

AUTHORIZATION REQUEST FOR FY 2020

CBB Budget Category: **Research**

Name of Contractor: **United States Cattlemen's Association**

Name of Organization Subcontracting: **Kansas State University**

Start Date: **10/1/2019**

End Date: **10/1/2022**

AR OVERVIEW

AR Description:

Publicly available data regarding consumer meat demand is very aggregated and increasingly insufficient to effectively guide sound industry decision-making. The data which does exist is more focused on the retail (grocery store) segment while food service (restaurants) remains an area of growth, critical importance, and comparative ambiguity. Meanwhile public funding for data gathering and reporting remains stagnant increasing need and value of new data and information efforts.

This project proposes to implement a new, monthly meat demand monitoring effort that notably enriches understanding of U.S. consumer meat demand. Further details regarding procedures, industry benefits, and the knowledge that would be generated are provided in Tactic A.

Funding	Direct Costs	Implementation	Total
CBB/BPOC Funding Request:	\$372,000	\$18,000	\$390,000

Other Potential Funding	Direct Costs	Implementation	Total
Federation of SBCs Pledges: (Informational Only)	\$0	\$0	\$0
Other Funding: (Informational Only)	\$0	\$0	\$300,000

Long Range Plan Core Strategies Addressed by this AR *(Check all that apply)*

Grow Beef Exports	Consumer Trust	Protect & Enhance	Beef's Value Proposition
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Digital properties and target audience(s) addressed by this AR:

N/A

PROGRAM INFORMATION FOR THIS AR**Tactic A****Tactic Name:** Meat Demand Monitor**Tactic Description:** The Meat Demand Monitor effort seeks to become a one-stop location for meat demand trends and assessment.

Recognition of Need Publicly available data regarding consumer meat demand is very aggregated. The data which does exist is more focused on the retail (grocery store) segment while food service (restaurants) remains an area of growth, critical importance, and comparative ambiguity. Meanwhile, public funding for data gathering and reporting remains stagnant increasing need and value of new data and information efforts. Combined this situation leaves the U.S. meat-livestock industry with partial and very aggregated insights into consumer meat demand patterns. In turn this critically constrains decision-making throughout the industry.

Opportunity This knowledge gap presents an opportunity for notable improvement. Recent success of university-led, knowledge-discovery and reporting initiatives such as the Food Demand Survey (Oklahoma State University) and Consumer Sentiment Index (University of Michigan) highlights an opportunity for increasing involvement of universities and other stakeholders to increase knowledge on U.S. meat demand.

Procedural Overview The project is centrally comprised of two survey-based data and information gathering efforts to be completed concurrently each month.

1) A nationally representative online survey will be conducted of at least 1,000 U.S. residents with a retail, grocery-store focus on meat demand. This is a continuation, with some adjustments to be further specific to meat issues, of the Food Demand Survey (FooDS) Jayson Lusk initiated in May 2013 and ended in May 2018. Internal plans are to overlap the past FooDS survey questionnaire and new Monthly Demand Monitor surveys for at least two months to identify adjustment factors for future analyses. This survey would also capture additional information useful in tracking consumer trends in broader meat industry topical awareness and concerns.

2) A nationally representative online survey will be conducted of at least 1,000 U.S. residents with a food service, restaurant focus on meat demand. This parallel survey

would focus on meal selections at food service establishments. Initially a focus would be on the dinner meal's entrée selection. In the future if feasible, parallel assessment specific to breakfast or lunch meals may be added. This survey would also capture information related to the decision of how many meals to consume at home relative to away from home.

Benefits to Partners

- 1) Help support a new effort of notable need and value for the entire meat-livestock industry. This includes supporting the first, ongoing barometer of meat demand separate by market channel which will substantially improve understanding of meat demand.
- 2) Help support training of graduate students with economic interest in the meat-livestock industry. Providing a new mechanism for training with real-world application is of growing importance in training the next generation of meat-livestock economists.
- 3) Have opportunity to ask "hot topic" questions of U.S. residents as industry issues arise.

Monthly Data and Information Generated

- 1) Quantify consumer willingness to pay (WTP) for meat in retail settings.
- 2) Quantify consumer WTP for meat in restaurant settings. Assessment specific to dinner meal decisions is planned. In the future, additional assessment of breakfast or lunch meal decisions may be added if feasible.
- 3) Quantify relative importance of 12 meat values (Freshness, Taste, Price, Safety, Convenience, Nutrition, Health, Origin/Traceability, Hormone-Free/Antibiotic-Free, Animal Welfare, Environment, and Appearance).
- 4) Quantify level of concern on a series of health hazards (e.g. Mad Cow Disease, BSE, Growth Hormones use in Livestock, E.coli, Salmonella, Genetically Modified Foods, Swine Flu, Bird Flu, Greenhouse Gas Emissions from Livestock) in consumed meat.
- 5) Quantify the frequency and location of beef, pork, and chicken consumption in the past week. a. Separately for the number of meals consumed at-home vs. away from home. b. At-home information will be further delineated between those meals purchased in-person and prepared in-home, delivered by others and prepared in-home, and delivered and prepared by others ready to eat. c. Away-from-home information will be further delineated by meal (breakfast, lunch, and dinner).
- 6) Provide summary statistics and base analysis on "hot topic" ad hoc questions asked each month. Questions of elevated interest that arise yet are not part of the regular, recurring survey question set may be included each month as coordinated by Tonsor. Each WTP estimate would be provided separately for a short-list of beef, pork, and chicken products. Currently systematic consumer selection between seven choices is envisioned: beef steak, ground beef, pork chop, bacon, chicken breast, one meatless option, and a none-of-these alternative. The ultimate short-list of products will be determined jointly with final partners. Respondent level survey responses for regularly recurring questions would be posted online and publicly available. Each month an Executive Summary type report would be publicly posted to widely disseminate main findings and trends relative to previously collected information.

Quarterly and Annual Reports To augment shorter, monthly reports additional more-detailed reports will be provided. Quarterly reports will leverage the broader set of information gathered within the Meat Demand Monitor effort to summarize implications of additional analyses. One core example is quarterly assessment of how meat demand, separately at-home and away-from home, is impacted by socio-economic characteristics (age, income, etc.), meat values (importance of safety, nutrition, etc.), health concerns (E.coli, Swine Flu, etc.), and use of at-home delivery services. This is one example benefit of jointly conducting both retail and food service focused surveys on the same products for the first known time. Annually a further extended assessment will be provided that incorporates information gathered outside the Meat Demand Monitor effort. As one example, monthly beef, pork, and chicken demand indices are derived from publicly available data and maintained by Kansas State University representing aggregate demand patterns by industry. What is not clear is how observed variation in these indices aligns with patterns to be captured within Meat Demand Monitor information. More broadly the goal here is to provide deeper insight into how knowledge gained from the Meat Demand Monitor effort supplements other information already available to stakeholders. Once sufficient information is available, extended analyses of the predictive accuracy of Meat Demand Monitor information would be added. These quarterly and annual reports would be posted and publicly available. On all written outputs, acknowledgment to external partners will be explicitly made.

Project Timeline The final list of partners and level of funding contribution is yet to be officially identified. Presuming the project proceeds forward, then an official launch of data and information collection will begin once funding is in place. The collaborating partners would work with Tonsor and Kansas State University to finalize survey and related information gathering details as well as official project initiation paperwork. The project is designed to be one of perpetual and growing value with an array of efforts occurring every month, quarter, and year. After an initial three-year period, a full assessment would be conducted by Tonsor and all involved parties to identify any enhancements. If future enhancements are made, they would be introduced with overlapping data collection periods to enable informative analysis across all periods of the Meat Demand Monitor project.

Measurable Objectives *(List at least three outcome-based objectives for this tactic):*

Specific objectives include:

- 1) Creation of the Meat Demand Monitor as a one-stop location for U.S. meat demand trends and assessment.
- 2) Creation and electronic posting of monthly, quarterly, and annual reporting of the status of U.S. meat demand.
- 3) In-person dissemination of findings and implications to producers and industry stakeholders.

Performance Efficiency Measures

In this AR both producers and consumers are directly involved so separate PEM details are included. Narrowly, consumers are initially directly involved as research subjects in monthly surveys and subsequently in efforts that leverage Meat Demand Monitor outputs. Producers are key recipients of Meat Demand Monitor reports and in-person presentations outlining core findings.

Consumer Reach Goal: 24,000 (annually)

This reflects direct participation of at least 24,000 consumers (2,000 per month) as project participants. Note this conservative estimate fully ignores any additional reach that follows from general media attention to Meat Demand Monitor information.

Consumer Engagement Goal: 2,400 (annually)

This reflects a conservative estimate that 10% of those reached, engage and take action with content received.

Producer Reach Goal: 17,000 (annually)

This reflects direct participation of approximately 300 in-person presentation attendees and current Twitter follower volumes (14,551 for @BeefCheckoff; 1,089 for @TonsorGlynn; 1,233 for @AgManagerInfo). Note this conservative estimate fully ignores any additional reach that follows from other interactions Tonsor has with producers throughout the year.

Producer Engagement Goal: 1,700 (annually)

This reflects a conservative estimate that 10% of those reached, engage and take action with content received.

Voice/KOL Reach Goal: 200 (annually)

This reflects approximately 200 attendees of the checkoff update session during Annual Convention. Note this conservative estimate fully ignores any additional reach that follows from other interactions Tonsor has with influential, industry leaders throughout the year.

Voice/KOL Engagement Goal: 20 (annually)

This reflects a conservative estimate that 10% of those reached, engage and take action with content received.

As a new project these goals are hard to precisely outline. That said, the fact this novel project builds upon well-recognized meat demand efforts conducted by Kansas State University it is anticipated that monthly, quarterly, and annual reports and in-person

dissemination activities combined will be of high-interest leading to substantial Performance Efficiency.

LRP Strategic Initiatives Addressed by this Tactic (Check all that apply)

Drive Export Growth	Grow Consumer Trust	Protect & Enhance Business Climate	Beef's Value Proposition
<input type="checkbox"/> Adopt animal I.D. traceability systems <input type="checkbox"/> Increase market access <input type="checkbox"/> Promote unique attributes of U.S. beef	<input type="checkbox"/> Ensure antibiotic stewardship <input type="checkbox"/> Certify & verify production practices <input type="checkbox"/> Ensure beef safety <input checked="" type="checkbox"/> Protect beef's image <input type="checkbox"/> Engage beef advocates	<input checked="" type="checkbox"/> Research & innovate new production technologies <input type="checkbox"/> Ensure beef's inclusion in dietary recommendations <input type="checkbox"/> Motivate producers & stakeholders to engage in issues <input type="checkbox"/> Develop crises management plans <input checked="" type="checkbox"/> Defend beef's product identity	<input checked="" type="checkbox"/> Revolutionize beef marketing & merchandising <input type="checkbox"/> Measure & improve sustainability <input type="checkbox"/> Research & communicate beef's nutritional benefits <input checked="" type="checkbox"/> Connect & communicate directly with consumers <input checked="" type="checkbox"/> Improve our product

Committee(s) to Score this Tactic (Check all that apply)

Consumer Trust	Export Growth	Innovations	Nutrition & Health	Safety	Investor Relations	Mkt. Research
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SUPPLEMENTAL INFORMATION FOR THIS AR

1. Will all work detailed in this AR be completed by the end of the fiscal year?
No

If not, please provide an explanation.

The scope of the work detailed in this AR will be completed over a three-year timeframe.

2. Please explain changes from FY 2019 approved AR:
N/A

3. List any proposed subcontractor/agencies that will be used to complete the work in this AR.

Dr. Glynn T. Tonsor is a Professor in the Department of Agricultural Economics at Kansas State University. Tonsor will be responsible for leading and overseeing this project as hosted at Kansas State University. He will work with external supporting partners and research collaborators in partnership with Kansas State University to coordinate efforts.

4. Will all work with subcontractors be competitively bid?

No

If not, why not?

Kansas State University has built decades of experience in this specific interest area. They are the best equipped to carry out this work.

5. Please list any relationships between this AR and projects previously funded by the Operating Committee:

No previous relationships.

DETAILED BUDGET SUMMARY:

Source of Funding	Direct Costs	Implementation	Total
CBB/BPOC Funding Request:	\$372,000	\$18,000	\$390,000

Other Potential Funding	Direct Costs	Implementation	Total
Federation of SBCs Pledges: (Informational Only)	\$0	\$0	\$0
Other Funding: (Informational Only)	\$300,000	\$0	\$300,000
Total Cost	\$672,000	\$18,000	\$690,000

CBB/BPOC Funding Request:

Committee Name	Tactic	Tactic Name	Funding	Direct	Implementation	Total
<i>Consumer Trust & Innovation</i>	A	Meat Demand Monitor	BPOC	\$ 372,000	\$ 18,000	\$ 390,000
AR Totals				\$ 372,000	\$ 18,000	\$ 390,000

Other Funding: (Informational Only)

Committee	Tactic	Tactic Name	Funding	Direct	Implementation	Total
<i>Consumer Trust & Innovation</i>	A	Meat Demand Monitor	Pork Checkoff	\$ 300,000	\$ -	\$ 300,000
AR Totals				\$ 300,000	\$ -	\$ 300,000

Total Cost Summary for All Funding Sources: (Informational only)

Committee	Tactic	Tactic Name	Funding	Direct	Implementation	Total
<i>Consumer Trust & Innovation</i>	A	Meat Demand Monitor	All	\$ 672,000	\$ 18,000	\$ 690,000
AR Totals				\$ 672,000	\$ 18,000	\$ 690,000

Summary of Prior Year Budget:	FY 2019 Approved Budget						
	CBB/BPOC	FSBCs	Other Source(s)	Total	Direct Cost	Impl.	Total
AR Totals	\$ -			\$ -	\$ -	\$ -	\$ -

FY 2019 Actual Expenses (through June 30, 2019)	FY 2019 Actual Expenses						
	CBB/BPOC	FSBCs	Other Source(s)	Total	Direct Cost	Impl.	Total
AR Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Historical Summary of Budgets and Expense:	Total Approved Budgets			Total Actual Expenses		
	FY 2018	FY 2017	FY 2016	FY 2018	FY 2017	FY 2016
AR Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**POTENTIAL PARTNERSHIP LIST
FY 2020
AR Number: 2012-R**

Please list all potential partners/collaborators* for the related AR and details including the nature and extent of collaboration: *(include any partnership and/or collaborations with a third party by identifying the third party, the nature of the collaboration and extent of the collaboration.)*

1. Kansas State University; To serve as the lead on research for the entirety of the project. All collected data and reports would be posted online and publicly available given checkoff funding support.
2. Pork Checkoff Program; To serve as a financial partner by contributing to the project consistent with the multi-species aspects of this Meat Demand Monitor effort.

*Partners/collaborators does NOT include subcontractors listed in AR section V.C. Subcontractor Info.

Required per USDA Letter dated June 19, 2013