

## A Surge in Demand for **Retail Meats**

*(As referenced in August/September 2009 issue of Meat & Deli Retailer)*

Although the economic downturn of the past year has influenced the way consumers are spending their food dollars, the outlook remains positive for the retail meat industry, according to a review of fresh meat sales. In March 2009, Midan Marketing and Shugoll Research presented "Holding Onto Your Customers in a Tough Economy: Insights From New Consumer Research and Actual Meat and Poultry Sales Data" at the 2009 Annual Meat Conference. The presentation included results of data analysis and consumer research conducted to understand changes in consumer purchase decisions regarding branded and non-branded fresh meat products at the start of the economic downturn.

As a follow up to the study, Midan Marketing further analyzed fresh meat sales through June 2009 to determine how consumers have changed their purchasing habits through this economically challenging time. The results are positive for supermarket retailers and the meat industry.

Sales data from FreshLook Marketing indicate that fresh meat sales are performing strongly through the economic recession. However, consumers are opting toward lower priced proteins and taking advantage of savings when presented to them at the meat case. Retailers have also capitalized on this trend by featuring lower priced proteins more aggressively to their customer.

**TOTAL MEAT & POULTRY VOLUME SALES**

	<b>Q3 2008</b>	<b>% Increase Compared to YA</b>	<b>Q4 2008</b>	<b>% Increase Compared</b>	<b>Q1 2009</b>	<b>% Increase Compared to YA</b>	<b>Q2 2009</b>	<b>% Increase Compared to YA</b>
<b>Total Meat &amp; Poultry Pound Sales (Millions)</b>	2,435	2.4%	3,108	3.0%	2,697	4.7%	2,726	7.5%
<b>Average Price % Change for Total Meat</b>		0.8%		2.1%		1.5%		-2.6%

Source: FreshLook Marketing

Volume sales of beef middle meats saw significant growth in the first half of 2009, as their prices plummeted. Within middle meats, premium beef steaks, which include steaks from the Sirloin, Strip, Ribeye and Tenderloin, took the lead with average prices decreasing 5.4 percent and 3.5 percent in the first and second quarter of 2009, respectively. Retailers also jumped on the opportunity to pass savings down to their customers, and increased featuring of beef middle meats during the first half of this year according to Promodata.

## SALES AND FEATURING FOR BEEF MIDDLE MEATS

	Q3 2008	% Increase Compared to YA	Q4 2008	% Increase Compared	Q1 2009	% Increase Compared to YA	Q2 2009	% Increase Compared to YA
<b>Total Meat &amp; Poultry Pound Sales (Millions)</b>	213	-2.7%	185	0.7%	198	9.0%	242	4.4%
<b>Average Price % Change for Total Meat</b>		0.0%		-2.4%		-4.3%		-2.8%
<b>Ad Featuring % Change</b>						3.4%		3.5%
<b>Beef Middle Meat Steak Pound Volume Sales (Millions)</b>	177	-0.6%	133	2.2%	162	12.2%	197	2.5%
<b>Average Price % Change for Beef Middle Meat Steaks</b>		1.4%		-2.5%		-5.4%		-3.5%

While certainly only a small part of overall chicken volume, Bone-In Chicken Breast are worth a mention as the cut experienced a significant increase in sales. Consumers were trading down to lower priced proteins. In the first quarter of 09, volume sales saw a large increase of 21.9 percent, as the already lower priced protein's price dropped even lower by 7.8 percent. Retailers also increased their featuring of Bone-In Chicken Breast by 20 percent during this time.

## FEATURING FOR BONE-IN CHICKEN BREASTS

	Q3 2008	% Increase Compared to YA	Q4 2008	% Increase Compared	Q1 2009	% Increase Compared to YA	Q2 2009	% Increase Compared to YA
<b>Bone-In Chicken Breast Volume Sales (Millions)</b>	86	13.0%	75	15.5%	96	21.9%	91	7.5%
<b>Average Price % Change for Bone-In Chicken Breast</b>		-4.1%		-5.9%		-7.8%		-5.7%
<b>Ad Featuring % Change</b>						20.0%		9.8%

Lower priced Pork Ribs also experienced gains during the first half of 2009. Volume sales increased 23.5 percent in the first quarter, as prices declined 4.9 percent and featuring increased 8.6 percent. This trend continued into the second quarter with sales increasing 5.3 percent.

## SALES AND FEATURING FOR PORK RIBS

	Q3 2008	% Increase Compared to YA	Q4 2008	% Increase Compared	Q1 2009	% Increase Compared to YA	Q2 2009	% Increase Compared to YA
<b>Pork Ribs Pound Volume (Millions)</b>	128	11.7%	78	10.3%	107	23.5%	144	5.3%
<b>Average Price % Change for Pork Ribs</b>		-1.4%		-1.3%		-4.9%		-4.0%
<b>Ad Featuring % Change</b>						8.6%		1.5%

The sales data indicate that retail fresh meat sales are excelling during this economically challenging time. Retailers that are aggressive with their featuring and merchandising can capitalize on changing consumer behavior.

Customized data reports can be made by request by contacting [inquiry@midanmarketing.com](mailto:inquiry@midanmarketing.com).

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