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Get ready for more case-ready - as well as store-branded, value-added and natural meats - according to the 2007 National Meat Case Study.

By John Gregerson, editor-at-large

Mother Jones, that bastion of progressive politics, recently stumbled upon something it wants the world to know: A growing majority of retail meats are merchandised in case-ready formats.

But other than to decry the demise of store-butchered meat and raise a red flag about formats containing carbon monoxide, that's pretty much the beginning, middle and end of it.

They did get one aspect of the story right, however: Case-ready continues to make impressive strides toward consolidating its presence in the fresh meat department, according to data amassed in the 2007 National Meat Case Study (NMCS), arguably the most comprehensive retail report of its kind. Having canvassed major U.S. supermarket chains from all geographic regions and across all proteins, the survey shows that case-ready now commands nearly two-thirds of the fresh meat case, up from 60 percent in 2004 and 49 percent just five years ago. Where that trend line leads is still an open question.

The survey, the third of its kind undertaken by the Beef and Pork Checkoff programs and Sealed Air Cryovac, catalogs changes in the meat case to identify new opportunities for the U.S. meat industry.

One of the more fundamental changes in case-ready may be yet to come. Should mandatory country-of-origin labeling proceed toward its 2008 implementation date, one scenario, based on the U.S. seafood industry's experience, finds retailers narrowing their list of suppliers and case-ready making a modest retreat from the meat case, according to John Green, director of strategic marketing for the National Pork Board. "We've heard that retailers believed they had better control of final product if they went with single-source suppliers and performed more in-store preparation," he says.

Another scenario finds more retailers requesting prepackaged product with COOL label firmly affixed. Whether processors have the capital, capacity and margins to comply is an open question. Tyson, Cargill, National Beef and now JBS-Swift are on board. But who else?

There is also the consumer to consider. True, shoppers want to know the origins of their meat, but at the expense of store-butchered steaks and roasts? As the NMCS shows, prepackaged formats have yet to achieve the same penetration among whole-muscle cuts that they have with ground beef. "It's more manageable to butcher whole-muscle cuts than grind beef at the store level," says Randy Irion, retail director with the National Cattlemen's Beef Association. "And assuming you have a store butcher, would you rather he spend his time on steaks and roasts or ground beef?"

Both, if you're Florida-based chain Sweetbay, which has beefed up its butchering operations to provide a ying to butcher-free Wal-Mart's yang. It's an approach that borrows from studies indicating the meat case is the primary determinant of where consumers shop for groceries. So in addition to store-butchered meats, Sweetbay provides shoppers with recipe cards, pop-up timers and cooking demonstrations. But no case-ready.

Mix and match
Wal-Mart and Sweetbay notwithstanding, most retailers don't regard case-ready as an all-or-nothing proposition. "This is one instance where the economic realities driving a trend - in this case the expense of maintaining highly skilled store butchers - don't necessarily have a negative impact on the consumer," says Green.

The challenge is to integrate case-ready in ways that enhance the meat case. Retailers have done so by capitalizing on the flexibility inherent in the format. Having unburdened themselves of the carcass - or even boxed meat - they can more readily customize their meat cases to the preferences and volume demands of their localities. "Consumers have access to consistent, high-quality product day in and day out," Green says.

No one knows this terrain better than the natural meat segment, which not only tends to market branded products, but ones associated with healthfulness and, of late, convenience, now that the segment has begun to embrace case-ready. To some extent, the move reflects how format influences supply. Because natural meat must be segregated from conventional fare, in-store butchers tend to cut it first thing in the morning. Should a store run out early, both retailer and shopper go without for the rest of the day. Not so with case-ready, assuming retailers keep sufficient supply on hand.

Assuming the case-ready format bolsters store supplies, sales are sure to follow, as they already have. According to the NMCS, natural accounts for a small but growing share of the fresh meat case, with volumes having doubled among whole-muscle cuts, from 2 percent to 4 percent, and nearly quadrupled with ground beef, from 7 percent to 25 percent, since 2004.

"Natural lines aren't necessarily full lines," says Irion. "It makes sense for a processor to start out with a leading seller like ground beef."

Brands on the run

Brands such as Coleman and Maverick are among the exceptions, having developed full lines based on brand names that connote quality. Don't think retailers haven't noticed. The NMCS shows store-branded meat now accounts for 23 percent of fresh meat product. Among the notable entries is Rancher's Reserve, a line of tenderized beef developed by Cargill Meat Solutions for Safeway stores, and the Kroger Co.'s Blue Ribbon brand.

"Retailers use their store perimeters - meat, produce and dairy departments - to distinguish themselves, and brands like Blue Ribbon or Rancher's Reserve are a significant part of that," Irion says.

The rise of branded meats coincides with an increase in value-added product in the meat case. Since 2002, fresh value-added meats have more than doubled their presence in supermarkets, from 4 percent to 10 percent, according to the study. Is the increase linked to increases in branded products that boast greater tenderness and superior flavor? Perhaps, says Irion, though he sees a more significant correlation between value-added and case-ready product.

For now, he notes, value-added accounts for just 10 percent of the product found in fresh meat cases. Of that, a mere 20 percent includes added ingredients, according to the study. The balance is treated with "added flavors."

The trend is more pronounced in pork, hardly a surprise in light of industry efforts to make the product more competitive with beef and poultry. Among the 15 leading pork roasts, four of them are flavored, with onion garlic, lemon garlic, mesquite barbecue and honey mustard being the flavors of choice, according to the NMCS. The trend is even more pronounced among tenderloins, with 14 of the top 15 items including flavors and ingredients ranging from teriyaki and Asian sesame to bacon peppercorn and apple bourbon.

"For the pork industry, flavor is the main takeaway of the 2007 study," says Green. "Past Pork Board studies showed that while consumers associated pork with fond memories of Sundays at Grandma's, they didn't find it as exciting as other proteins. Retailers and processors finally discovered that if you kick up the flavoring, to which pork responds very well, consumers will respond."

Beef tenderloin, by comparison, doesn't necessarily require added flavorings or ingredients to land in shopping carts.

"Yes," says Green, "but we like to point out that bacon-wrapped tenderloin steak is beef's No. 1 value-added item. They like to think they're helping us, and we like to think we're helping them."

They're all in that meat case together.

By the numbers

Beef in the fresh meat case (2007 vs. 2004)

- Store-brand share of beef jumps from 12 percent to 28 percent.

- Case-ready share of beef climbs from 23 percent to 27 percent.
- Share of case-ready, value-added whole-muscle beef grows from 15 percent to 22 percent.
- Natural rises from 7 percent to 25 percent of total ground beef offerings.
- Organic accounts for less than 1 percent of all beef in the fresh meat case.

Pork in the fresh meat case (2007 vs. 2004)

- Tenderloin's share of packaged pork grows from 9 percent to 14 percent; the chop's drops from 40 percent to 38 percent.
- Share of value-added pork nearly doubles, from 12 percent to 23 percent.
- Natural leaps from 9 percent to 15 percent of total pork offerings.
- Store-brand share of pork jumps from 11 percent to 20 percent.
- Case-ready share of pork rises from 50 percent to 56 percent.

Source: National Meat Case Study