Introduction

Recent food industry trends have presented consumers with the opportunity to demand more from the products they purchase. In the market for food products, this means that consumers are able to purchase products that do more than serve their basic need for nutrition. Instead, they can seek differentiated products to meet various safety and quality standards.

Two types of differentiated meat products that have gained popularity are grass-fed meats and locally produced meats. Part of the motivation behind increased grass-fed meat purchases is the nutritional aspect, as grass-fed meats have been found to be leaner (lower in saturated fats and calorie content) than conventional meats (Duckett et al., 1993) and higher in Omega-3 fatty acids (Clancy, 2006).

Locally produced meat products have become more popular due in part to the increased separation between food producers and consumers in the United States. Many consumers prefer purchasing food products whose origin can be identified while others find value in supporting local producers.

A 2006 mail survey of 542 households in Nevada sought to gain information about residents’ preferences for meat products and their willingness to pay for differentiated meat products. This fact sheet presents an overview of the results of the survey.

Meat Attributes

To assess the attributes (qualities) respondent most value in meat products, survey respondents were presented with a list of attributes and were asked to rate each one on a scale of 1-5, where 1 indicated the attribute was not at all important and 5 indicated that it was extremely important. The average ratings were used to determine the attributes most highly valued over all respondents.

Six attributes were rated as “extremely important,” meaning they received an overall average rating of 4.0 or greater. These attributes were freshness, taste/flavor, guaranteed safety of meat, tenderness, leanness and price. While these attributes might seem to be straightforward, they provide valuable information for meat producers wishing to niche market their products. For example, consumers who emphasized the importance of fresh meat may not realize that locker beef is aged between two and four weeks to improve the flavor of the meat. This is the sort of information producers
can pass on to their customers when direct marketing their product.

Taste/flavor, tenderness and leanness are all meat attributes that can be directly influenced by livestock producers through breeding and diet. While price was given an extremely important rating, it is important to note that five attributes were rated higher than price and that this is an average rating. Some consumers will be more concerned with price than with physical attributes of meat, but other consumers will be willing to pay a premium for specialized meat attributes.

**Extremely Important Meat Attributes**

- Freshness
- Taste/Flavor
- Safety
- Tenderness
- Leanness
- Price

Ten attributes were rated as “very important,” meaning they received an overall average rating between 3.0 and 4.0. These attributes were cut type, the humane treatment of livestock, environmentally friendly production processes, marbling, naturally raised livestock, feed type, packaging, organic production, muscle texture and the meat being offered under a sale or promotion.

**Very Important Meat Attributes**

- Cut type
- Humane treatment
- Environmentally friendly
- Marbling
- Naturally raised
- Feed type
- Packaging
- Organic
- Muscle texture
- Sale/Promotion

Only two attributes were given a rating of “important,” meaning that, on average, they were rated between 2.0 and 3.0. These attributes were the origin of the meat (specifically, that it had been raised/processed in Nevada) and the brand name of the meat.

**Price Premiums & Demographics**

Survey respondents were presented with four meat products, New York steak, ground beef, pork chops and leg of lamb, and were asked to estimate how much they would typically pay for a pound of the meat in the grocery store. They were then asked to estimate how much they would be willing to pay for the same cut of meat if it was certified as being locally (Nevada) grown, if the meat was certified as being grass-fed (i.e. lean meat), and finally, how much they would pay for the meat if it was both locally grown and grass-fed.

In Figures 1-4, the first column lists the differentiated meat product while the second column gives the average estimated premium consumers were willing to pay. The third column lists the percentage of respondents who were willing to pay a premium for that product. Following the description of respondent willingness to pay is a description of the demographic profiles of the respondents who were most likely to be willing to pay a premium for the differentiated products.

**New York Steak**

For New York steak, respondents were willing to pay an average premium of 41.6 percent for the locally grown product (over the average base price of $5.90/lb), 39.0% for the grass-fed product and 42.3 percent for the steak that was both local and lean. At least 80.1 percent of respondents were willing to pay a premium for these differentiated steak products.

**Figure 1: New York Steak**

<table>
<thead>
<tr>
<th></th>
<th>Average Premium (%)</th>
<th>Respondents Willing to Pay (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locally Grown</td>
<td>41.6</td>
<td>83.6</td>
</tr>
<tr>
<td>Grass-Fed/Lean</td>
<td>39.0</td>
<td>80.1</td>
</tr>
<tr>
<td>Local &amp; Lean</td>
<td>42.3</td>
<td>86.1</td>
</tr>
</tbody>
</table>

Locally grown New York steak was most likely to be preferred by younger males who were employed full time and had children in the household. Education, income, ethnicity and location in Nevada (northern vs. southern) had
no effect on respondent preferences for locally grown New York steak. Grass-fed New York steak was preferred by younger respondents who have higher education levels, live in Northern Nevada and who identify with a minority ethnic group (i.e., not Caucasian). Gender, income, children in the household and employment had no effect on consumer preferences for grass-fed New York steak.

**Ground Beef**

For ground beef, respondents were willing to pay an average of 1.8 percent more for the locally grown product (over the average base price of $2.73/lb) and 11.9 percent for the ground beef product that was both local and lean. For the ground beef that was grass-fed, on average, respondents were not willing to pay a premium for this product but would be willing to accept a discount of 4.6 percent. It is not possible to determine why respondents felt this way, but it could be a result of preferences (some people do not like the taste of grass-fed meats) or it could be because ground beef is a less expensive product so consumers are less willing to pay for differentiated ground beef. Even taking the estimated discount into account, at least 74.2 percent of respondents were willing to pay a premium of some sort for the differentiated ground beef products.

![Ground Beef Image]

**Figure 2: Ground Beef**

<table>
<thead>
<tr>
<th>Ground Beef</th>
<th>Average Premium (%)</th>
<th>Respondents Willing to Pay (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locally Grown</td>
<td>1.8</td>
<td>75.9</td>
</tr>
<tr>
<td>Grass-Fed/Lean</td>
<td>-4.6</td>
<td>78.2</td>
</tr>
<tr>
<td>Local &amp; Lean</td>
<td>11.9</td>
<td>74.2</td>
</tr>
</tbody>
</table>

Respondents who showed a preference for locally grown ground beef were more likely to be younger males with higher education levels and live in Northern Nevada. Grass-fed ground beef was more likely to be preferred by younger males who do not have children in the household, are less than full-time employed and live in Northern Nevada. Ethnicity and education and income levels did not have an effect on respondent preferences for grass-fed beef.

**Pork Chops**

For pork chops, respondents were willing to pay an average premium of 1.7 percent for locally grown meat (over the average estimated base price of $3.55/lb), 0.6 percent for grass-fed pork chops and a 7.1 percent premium for pork chops that were certified as both local and lean. At least 72.3 percent of respondents were willing to pay a premium for the differentiated pork chop products.

**Figure 3: Pork Chops**

<table>
<thead>
<tr>
<th>Pork Chops</th>
<th>Average Premium (%)</th>
<th>Respondents Willing to Pay (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locally Grown</td>
<td>1.7</td>
<td>81.1</td>
</tr>
<tr>
<td>Grass-Fed/Lean</td>
<td>0.6</td>
<td>72.3</td>
</tr>
<tr>
<td>Local &amp; Lean</td>
<td>7.1</td>
<td>75.8</td>
</tr>
</tbody>
</table>

Respondents who showed a preference for locally grown pork chops were more likely to be younger people who have higher education levels and are employed full time. Gender, income, children in the household, ethnicity and location in Nevada did not have an effect on preferences for locally grown pork chops. Grass-fed pork chops were more likely to be preferred by male respondents who do not have children in the household, identify themselves as a minority group and live in Northern Nevada. Age, employment and education and income levels did not have a significant effect on respondent preferences for grass-fed pork chops.

**Leg of Lamb**

Respondents were willing to pay an average premium of 12.3 percent for locally grown leg of lamb (over the average base price of $5.29/lb), a 14.0 percent premium for grass-fed leg of lamb and a premium of 15.0 percent for leg of lamb that was certified local and lean. At least 65.9 percent of respondents were willing to pay a premium for each of the differentiated leg of lamb products.
## More Information


The American Grassfed Association (AGA) was established by producers, food industry professionals and consumers to provide information for producers and consumers on grass-fed meats. The AGA can be found online at [www.americangrassfed.org](http://www.americangrassfed.org).

The USDA’s Food Safety and Inspection Service (FSIS) provides information about food product labeling, certification and safety guidelines. FSIS is online at [www.fsis.usda.gov](http://www.fsis.usda.gov).

The University of Nevada Cooperative Extension (UNCE) website provides published research and information on niche marketing, branding, labeling and certification programs. All UNCE publications can be searched online at [www.unce.unr.edu](http://www.unce.unr.edu).

## References
