Consumer Insights Report

Consumer Beef Index

July 2016

– Report –
The Consumer Beef Index (CBI), initially developed in late 2006, has been used since then by the beef checkoff program to:

- Track changes in consumers’ perceptions of and demand for beef relative to other meat proteins, particularly chicken, its primary competitor.
- Assess the impact of the beef industry’s communications efforts on consumer attitudes and behaviors.
- Measure the extent to which consumers consider the positive aspects of beef to outweigh the negatives.
- Monitor the areas of relative strength and potential vulnerability for beef.
- Provide input for national communication strategies.
- Serve as a carrier for a limited number of tactical queries, using an “ad hoc module” of measures traded out each wave.

The master CBI database of over 21,900 consumer surveys continues to be used for ongoing strategic analyses.
The second 2016 tracking wave was conducted online July 29th to August 9th using the standard CBI survey format (known as 1.0), with 1,051 consumers:
- 13-69 years of age.
- Nationally representative of the U.S. population, balanced for census profile distributions of gender, age, ethnicity, region and child presence.
- Not a recent participant in restaurant/food surveys
- No household members working in advertising or market research.

Consumers 66-69 year old have been included to better track generational differences between Baby Boomers and younger cohorts.

For continuity, however, only the core 13-65 year old consumers (N=985) from this second 2016 wave are included in tracking comparisons to the previous 19 waves.
Those 13-15 are not part of Millennials, but are included in the on-going base of 13-65 year old U.S. consumers tracked since 2007 (Total N = 985 in current wave 20).

Total sample of 13-69 Year Old U.S. consumers = 1,051 (On-going base of those 13-65 (N=985), plus the 66-69 older Baby Boomers (N = 66))
Executive Summary
Meat continues to be an American mainstay, especially in consumer’s attitudes and meal choices

- Chicken is the most frequent go-to choice (2.4 servings per week), followed by beef at 1.7 servings per week for 2016.
  - Americans still love meat, especially beef, even while eating it less often.
  - American cooks intend to eat more fish, but in almost a decade of tracking have failed to actually do so.
Having most beef meals at home is still the general trend

- Consumers are also eating **fewer fast food meals** that include beef and are **diversifying** their main dishes beyond traditional meat-based proteins.
  - Those motivated to eat more beef are driven by a desire for **meal enjoyment** and because they find beef **easy** to make.
  - Those intending to eat **less** beef are cutting back for **health reasons**.

- This year, consumers are finding **ground beef** and **steak** more **affordable**, which should reflect in higher beef sales at restaurants and retail.
Taste continues to be beef’s most compelling attribute, with beef also seen as versatile, easy to make and a good source of protein.

- American consumers’ primary consideration when selecting a main dish is **taste**.
  - Beef (and chicken) perform **exceptionally well** on this dimension, with beef increasing significantly in taste performance at restaurants.

- **Safety, value and consistently good results** are next most important.
  - Beef’s **safety** and meal **results** are **improving** at home and its **value** is increasing at restaurants.

- While important, **nutrition** is **part of** the meal equation – home cooks are looking for the right **balance of taste and nutrition** – more so at home than when dining out.
  - Beef does a good job here, but remains weaker on this attribute than chicken.

### Agreement About Beef for Home Use

<table>
<thead>
<tr>
<th>Extremely/very important</th>
<th>At Home</th>
<th>At a Restaurant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great taste</td>
<td>93%</td>
<td>94%</td>
</tr>
<tr>
<td>Safe</td>
<td>87%</td>
<td>84%</td>
</tr>
<tr>
<td>Value for the money</td>
<td>84%</td>
<td>84%</td>
</tr>
<tr>
<td>Consistent results</td>
<td>79%</td>
<td>83%</td>
</tr>
<tr>
<td>Balance of taste/nutrition</td>
<td>76%</td>
<td>68%</td>
</tr>
</tbody>
</table>

**Taste 91%**

- Know how to prepare 83%
- Good meal starting point 84%
- Feel confident 82%
- Quick and easy 81%
- Consistent results 80%

**Protein 86%**

**Energy/fuel 84%**
Public perception of production issues has improved

- Beef is largely out of the news, with very few stories about disease or illnesses, and improving perceptions of the industry’s responsible use of antibiotics and hormones and care for the environment.
- The public’s trust of the beef industry has improved significantly in 2016 versus a year ago.
  - Almost 2/3 of Americans feel that “the positives outweigh the negatives” of beef production practices.
  - Although Millennials generally have maintained good trust levels regarding the beef industry, they are less inclined than consumers overall to trust that the industry is ensuring that the beef they buy is “nutritious” or “healthy.”

Both beef and chicken are increasingly being seen as being responsibly produced.
Overall Consumer Perceptions of Beef

Positives of beef strongly or somewhat outweigh the negatives

2007

Jan '07: 23% 26% 46% 45% 20% 10% 20% 8%

2016

Mar '16: 28% 26% 50% 50% 15% 5% 17% 6%

Jul '16: 23% 26% 28% 26%

Weekly Beef Occasions

<table>
<thead>
<tr>
<th>Bucket</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bucket 1</td>
<td>2.4</td>
</tr>
<tr>
<td>Bucket 2</td>
<td>1.8</td>
</tr>
<tr>
<td>Bucket 3</td>
<td>1.1</td>
</tr>
<tr>
<td>Bucket 4</td>
<td>.7</td>
</tr>
<tr>
<td>Average</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Base: Total (N = 1,000+ per wave)

Q.35: Considering all you know about beef, would you say the positives of beef outweigh the negatives or do the negatives of beef outweigh the positives? Q.36: Considering all you know about chicken, would you say the positives of chicken outweigh the negatives or do the negatives of chicken outweigh the positives?

Source: Consumer Beef Index, July, 2016
Q.19: Thinking about all of your meals – breakfast, lunch, dinner and snacks – both at home and away from home, how frequently do you eat each of the following types of food?
Base: Total (N = 1,000+ per wave)
Q.19: Thinking about all of your meals – breakfast, lunch, dinner and snacks – both at home and away from home, how frequently do you eat each of the following types of food? Q.20: How many times did you eat this type of food in the past week?

Key: Significant change longer-term annual trend (△ △) and/or year-ago wave differences (△ ▼)