

Chew On This: U.S. Consumers Eating Less Meat

Meat demand stays high despite downward consumption trend.

COLUMBIA, MO.

Less steak may be a new American reality that's here to stay. The average U.S. consumer is eating less meat and poultry in general, a shift in consumption that reflects tighter budgets, fewer animals on the market and more meat going to foreign countries.

The feed factor can be fingered as a top culprit, affecting meat production from hooves to feathers.

"In the last several years we've expanded ethanol production a great deal, using 40 percent of U.S. corn produced in 2011," said Ron Plain, a University of Missouri Extension economist. "As we ramp that usage up, there's less feed available for cattle, hogs and poultry, and with less feed comes reduced meat production."

The high price corn garners at the elevator not only pushes up feed costs, it persuades farmers to convert pasture to corn production. That translates to higher costs for the consumer at the meat counter. Rising prices and a troubled U.S. economy are leading some people to choose less expensive alternatives to meat.

"We know that when costs go up, things like the house payment and the car payment are not flexible, so the only place where you're flexible in your budget is with the food dollars," said Tammy Roberts, MU Extension nutrition specialist. "The most expensive food you buy at the grocery store generally is meat, so people stretch the meat and buy less."

The drop in U.S. meat consumption is most dramatic in the beef industry, with Americans eating 25 percent less beef than they were in 1980. But people aren't just cutting down on steaks and burgers. According to USDA estimates, U.S. meat consumption in 2012 will be down 12.2 percent from five years ago. That

works out to almost 23 pounds less per person than in 2007, dropping average total meat consumption to about 165 pounds in 2012.

In a country that eats about one-sixth of all meat worldwide, nutrition experts suggest less meat might not be a bad thing. USDA recommendations for a balanced diet call for far less meat than what the average American actually eats.

"The proper portion of meat on a plate is really about 2-3 ounces, and just to put that in perspective for you, a deck of cards is about what 3 ounces of meat looks like," Roberts said. "The average American only needs about 5 1/2 ounces of meat every day. There are many of us who eat that at one meal."

Yet lower U.S. consumption doesn't mean lower demand or prices, Plain said. Increased exports and smaller herds will likely keep meat prices high. Steer prices are up more than 15 cents per pound from a year ago in places, recently topping \$1.25. For a 1,200-pound steer, that means \$180 more per animal.

"In 2011 we saw a record beef exports, record pork exports, record turkey exports, and record broiler exports," Plain said. "In fact, a lot of foreign markets are able to outbid U.S. consumers for meat now, causing us to lose ground relative to foreign consumers."

With a growing world population and alternative fuel needs, this trend doesn't look to turn around any time soon.

"Less meat and more people means smaller supplies per American," Plain said. "And the way we ration that smaller size is with higher prices. So consumers here in 2012 will look at record meat prices, and look at eating less meat than they have in a number of years." Δ



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