



United States Department of Agriculture

The Consumer Market for Chicken Raised Without Antibiotics, 2012-16

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Market Trends for Antibiotic Use

- Increasing consumer concern about antibiotic use in meat and poultry production.
- Many producers, retailers, and fast food chains now offer meat and poultry products that have never been treated with antibiotics.



Panera and Chipotle's Antibiotic Free Meat
Tops Industry Report Card



Pizza Hut: All Chicken Will be Raised Without
Antibiotics by 2022

Progresso Soup using only antibiotic-free
chicken



Voluntary Meat and Poultry Label Claims

- Regulated by USDA Food Safety and Inspection Service
- FSIS defines standards for foods (e.g., meatballs, Salisbury steak, salami) and labels
- For animal raising claims, firm must provide supporting paperwork that the claim is truthful and not misleading
- For Raised Without Antibiotics [RWA] claim, source animals cannot be administered antibiotics in their feed, water, or by injections
- Examples of RWA claim: *No Antibiotics Administered, Raised Without Antibiotics, No Added Antibiotics Ever*



Research Objectives

Characterize the market for chicken products labeled RWA using retail and consumer sales data:

- Share of sales over time
- Price premiums
- Consumer demographics and preferences



Primary Data

IRI InfoScan

- retail scanner data
- weekly food purchase data from 48,000+ stores
- covers approximately 50% of food sales
- expenditures and quantities of barcoded and random weight food products
- over 6.6 billion observations per year

IRI Consumer Network

- household scanner data
- weekly food purchase data from 100,000+ households
- includes demographic and geographic data
- over 72 million observations per year



Overcoming Data Limitations

- Incomplete information on RWA label claims
 - Append external data on label claims from:
 - Label Insight
 - FSIS Label Submission and Approval System Data
 - Independent data collection
- Label claims cannot be appended to random-weight products
 - Analyze uniform-weight markets for the following chicken market segments:
 - Classic cuts
 - Processed chicken products
 - Chicken sausage

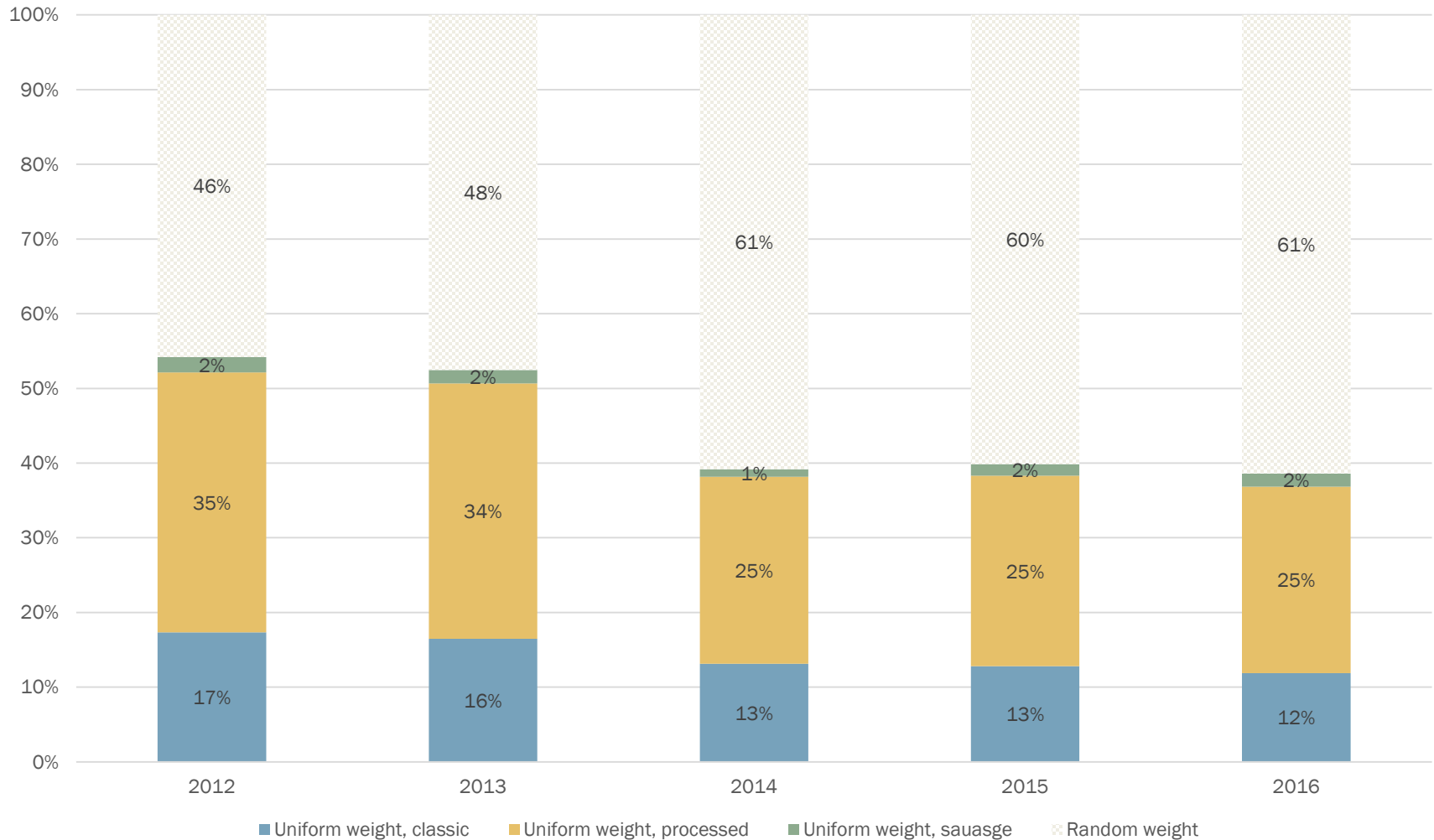


Market Segments

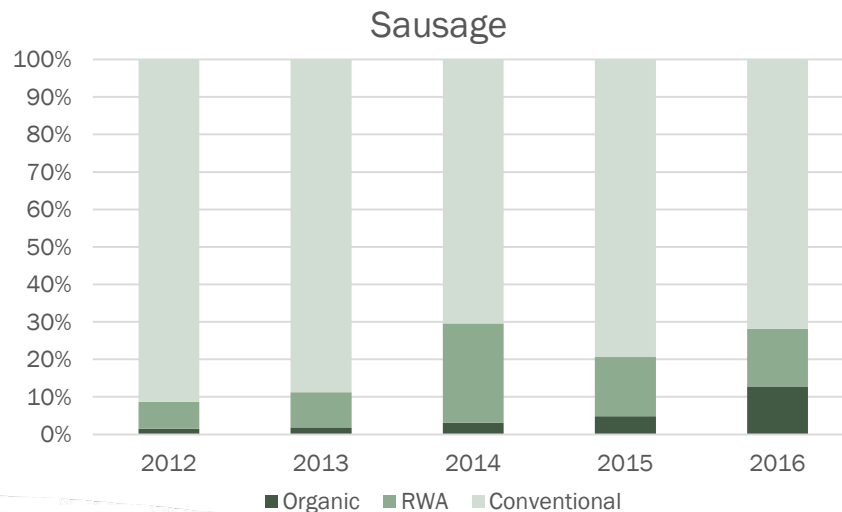
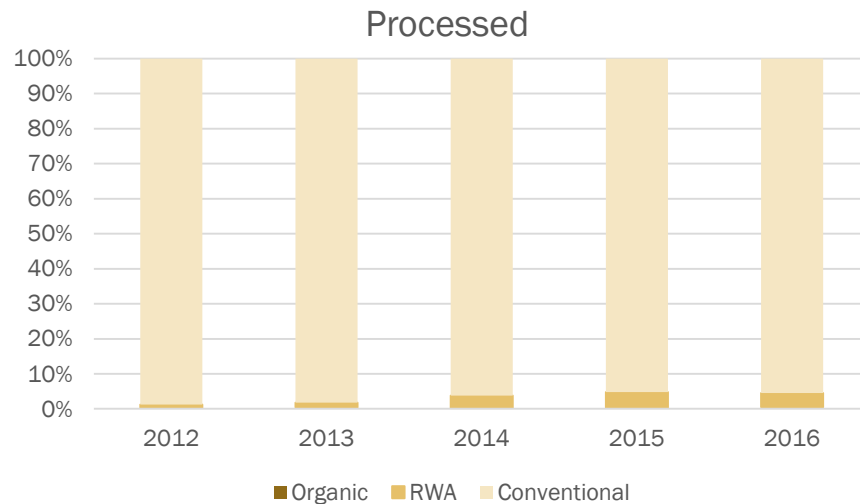
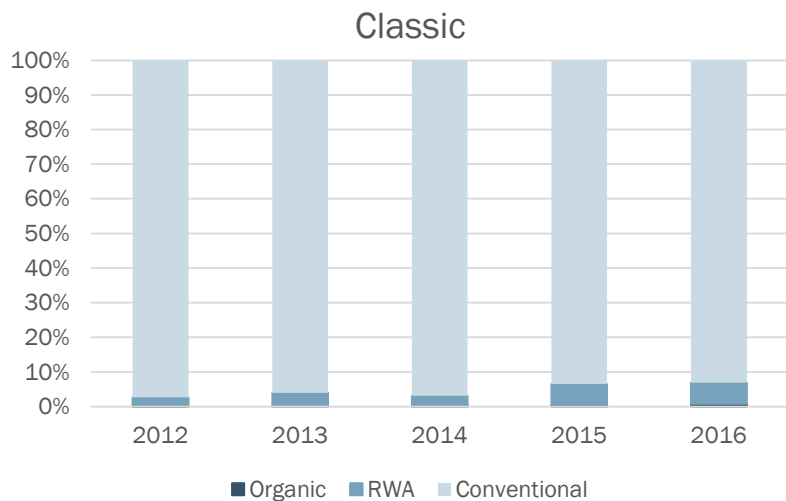
Segment	Description	Examples
Classic cuts of chicken	<ul style="list-style-type: none"> • Raw/uncooked • No breading, sauce, or added ingredients other than broth or light seasoning 	Plain breasts, tenders, thighs, drumsticks, wings, whole chickens, liver, splits, quarters, etc.
Processed	<ul style="list-style-type: none"> • All non-sausage chicken products that have undergone additional processing • Cooked, breaded, sauced, stuffed, etc. • Does not include meals, soups, sandwiches, etc. made with chicken 	Nuggets, ground chicken, buffalo wings, etc.
Chicken Sausage	<ul style="list-style-type: none"> • May include other ingredients mixed into sausage • May be raw, cured, or fully cooked • Does not include hot dogs/franks 	Chicken sausage made with apple and feta



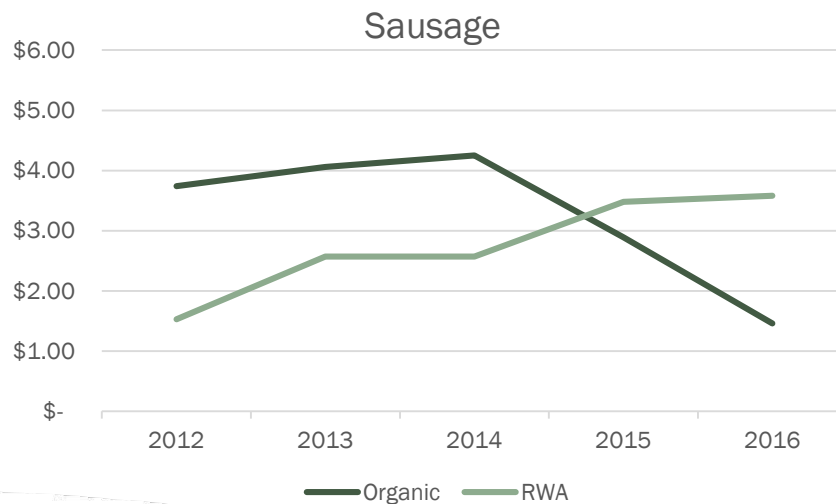
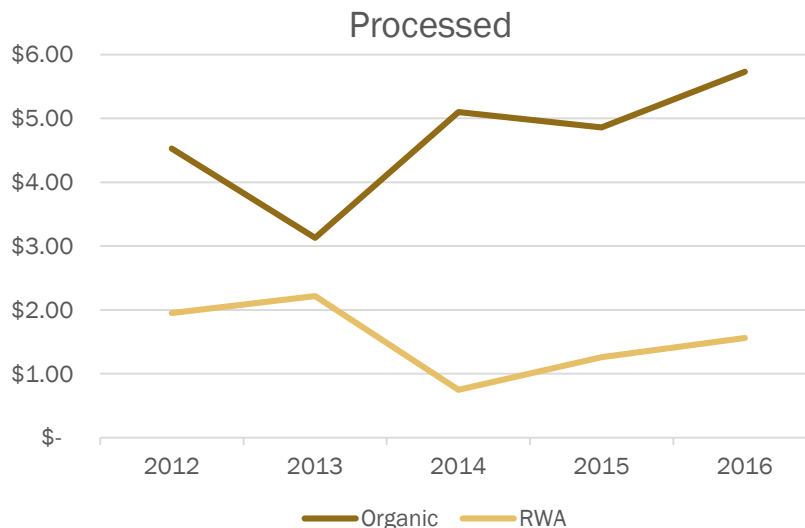
Nationally representative segment market shares of chicken expenditures from the IRI Consumer Network, 2012-16



Label Claim Market Shares



Average Price Premiums Over Conventional Products



Consumer Demographics

	Conventional	RWA	Organic
Female Household Head	80.0%	82.4%*	80.2%†
Average Household Size	2.76	2.82*	2.81
Children Under 18	36.2%	39.9%*	39.6%*
Children Under 6	15.8%	18.0%*	19.9%*
Median Household Income	\$50,000-59,999	\$70,000-99,999*	\$70,000-99,999*
Sample Size	80,423	12,296	1,480

* indicates significant difference from conventional population at the 5 percent level

† indicates significant difference between RWA and organic population at the 5 percent level



Consumer Preferences

Health Concerns:

Antibiotics used in meat production.

	Conventional	RWA	Organic
Very concerned	27.6%	35.4%*	46.0%*†
Somewhat concerned	37.0%	36.8%	33.5%
Not at all concerned	35.4%	27.8%*	20.5%*†
Sample Size	32,538	5,364	657

* indicates significant difference from conventional population at the 5 percent level

† indicates significant difference between RWA and organic population at the 5 percent level



Concluding Thoughts

- Share of RWA chicken products is increasing over time
- RWA chicken products command higher prices than conventional products
- RWA households are generally larger, with children and greater income
- RWA households are more likely to very concerned about antibiotics in meat production; organic households even more so



Thank You

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