

BEEF.
IT'S WHAT'S FOR DINNER[®]

CONSUMER BEEF INDEX REPORT

SEPTEMBER, 2017



PELEGRIN
RESEARCH GROUP



Funded by Beef Farmers & Ranchers

BACKGROUND AND OBJECTIVES

- 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 nearly 24,000 consumer surveys continues to be used for ongoing strategic analyses.

METHODOLOGY

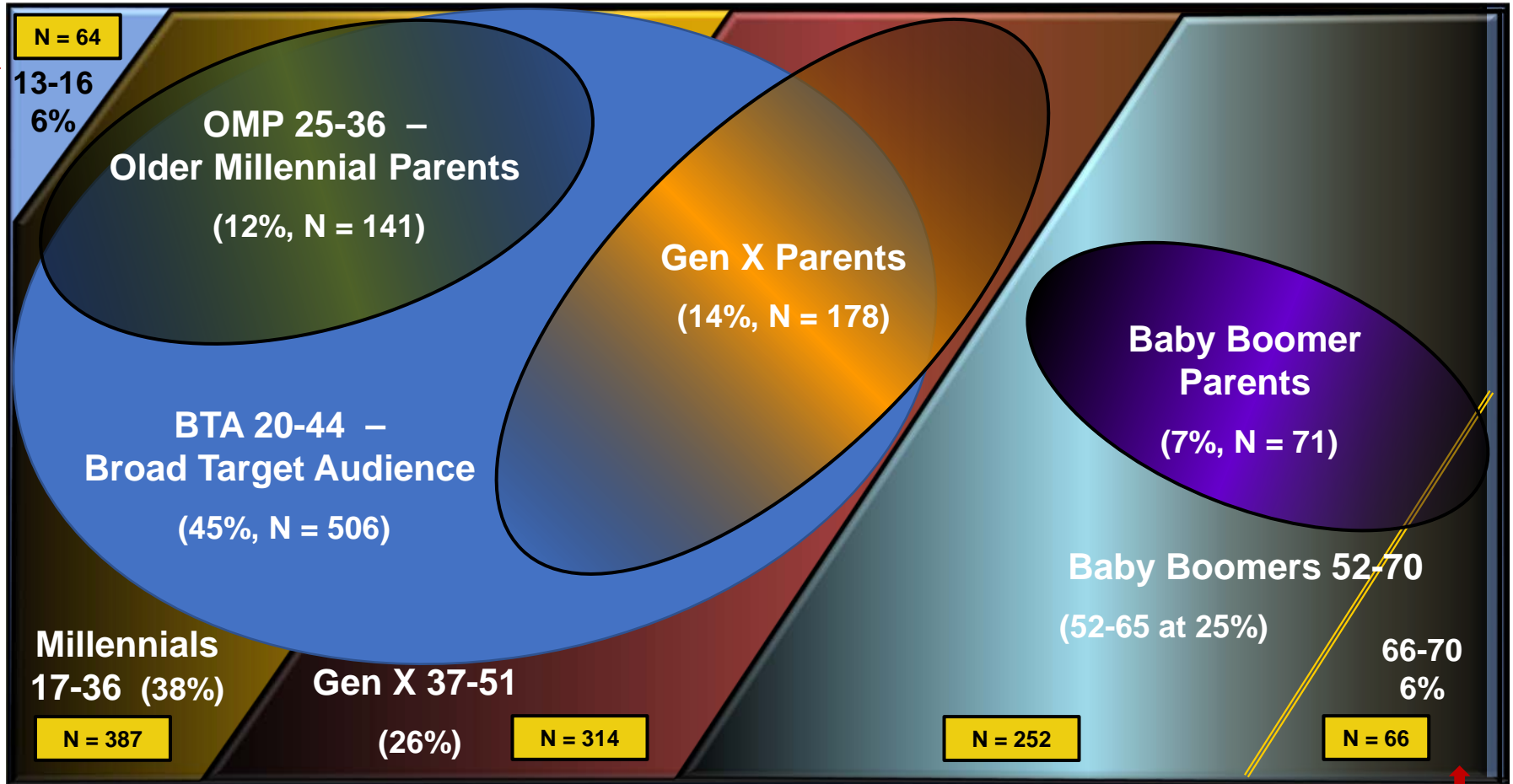
- The second 2017 tracking wave was conducted online August 7th to 19th using the updated CBI survey format (known as the 2.0 platform), with 1,068 consumers:
 - 13-70 years of age.
 - Nationally representative of the U.S. population, balanced for census profile distributions of gender, age, ethnicity, region and child presence.
 - Not a recent participant in restaurant/food surveys.
 - No household members working in advertising or market research.

- Consumers 66-70 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=1,002) from this second 2017 wave are included in tracking comparisons to the previous 21 waves.

2017 CBI Segments

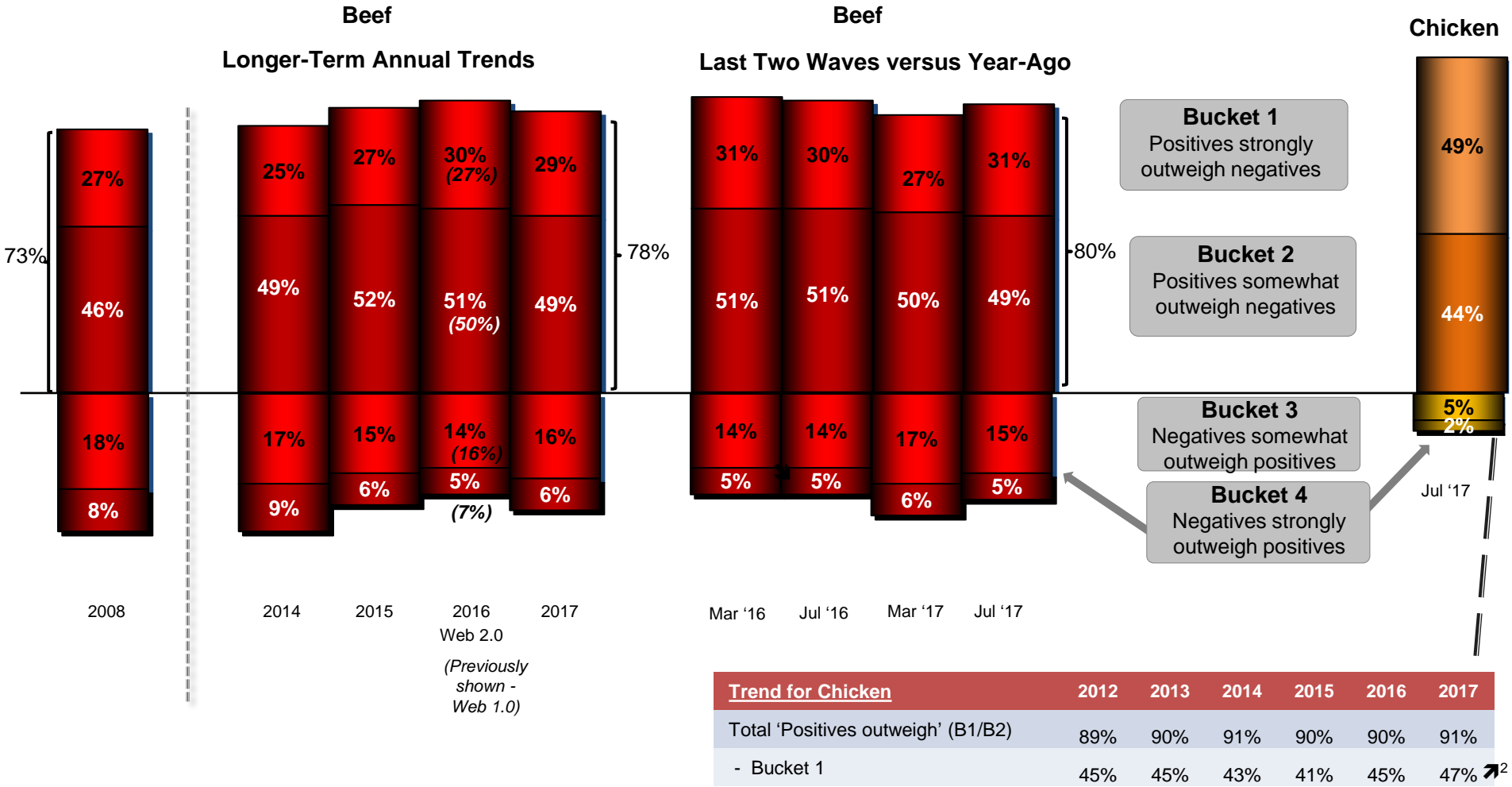
Those 13-15 are not part of Millennials, but are included in the on-going base of 13-65 year old U.S. consumers tracked since 2007 (Total N = 1,011 in current wave 22).



Total sample of 13-70 year-old U. S. consumers = 1,068
 (On-going base of those 13-65 (N=1,011), plus the 66-70 older Baby Boomers (N = 66))

These 66-70 year-olds are included in generational analyses, but not in the on-going comparisons of those 13-65.

Favorability Toward Beef – “Buckets”



Base: Total (N = 1,000+ per wave)
 Q.35/36: Considering all you know about beef/chicken, would you say the positives of beef/chicken outweigh the negatives or do the negatives of beef outweigh the positives?

Key: Significant change in longer-term annual trend (↗↘) and/or in year-ago wave differences (↑↓)

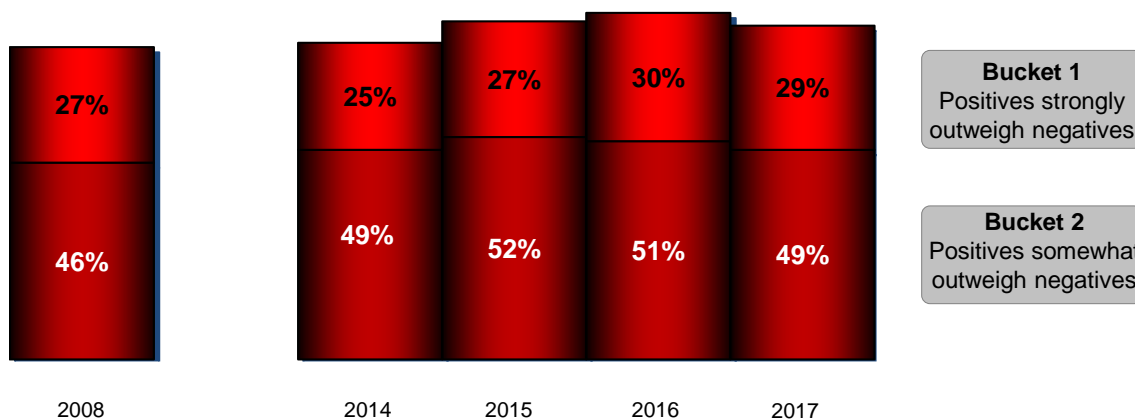
... favorability by generation

Executive Summary



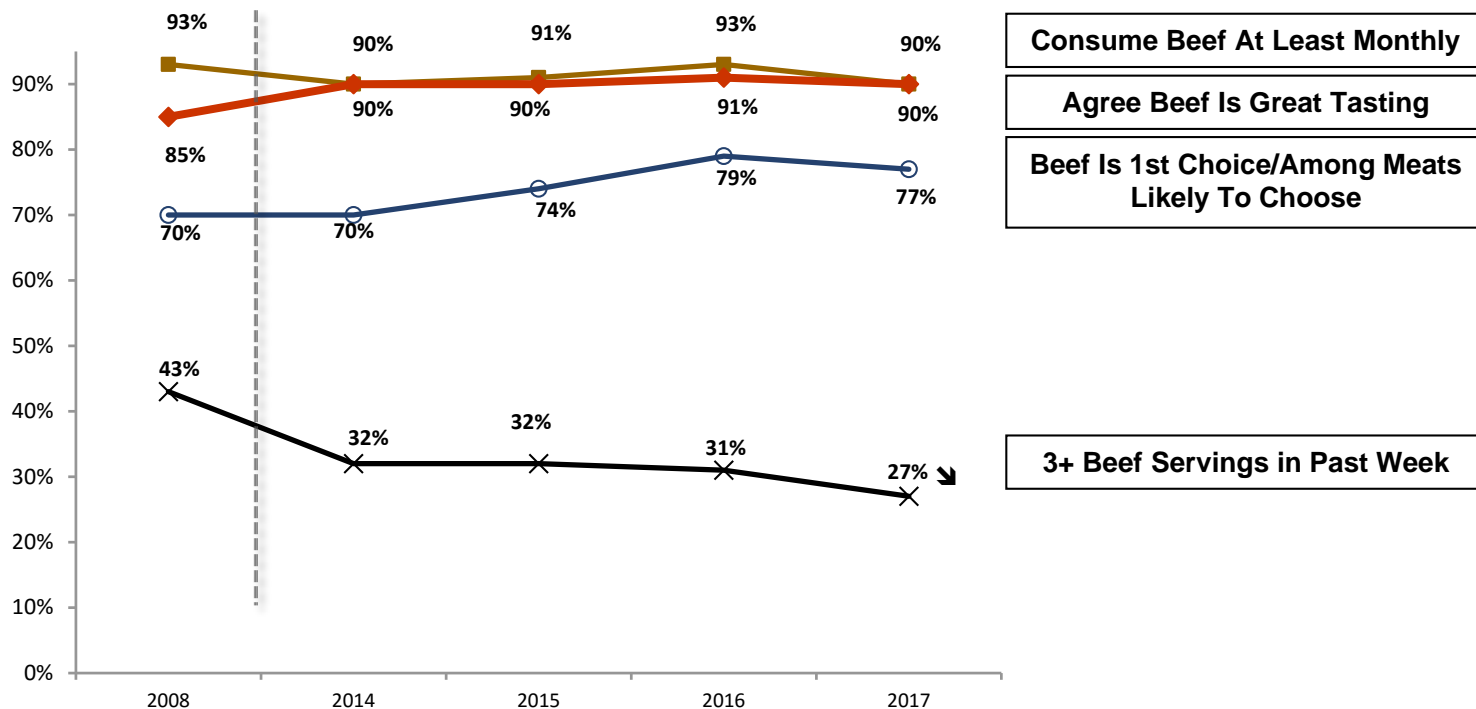
Executive Summary & Conclusions

- Relative to the first quarter of 2017, and compared to a year ago, the overall landscape for beef and competitive meat proteins **remains consistent**.
- General market equity indicators for beef are still **favorable**.
 - The proportion of U.S. consumers who have beef **at least once a month** (92%) is **strong** and **stable**.
 - Beef continues to be a **preferred meal** choice – either 1st choice or likely to choose – for **over** two-thirds of consumers (78%).
 - Those who feel the **positives** of beef outweigh the negatives – Buckets 1 and 2 – **outnumber** those in Buckets 3 and 4 by a margin of **4:1**.



Executive Summary & Conclusions

- **Americans' love of beef is remarkable and unique** in the sense that they **increasingly think favorably** about this product (positives outweighing the negatives) ... while **simultaneously cutting back** on usage.
 - Despite their **beliefs** about beef's potentially detrimental, **long-term health effects** (especially relative to chicken), almost **none have cut beef completely out of their diets**, and most have beef about **twice a week**.



Older Millennial Parents



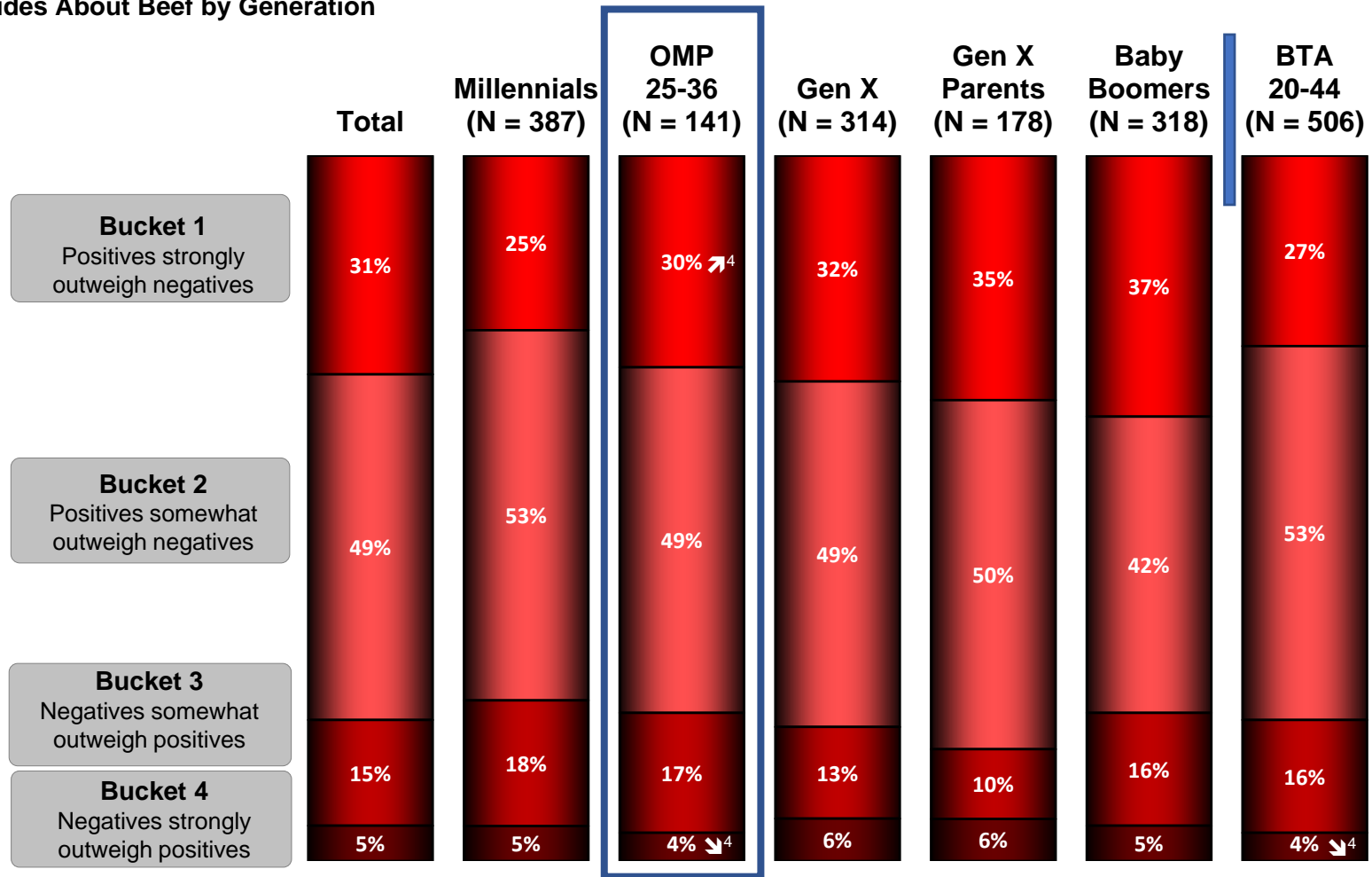
Executive Summary & Conclusions

- **Older Millennial Parents (OMP)** continue to have more **favorable attitudes** about and **higher usage** of beef than other consumers.
 - More of these consumers **value the healthy nutrients in beef**, particularly the **protein** they see as important for their busy, **active families**.
 - Nearly one-quarter (23%) feel that **beef is better than chicken at appealing to everyone in their families**, versus only 14% for consumers generally.
- Millennial parents are also more **food involved** than other consumers.
 - They **cook more frequently**, and are more likely to find it **fun** and an expression of their **creativity**.
 - Significantly more of them also **actively seek information** about food.
 - More of these consumers visit **foodnetwork.com** and **allrecipes.com** each month than do other consumers.



Favorability Toward Beef by Segment

Attitudes About Beef by Generation

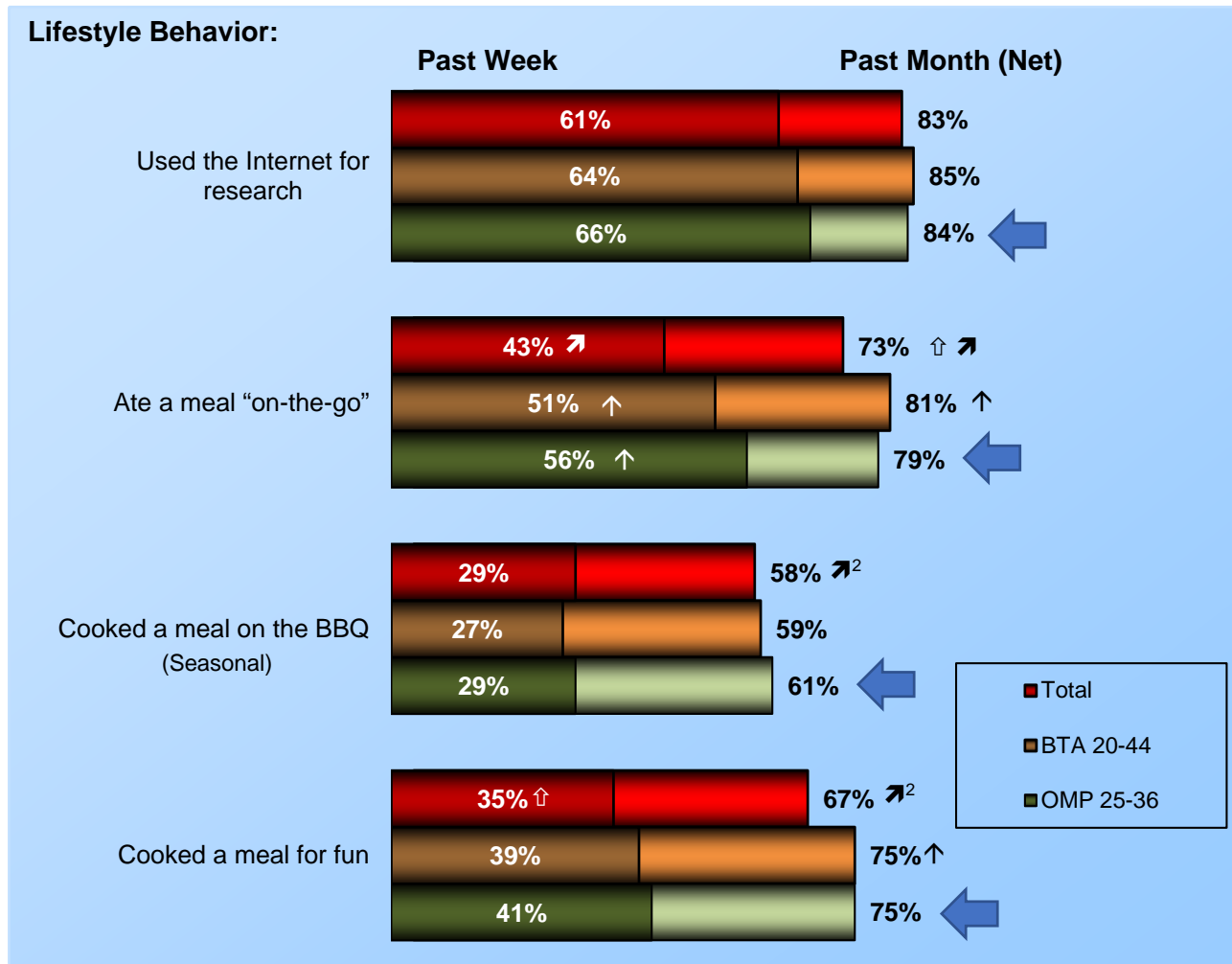


Base: Total (N = 1,011)

Key: Significantly higher/lower than non-segment (↑↓)

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?

Lifestyle Trends



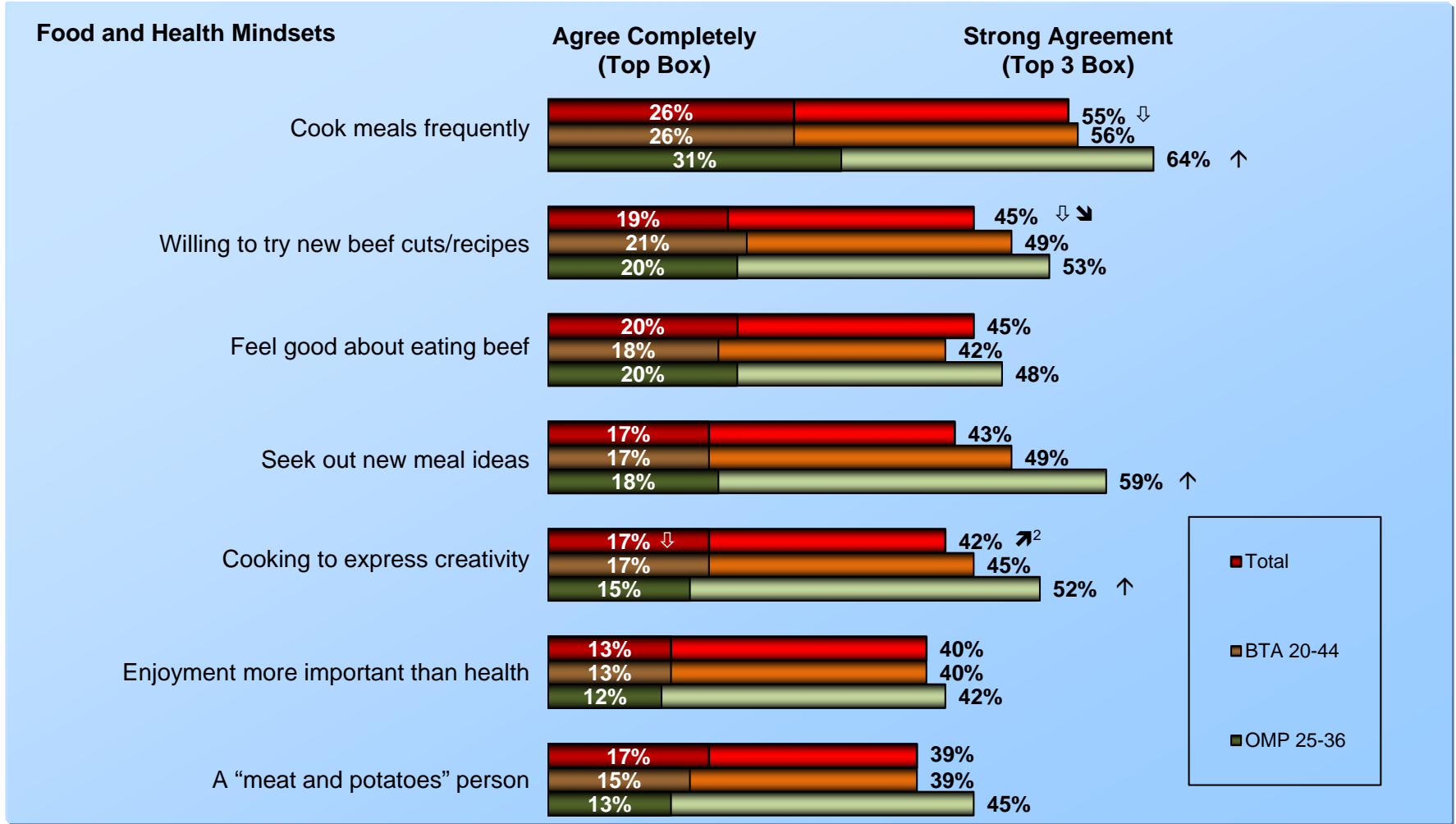
Key: Significant change in longer-term annual trend (↗↘) and/or in year-ago wave differences (↑↓) and/or higher/lower than non-segment (↑↓)

Base: Total (N = 503), BTA 20-44 (N = 233), OMP 25-36 (N = 67)

Q.50: For each of the following, select how long it has been since you...

Lifestyle Trends

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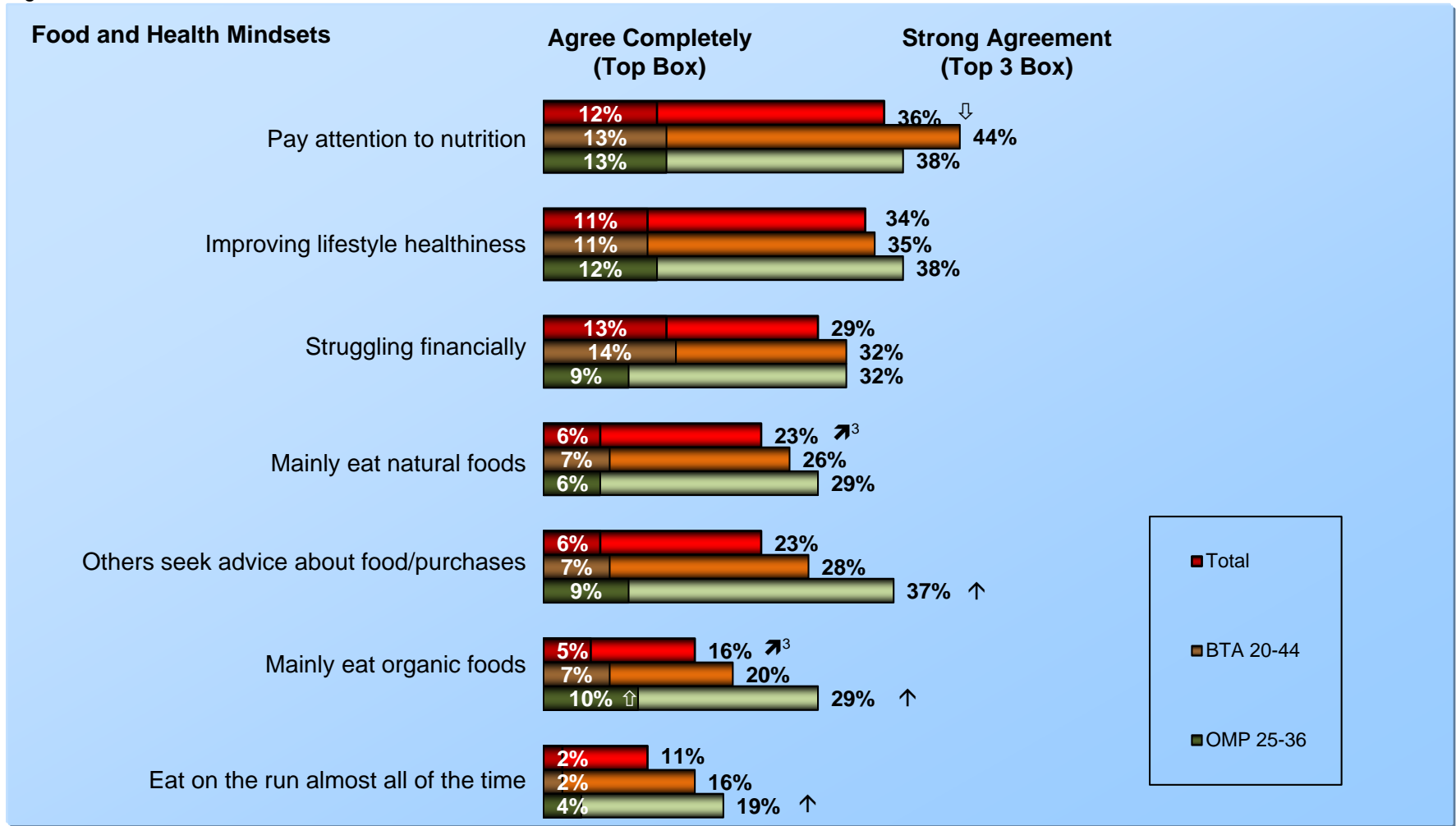
Key: Significant change in longer-term annual trend (↗↘) and/or in year-ago wave differences (↑↓) and/or higher/lower than non-segment (↑↓)

Base: Total (N = 1,011), BTA 20-44 (N = 506), OMP 25-36 (N = 141)

Q.49: Using a scale of "0" to "10," where a "10" means agree completely and "0" means disagree completely, how much do you agree or disagree with each of the following statements?

Lifestyle Trends

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Key: Significant change in longer-term annual trend (↗↘) and/or in year-ago wave differences (↑↓) and/or higher/lower than non-segment (↑↓)

Base: Total (N = 1,011), BTA 20-44 (N = 506), OMP 25-36 (N = 141)

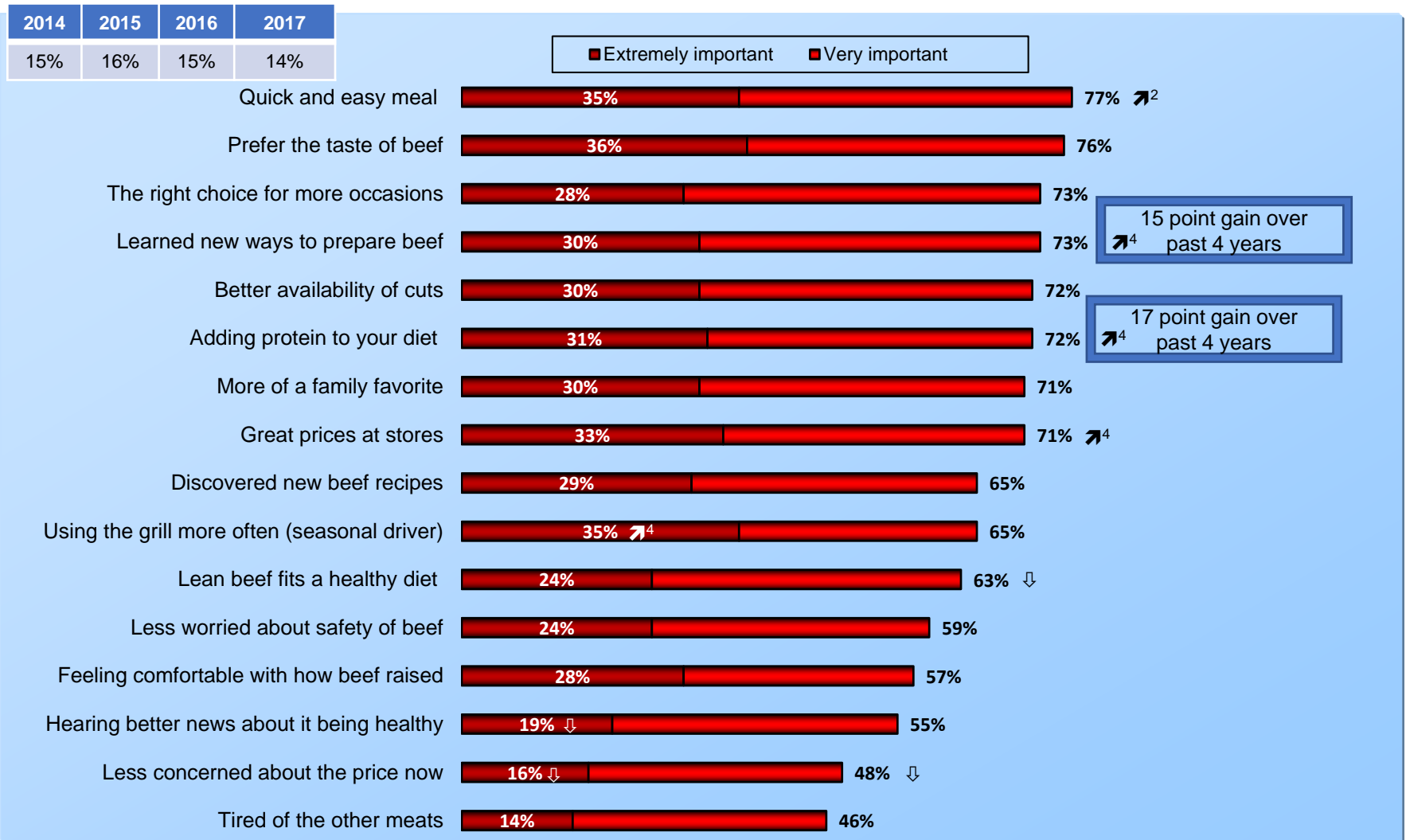
Q.49: Using a scale of "0" to "10," where a "10" means agree completely and "0" means disagree completely, how much do you agree or disagree with each of the following statements?

Eating More/Less Beef



Reasons Planning To Consume More Beef

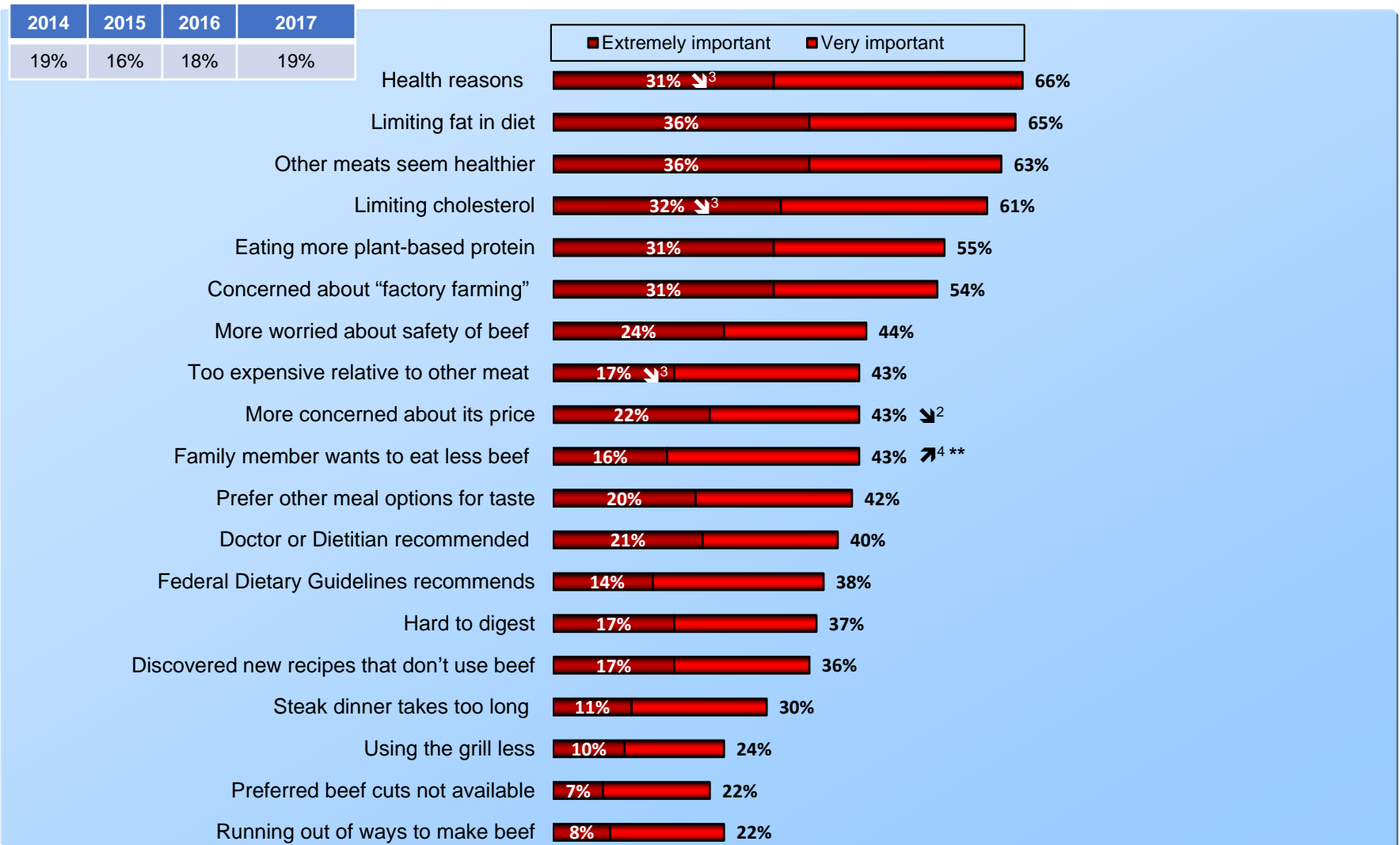
Among consumers (14%) who plan to eat more beef



Base: Those planning to eat more beef (N = 169) **Key:** Significant change in longer-term annual trend (↗↘) and/or in year-ago wave differences (↑↓)
 Q.38d: As you noted earlier that you plan to eat more beef, how important or what impact does each of the following have on your decision to eat more beef?

Reasons Planning To Consume Less Beef

Among consumers (18%) who plan to eat less beef



Base: Those planning to eat less beef (N = 187) **Key:** Significant change in longer-term annual trend (↗↘) and/or in year-ago wave differences (↕↔)
 Q.38d: As you noted earlier that you plan to eat less beef, how important or what impact does each of the following have on your decision to eat less beef?

** Exception Profile in progress.

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