Meat Perceptions and Realities: The Power of Meat

Anne-Marie Roerink | 210 Analytics

The rollercoaster ride continues into 2022

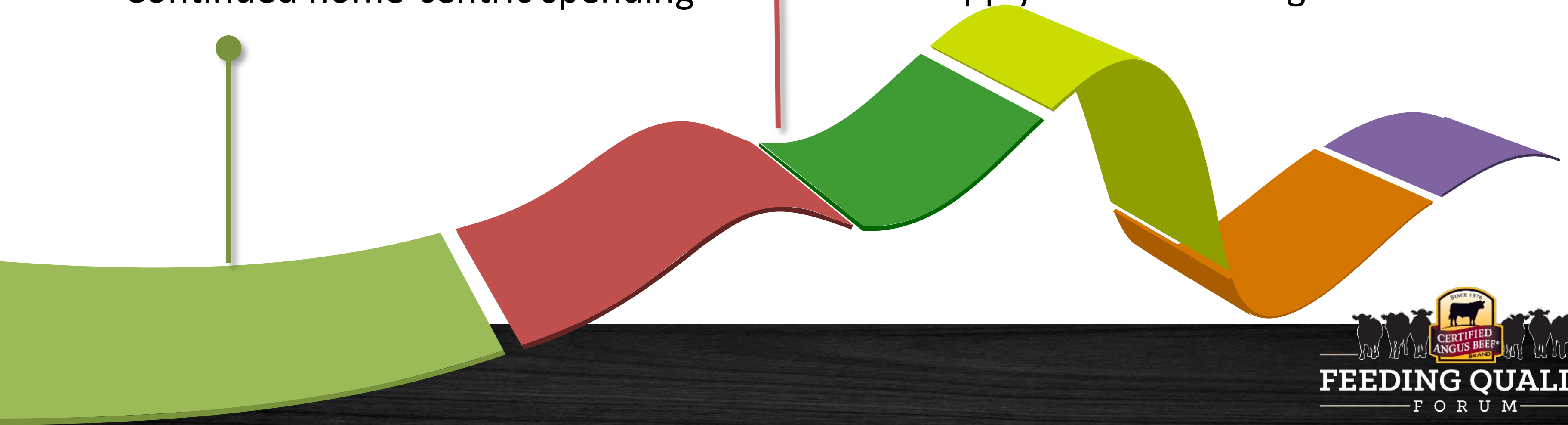
But new set of factors are adding to the list of disruptors

Q1 2022:

- Omicron peaks in January
- Inflation grows to 10%
- Supply chain issues worsen
- War in Ukraine/Russian sanctions
- Continued home-centric spending

Q2 2022:

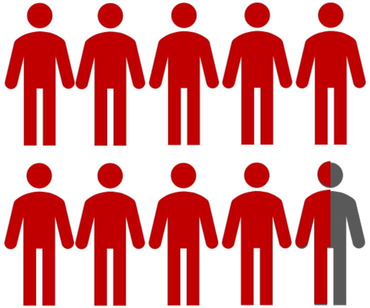
- Inflation, inflation, inflation
- Savings are drying up
- Shortages and out-of-stocks create a sense of panic
- Supply chain issues rage on



High inflation awareness and concern

Wide variety of measures that is starting to change sales trends

June 2022



96% of consumers say they are paying somewhere or a lot more for groceries

97%

Of people who noted higher prices are concerned about the level of inflation

81%

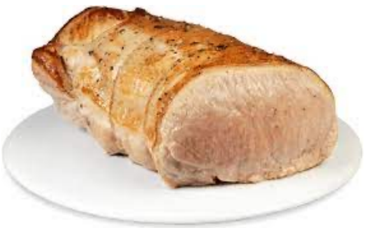
Of consumers have implemented cost-saving measures

- Measures include switching stores and buying less

Source: IRI, primary shopper surveys

Beef is right in the mix with other center-of-plate proteins

The typical switching doesn't work in today's world



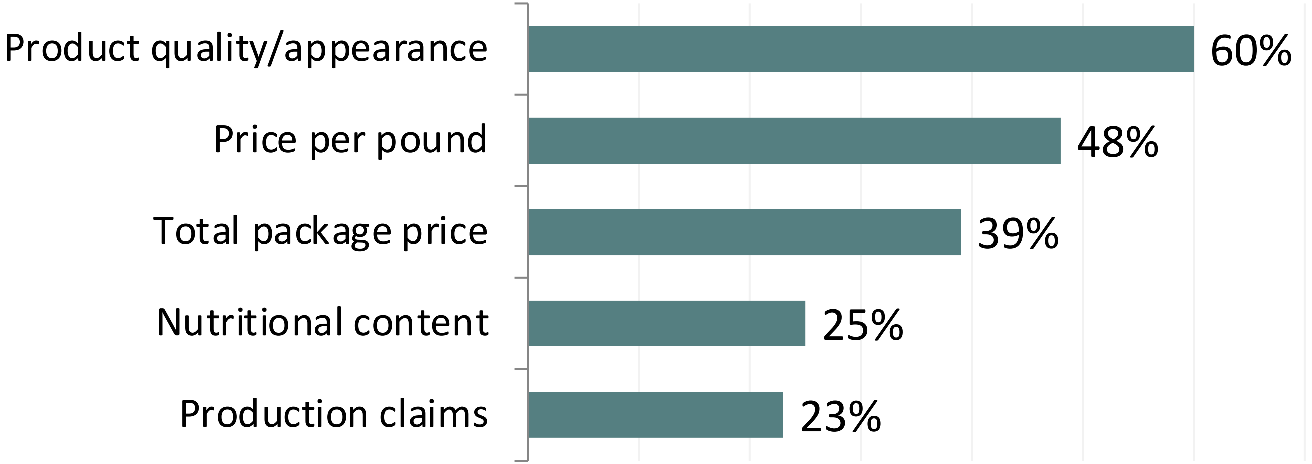
Average price/unit	Beef ribeye	Pork loin	Chicken breast
Total food/beverages	**$18.13**	**$6.40**	**$7.06**
+11.9% in Q2 2022	**+0.3% vs. YA**	**+6.2%**	**+23.0%**
+23.1% vs. Q2 '19	**+22.3% vs. 2019**	**+17.3%**	**+33.0%**

Source: IRI, Integrated Fresh, 13 weeks ending 6/26/2022

Value, not cheap, dominates the meat purchase

This is NOT a race to the bottom

Top 5 decision factors when purchasing meat/poultry; pick 3 only



38%

Of people want to **recreate restaurant meals** at home

MEAT: STILL TOP DOG AT RETAIL

Meat is the biggest fresh perimeter department

Winning in meat is crucial: meat averages 15% of total store sales

Fresh departments’ share to total fresh perimeter

					
2019 share	33.7%	30.4%	17.4%	15.8%	2.6%
2021 share	**34.6%**	**30.1%**	**17.1%**	**15.2%**	**3.0%**

Source: IRI, Integrated Fresh, MULO, % $ growth versus YA, 52 w.e. 11/28/2021

Beef remains king of the castle

Tops in both dollars and pounds

Beef's share of fresh meat $

- **2021: 54.9%**
- 2020: 54.9%
- 2019: 53.5%

Beef's share of fresh meat lbs

- **2021: 36.9%**
- 2020: 37.2%
- 2019: 36.7%

Source: IRI, Integrated Fresh, MULO, % $ and lbs share of total fresh meat; 52 w.e. 2/27/2022

FEEDING QUALITY FORUM

Pounds are still far ahead of 2019

Even though year-on-year total fresh meat and fresh beef are down

Fresh Meat

$55.9B

+0.9% vs. YA | +23.8% vs. 2019

$31B

+0.5% | +27.2%

14B

-7.3% vs. YA | +2.5%

5.2B

-8.6% | +3.2%

Source: IRI, Integrated Fresh, MULO, 52 w.e. 3/27/2022 vs. YA and 2019

MEAT'S ROLE AND REPUTATION

Eating meat is the norm, even a little more so

The share of vegans/vegetarians has been around 5-7% for 17 years

Best description of how you eat today

74%

Meat eater

16%

Flexitarian

6%

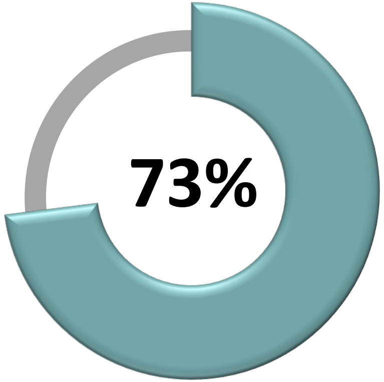
Vegetarian/vegan

4%

Pescatarian

Three-quarters of shoppers feel meat belongs

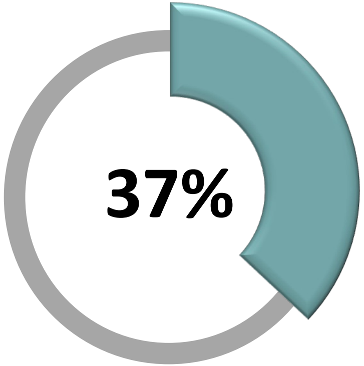
Positive meat sentiment is much higher among older generations



Meat/poultry belong in a healthy, balanced diet

Gen Z:
54%

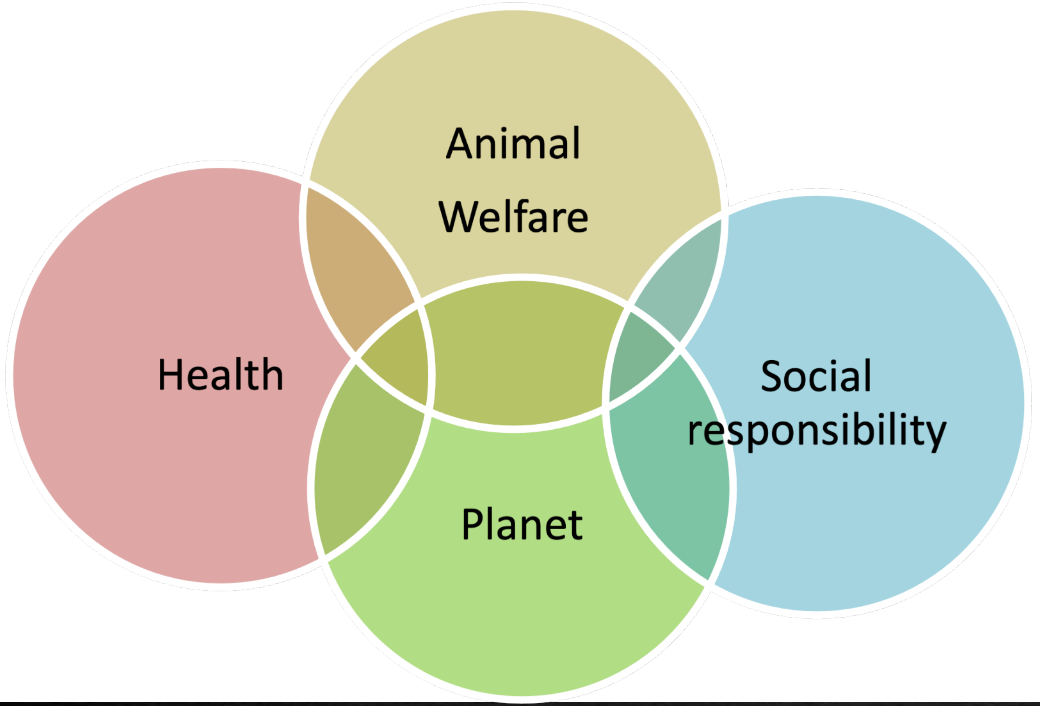
Boomers:
83%



Actively trying to reduce meat/poultry consumption

The hot buttons?

Shout out to The Protein PACT for People, Animals and the Climate of Tomorrow



Raising the question: Can I do better?

Is cultivated (lab-grown) meat the answer?

Nope, very much NOT a universal answer

Though not as negative as a few years ago

Willingness to try cultivated meat

40%
Not willing

31%
Neutral

29%
Willing

Willing…

Millennials
44%

Boomers
16%

Want to reduce meat/poultry consumption
46% willing

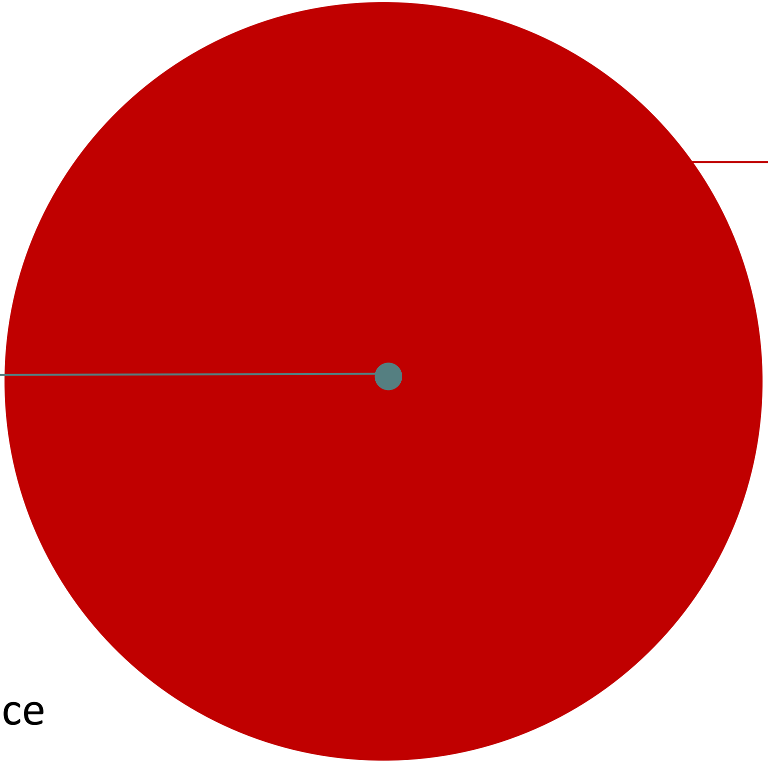
Are plant-based meat alternatives the answer?

Nope, very much NOT a sustained answer

Some perspective: refrigerated meat vs. plant-based alternatives $

L-52

Drawn to scale



Meat department
$83.6 billion
+1.3% vs YA

Refrigerated plant-based meat alternatives
$472 million
-3.3% vs. YA

Fewer items and 11% household penetration of whom half only tried it once

Source: IRI, Integrated Fresh, MULO, 52 weeks ending 3/27/2022

Are blended veg/meat items the answer?

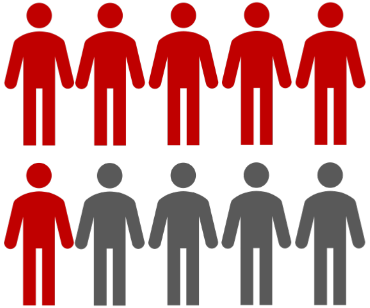
Certainly higher cross-population engagement and higher frequency

Frequency of at-home preparation

	Plant-based meat alternatives	Blended items (meat/vegetable)
Never/just tried	55%	35%
Occasionally	36%	48%
Frequently	9%	16%

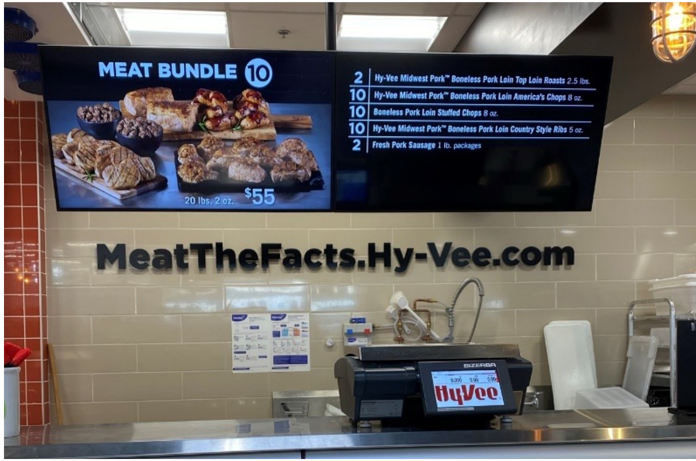
The best answer? Transparency

Demonstrating commitment and clarity for consumers to make educated choices



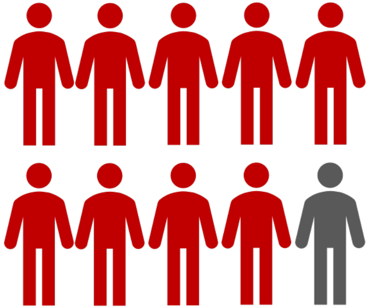
63%

Like to know more about the who, what, where and how behind the food they buy



Many consumers want to make better choices

Improving a current routine versus creating a whole new one



86%
Look for **1+** "better-for-…." options when buying meat/poultry

Better-for-….

64% Me/my family

35% The farmer/worker

35% The planet

31% The animal

Better-for-me/my family = lean & moderation

And focuses in on "known" wisdoms plus occasional application

64%

Better-for-me/my family

Better-for-me choices (% regularly)

↓	**40%**	Leaner cuts
	33%	Avoid second helpings
↑	**29%**	Kinds/cuts with low(er) cholesterol
↑	**26%**	Mix in fish/seafood
	24%	Cut down on portion sizes
	18%	Eat meatless meals

Enabling portion control and nutrition information

And addressing levels of fat, sodium, etc. to provide a variety of choices

Pictures: 210 Analytics

The importance of social responsibility is rising

Taking care of the farmer and everyone in the supply chain

35%

Better-for-the-worker/ farmer

Proud to work with Niman Ranch, supporting Small Independent Family Farms

Germany: support for domestic farmers

Every package gives back 10 cents to the producer

A heart for producers
+10 cents guaranteed for domestic farmers

Chobani introduces new yogurt flavour to support dairy farmers

Posted By: Contributor on: October 11, 2019
In: Agriculture, Business, Dairy, Industries, Innovation, New products, Social Responsibility, Social responsibility

Print Email

Chobani has launched a limited-edition yogurt flavour in partnership with American Farmland Trust (AFT), a non-profit that protects farmland and promotes sound farming practices.

Pictures: 210 Analytics

FEEDING QUALITY FORUM

The consumer take on animal agriculture and the planet

Videos by 210 Analytics and Marriner Marketing

Better-for-the-planet has many aspects

High interest in sustainable production and sales methods among flexitarians

35%

Better-for-the-planet

Interest in better-for-the-planet approaches

- **77%** Locally raised
- **74%** Grass-fed
- **74%** Packaging that is more environmentally-friendly
- **70%** Meat dept fridges with doors
- **67%** Regenerative agriculture*
- **60%** Carbon neutrality**
- **57%** Carbon footprint certification label on pack

* Helping restore natural resources and habitats

** Offsetting carbon emission to be net zero

Packaging innovations address sustainability

Vacuum packages have overtaken foam/overwrap in most proteins

- Meat stays fresh longer
- Freezer-ready

Pictures: 210 Analytics

The consumer take on animal welfare

Videos by 210 Analytics and Marriner Marketing

Better-for-animal sees many sources of input

Which means it's important to have our voice heard widely

31%

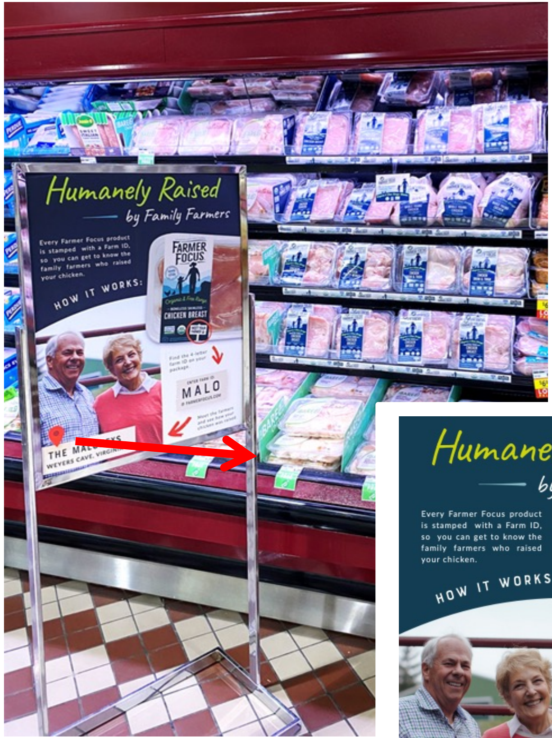
Better-for-the-animal

Sources of information about animal welfare

45% Google/online searches
32% On package information
32% Social media
31% Documentaries
31% Friends/family
28% Animal rights groups
26% Meat brand website
…
22% Grocery store website
20% Grocery store associates

US: increased focus at retail

From websites to signage and on-pack references



Pictures: 210 Analytics

FEEDING QUALITY FORUM

Germany: nationwide welfare program

And 4-tier system to indicate different levels within the program

Pictures: 210 Analytics

Netto introduced Animal welfare TV

Live feeds from sourcing farms shown in-store

Pictures: 210 Analytics

England: on-pack and in-store strategies

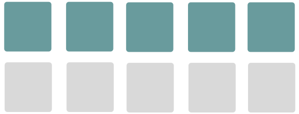
1) “Know and trust” and 2) Emphasis on “outdoor bred”

Pictures: 210 Analytics

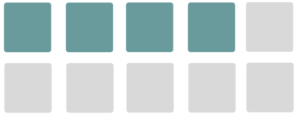
One approach: buying claims-based meat

However, grass-fed beef sales have plateaued

Attributes shoppers want their meat department to add more of



U.S.-raised



No added hormones

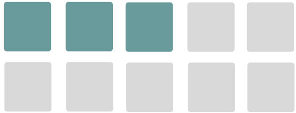
No antibiotics

All natural

Grass-fed

Premium quality

Raised locally



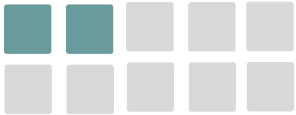
Humanely-raised

Free-range/ pasture-raised

Organic

Fed a non-GMO diet

Regenerative ag.



Vegetarian-fed

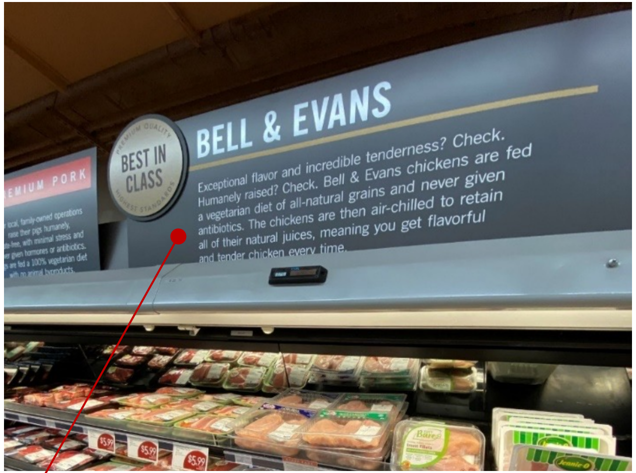
Verified land-to-market

The consumer take on two claims; what do they actually know?

Videos by 210 Analytics and Marriner Marketing

Our lesson: make it simple!

If not, we risk a wide range of completely wrong interpretations



…air-chilled to retain their natural juices meaning you get flavorful and tender chicken every time

- Biological diversity
- Natural resources
- Soil fertility
- Nature wildlife habitat

- Bringing you meat that is good for you and the planet
- All FoN animals live in their natural habitats consuming diets they are biologically engineered to eat

KEY TAKEAWAYS

In conclusion

1. Meat, and beef, are here to stay.
2. The meat department is a crucial part of grocery retailing sales
3. Underscore meat's role in a healthy, balanced lifestyle
4. Eating meat is the norm, plant-based alternatives have maxed out
5. Be transparent about animal welfare. Share how much you care!
6. Be transparent about taking care of the planet. An up-and-coming hot button
7. Be part of the discussion. Farmers are among the most trusted institutions in America
8. Inflation and concern are real, but it is NOT a race to the bottom
9. Thank you, for all you do to keep the beef supply flowing!

Questions?

- Stay in touch!
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thank you!