



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

a graphic look at key economic figures

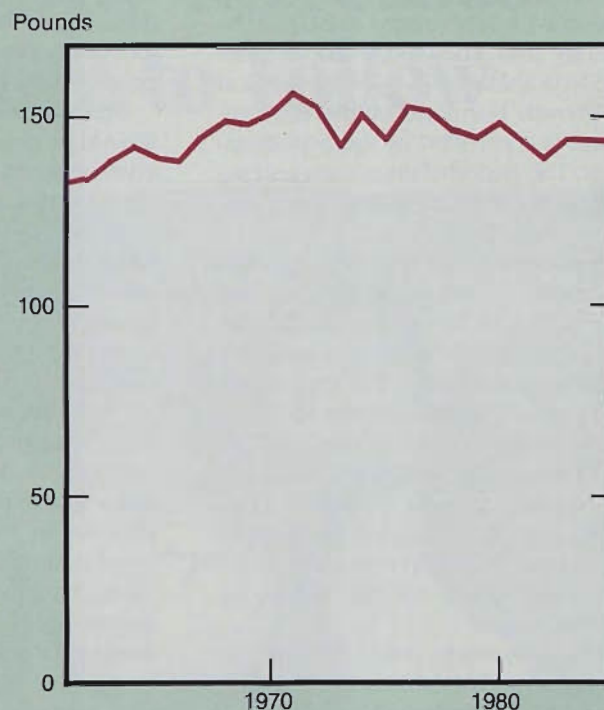
Red Meat Consumption Down; Poultry Use Up

by Gene Futrell

Production, distribution and consumption of meat is big business in the United States. Over half of U.S. farm cash receipts are related to livestock and poultry. And expenditures for meat by consumers account for a third of the money they spend for food. Gene Futrell has been a close observer of these changes and he shares his insights in this Centerfold.

Gene Futrell is Extension Economist, Iowa State University.
GRAPHS BY SARAH L. SCHMITT

Per Capita Red Meat Consumption Down From 1971 High; Now 144 Pounds



Red Meat

On average Americans ate slightly more than 130 pounds of red meat—beef, veal, pork, and lamb and mutton—in 1960. By 1971 each of us were eating over 150 pounds of these meats. It was part of our rising standard of living. But then things changed, and since the early 1970's the trend is down. In 1986, if we are average Americans, we will eat only about 144 pounds of red meats. The big change is with beef. Current average per capita consumption of approximately 79 pounds is around 15 pounds less than the 94-1/2 pound record reached in 1976.

Demand Factors Have Contributed

Several factors led to these developments. The demand ones include:

... Health concerns about fat intake and cholesterol—less desire for red meats and increased desire for substitutes such as poultry and fish. These health concerns are continuing.

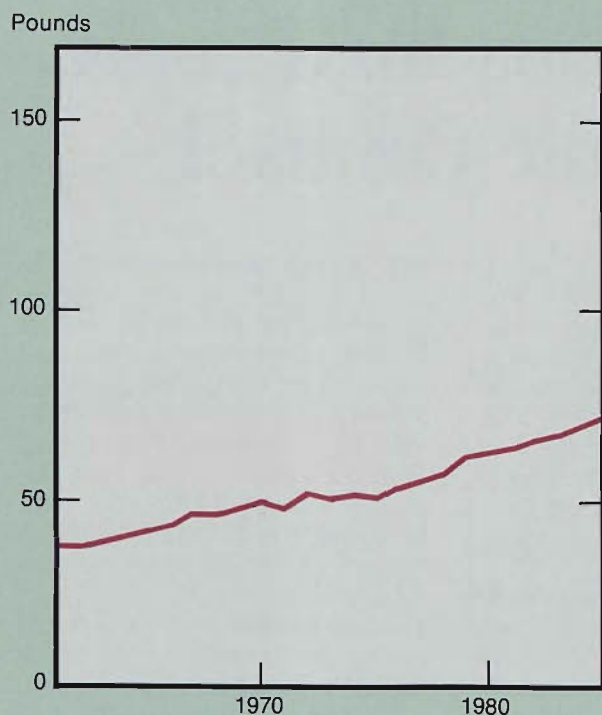
... Changes in lifestyles—women in the workforce. More one- and two-person households lead to desire for convenient and quick-to-prepare products.

... More of us in the middle and upper age brackets—appetites less robust than among younger ages. Today, there are more Americans over 65 years of age than there are teenagers.

... The rapid run up of beef prices in the 1970's. These increases caused consumers to reexamine their demand preferences.

Poultry Consumption

Now Nearly 70 Pounds Per Person



... Availability of poultry—chicken and turkey—at relatively low prices. Today the average American consumes more poultry meat than pork. Poultry meat consumption of about 70 pounds is within 10 percent of beef consumption. As recently as the mid 1950's it was less than half of either beef or pork per capita consumption.

Supply Factors Have, Too

... Production cost increases associated with inflation, farm price supports, and export demands for U.S. feed grains and protein feed.

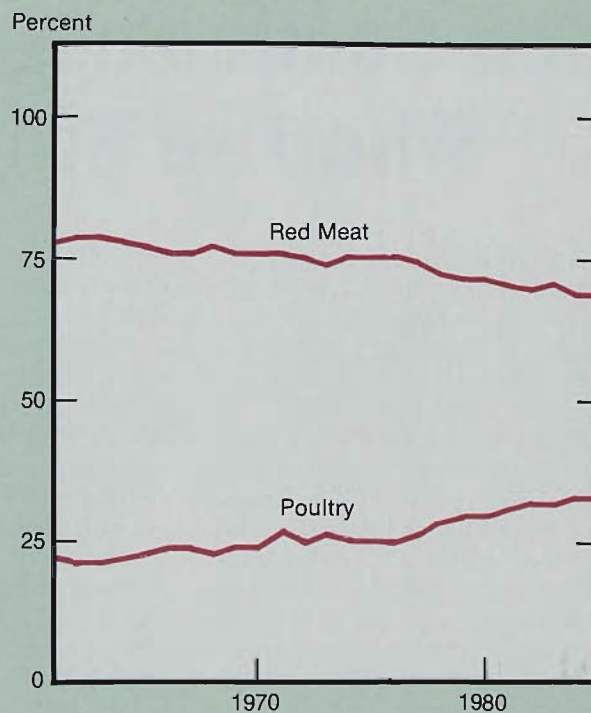
... Slow technological changes in beef production. Pork production efficiency has improved somewhat faster, but it is still much slower than for poultry production.

... High interest rates. The increased cost of money meant higher meat production costs and lower returns; and high interest rates along with inflation encouraged producers and others to put their money in assets that generated higher returns and appreciated in value with inflation.

... Grain prices boosted by exports. The surge of U.S. grain exports in the 1970's meant a decrease in the amount of grain fed to livestock in the United States, particularly in the mid 1970's. Grain exported could not be used in Midwest and Great Plains feedlots. The higher grain prices squeezed livestock profitability and told U.S. producers to feed less. As cattle profits dropped, beef breeding herds were liquidated, bringing eventual sharp declines in beef. Total red meat production declined, and prices increased.

Percent of Market

Red Meat Losing; Poultry Gaining



In response many of us ate less red meat, and in that way there was enough to go around.

The interaction of the resulting supplies and demands meant that red meats continued to lose market share. Red meat today is approximately two thirds of total poultry and red meat consumption. It was nearly 80 percent at the beginning of the 1960's.

Changes Affect Grain Use

The amount of grain fed to livestock and poultry rebounded some with expanded poultry production and population growth impacts on total meat and poultry use. With total per capita consumption of red meat and poultry at a record level, there's a relatively high demand for concentrate feeds for livestock and poultry production. But poultry is a more efficient converter of feed to meat than are hogs and cattle. The need for grain and other concentrate feeds is less for the present red meat/poultry mix than if red meats were a higher proportion of the total usage.

And with poultry production generally concentrated in different geographic regions than much of the red meat production, the distribution of feed demand among regions is also affected. Much of the poultry production is also outside the primary feed grain production areas of the country, while beef and pork production tends to be located more heavily in the areas of major grain production. These trends mean more interregional movement of grains. However, in time, a bit more of the nation's poultry production could shift to grain surplus regions. 