

Rock Solid

Consumer beef demand resilient amid high prices.

by *Wes Ishmael*

Retail beef prices and their premium to competing proteins underscore ongoing beef demand strength.

“The USDA all-fresh beef retail price was at \$7.89 per pound in March. A new all-time high for that month,” according to Rabobank analysts, in their April *North American agribusiness review*. “The stronger price trend pushed first-quarter 2024 consumer beef demand to its second-highest level in the last 30 years.”

The Choice beef retail price in March was \$8.12 per pound, which was 48 cents higher (+6.3%) year over year. During the same period, the composite broiler retail price was about 2 cents higher at \$2.43 (+0.1%), and retail pork value was up about 4 cents (+0.1%) at \$4.79.

More specifically, ground beef prices were 6.1% higher year over year at \$5.13 per pound. Choice, boneless chuck roast was 9.4% higher at \$6.73 and the Choice sirloin steak price was up 12.2% at \$11.54.

Conversely, boneless chicken breast was 5.1% less at about \$4.11 per pound. Boneless ham (not canned) was 1.8% less at \$5.57 and bacon was fractionally lower at \$6.61. Pork chop prices (all) were 2.2% higher at about \$4.26.

Prices continue to challenge

However, beef prices will increase further as supplies decline.

“Though inflation has moderated, consumer debt and interest rates, cheaper alternative proteins and economic uncertainty may limit spending and impact purchasing decisions,” according to Kevin Good, CattleFax vice president of market analysis during

February’s CattleFax Outlook Seminar. He explained all-fresh retail prices are forecast to average \$7.90 per pound this year.

Even so, Good said, “Premiums for higher quality beef should remain as consumers have shown a willingness to pay for Choice grade or better beef.” He predicted the consumer preference for the quality, consistency and safety of U.S. beef will continue to support relatively strong demand.

American consumers love meat

More broadly, meat remains a favored mainstay among virtually all U.S. consumers, according to the 19th annual *Power of Meat*¹ report from the Meat Institute and FMI - The Food Industry Association. According to the report, 80% of Americans describe themselves as meat eaters and 98% of households purchase meat. Those numbers were steady year over year.

“As price conscious shoppers look for ways to continue enjoying their favorite proteins, they are cooking more at home and including meat in everything from

new recipes found online to their favorite comfort meals and holiday feasts,” explained Rick Stein, FMI vice president of fresh foods. “With shoppers including meat in nearly 87% of home-cooked meals every week and looking to meat to make occasions special, the opportunities to provide great choice, taste and value continue to grow.”

At the grocery store, 73% of Americans are making one or more changes to meat purchases to save money, with the most common strategy being to adjust the quantity of meat purchased, according to *Power of Meat* report (see Page 34 of the *May/June Hereford World* for highlights). Among meat purchasers changing quantities to save money, 30% buy smaller packages to save money immediately, and 42% buy larger bulk packs to save money over time. On the other hand, more than nine in 10 shoppers say they would spend extra on occasion, with holidays, special celebrations and entertaining among the top reasons. **HW**



Source:

¹The Power of Meat study was conducted by 210 Analytics on behalf of FMI — The Food Industry Association and the Meat Institute's Foundation for Meat and Poultry Research and Education. The analysis was made financially possible by Cryovac/Sealed Air.