



CONTACT: Randy Irion 312-670-9403 ririon@beef.org
Marie Wilson 312-596-3484 marie_wilson@chi.bm.com

COALITION ANNOUNCES NATIONAL MEAT CASE STUDY 2004 RESULTS

Industry Leaders Partner on Study that Identifies Shifts in Merchandising

DENVER (February 23, 2005) – In early 2004, America's Beef Producers, through funding from the Beef Checkoff program, teamed up with the Cryovac Food Packaging Division of Sealed Air Corporation and the National Pork Board to conduct the National Meat Case Study 2004 (NMCS '04) to identify trends in the nation's meat cases. Despite an increase in retail meat prices due to supply and demand factors, the meat case showed strength in addition to some noteworthy shifts, according to the study's findings.

The goal of the NMCS '04 was to determine what retailers are currently merchandising in their meat cases and identify changes that have occurred in the past two years. Part of the study evaluated the size and composition of the self-serve fresh meat case in which beef, pork and chicken were displayed with prominence. According to the study results, these three core meat types represented 90 percent of the fresh meat and poultry linear feet and 91 percent of all packages.

Highlights of the study's findings include an increase in case ready packaging of fresh meat products, a growing trend in boneless products and evidence of increasing opportunities in consumer communication in the meat case. The research also showed, to varying degrees, that allocation of the meat case space is shifting, with fresh meat and poultry's share of linear feet decreasing by six percentage points since 2002. The three big gainers from this shift included processed meats (sausage, ham and other processed), ready to eat/value added products and self-serve seafood.

"We are very pleased to be a part of this coalition, along with the National Pork Board and Cryovac, to take a close look at key trends in meat cases across the country," said Randy Irion, director, retail marketing, National Cattlemen's Beef Association. "The study's findings are one way for us to gain a better understanding of what consumers want, and also work with the industry to meet those needs and ultimately help increase meat case sales."

The comprehensive study also took a look at boneless products, the leader in share of packages sold in meat cases. According to the study, boneless packages represented 57 percent of packages displayed in the meat case. Also of note, natural and enhanced products had equal share in the meat case, with 22 percent of all packages carrying a "natural" claim and 21 percent of products being enhanced.

-more-



To a great extent, the NMCS '04 results indicated strong consumer demand for variety in protein selection, a simplified shopping experience and quick and easy meal options from their meat departments. Specifically, the 2004 audits attested to a continuing opportunity for retailers to use point of purchase materials in order to communicate with consumers more effectively and sell more product in the meat case. The percent of packages with nutrition labeling, for example, increased by 10 percentage points in 2004 to 44 percent. Conversely, cooking information on-package decreased by three percentage points.

“The NMCS '04 findings clearly indicate that consumer communication can play a key role in meat case merchandising,” said Karen Boillot, Director of Retail Marketing, National Pork Board. “The study supports our belief that efforts such as nutritional labeling and on-pack cooking information or recipes can help consumers make educated purchasing decisions in the meat case.”

The study also showed a strong shift from in-store packaging of fresh meat products to packages prepared off-site, or “case ready” packages – a convenient option for retailers. In 2004, case ready represented 60 percent of self-serve meat case packages, which is an increase of 11 percentage points since 2002.

“The merchandising changes seen in this study are only the beginning of more long-term trends that will continue to be observed in future studies,” said Jerry Kelly, National Coordinator -- Retail Task Force, Cryovac Sealed Air Corp. “The meat case must continue to evolve to meet the growing demands consumers place on one of the most popular grocery store destinations – the meat case.”

The NMCS '04 was benchmarked against the same study conducted in 2002 to help provide further insights into emerging trends on a national basis. Texas Tech University conducted a majority of the in-store audits, and Lee and Company did the data analysis. The study looked at 104 retailer stores in 43 key metro markets across 29 states. Also collaborating in the study were Cryovac Sealed Air Corp., a leading manufacturer of high performance fresh food packaging systems, and the National Pork Board through the Pork checkoff. For more information about NMCS '04, please contact Marie Wilson at 312-596-3484.

#

The Beef Checkoff Program was established as part of the 1985 Farm Bill. The checkoff assesses \$1 per head on the sale of live domestic and imported cattle, in addition to a comparable assessment on imported beef and beef products. States retain up to 50 cents on the dollar and forward the other 50 cents per head to the Cattlemen's Beef Promotion and Research Board, which administers the national checkoff program, subject to USDA approval. The checkoff assessment became mandatory when the program was approved by 79 percent of producers in a 1988 national referendum vote. Checkoff revenues may be used for promotion, education and research programs to improve the marketing climate for beef.

Producer-directed and consumer-focused, the NCBA is the trade association of America's cattle farmers and ranchers, and the marketing organization for the largest segment of the nation's food and fiber industry.