FooDS

Food Demand Survey Volume 2, Issue 7: November 17, 2014

About the Survey
FooDS tracks consumer preferences and sentiments on the safety, quality, and price of food at home and away from home with particular focus on meat demand. FooDS is a monthly on-line survey with a sample size of at least 1,000 individuals, weighted to match the US population in terms of age, gender, education and region of residence. See the online technical document for more details.

MEAT DEMAND

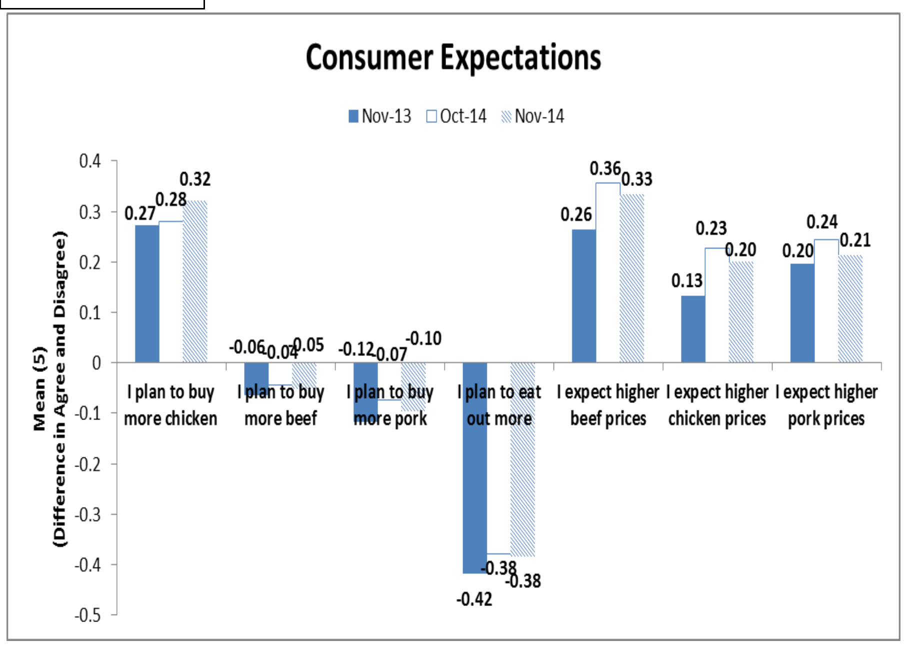
Willingness- to-Pay	Steak	Chicken Breast	Hamburger	Pork Chop	Deli Ham	Chicken Wing	Beans and Rice	Pasta
Last Year: November 2013	\$6.72	\$5.03	\$3.96	\$3.75	\$2.59	\$2.37	\$2.22	\$3.21
Last Month: October 2014	\$7.05	\$4.88	\$4.25	\$3.69	\$2.37	\$2.21	\$2.11	\$2.85
November 2014	\$7.00	\$5.16	\$4.62	\$4.02	\$2.56	\$2.42	\$2.20	\$3.48
% change (Oct. – Nov.)	-0.71%	5.74%	8.71%	8.94%	8.02%	9.50%	4.27%	22.11%

Willingness-to-pay (WTP) for all food products increased from one month ago, except steak for which WTP was virtually unchanged. WTP for pork and chicken products increased 8% to 9%. WTP for all meat products, except deli ham, remain higher relative to the same time last year.

FOOD EXPENDITURES

	Current weekly at home	Current weekly away from home	Anticipated change in at home in next 2 weeks	Anticipated change away from home in next 2 weeks
November 2013	\$94.00	\$45.31	0.25%	-2.01%
October 2014	\$93.27	\$48.12	-0.44%	-1.64%
November 2014	\$94.13	\$49.91	0.54%	-1.85%
% change (Oct. – Nov.)	0.92%	3.72%		

In November, food-grocery expenditures were \$94.13, up slightly from October. \$49.91 was spent on food consumed away from home, up 3.72% from October. While consumers continue to expect higher meat prices, inflationary expectations are less than last month, though higher than a year ago. Expected purchasing patterns remain similar to previous months, with an increase in planed purchases of chicken.



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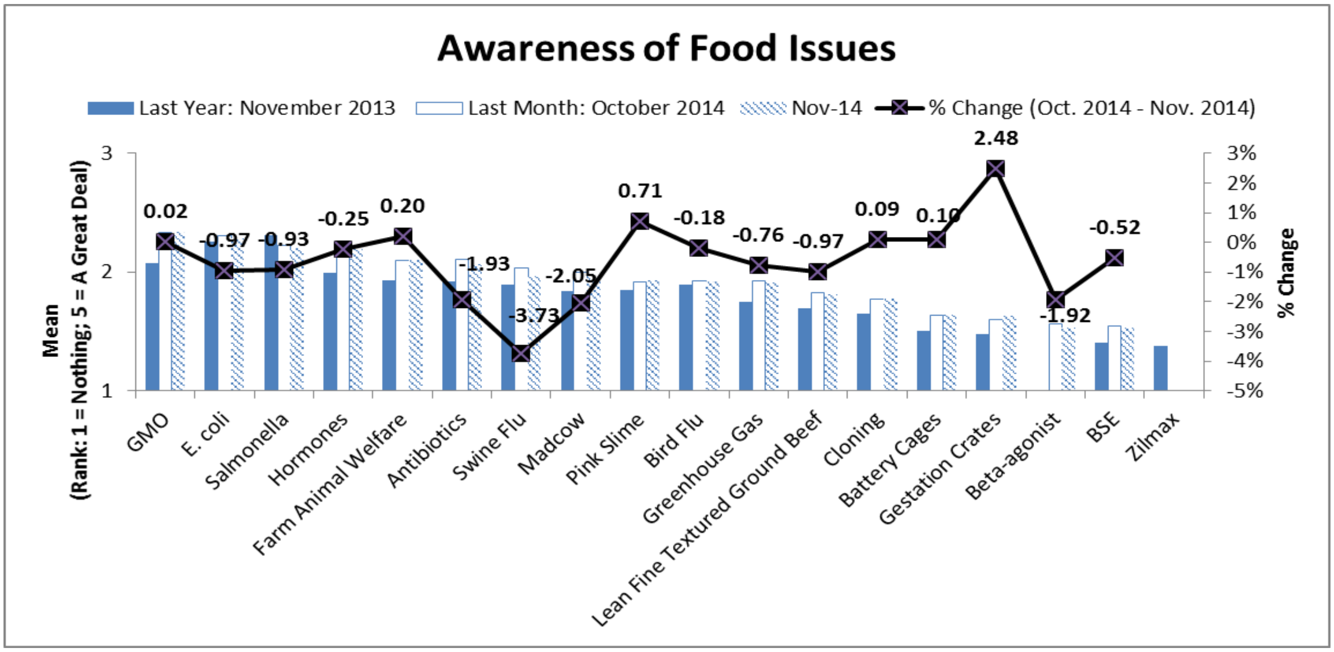
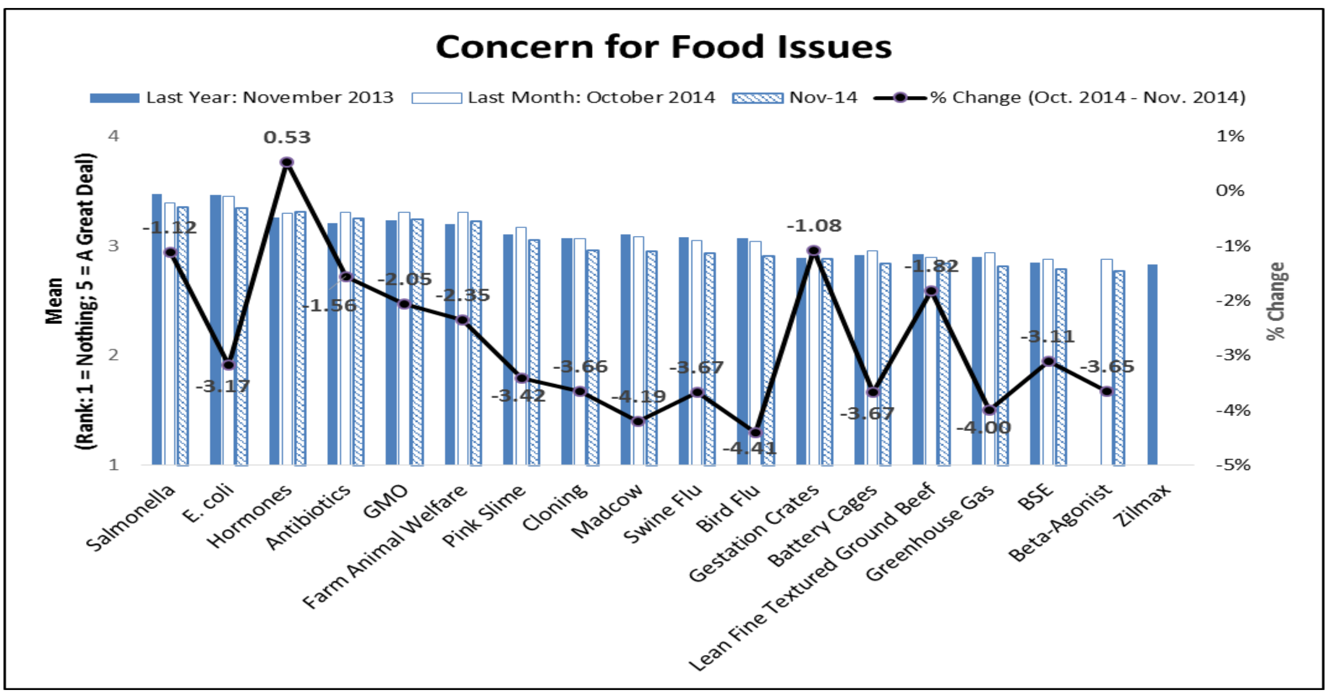
AWARENESS & CONCERN TRACKING

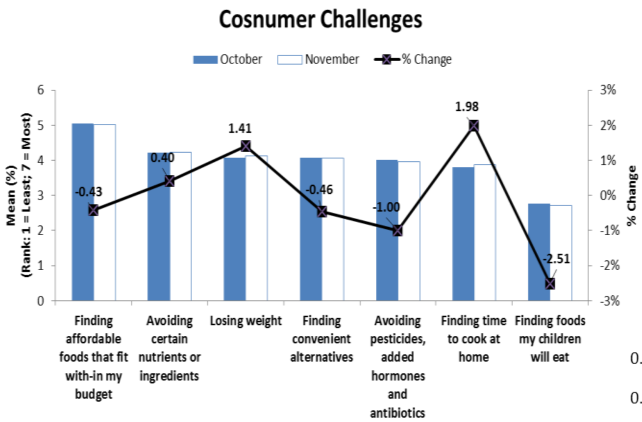
GMO, E. coli, and *Salmonella* remained as the most visible issues in the news over the past two weeks. The largest percentage jump in awareness from October to November was for gestation crates. The largest percentage fall from October to November was for swine flu. *Salmonella*, *E. coli* and hormones were ranked as the top three concerns during November. Concern decreased for all issues, except hormones, fell from October to November. The largest percent decrease from last month was for bird flu and mad cow disease.

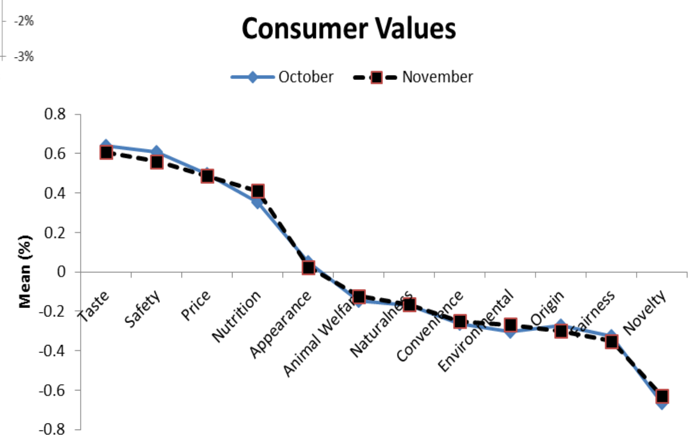




GENERAL FOOD VALUES

Taste, safety and price remained consumer's most important values when purchasing foods. Consumer values remained similar to those in past months, with a decrease in perceived value of taste and safety, and a slight increase in perceived value of nutrition and environmental outcomes. Similar to previous months, consumers reported that their main challenge was finding affordable foods that fit with-in their budget. Finding time to cook at home and finding food children will eat remained last, as in previous months. In November, 5.59% of participants reported having food poisoning, a 0.59% increase from October.

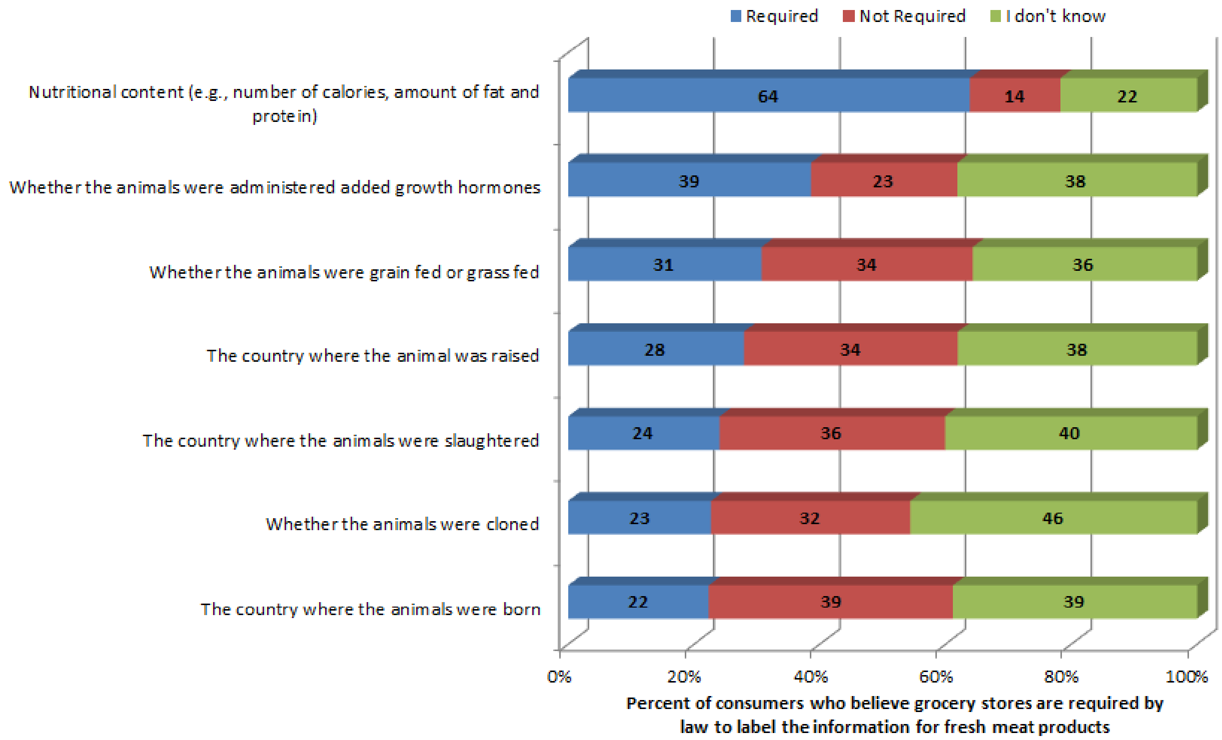




AD HOC QUESTIONS

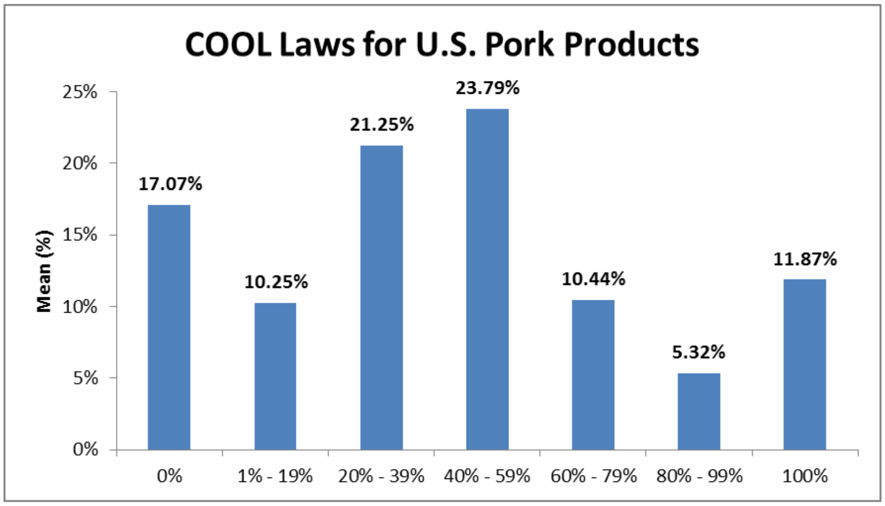
Three new ad hoc questions were added to the survey this month. Given the recent WTO ruling on the US mandatory country of origin labeling law (COOL), several questions were added to gauge consumers' knowledge and perceptions of different meat origin labels.

The first question asked: "Which of the following are grocery stores required by law to label for fresh meat products?" Participants were shown seven issues and were asked to select "required"," not required", or "I don't know", for each issue.



64% of respondents believe nutritional content information is required to be labeled by law. Over a third (39%) thought there was mandatory labeling for use of hormones. For the remaining five issues, the plurality of consumers chose "I don't know." This includes the three issues related to MCOOL. About 40% of consumers did not know whether grocery stores required to label where an animal was born, raised, slaughtered. More consumers than not thought grocery stores were not required to label such origin information. Only 22% of consumers thought grocery stores were required to label where an animal was born.

Secondly, (and only after answering the preceding question), participants were asked: "What portion of pork products consumed in the United States is covered by current mandatory country of origin labeling laws?" The plurality, 23.79% of participants, responded saying that 40% to 59% of pork products consumed in the United Sates is covered under mandatory country of origin (COOL) laws. 17% though no pork products were required to be labeled, and about 12% though all pork products were required to be labeled.



The third question pertains to consumer's willingness-to-pay for a 12oz boneless rib eye beef steak dependent on the country of origin. Respondents were randomly assigned to one of four groups that differed in the label given to the ribeye steak. On fourth of participants were asked: " What is the most you would be willing to pay for a 12oz boneless rib eye beef steak that was labelled as: Born, Raised, and Slaughtered in the U.S.?" Other respondents answered similar questions except the labels were changed to: Born in Canada, Raised and Slaughtered in U.S.; Born and Raised in Canada, Slaughtered in the U.S.; or Product of Canada and the U.S. Respondents answered by clicking a response category with a range of dollar values such as, $0, $0.01 to $2.99, . . ., $13.00 to $15.99, $16 or more. Answers were used to estimate the mean WTP for each of the four groups.

	mean WTP	**95% CI**	**N**
Born, Raised and Slaughtered in the U.S.	$7.00	+/- $0.44	252
Born in Canada, Raised and Slaughtered in U.S.	$6.11	+/- $0.43	252
Born and Raised in Canada, Slaughtered in the U.S.	$5.95	+/- $0.48	252
Product of Canada and the U.S.	$6.55	+/- $0.43	254

Results indicate consumers valued beef that was born or born and raised in Canada $0.89 and $1.05 less, respectively, than beef that was born, raised, and slaughtered in the U.S. Consumers do not distinguish between beef born in Canada and born and raised in Canada; the difference in WTP for these two labels ($6.11 vs. $5.95) is not statistically different. Mean WTP for the label "product of Canada and the U.S.", $6.55, is higher than the other labels that mentioned Canada and only $0.45 lower than "Born, Raised and Slaughtered in the U.S.", a difference that is not statistically different.

A disaggregated histogram of responses is shown below for the four labels.