



Consumer Demand for Livestock Traceability in Canada and the U.S.

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Beef Information Centre



Outline

- 🍁 **Consumers**
- 🍁 **Customers**
- 🍁 **Canadian Beef Brand**
- 🍁 **Opportunity to leverage traceability**
- 🍁 **Questions**

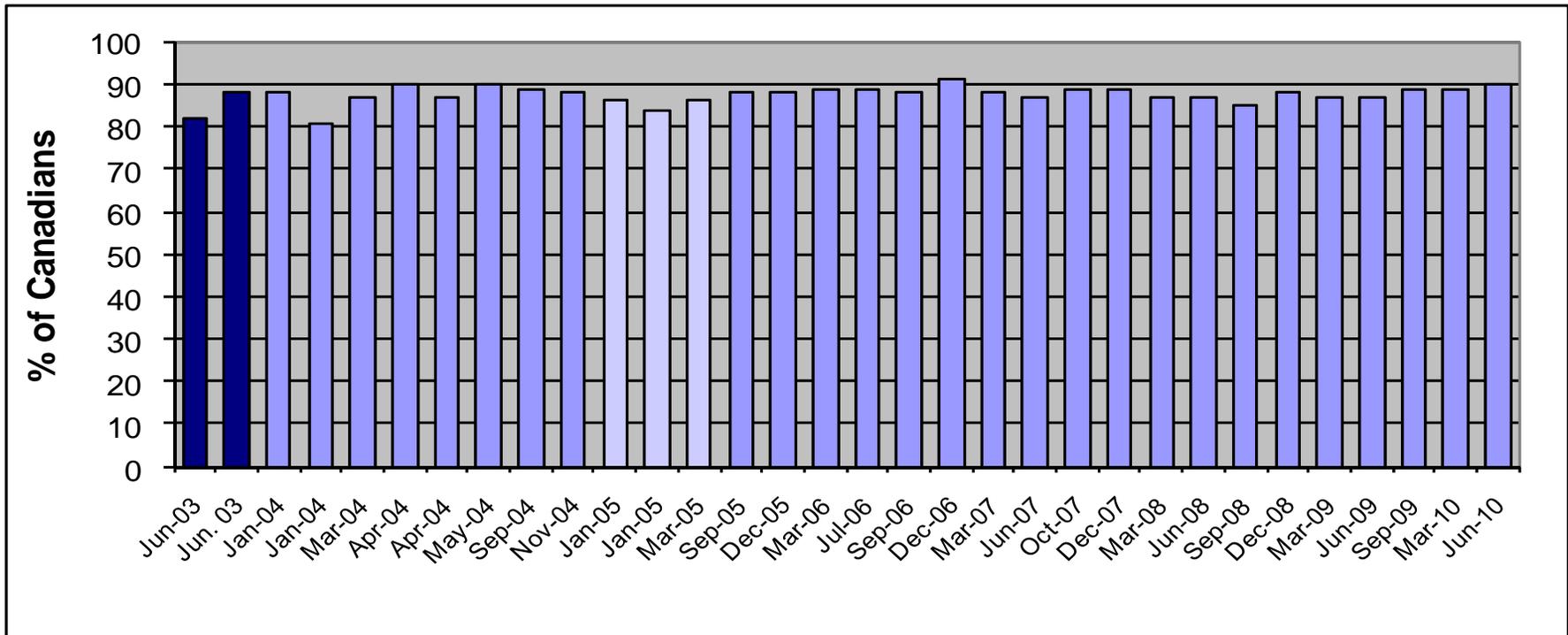


Development of a Canadian Beef Brand Based on Research

- ❁ In 2007, the Canadian beef industry began development of a common Canadian beef brand for use in all markets
- ❁ To compliment existing benchmark research, extensive research was done to understand perceptions and demand factors
 - ❁ Done in Canada and the U.S.
 - ❁ With both consumers and customers
 - ❁ Included quantitative and qualitative surveys and focus groups

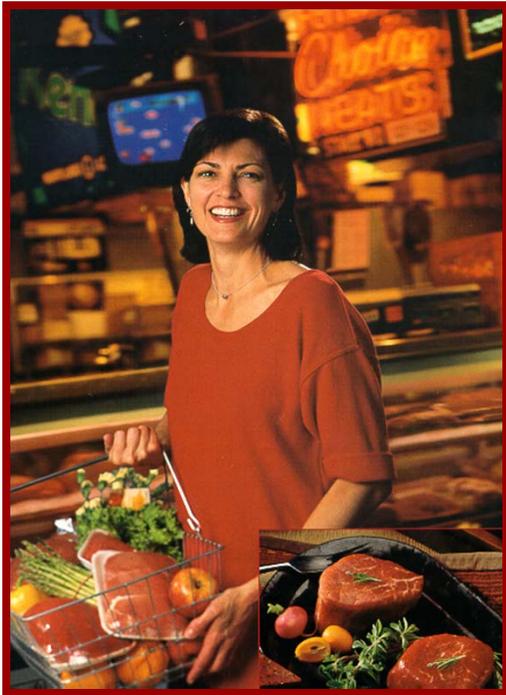


Domestic Consumer Confidence Has Continued to be Strong



Beef Safety Ratings
(% Rating 5/6/7/8/9/10)

Canadian Beef Perceived as Superior on Most Attributes



- ❁ Domestic consumers have a strong preference for Canadian beef over imports
- ❁ Canadian beef has perceived advantages in the areas of taste, quality, value, freshness and wholesomeness versus imports



Primary Target Market For Growth is the ‘light beef user’

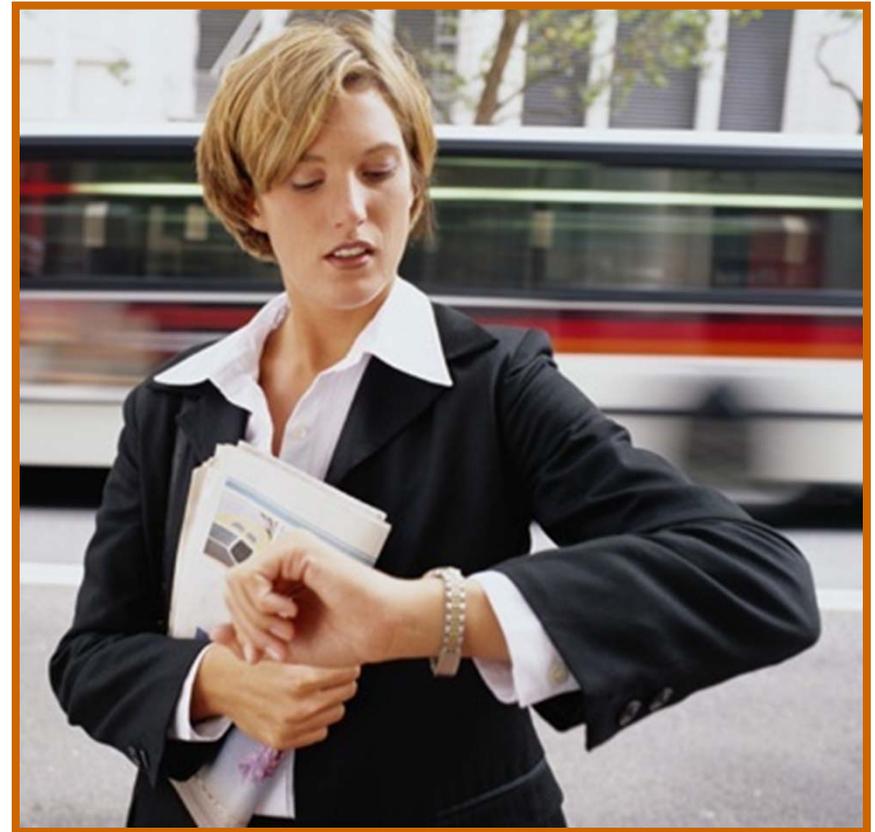
- 🍁 About 2/3 of beef consumers enjoy beef 1-2 times per week
- 🍁 They are the segment with the most growth potential and greatest return on investment





Meet the Typical Light Beef User

- 🍁 **Mother, 25-49 years old**
- 🍁 **No time**
- 🍁 **Food gatekeeper for the family**
- 🍁 **Family meals usually at home**
- 🍁 **Cooking tends towards “assembly” – less than 30 minutes**





Some Challenges to Overcome

- ❖ For the ‘light beef eater’, there is a ‘vague unease’ about increasing beef consumption
- ❖ ‘Vague unease’ is due mainly to nutrition and health concerns i.e. fat, cholesterol
 - ❖ Also includes concerns about production related issues, i.e. hormones, antibiotics, environmental impact, animal welfare, etc.



Brand Research Explored Different Consumer Positions

🍁 Explored their perceptions and purchase motivators for Canadian beef across different concepts:

🍁 Safety

🍁 Active lifestyle

🍁 Nutrition and leanness

🍁 Naturally nutrient rich

🍁 Beef vs. chicken

🍁 Healthy mind and healthy body

🍁 Children need beef



A Consumer Focus on Safety Had Too Many Drawbacks

- ❖ The ‘Safety’ concept scored well in terms of providing new information and assurance
- ❖ However, in the absence of a crisis, this approach raised concerns with consumers that were not top of mind
- ❖ This concept was also not effective in addressing the key consumer concern around nutrition



Consumer Positioning Focusing on Nutrition Tested Strongest

- ❖ The most effective positioning was a primary focus on nutrition and leanness with secondary messages focusing on convenience, versatility and taste





Canadian Consumers Ranked Traceability Last of 15 Attributes

Canada	
Freshness	84%
Leanness	72%
Price	69%
Color	52%
Tenderness	41%
Flavor	34%
Safety Assurance	32%
Country of Origin	25%
Preparation Ease	17%
Nutrition	17%
Preparation Time	12%
Juiciness	10%
Natural	7%
Organic	7%
Traceability	4%

% Listed as Top 5 – Consumer Risk Perceptions and Attitudes About Beef Food Safety:
Implications for Improving Supply Chain Management – Kansas State University



U.S. Brand Positioning Based on Extensive CONSUMER Research

- ❁ U.S. consumers have little or no awareness of Canadian beef
- ❁ U.S. consumers prefer U.S. beef but...
 - ❁ See Canada's 'clean and pristine' environment producing high quality cattle and beef
 - ❁ Willing to try Canadian if it meets USDA standards
 - ❁ Most desired import product offering



U.S. Consumers Ranked Traceability Last of 15 Attributes

US	
Freshness	81%
Price	73%
Leanness	71%
Color	61%
Tenderness	38%
Flavor	36%
Safety Assurance	26%
Preparation Ease	17%
Nutrition	16%
Country of Origin	14%
Juiciness	12%
Preparation Time	11%
Natural	7%
Organic	6%
Traceability	3%

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Relevance of Traceability to the **CONSUMER**

- 🍁 **Currently traceability is not a significant purchase motivator for consumers (yet)**
- 🍁 **However, as issues evolve and change, traceability may become much more important to consumers in the future**



Limitations of Research

🍁 Consumer often cannot tell you what they don't know or what they think they will desire in the future!

🍁 Examples:

🍁 Internet

🍁 Apple I Pad



CUSTOMER Research Shows the Importance of Quality and Safety

- ❁ **Emphasizes quality attributes identified as most important to U.S. customers:**
 - ❁ **Animal health and food safety**
 - ❁ **Palatability**
 - ❁ **Marbling standards**
 - ❁ **Bright red meat color and white fat**
 - ❁ **No dark cutters in top grades**
 - ❁ **Mandatory animal ID**
 - ❁ **‘Clean and pristine’ environment**

BIC U.S. Stakeholder Survey 2009



Opportunities to Leverage Traceability

- ❁ Certainly food safety processes and interventions are more significant with customers (meat trade), particularly in export markets
- ❁ Traceability potentially an attribute to leverage with select high value customers
- ❁ As marketers we can create demand



The Canadian Brand Pillars

Brand pillars complement each other

- 🍁 **Authentically Canadian**
- 🍁 **World leader in beef safety and cattle production**
- 🍁 **Superior meat quality and consistency**
- 🍁 **Exceptional eating experience**
- 🍁 **Healthy and nutritious**

World Leader in Beef Safety and Cattle Production



- ❖ Global leadership in animal health
- ❖ Mandatory cattle ID program
- ❖ Comprehensive on-farm management programs
- ❖ Committed to responsible animal care
- ❖ Rigorous regulatory and inspection systems
- ❖ World class processing and distribution





Thank You



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CANADIAN BEEF