

Consumer Sentiment Research

August 2022



Methodology



15 minute
online survey



n=1506 main grocery
buyers and meal
preppers aged 18-64,
living in metro
Australia



Conducted
annually in June
since 2010



Conducted by Pollinate:
an external market
research agency to
ensure confidentiality
and data integrity

Agenda

1. Consumption
2. Perceptions and trust of the industry
3. Knowledge of the industry

Key insights for 2022

Red meat consumption has been on a slight decline over the years
Drivers and barriers to red meat consumption are “*same-same but different*”

Health is polarising, but key to driving consumption of red meat

Expense of red meat has become the major barrier to consumption

Red meat **industry perceptions** are largely positive, but down slightly compared to previous years

Knowledge of the industry is correlated with positive perceptions

There are three **key drivers of industry trust**: Ethical values, community alignment, and environmental action



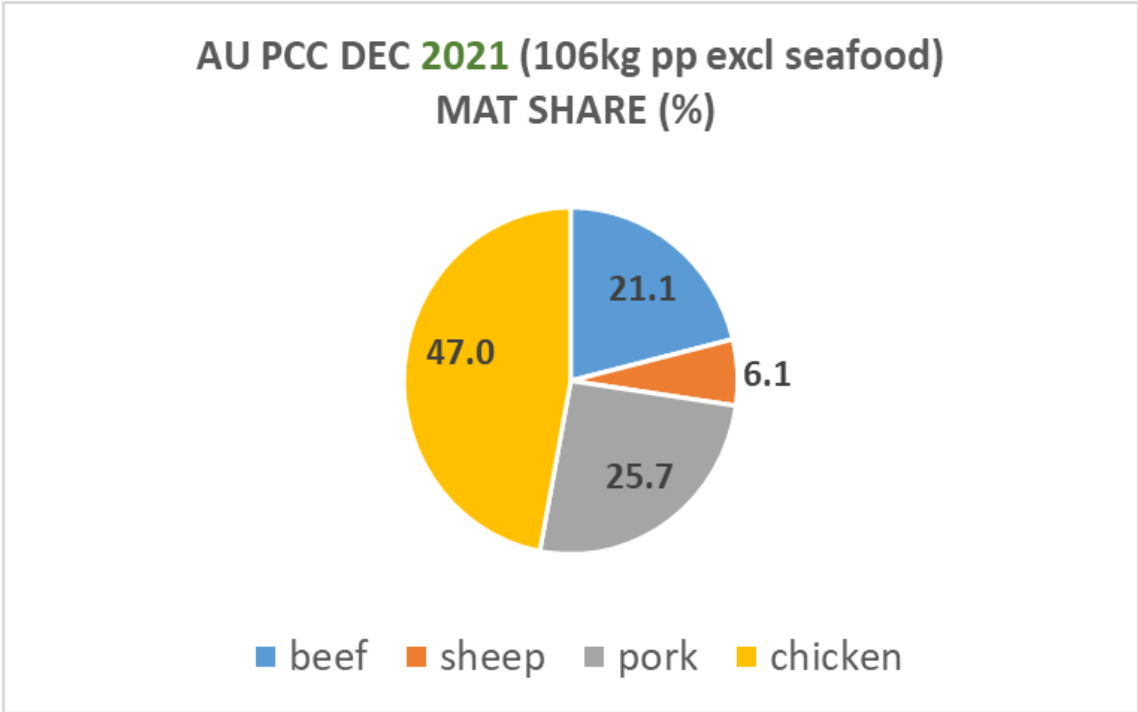
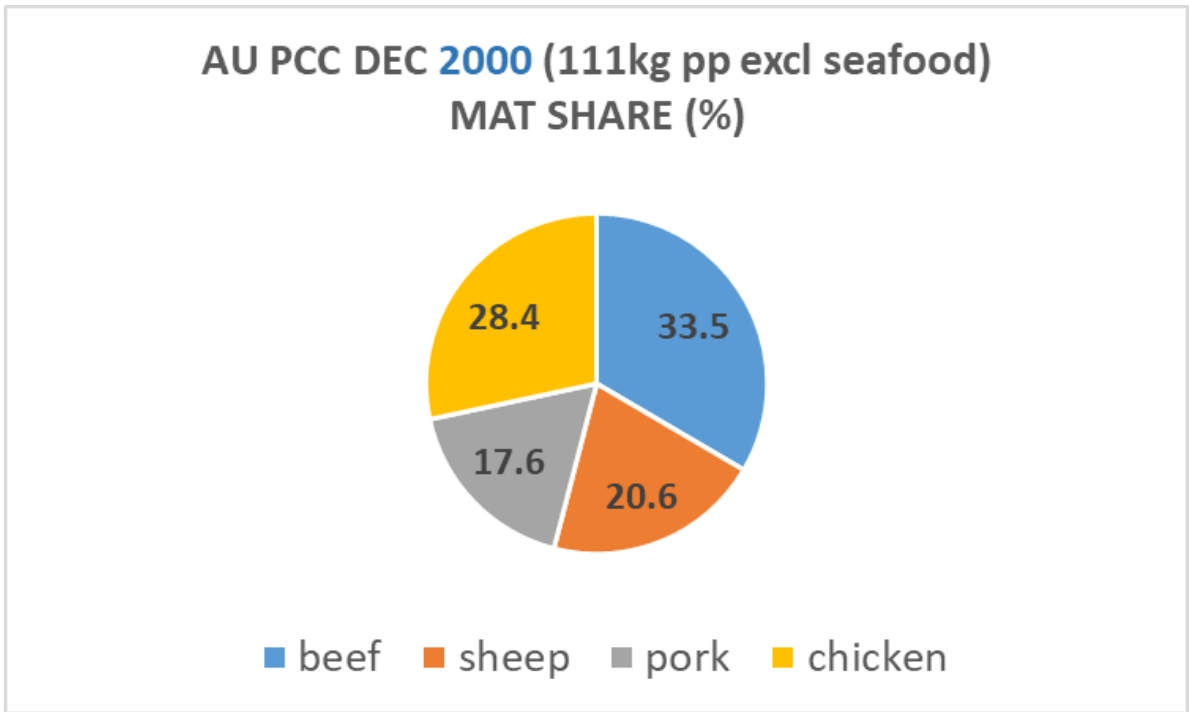
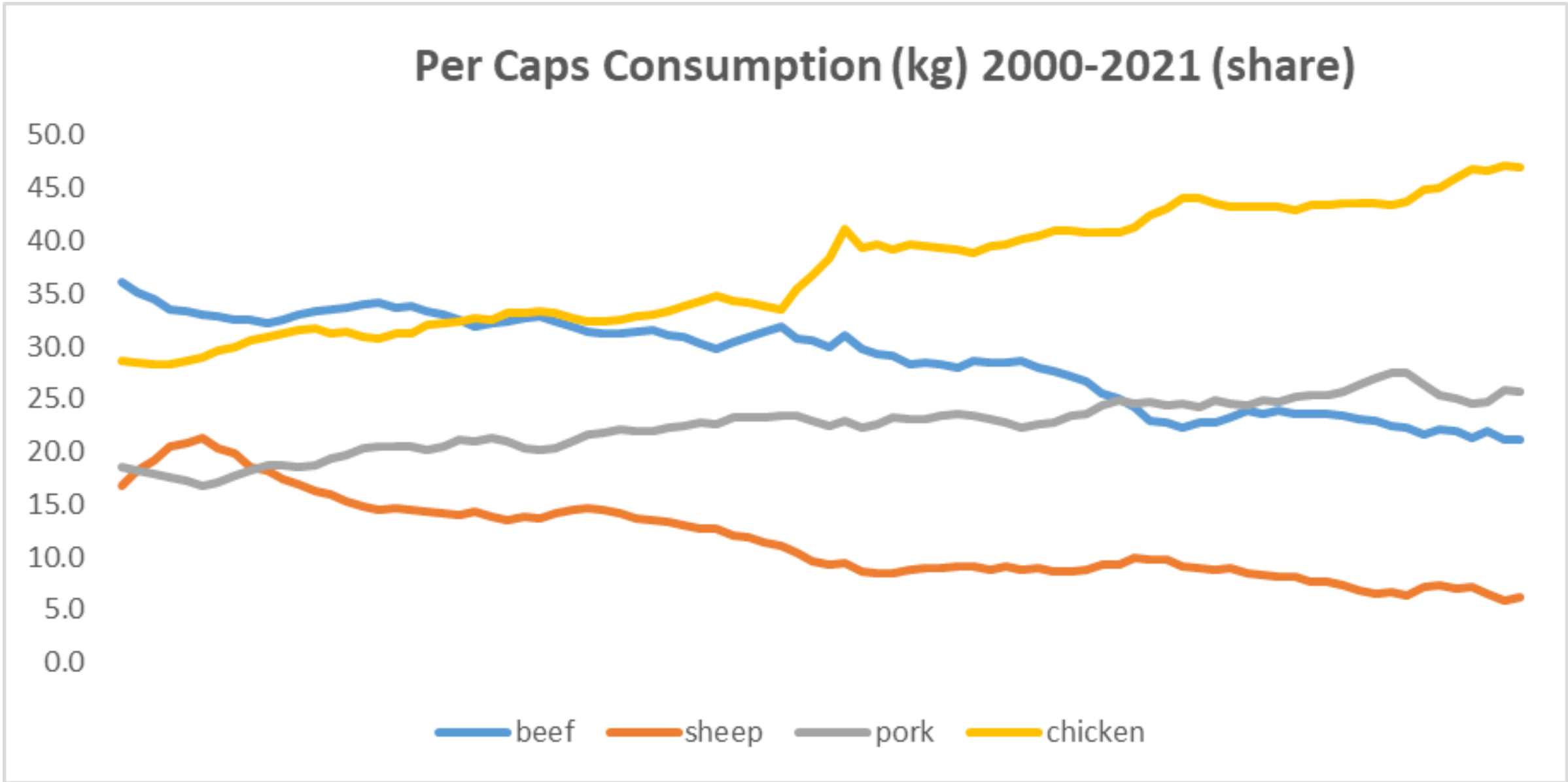
Consumption

Consumers still eat a lot of meat per person but has reduced and the mix has changed significantly

Over 20 years...

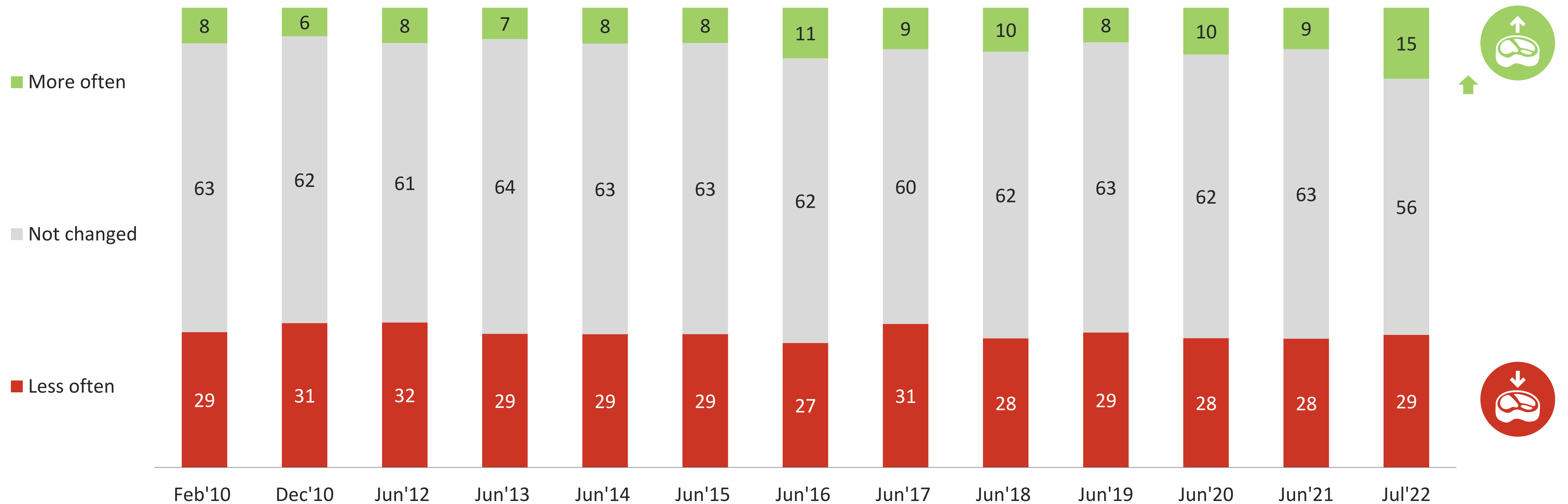
- Volume has dropped by 5kg per person (111kg -> 106kg)
- Chicken is almost 50% of volume consumed
- Beef and lamb show a gradual decrease

Implication:
 The risk to red meat's share of fresh meat is longer term. We need to leverage strengths, and understand drivers and barriers to address this risk



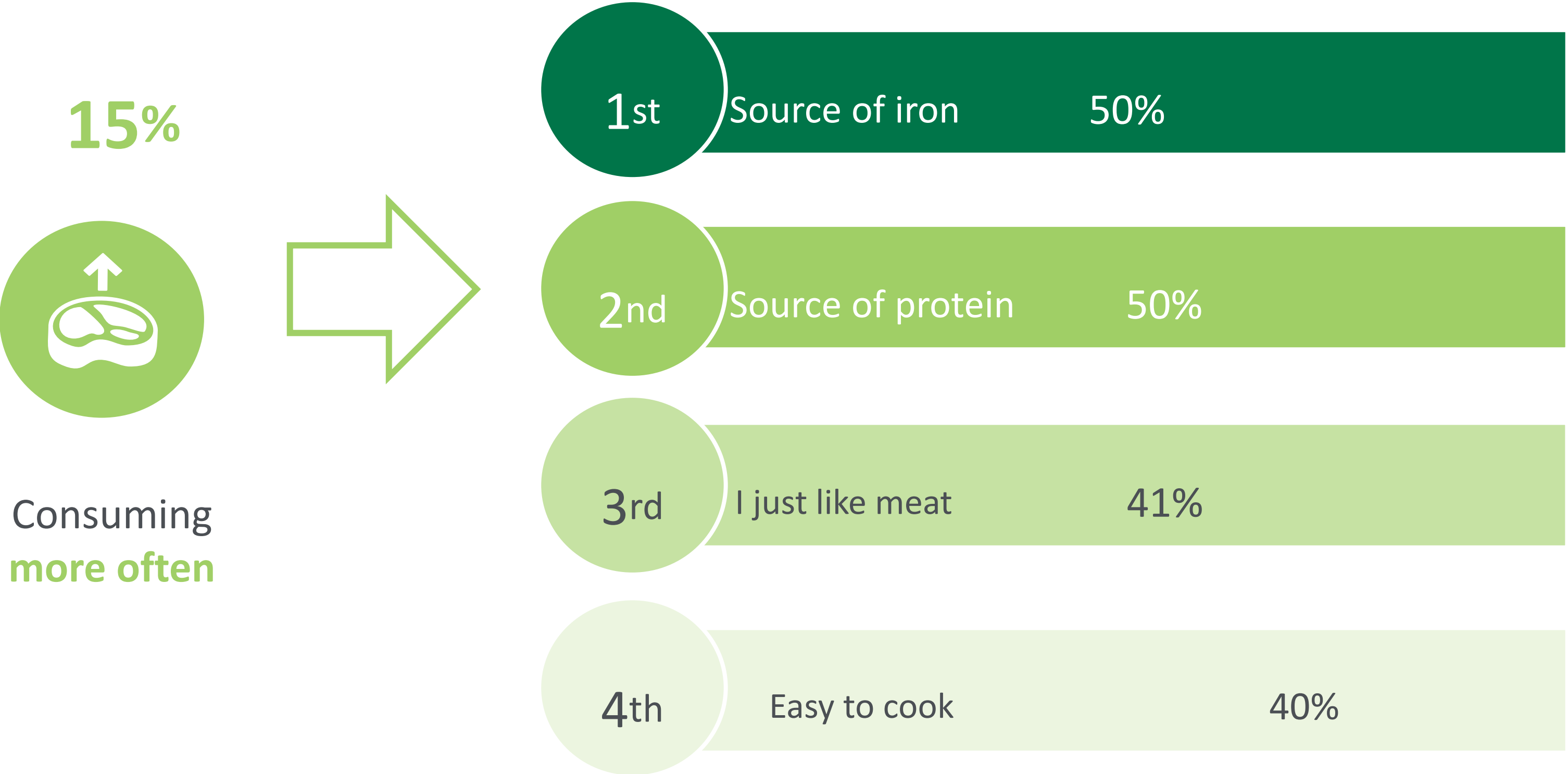
In terms of claimed consumption, most are maintaining or reducing. However, a slightly higher proportion claim they're increasing red meat

Relative red meat consumption, compared to 1 year ago (%) – Among meat eaters



For those increasing red meat consumption this is largely driven by health and nutrition e.g. source of iron and protein

Top reasons for eating more red meat (%) | Red meat increasers

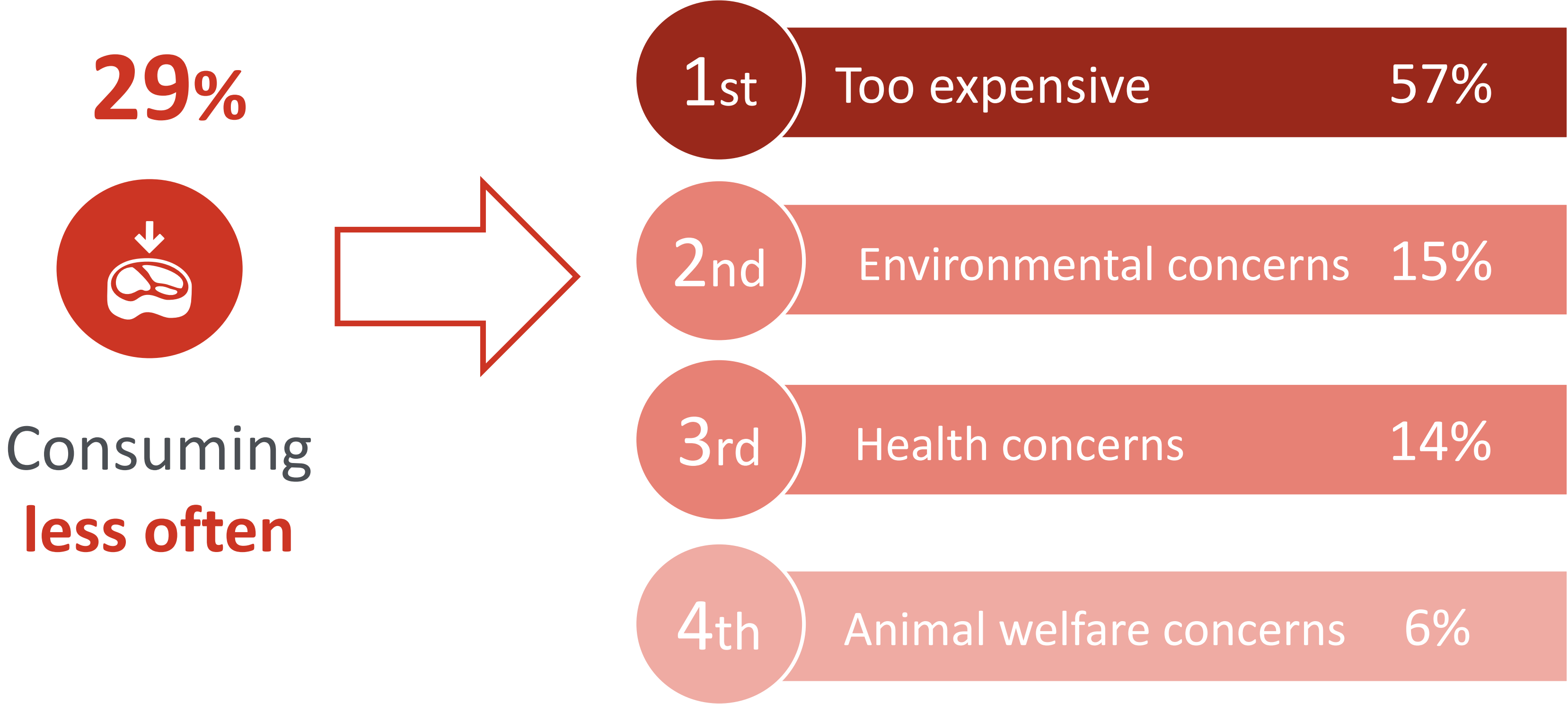


75%

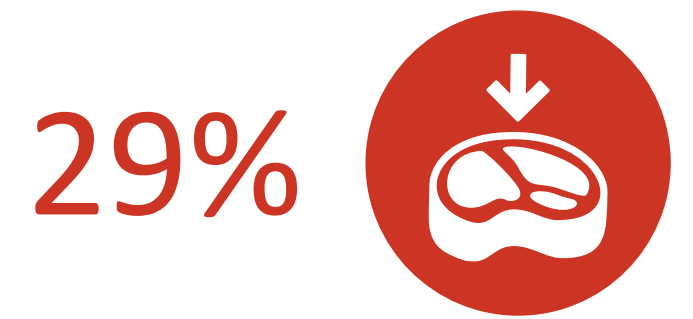
Are driven by health / nutrition

For red meat reducers, cost is the primary driver by a long shot

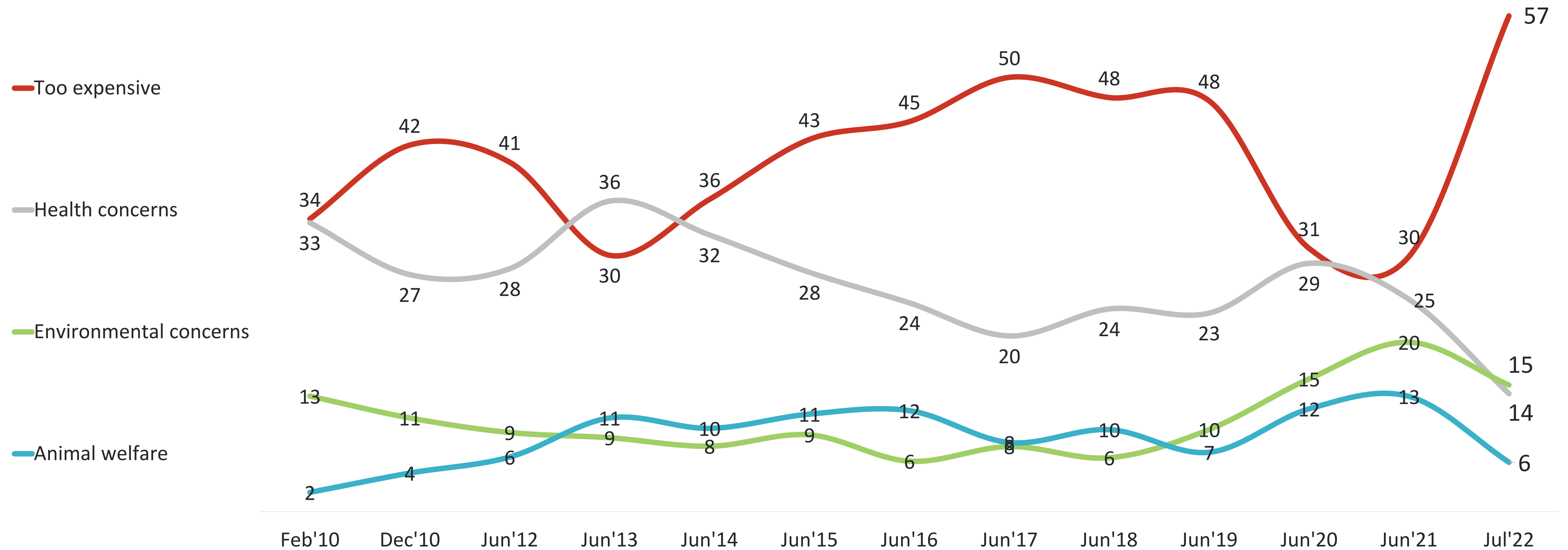
Top reasons for eating less red meat (%) | Red meat reducers



In this context cost has dramatically spiked as the top reason for reducing meat consumption



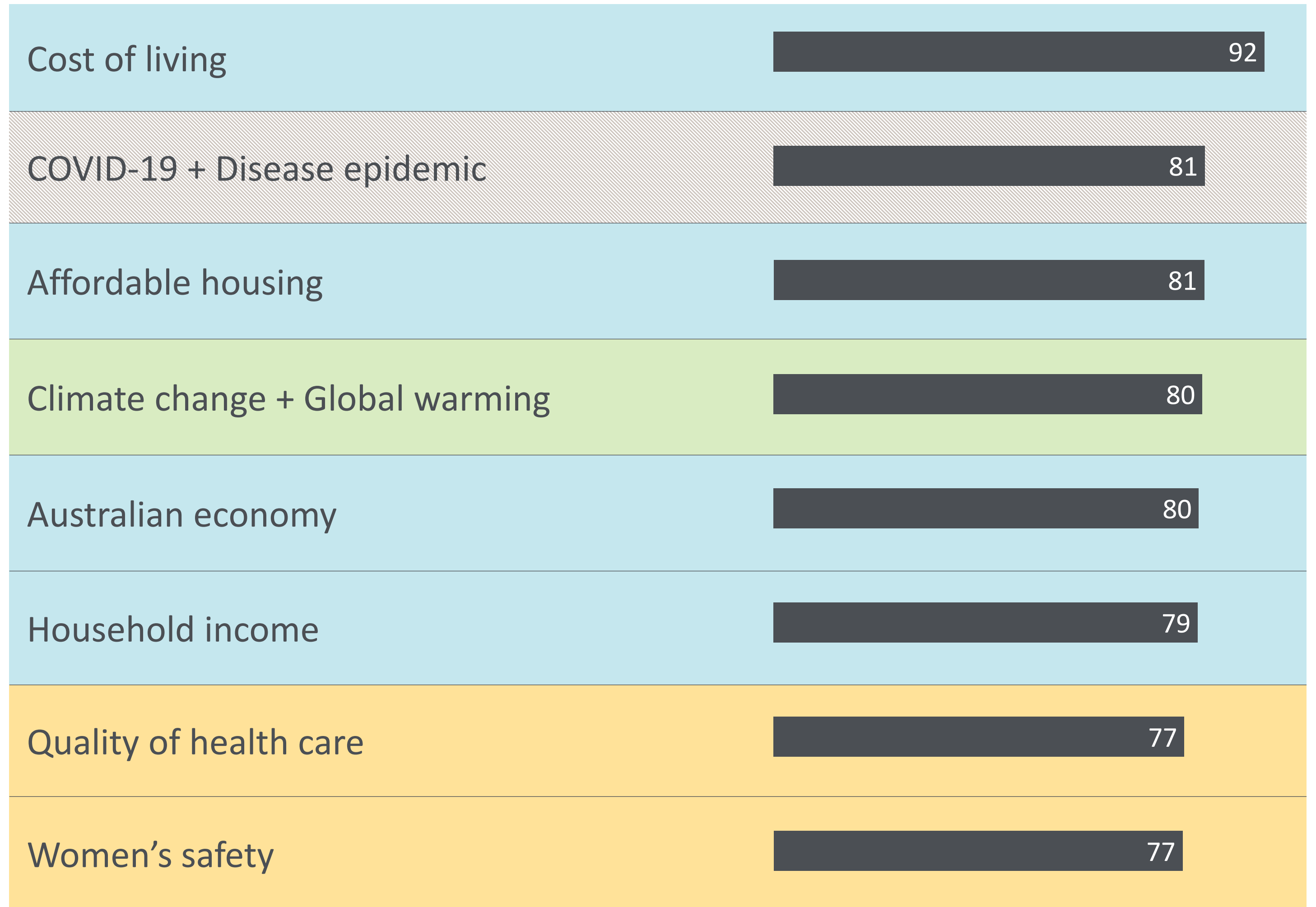
Which single reason best describes why you've reduced red meat consumption? (%)



A9. And which ONE of the following best describes why you have reduced the amount of red meat you are eating?
 Base: Those eating less red meat (n=224/313/316/175/290/292/376/437/400/378/403/382/402)

Cost of living has become the dominant concern for Australians

Dominant issues of concern – Mar'22 (%)



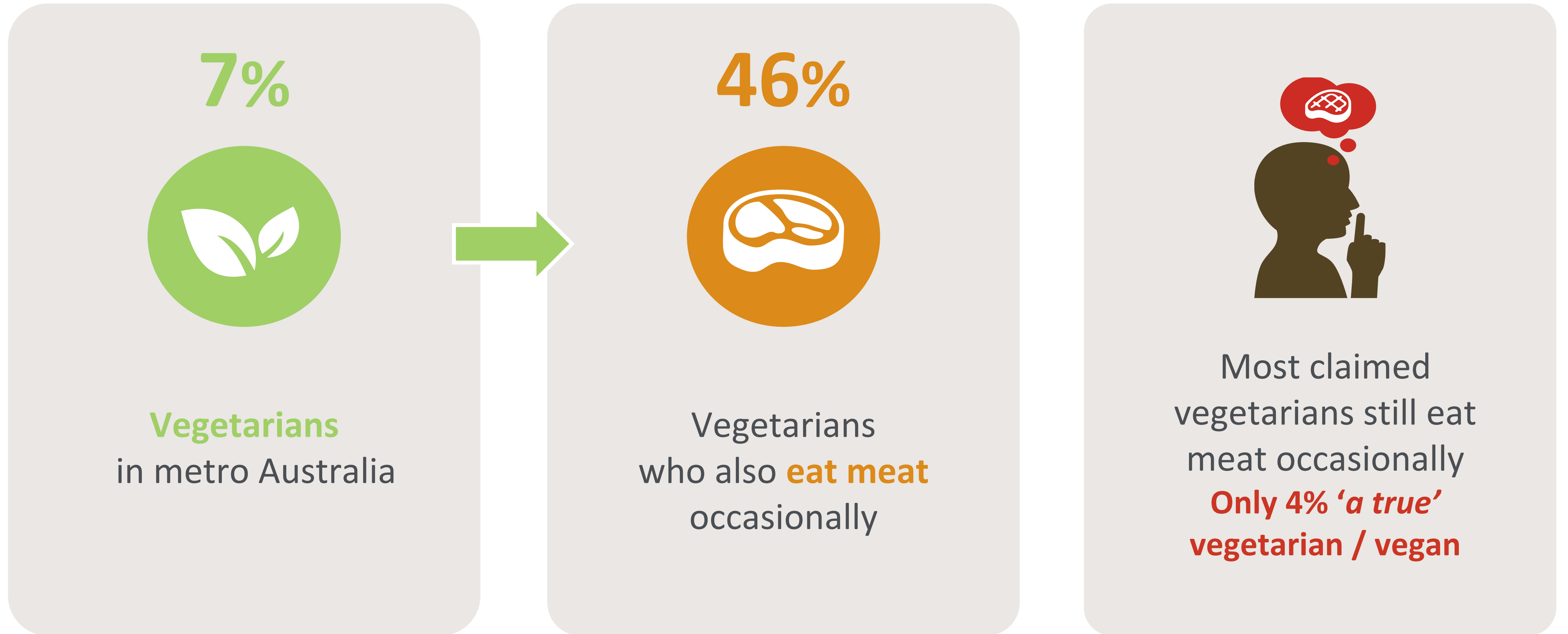
...

 Economic

 Environmental


 Societal

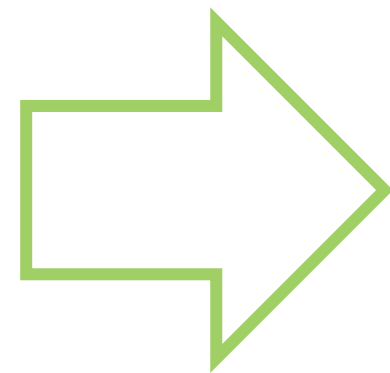
Vegetarians represent a consistently small proportion of the population



Animal welfare, environment and health are the key drivers of vegetarianism

Top reasons for not eating meat (%) | Vegetarians

7%

Vegetarians



↑ Significant increase vs Jun'21



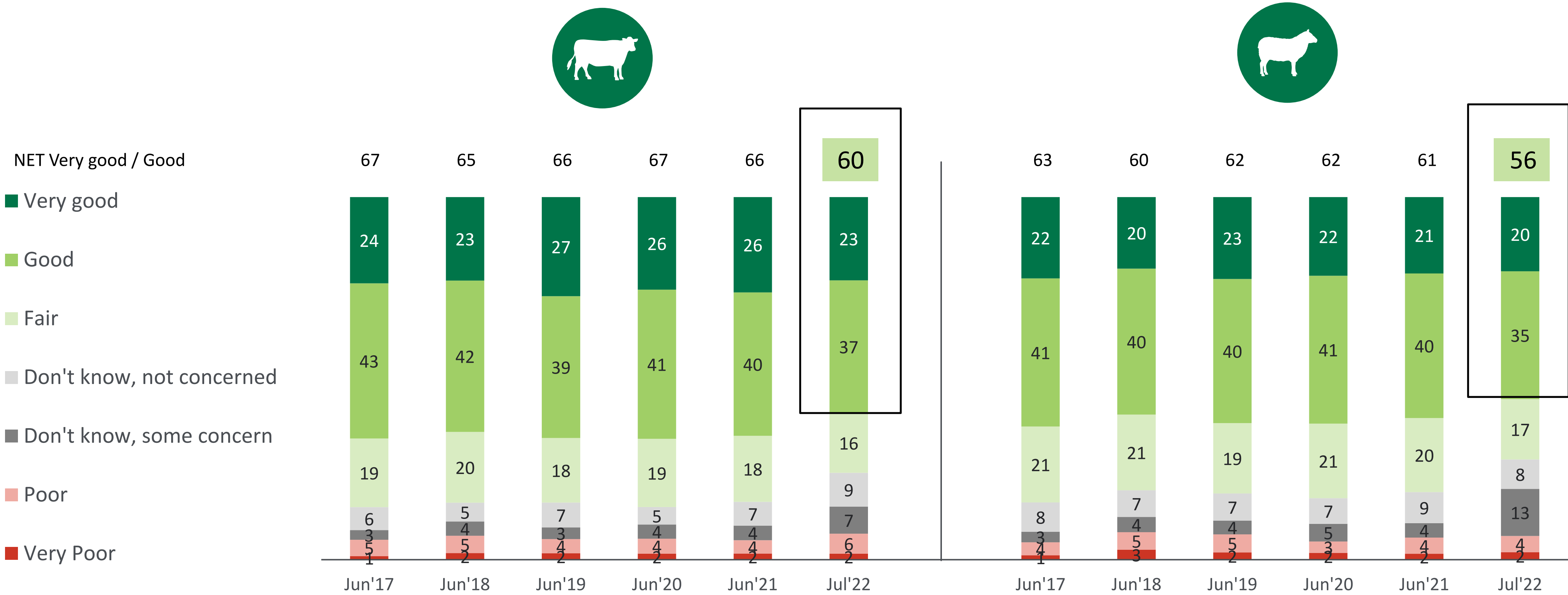
Community perceptions and trust of the industry



**Most Australians feel
positively about the
Australian red meat
industry**

Overall perceptions of the red meat industry are mostly positive; few have negative perceptions

Consumer perceptions of Australian producer industries (%) – Among meat eaters



X1. Thinking about the production of the following foods in Australia, how do you feel about each industry? The Australian _____ industry is... Base n=1400/1425/1288/1434/1362/1394

Similarly, most feel farmers contribute positively to Australian society

Attitudes towards beef/lamb industry (%)

↓ Significant decrease vs. June 21
 ↑ Significant increase vs. June 21

■ Strongly disagree
 ■ Disagree
 ■ Neither agree nor disagree
 ■ Agree
 ■ Strongly agree



Australian cattle farmers make a positive contribution to society



NET Agree

61



Australian sheep farmers make a positive contribution to society



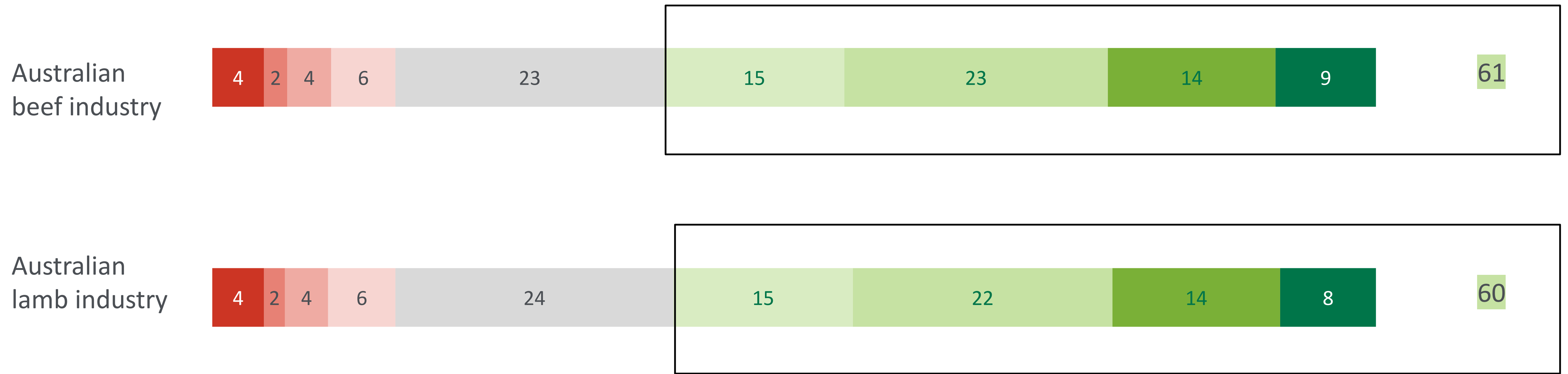
58↓

Instead, 1 in 3 are on the fence – presenting an opportunity to shift perceptions

Most metro Australians trust the Australian beef industry

Trust in industry to do what is right (%)

■ 1 - I do not trust them at all
 ■ 2
 ■ 3
 ■ 4
 ■ 5
 ■ 6
 ■ 7
 ■ 8
 ■ 9 - I trust them a great deal
 NET Trust

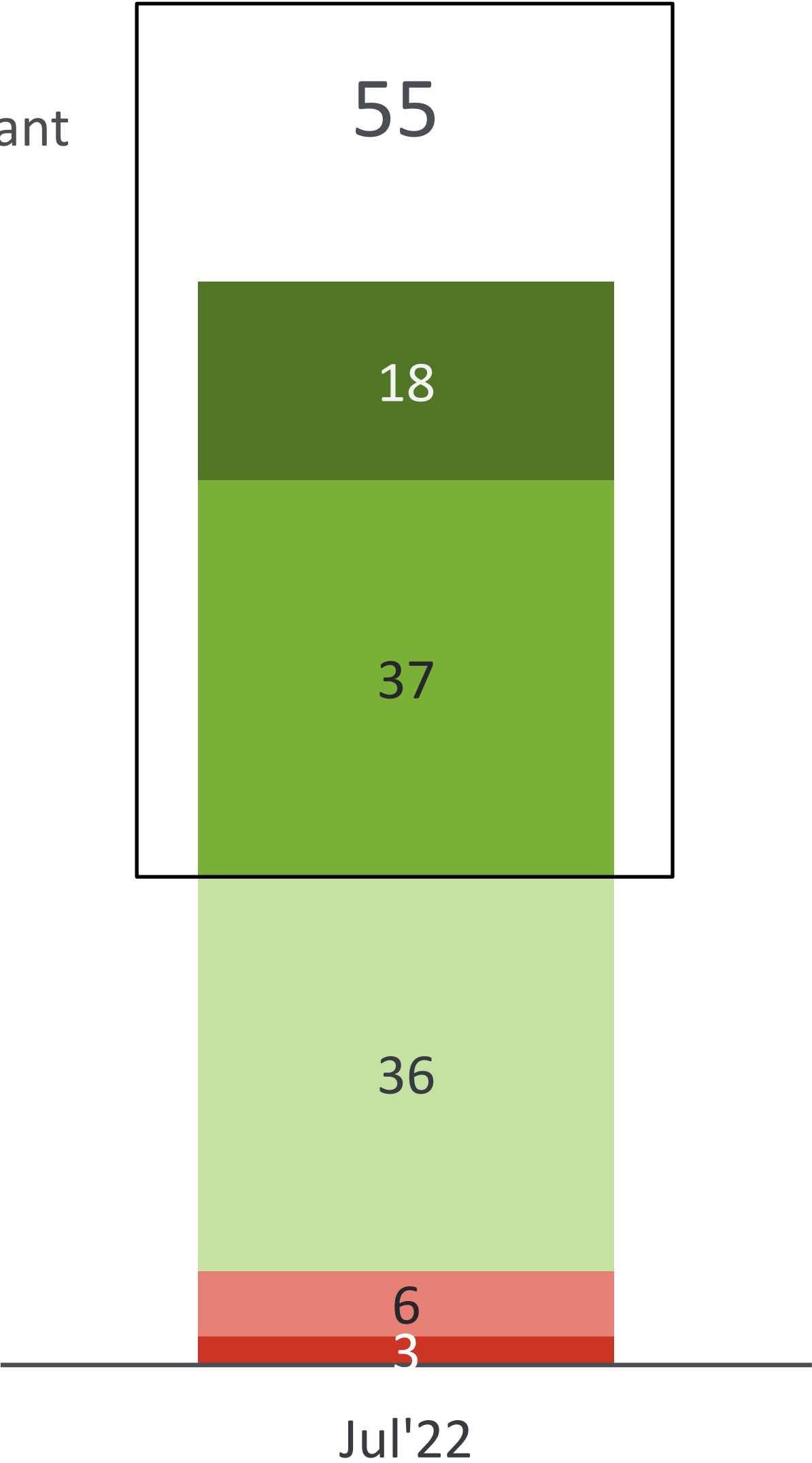


Sustainability is important to most metro Australians

Personal importance of sustainability (%)

NET Extremely + Very important

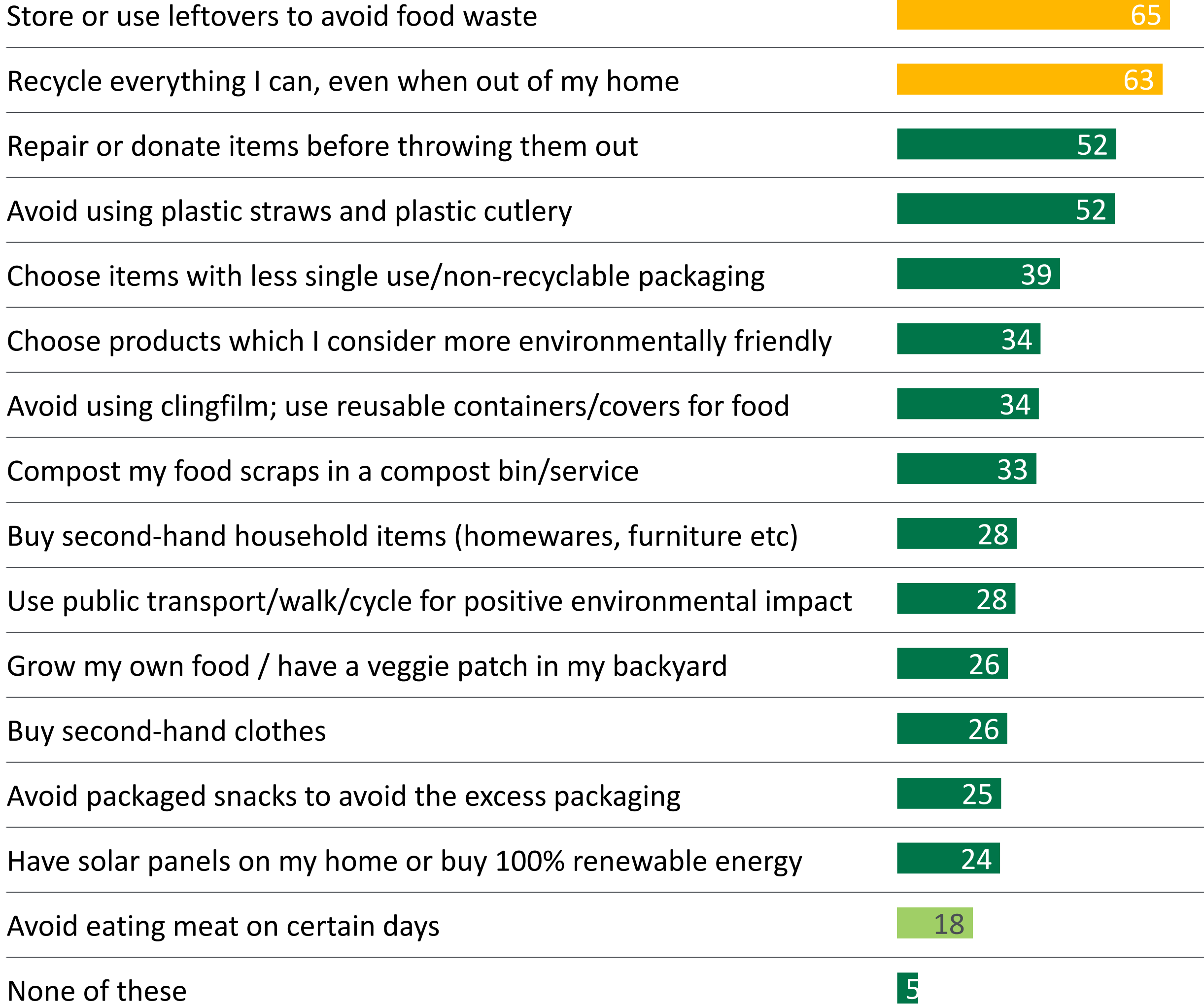
- Extremely important
- Very important
- Somewhat important
- Not very important
- Not important at all



Avoiding food waste and recycling are the top sustainability actions

Reducing meat consumption is bottom of the list

Sustainable actions you do (%)



Looking into the environmental action, around half feel the industry is committed to sustainable production - only a small minority disagree

Agreement that 'Australian cattle and sheep industry is committed to sustainable production' (%) – Among meat eaters

NET Agree

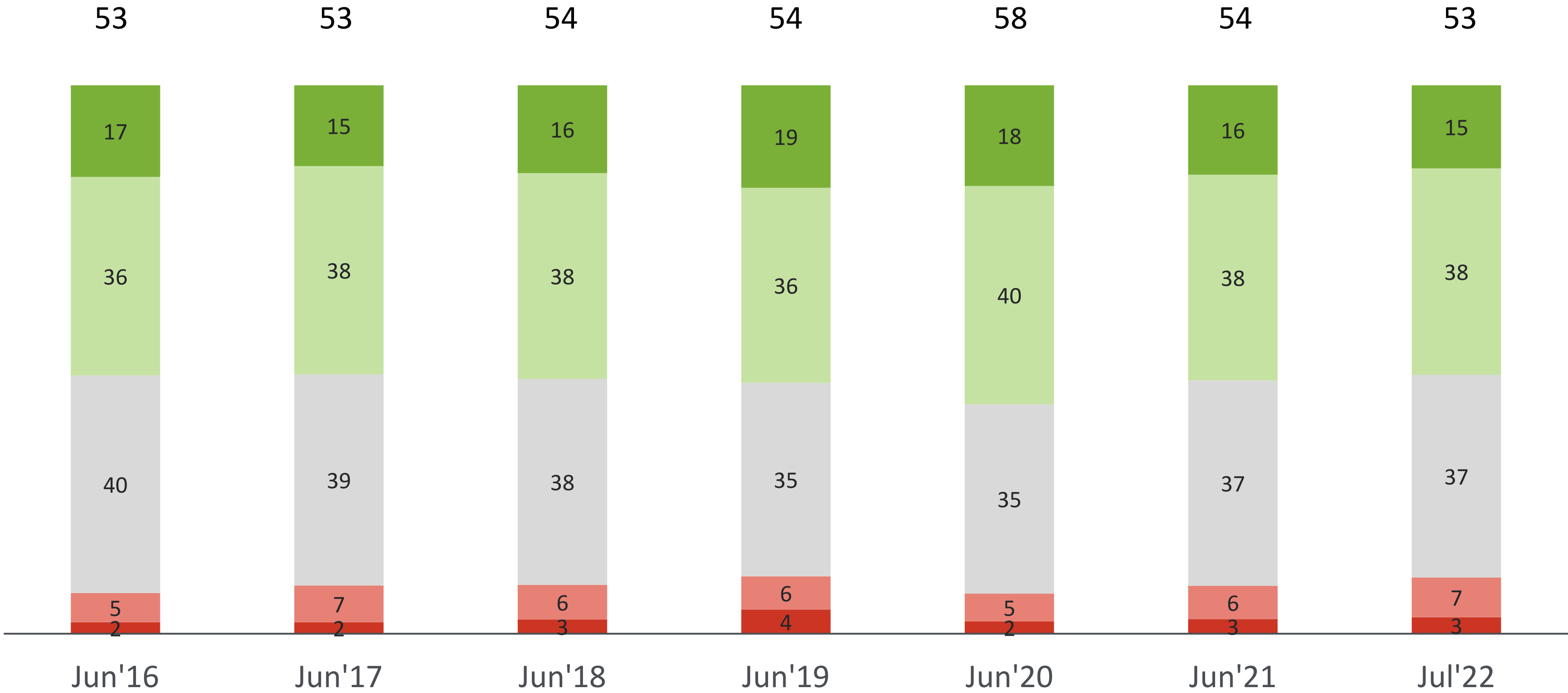
Strongly agree

Slightly agree

Neither agree nor disagree

Slightly disagree

Strongly disagree

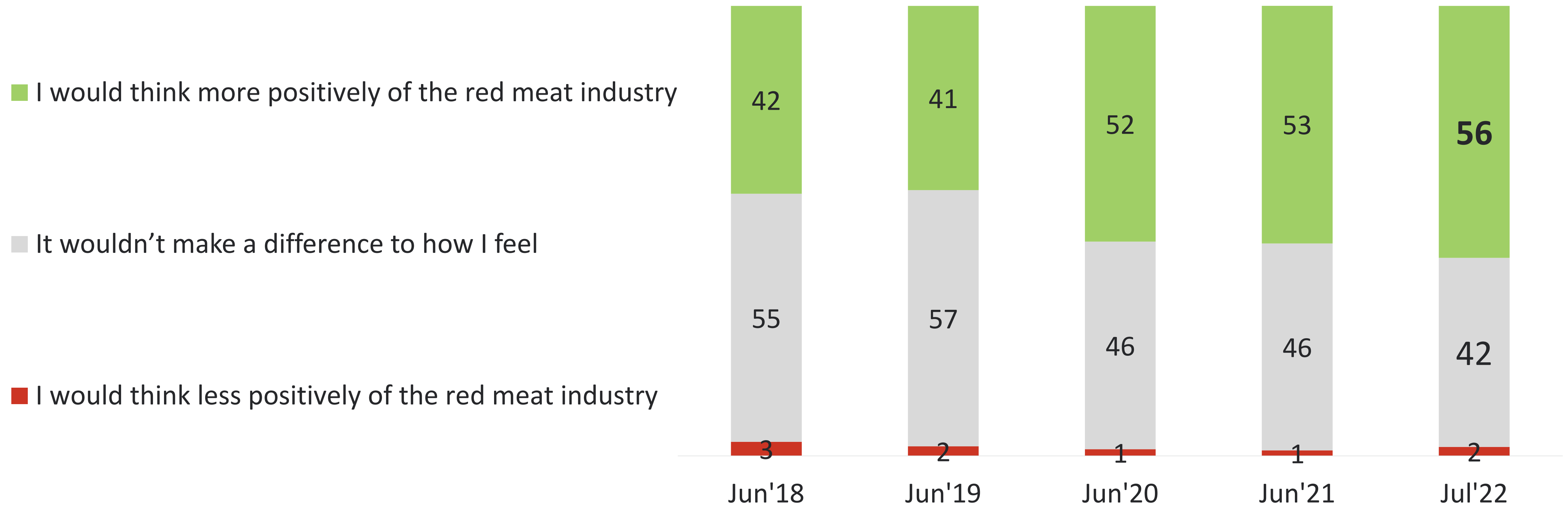


E4 How much do you agree or disagree that the Australian cattle and sheep industry is committed to sustainable production of beef and lamb? Base Meat eater n=1389/1400/1425/1375/1434/1362/1394

Over half would feel more positive about the red meat industry if emissions were reduced to net zero by 2030



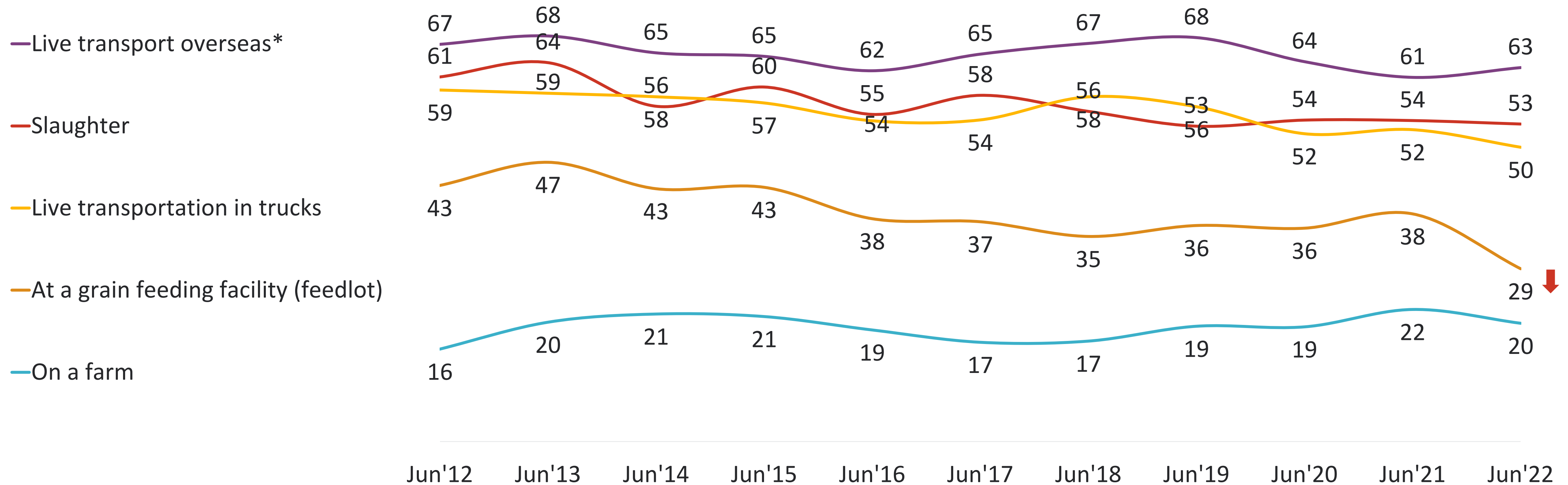
If cattle industry can reduce greenhouse gas emissions to net zero by 2030... (%)



Beef production concerns are relatively flat, apart from decreased concern about feedlots



Concern of beef production stages (extremely/very concerned %) – Among meat eaters



↓ Significant decrease vs. June 21

C5 Please indicate how concerned you are about the following stages of beef production. Base: Meat eaters n=1400/1425/1288/1434/1362/1394.

NOTE: *Prior to Jun'22 this was asked as 'live transportation in ships'

People want assurance that cattle and sheep are slaughtered humanely – but they don't want to know the details

Attitudes towards cattle/lamb farmers (%)

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

NET Agree

I don't want to know how cattle/sheep are slaughtered, I just want to know it's as 'humane' as possible



60

I just don't want to feel guilty about eating red meat



55



Opportunity to grow trust in the industry by focusing on top drivers

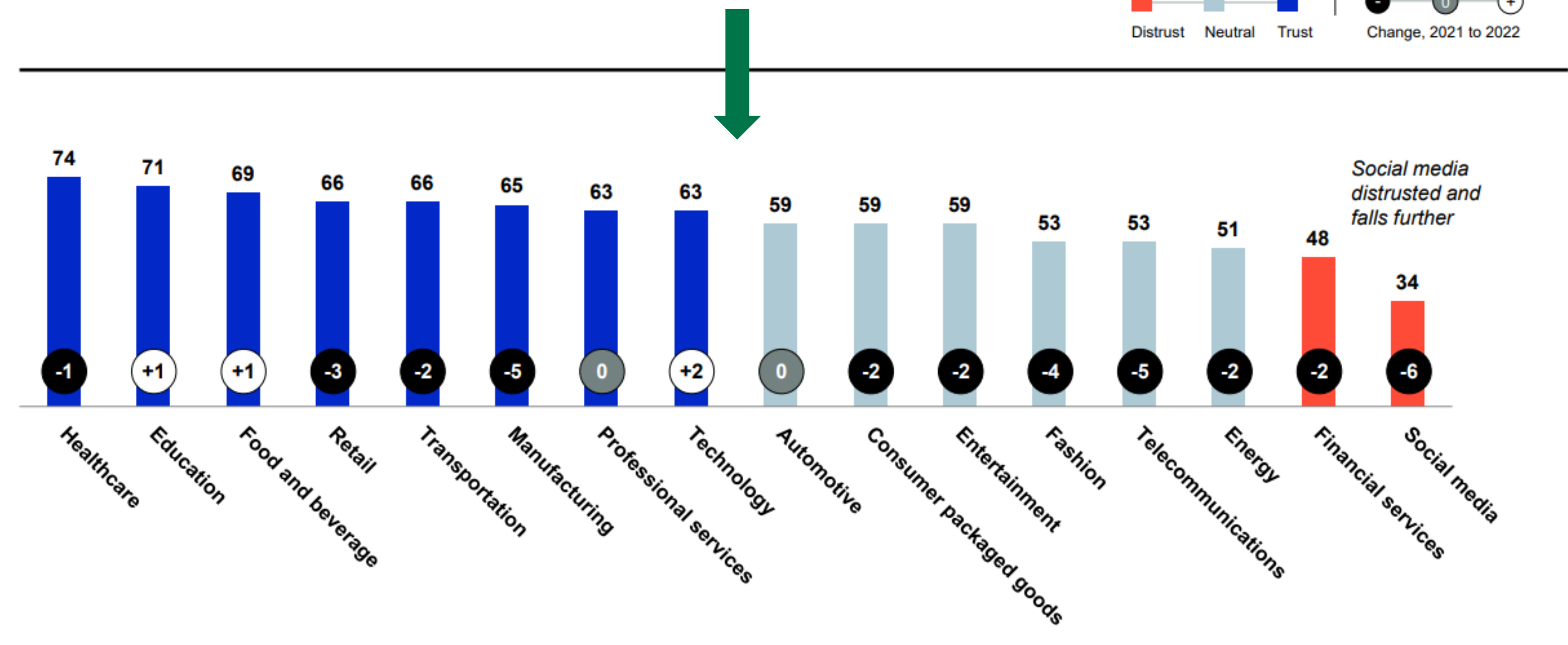
Compared to other industry sectors, the red meat industry sits around the middle of the pack with room for improvement

61%
Australian beef
industry

60%
Australian lamb
industry

TRUST IN MOST INDUSTRY SECTORS DECLINE

Per cent trust, in Australia

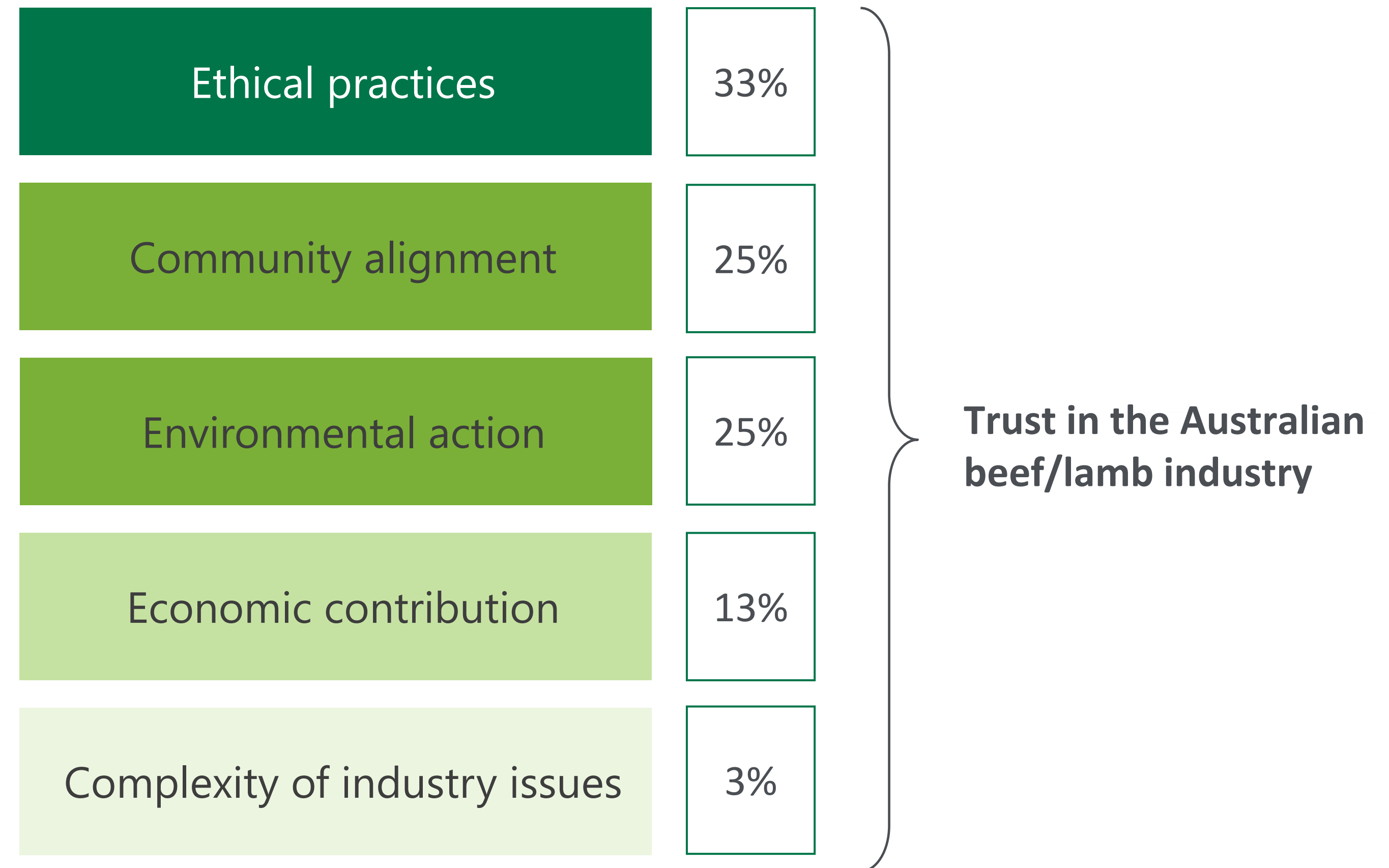


2022 Edelman Trust Barometer. TRU_IND. Please indicate how much you trust businesses in each of the following industries to do what is right. 9-point scale; top 4 box, trust. Industries shown to half of the sample. General population, Australia.

Edelman 10

The top drivers of trust are ethical practices, community alignment and environmental action

Drivers of industry trust (%)



Looking at the inputs into the trust drivers analysis...

Ethical practices

Australian cattle/sheep are farmed and raised in a humane manner
Australian cattle/sheep farmers are ethical and trustworthy

Community alignment

The Australian beef/lamb industry is prepared to change their practices in response to community concerns
Current regulation of the Australian beef/lamb industry is effective
Standards developed for the Australian beef/lamb industry ensure people in those industries do the right thing
The Australian beef/lamb industry listens to and respects community opinions

Environmental action

I have confidence that cattle / sheep farmers are reducing their net greenhouse gas emissions
The Australian beef/lamb industry is doing all it can to reduce its impact on the environment
Australian beef/lamb is environmentally friendly and sustainable
Australian cattle/sheep farmers care about the environment
Australian cattle/sheep farmers make a positive contribution to society

Economic contribution

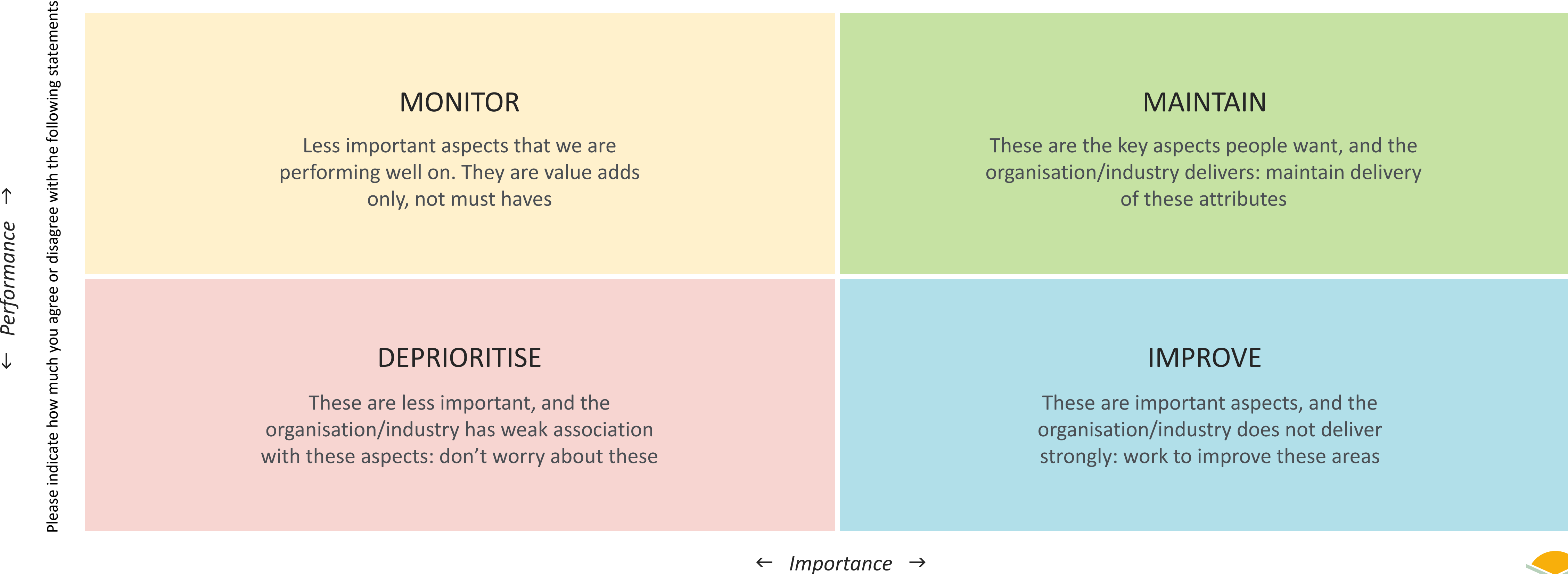
The Australian beef/lamb industry generates significant local jobs in regional areas
The Australian beef/lamb industry is an important part of the Australian economy

Complexity of industry issues

Animal welfare in the Australian beef/lamb industry is a complex issue
Environmental management in the Australian beef/lamb industry is a complex issue

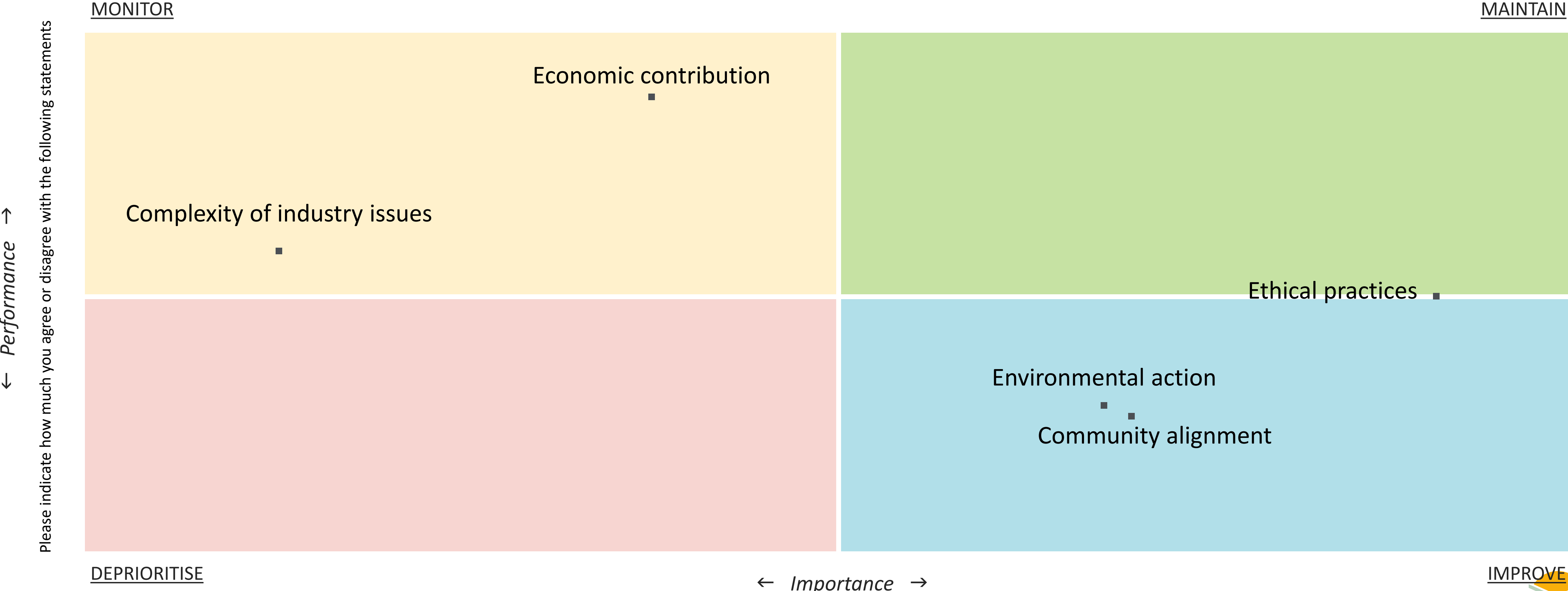
Importance x performance maps show what people find important vs. the industry's performance on these measures

The quadrants represent strategic implications for MLA



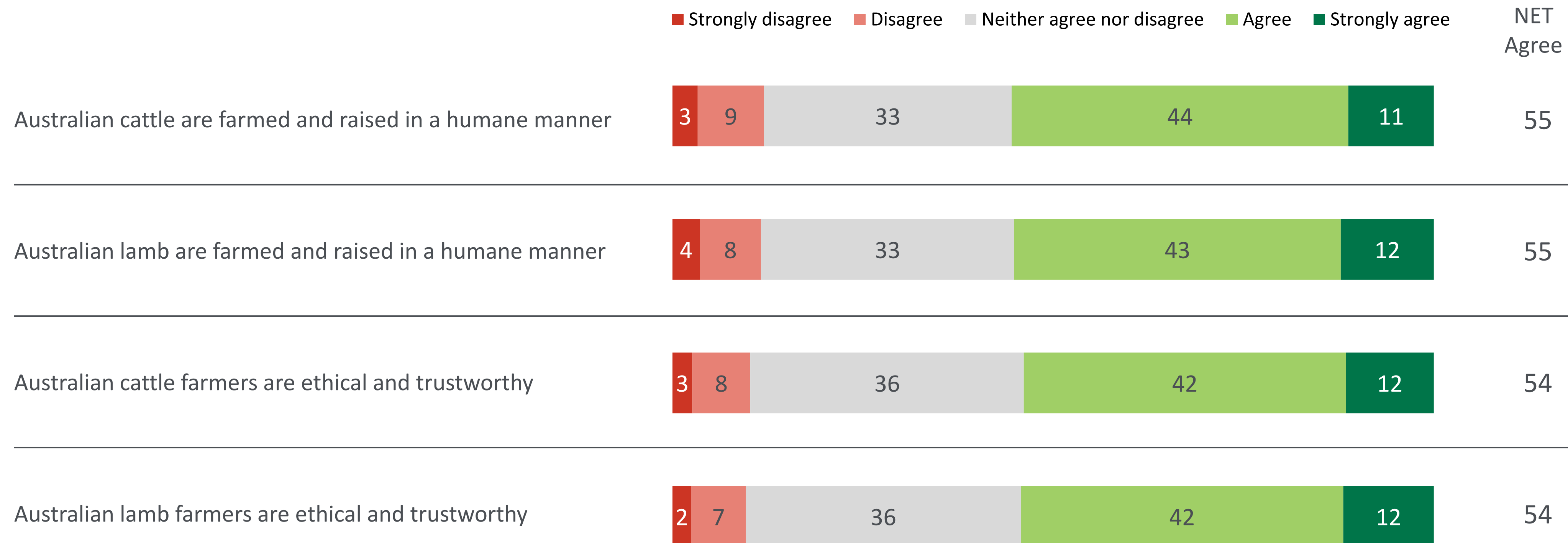
There is need to improve perceptions around environmental action and community alignment in order to increase trust in the industry

Importance x performance map



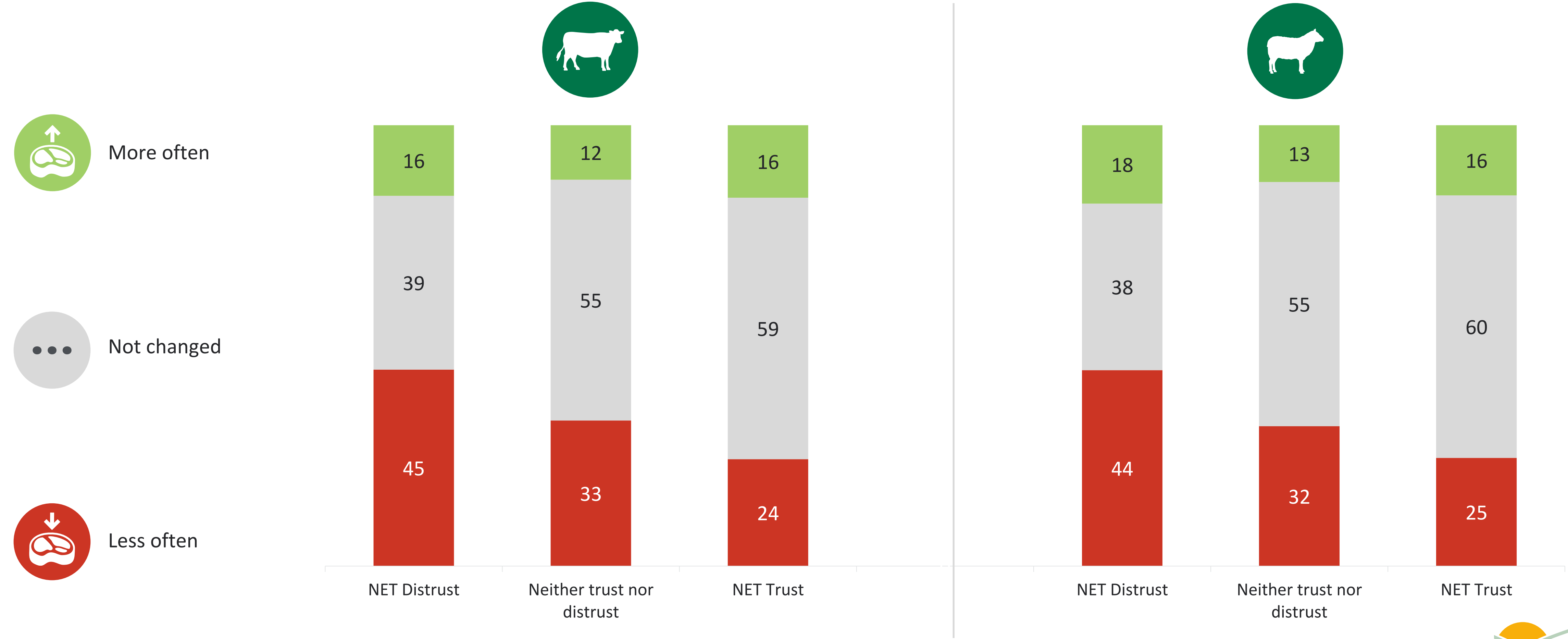
Most agree farmers are ethical and raise animals humanely; Opportunity to influence the third who are on the fence

Attitudes towards cattle/lamb farmers (%)



Red meat reduction is also correlated with lower trust in the industry

Relative red meat consumption compared to 1 year ago by Level of trust in industry(%)





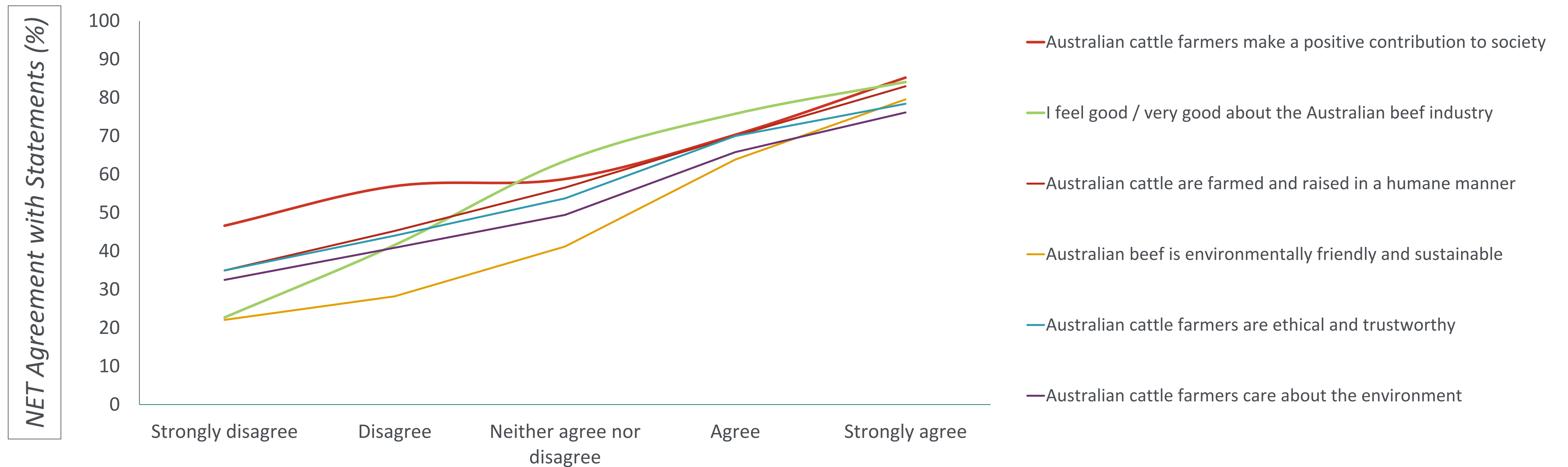
Community knowledge of the industry



**The more people
know about the
industry the more
positive they are
about it**

The more people know about the beef industry the more positive their perceptions are

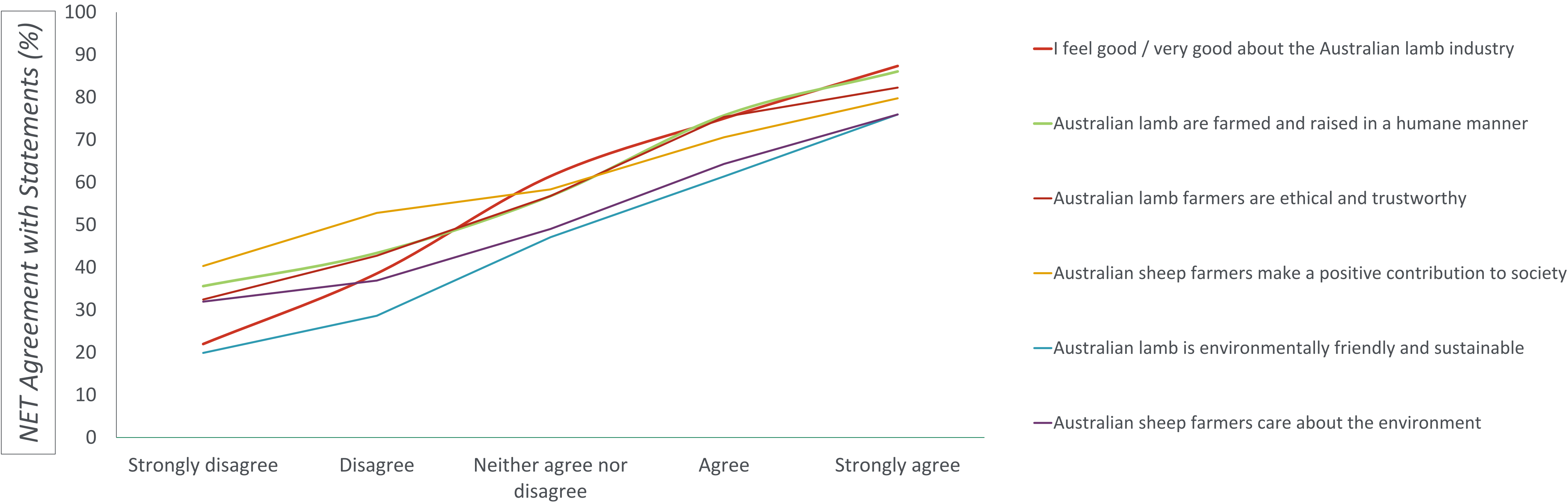
Agreement with statements by claimed industry knowledge (%)



'I have a very good knowledge and understanding of the Australian beef industry'

The same pattern holds for the lamb industry...

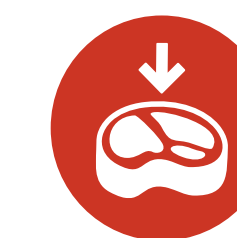
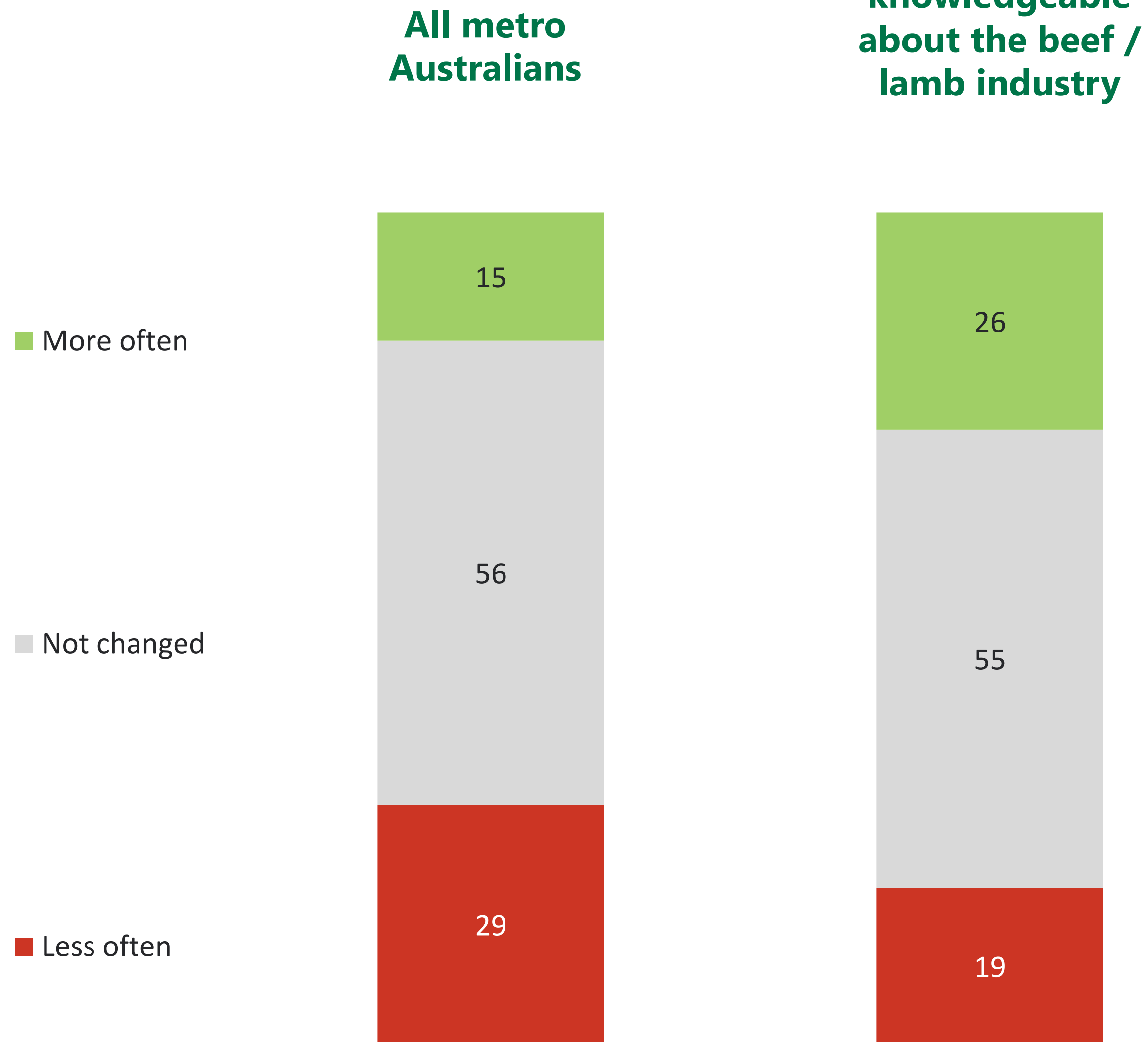
Agreement with statements by claimed industry knowledge (%)



'I have a very good knowledge and understanding of the Australian lamb industry'

Greater knowledge of the industry is also correlated with increased red meat consumption

Relative red meat consumption, compared to 1 year ago (%) – Among meat eaters



Currently, internet searching is the top source of information about the industry

1

Health



Internet search 48%

Health organisations 18%

Health professionals 18%

2

Animal welfare



Internet search 49%

TV 17%

Industry bodies 17%

3

Environmental impact



Internet search 51%

TV 17%

Industry bodies 17%



Summary

Bringing it all together

Consumption

Red meat's share has been declining in recent years as the price has accelerated beyond other proteins

While vegetarianism remains low, over a quarter (29%) of meat eaters claim they're reducing consumption, largely driven by cost

Health is a key reason for red meat consumption, with iron and protein playing a bigger role this wave

Community perceptions

Overall perceptions of the red meat industry are largely positive, but down slightly

Most metro Australians trust the Australian beef and lamb industry but there's room for improvement

Ethical practises and environmental action are key drivers of trust

Areas of focus

People are wanting assurance around animal welfare and sustainability

For animal welfare people want to know animals are looked after and slaughtered humanely– but they don't want to know the details

People are receptive to CN30, opportunity to increase awareness here to bolster sustainability perceptions

Continuing to build trust in our industry



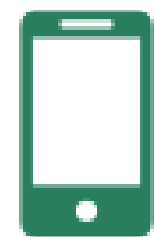
Utilising farmers that have *shared values* with the community and telling their story will help increase awareness of the industry's ethical practices and environmental action, and likely help **build trust and understanding** of the industry.



Raising awareness amongst the community on the industry's ambition to be carbon neutral will likely **improve consumer perceptions towards environmental** stewardship and overall industry perceptions.



Informing the community of the health and nutritional attributes of red meat may encourage consumers to increase red meat consumption and help alleviate concerns amongst red meat reducers.



Internet / digital engagement most likely method in which to communicate, provide information to build knowledge of our industry

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