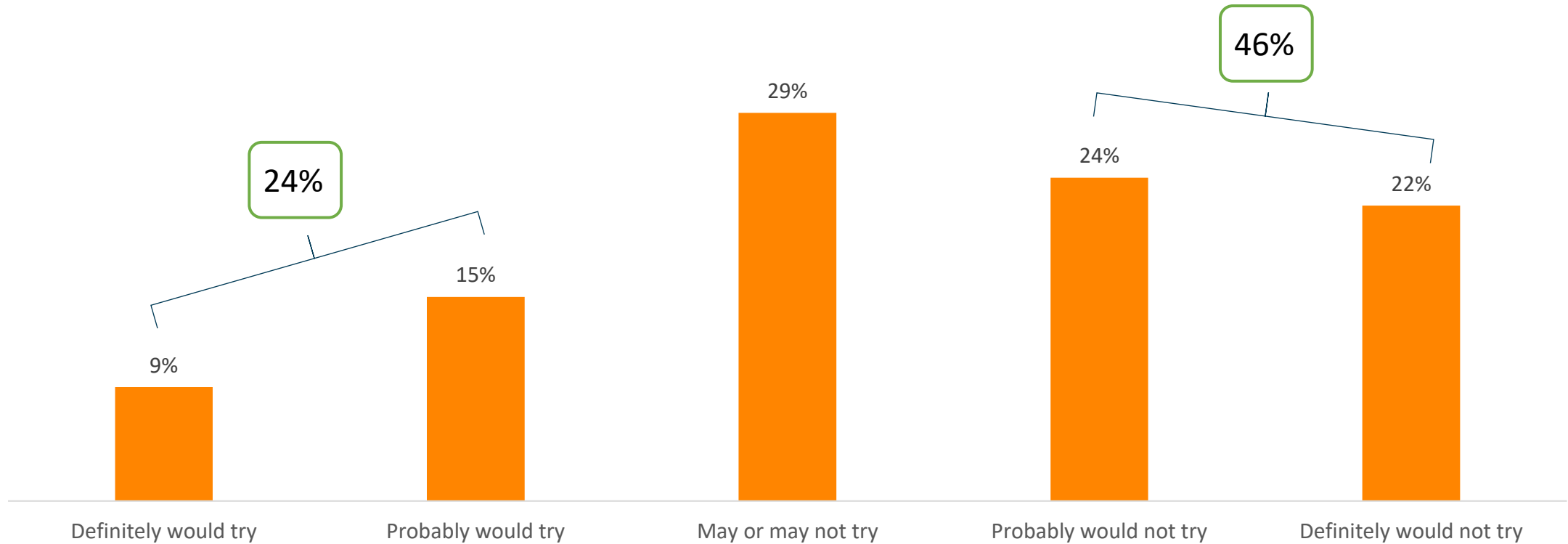
NEW TECHNOLOGIES

Cell-Based Meat Reaction Positive Among Consumers Who Understand the Technology

Initial Reaction to the Term Cell-Based Meat by Familiarity

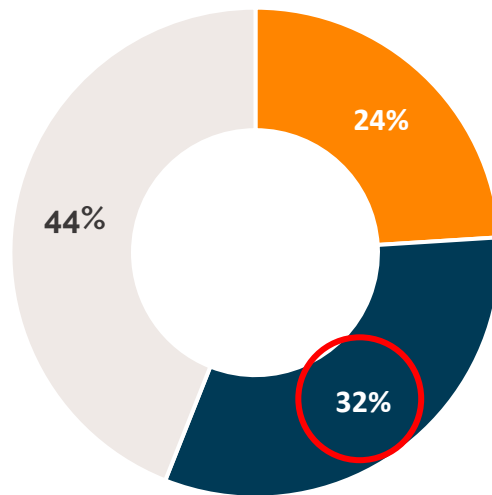


Gene-Edited Meat Likely to Require Education



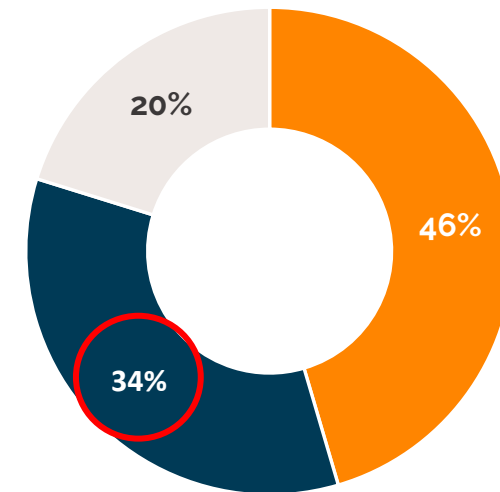
Can New Technologies be Embraced While Old Ones are Still Misunderstood?

Do you think that GMO products are safe to be fed to animals?



Yes No Unsure

How would you feel if you learned that most meat you currently consume was fed products that contained GMOs?



It would NOT be an issue [T2B] It WOULD be an issue [T2B] Unsure

Consumers Doubt Ghost Kitchens and Virtual Brands

72%

of adults say it's important their delivery orders come from a location that they can visit in person.



New Restaurant Technology Is Now Expected

Half of operators added digital menus by QR since March 2020.





FORGING TRUST

Consumer Concerns Are Many

27%

want to consume less meat/poultry due to concerns over **animal welfare**.

23%

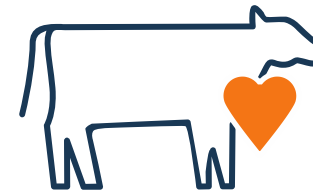
want to consume less meat/poultry for **environmental reasons**.

32%

want to consume less meat/poultry due to worries of **antibiotics, hormones and chemicals**.

20%

want to consume less meat/poultry due to concerns over **recalls/food safety**.

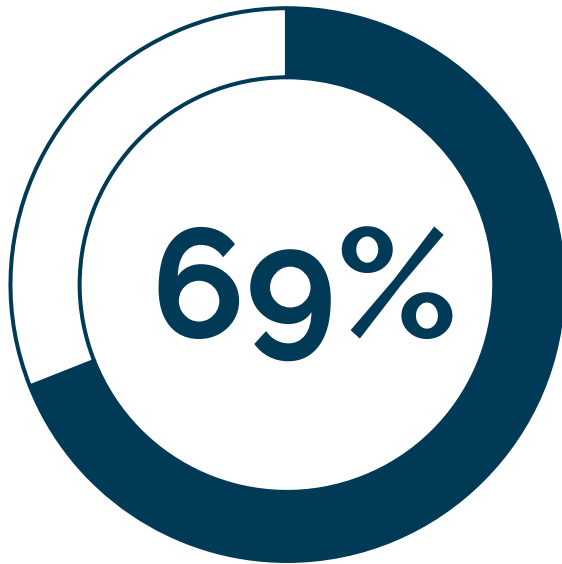


Animal Welfare

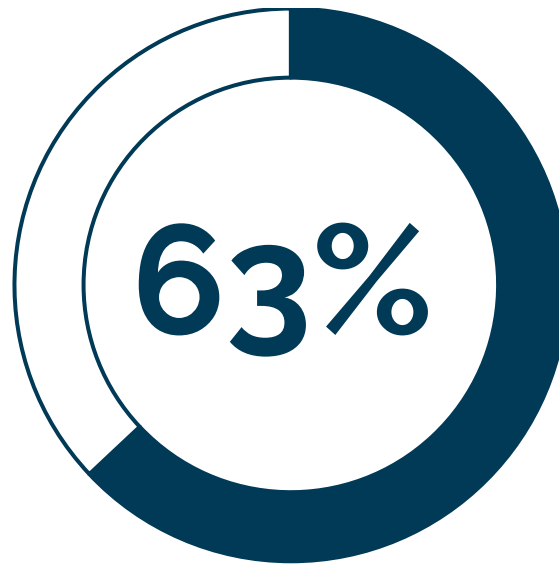


Environment

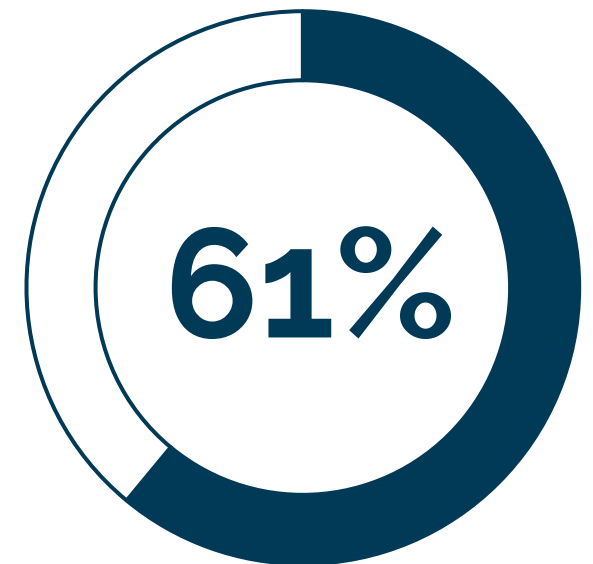
The State of Trust Today



of Americans trust the
Farming and Agriculture
Industry.



of Americans trust the
Retail Grocery Industry.



of Americans trust the
Restaurant Industry.

Why Do We Need to Earn Trust Now?

↑ 469%



Alt-Meat Not Skimping on Advertising

\$11M

Impossible Foods (2020)



\$659K

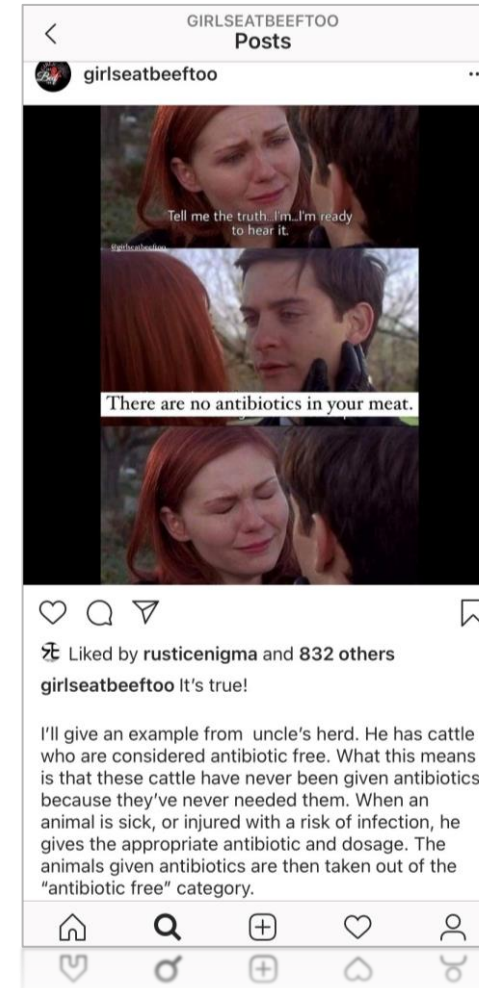
Beyond Meat (2020)



Trust Has Become the Make-or-Break Difference

How to gain trust:

- Be proactive
- Up your transparency
- Talk directly to consumers



For more information please contact:

Danette Amstein

Principal, Midan Marketing

d.amstein@midanmarketing.com



Danette Amstein



Christie Van Egmond

Director, Retail & Foodservice Marketing-
CBC

christie@calbeef.org



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