

Retail Marketing of Beef Steaks– Independence Day

Independence Day is a key retail marketing event for beef with increased consumer demand for cuts and grinds for outdoor grilling. Each year, supermarkets across the country target this demand through increased featuring of popular beef steaks and ground beef in loose and patty forms. During the 2017 Independence Day marketing period, retail offerings of beef steaks declined as an overall share of feature activity compared to 2016 while offerings of beef grinds and store-made patties saw a corresponding increase in share (*table 1*). This trend was reflected in the volume of cold storage stocks held in June 2017 as reported by USDA [NASS](#) where stocks of beef cuts were 87 percent of those for June 2016 and stocks of boneless beef were 90 percent of 2016. The reduced availability of beef cuts may have affected the volume of offerings for the Fourth in 2017, a trend also seen during the 2017 Memorial Day marketing period.

| July 4th Feature Share | | |
|------------------------|------|------|
| | 2017 | 2016 |
| Steaks | 57% | 62% |
| Grinds | 35% | 33% |
| Patties | 8% | 5% |

table 1

Marketings of beef steaks by pack size in 2017 were about unchanged from the prior year with regular-size packs commanding nearly 80 percent while value or family-size packs accounted for the remaining 20 percent. The split between offerings of bone-in and boneless steaks was about even with bone-in product being a slight favorite, driven by bone-in ribeyes and t-bone steaks. Supermarkets increased their featuring of USDA graded product in 2017 by 6 percent over 2016, led by Choice offerings with a 7 percent increase. This occurred despite a one percent decline in the volume of beef graded Choice during June 2017 compared to June 2016, according to data from the USDA AMS [Quality Assessment Division](#). It is no coincidence that increased offerings of Choice beef at retail coincides with growing consumer demand for Choice beef and increased competition among grocery retailers for market share. In fact, recently, a major grocery retailer announced that it would offer only certified Angus Choice whole muscle beef cuts in its stores and had been doing so since March 2017. During the holiday, Select and Prime offerings were unchanged, offerings of ungraded product declined by 6 percent.

Offerings by supermarkets of conventionally-raised beef steaks increased 4 percent during the 2017 Fourth of July holiday, a trend that continued from the Memorial Day marketing period. Much of this gain came at the expense of organic and antibiotic-free offerings while grass-fed offerings maintained ad share. The retail focus for organic beef was on grinds which experienced a sharp increase in feature activity, driven by prominent featuring by large national chains.

Ribeye steaks, bone-in and boneless, were the most popular steaks offered at retail outlets for the Fourth as they were in 2016. T-bones were the second most popular bone-in steak offering while top sirloins held that rank for boneless steaks.

| Independence Day 2017 v. 2016 | | | |
|---|-------|-----------|---------|
| Feature Activity Share & Average Ad Price | | | |
| Steaks | share | avg ad \$ | change* |
| ribeye, bone-in | 18% | 7.58 | -1% |
| ribeye, boneless | 18% | 8.67 | -7% |
| t-bone | 16% | 7.02 | -9% |
| top sirloin | 16% | 5.95 | -5% |
| strip loin, bnls | 9% | 8.94 | -7% |
| strip loin, bone-in | 8% | 7.28 | -6% |
| London broil | 8% | 4.16 | -3% |
| porterhouse | 7% | 7.76 | -4% |
| 2017 Overall | | 7.28 | -6% |

* 2017 average ad price change from 2016

table 2

In fact, Independence Day has been the biggest summer holiday marketing period for top sirloin steaks for the past two years. The average ad price for the most popular types of beef steaks declined 6 percent from 2016 with all steaks contributing (*table 2*). This price decline is even more remarkable given a 7 percent increase in offerings of Choice beef with a corresponding 6 percent decline if features of ungraded, and normally less expensive, beef. This trend may be explained by the increased competition beef is seeing from competing meat proteins as retailers seek that perfect balance between price and consumer demand.

Information for this report is derived from data collected during the holiday marketing period and reported in the [Feature Advertising by U.S. Supermarkets Meat and Poultry](#) reports, available in open data format at no cost upon request to: Michael.sheats@ams.usda.gov. Similar data for chicken, turkey, pork, and lamb is also available upon request.

