



GRASS-FINISHED BEEF: GROCERY & BUTCHER SUPPLY CHAIN

One out of five Chicago consumers prioritize purchasing grass-fed beef, and national surveys consistently report that upwards of 74% of Midwestern consumers purchase beef products from grocery, butcher, and specialty retail.

Consumers view grass-fed beef as a healthier, higher quality, and more humane meat option, according to our user research.

What is Grass-fed Beef?

There's a lot of misconceptions about what "grass-fed beef" means—for both the kitchen table and the farm. Grass-fed beef usually is defined as cattle that is raised on grass and forage (as the primary food source) for the lifetime of the ruminant animal post-weaning.

Grass-fed cattle spend the majority of their lives outdoors, and usually are contained in paddocked enclosures that are rotated for optimum grazing. This differs from *grain-fed* or *conventional* beef, which requires highly concentrated feeding operations.

Because of their diet and living conditions, **grass-fed beef has less fat, produces less greenhouse gases and requires less**

hormone and antibiotic treatments.

Cattle eating grass improves soil health, water quality, pollinator and bird habitats, and requires less costly inputs in comparison to crops like corn or soybeans. This is called regenerative grazing. Beyond these many nutritional and environmental benefits, research suggests that the Chicago region has the greatest opportunity for expanding regenerative grazing and grass-fed beef markets in Illinois.

Bucking Market Trends: Grass-Fed Beef Purchases at Grocers

Despite the recent trends that beef/dairy sales nationally are decreasing, grass-finished beef product sales and consumer demand is increasing, 74% of Midwestern consumers purchase meat from specialty retailers like grocers or butchers; and annual household expenditures average about \$1,079 on meats, poultry and eggs in the Chicago area. Butchers



report that consumers requested grass-finished (grass-fed) beef for multiple reasons, including:

- Desire to consume food raised from known/regional sources.
- Interest in consuming a healthier product due to lower fat content.
- Perception of grass-fed beef as a higher quality when compared to “conventional” beef products.

In surveys, most specialty retailers – such as butchers – reported buying meat from distributors, rather than directly from farmers.

For Consideration: Market Barriers

Higher cost: Price premiums for grass-fed products are about 15%, suggesting higher costs may prevent some consumers from buying. However, audience demographics that favor paying a premium for higher quality food tends to overlap with those who self-report attending farmers markets and other direct-purchase channels.

Infrastructure and Supply Chain: Direct-to-specialty retail sales of grass-fed beef may be difficult due to a lack of distribution infrastructure. Butchers described their customer’s understanding of the beef supply chain as limited – often interested in other characteristics such as cut and USDA rating. This suggests public understanding of the benefits of grass-fed beef may inhibit sales.

Consumer spending habits in the U.S. are slowly shifting toward market channels that favor locally sourced food. If distributors cannot source local grass-fed beef, then consumers may turn to online sales or farmers markets for local beef.

Based on our consumer research, there remains untapped market opportunities to make direct consumer sales of grass-finished/grass-fed regional beef at retail outlets, including expanded local/regional farm products to meet buyer demand.

Purchasing meat online is becoming more common, especially among younger customers. With less than half of producers in our project geography utilizing e-commerce platforms, an opportunity to offer more online purchasing options exists. Online consumer spending grew 16% from March to September in 2020, with highest growth in the 18 – 44 age group.

Consumers see grass-fed beef as a healthier, higher quality, and a more humane meat option for people and the planet.

Have questions about selling grass-fed beef to your consumer base? Learn more here: delta-institute.org/project/grass-fed-beef-market/

Learn more here about selling grass-fed beef to your consumer base:
<https://bit.ly/3RMYpfU>

