The Beef Industry

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2,400
Hello
my name is
CHANGE
Change happens with or without our permission.
What's next?
Age Distribution of Farm Principal Operators

2 x more farmers over 65 than under 45

Half of your clients will likely exit the business by 2030
“In an increasingly crowded, noisy global marketplace, innovation is not optional!”

Tom Peters
• Fresh is in
• Science doesn’t sell
• The average consumer isn’t....
• Shrinking household size
• Women’s financial power
Purchasing Drivers

Adapted from Sullivan, Higdon and Sink, 2013
Mintel’s Big Four

• Globalization of the plate and palate
• Technology as a means to convenience
• Drawing a line in the sand relative to technology – unplug
• Eating as prevention
47% of Primary Shoppers are....

57% of Hispanic Shoppers are....
Dominant Factors Affecting Food Purchases

<table>
<thead>
<tr>
<th>Factor</th>
<th>% of Consumers</th>
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<tbody>
<tr>
<td>Taste</td>
<td>75</td>
</tr>
<tr>
<td>Quality</td>
<td>73</td>
</tr>
<tr>
<td>Price</td>
<td>70</td>
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</tbody>
</table>

Consumers from the U.S., United Kingdom, Germany, Argentina, China

Source: Ketchum, 2008
KSU Beef Demand Report - 2013

- Price
- Food Safety
- Product Quality
Oklahoma State Food Demand Survey
2013-2015
These four are the biggies……

• Price
• Taste
• Nutrition
• Safety
Annual, All Fresh Beef Demand Index (1990=100)

Source: Glynn T. Tonsor, Kansas State University, Jan. 2017
What drives food purchases?

“What economists fail to understand is that food-purchasing decisions are as emotional as they are logical.

Even in lower income areas, eating a super-premium product is a special event that temporarily enables the consumer to enjoy the same experience as others who are more fortunate.”

Jeff Taylor, VP, Harris Nesbitt’s Food Group
Relationships + Processes = Relevancy

Front of house efforts + Back of house efforts = Relevancy
PROSUMER

Active involvement with design, production and delivery of the goods/services consumed
Prosumer

Organic to Local

“Nature Made”

20% Influential

Integrity Sustainability Verified
Table 1. Comparison of the Quality Challenges Ranked by Priority for Each of the National Beef Quality Audits

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<tbody>
<tr>
<td>External Fat</td>
<td>Overall Uniformity</td>
<td>Overall Uniformity</td>
<td>Overall Uniformity</td>
<td>Traceability</td>
<td>Food Safety</td>
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<tr>
<td>Seam Fat</td>
<td>Overall Palatability</td>
<td>Marbling</td>
<td>Tenderness</td>
<td>Instrument Grading</td>
<td>Eating Satisfaction</td>
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<td>Overall Palatability</td>
<td>Marbling</td>
<td>Marbling</td>
<td>Marbling</td>
<td>Market Signals</td>
<td>How and Where the Cattle Were Raised</td>
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<td>Tenderness</td>
<td>Tenderness</td>
<td>Marbling</td>
<td>Tenderness</td>
<td>Segmentation</td>
<td>Weight and Size</td>
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<tr>
<td>Cutability</td>
<td>External/Seam Fat</td>
<td>Reduced Quality Due to Implants</td>
<td>Market Signals</td>
<td>Lean,Fat, Bone</td>
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<td>Marbling</td>
<td>Cut Weights</td>
<td>External Fat</td>
<td>Carcass Weights</td>
<td>Carcass Weights</td>
<td>Cattle Genetics</td>
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![Image of beef and wine cellar]
Empowering Enterprise Builders

Engler.unl.edu