Confident consumers still spending on meat: surveys

CHICAGO | Wed Apr 13, 2011 6:56pm EDT

CHICAGO (Reuters) - Consumer spending at U.S. meat counters is steady to up slightly over the past two years as worries about the economy and high unemployment have waned, according to surveys presented Wednesday at a meat industry convention.

"At this point consumers are relatively happy because they are coming out of the other side of the recession. They are a little bit more liberal in their spending and they are not being quite as cautious," Merrill Shugoll, president of Shugoll Research, told Reuters.

Shugoll and Michael Uetz, principal at Midan Marketing, talked about their research on the sidelines of the International Meat, Poultry, and Seafood Convention in Chicago.

While consumer spending has not changed despite higher meat prices, Uetz said there could be a slowdown in meat sales in future surveys.

Retail beef and pork prices have been at or near record highs in U.S. Agriculture Department surveys and will likely go higher in the months ahead as current high wholesale prices pass through the market.

Uetz's survey included supermarket meat sales in 2010. Since then retail meat prices have increased, which could trim sales volumes.

"The challenge for us is to try to maintain that (volume) number with the increase in prices," he said.

Meat prices have increased due in large part to significant increases in beef and pork exports.

NO TRADING DOWN YET

The surveys, which were funded by the two research firms, showed greater use of coupons but an absence of bargain hunting.

Consumers are still buying the cuts of beef, pork and chicken that they normally do and have not yet shifted to lower-cost meats or other foods.

"People are looking for good value, they are looking for the products that they want, and coupons are allowing them to do that," said Shugoll.

Shugoll's results were from a March 2011 online survey of 500 consumers across the country of varying demographics.

"In the January 2009 study we saw an increase in purchasing of lower value cuts. We are seeing people going to the low-value less frequently because things weren't as bad as they were in January 2009," she said of the latest results.

(Reporting by Bob Burgdorfer; editing by Jim Marshall)