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Meat Institute Protein PACT

Consumer and Operator Trust in the Meat Industry on the Environment, Labor and Safety

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Key Focus Areas

**Study background
and methodology**

Trust Tracking Overview

**Current state of trust
and why it matters**

Key Study Findings

**Consumer and
operator insights on
the meat industry**

Methodology

Since November of 2020, Technomic has been deploying a **monthly survey to 500 consumers** to track consumer any shifts in trust in the meat/poultry industry

Trust scores are calculated through a series of **factor analyses** on individual questions within each Focus Area to group into indices

Data is aggregated on a **quarterly** basis

Hierarchical regression analyses was conducted to look **impact of the trust** on daily protein consumption

Technomic also conducts an **annual survey** of foodservice and retail **operators** around the key Focus Areas

Key Focus Areas

Technomic and the Meat Institute developed the study around trust in the meat and poultry industry in five key Focus Areas



Environmental Impact



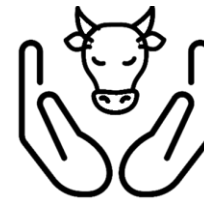
Labor & Human Rights



OCCUPATIONAL SAFETY



Health & Wellness



Animal Welfare



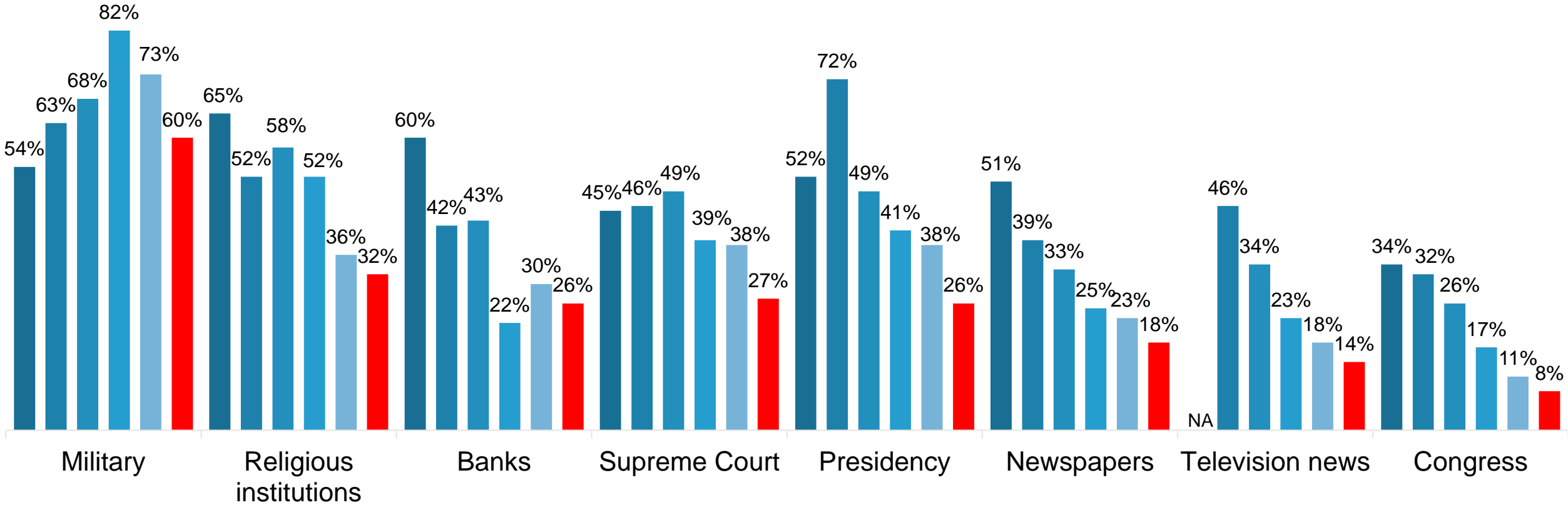
Food Safety

Trust Tracking Overview

TRUST IN U.S. INSTITUTIONS 1979-2022

% GREAT DEAL/QUITE A LOT OF CONFIDENCE IN U.S. INSTITUTIONS

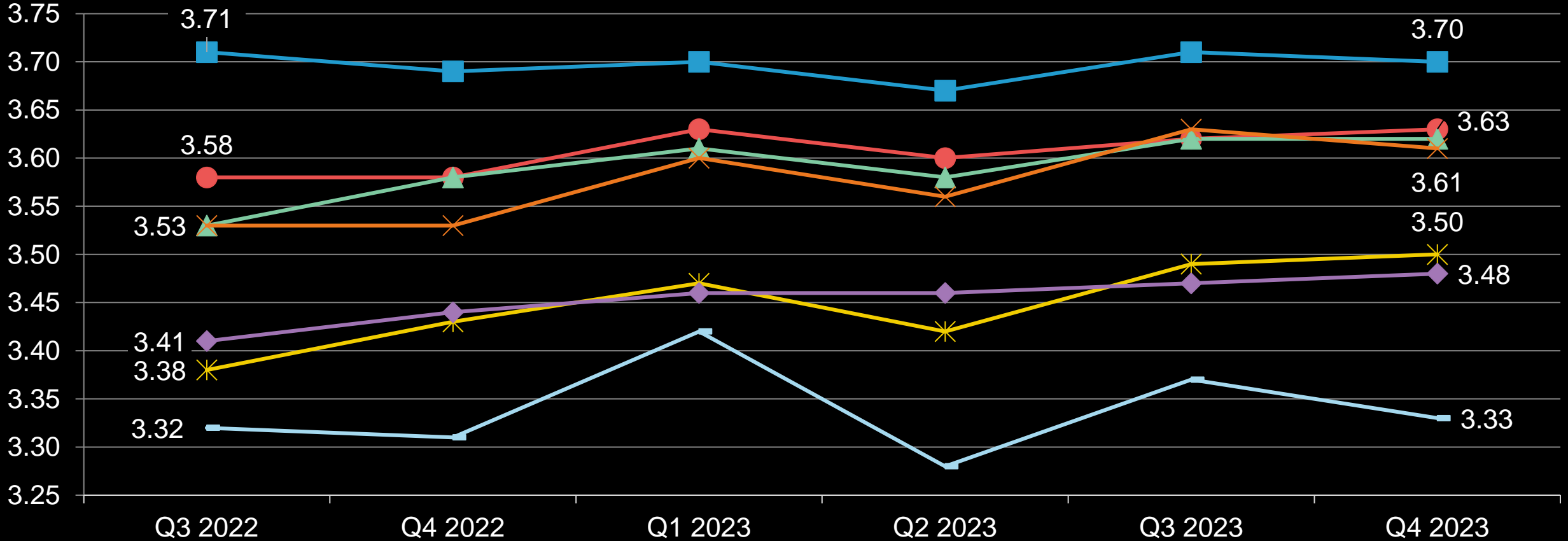
■ 1979 ■ 1989 ■ 1999 ■ 2009 ■ 2019 ■ 2023



Source: Gallup

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AVERAGE TRUST SCORE



- Environmental Impact
- Occupational Safety
- ▲ Food Safety
- ✕ Health & Wellness (Animal Proteins)
- ✱ Animal Welfare
- ◆ Labor/Human Rights
- Health & Wellness (Plant Proteins)

Note: On a 1-5 scale, where 1=very low trust and 5=very high trust; Statistical significance at +/-0.05; Q1 consumer scores reflect an aggregate of January, February and March survey data; Q2 an aggregate of April, May and June survey data; Q3 an aggregate of July, August and September survey data; and Q4 an aggregate of October, November and December data

Foundational Focus Areas—
Direct relationship between protein consumption and trust

Environmental Impact

Labor & Human Rights

Animal Welfare

If trust goals are achieved
+15% in daily protein consumption

Support Focus Areas—Directly impact trust in foundational focus areas

Occupational Safety & Health

Health & Wellness

Food Safety

Impact of Increasing Trust

Current Trust Scores =3.4-3.7

Trust Score Goal =4 out of 5

Increasing scores to a 4 is estimated to **boost daily animal protein consumption by 15%**

Considering population growth, this would **increase the demand by 20%**

Note: Environmental Impact became a Foundational Focus Area in Q4 2022 as it now shows having a direct relationship to consumption

**If Trust Score Goals are
met by 2030....**

\$22.6B

incremental gain

EXPECTED IMPACT OF TRUST ON INDUSTRY GROWTH

Scenarios	Expected Volume Growth (2023-2030)	Expected Dollar Growth (Real)	Incremental Dollar Gain/Loss
Status quo (no change in Trust Scores)	4.6%	6.7%	+\$6.5B
Achieve Trust goals* by 2030	20.3%	22.7%	+\$22.6B
Impact of a decline in Trust scores (from current score to an average of 3)	-14.9%	-7.6%	-\$7.9B

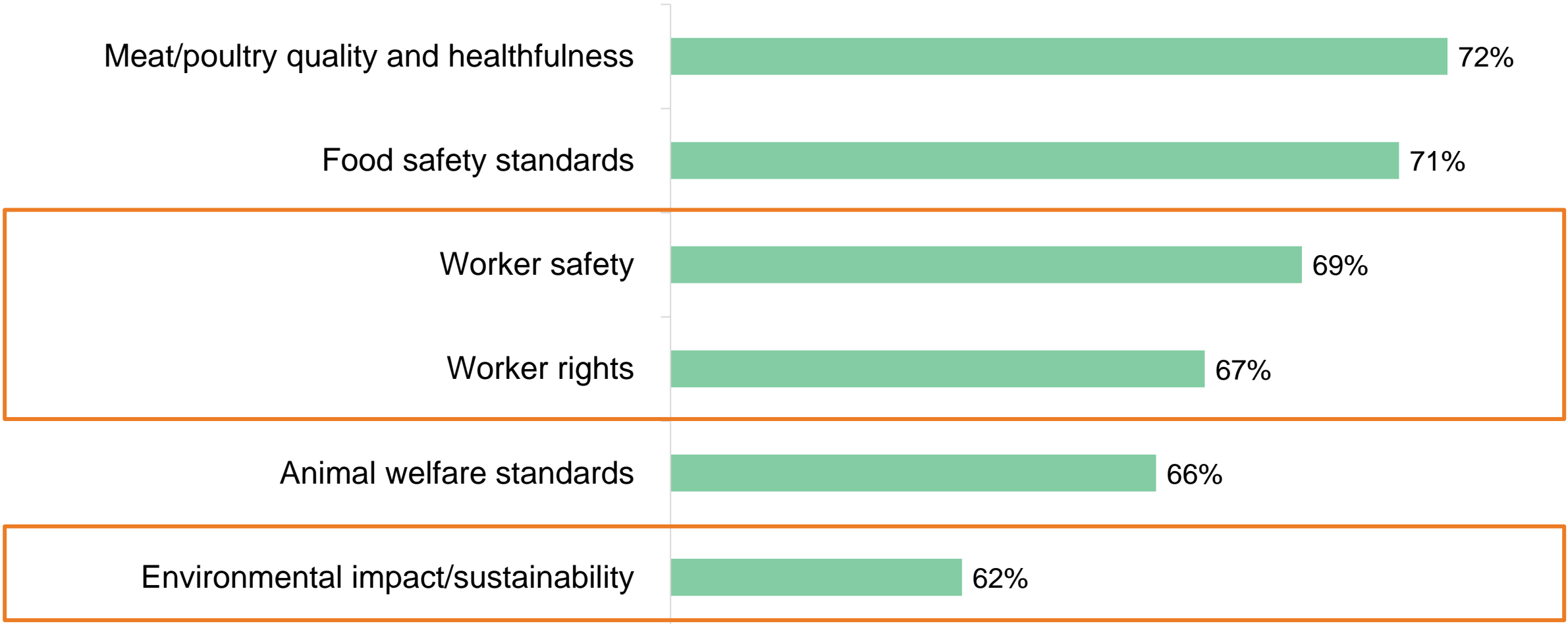
Source: Technomic forecast based on internal foodservice growth estimates, USDA and OECD estimates, and Power of Meat report

*Note: Trust scores=4

Note: Growth estimates consider inflation, population growth and the impact of improving trust. Numbers are reflective of retail and foodservice consumption.

IMPORTANCE OF IMPROVING SPECIFICATIONS IN THE MEAT/POULTRY INDUSTRY

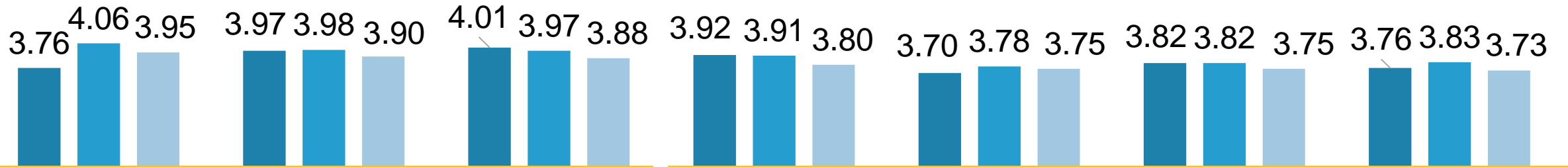
SOMEWHAT IMPORTANT OR VERY IMPORTANT



Base: 1,500 consumers
Q: How important are each of the following specifications/attributes in establishing your confidence in the meat/poultry industry?

OPERATORS AVERAGE TRUST SCORE

■ January 2021 ■ April 2022 ■ May 2023



Operator trust scores ticked downward, along with other metrics

General trust deficits and the cost pressures are likely influencing industry trust

Health & Wellness (Animal Proteins)

Occupational Safety

Environmental Impact

Food Safety

Labor/Human Rights

Health & Wellness (Plant Proteins)

Animal Welfare

1-5 scale: 1=very low trust, 5=very high trust
 Statistical significance at +/-0.05

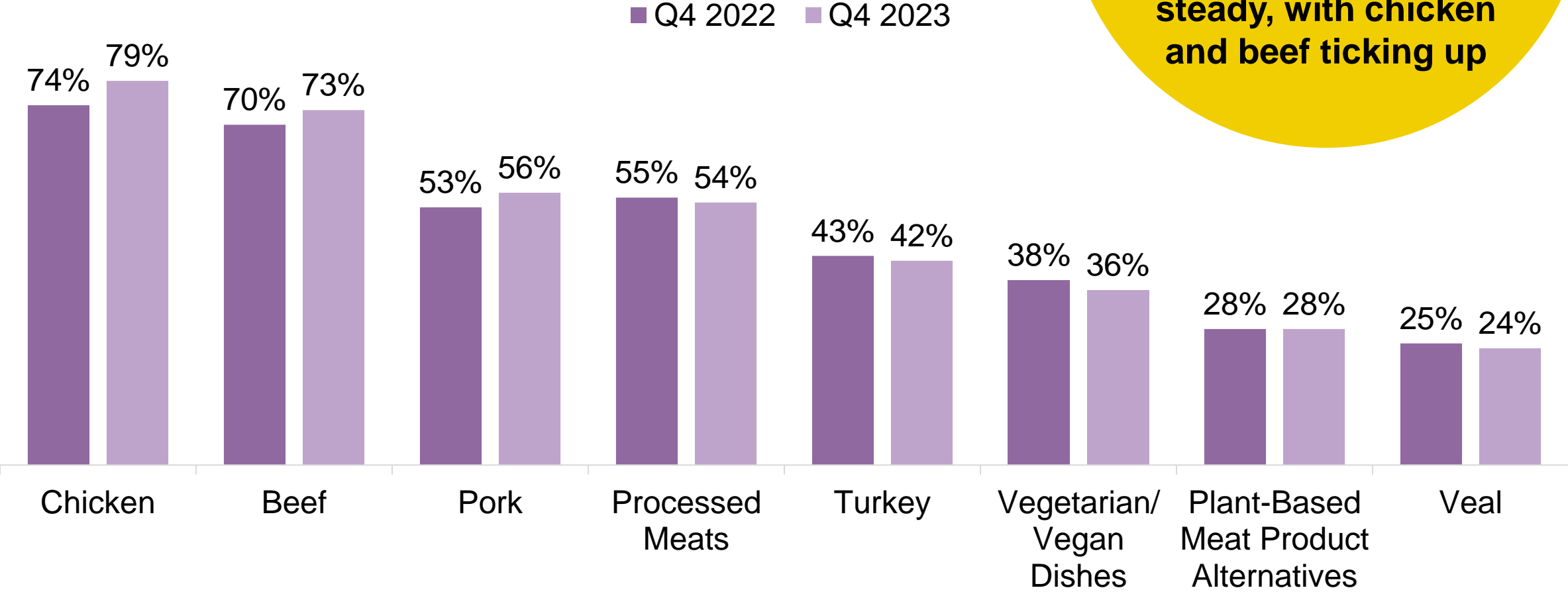
Note 2: Operator scores reflect data collected from surveys fielded December 2020-January 2021, and March-April 2022 and May 2023

KEY FINDING

Animal protein consumption remains stable, with the chicken category most likely to grow

PROTEIN FREQUENCY % ONCE A WEEK OR MORE

Consumption frequency has held steady, with chicken and beef ticking up

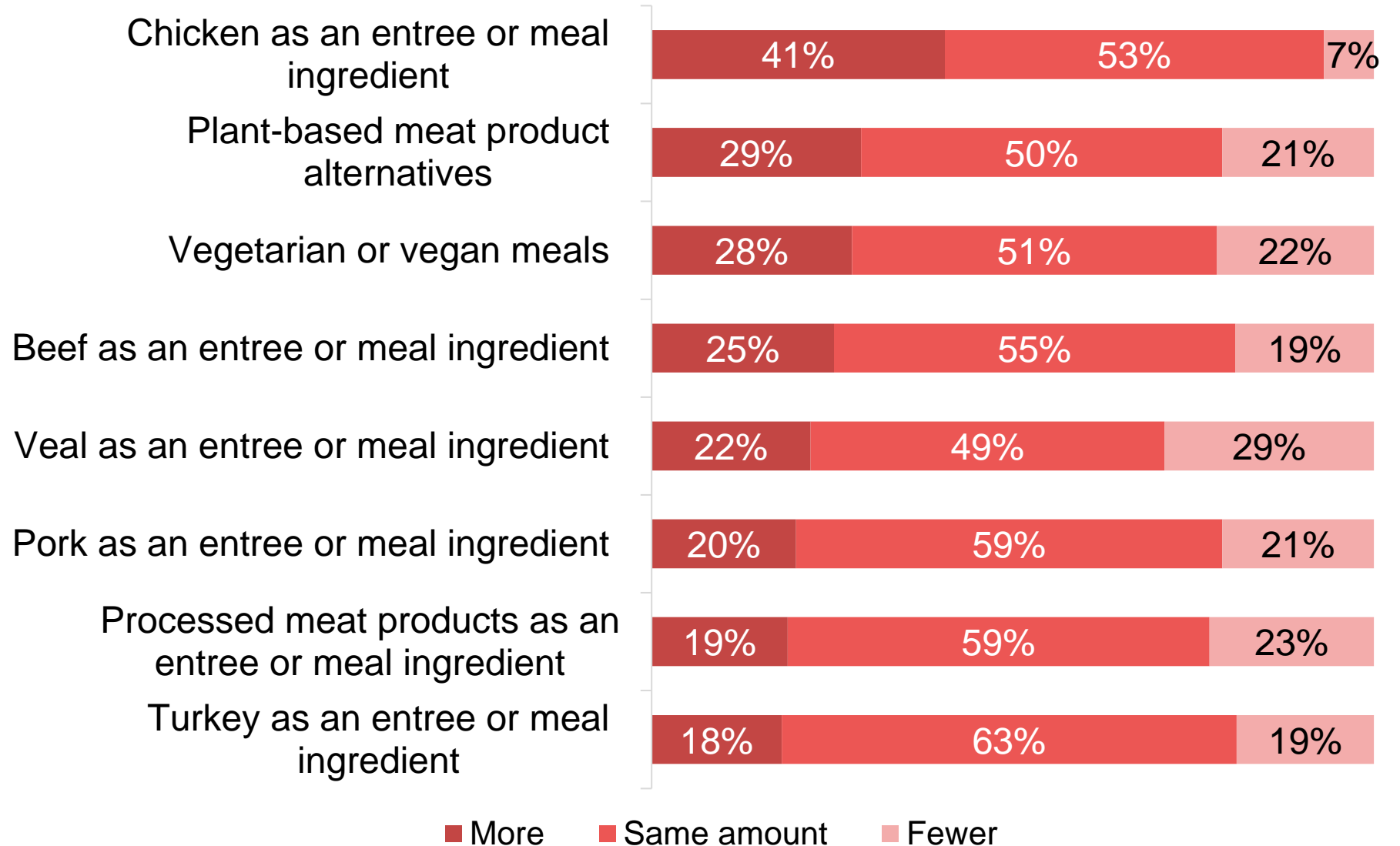


1-5 scale: 1=very low trust, 5=very high trust
 Statistical significance at +/-0.05
 Note : Consumer scores reflect an aggregate of April, May and June 2023 and October, November, and December 2023 survey data

53% of millennials and **51%** of Gen Zers are eating more chicken

Base: Varies per protein type among consumers who eat a certain protein
 Q: Compared to one year ago, would you say that more, fewer or the same amount of the meals you eat include the following?

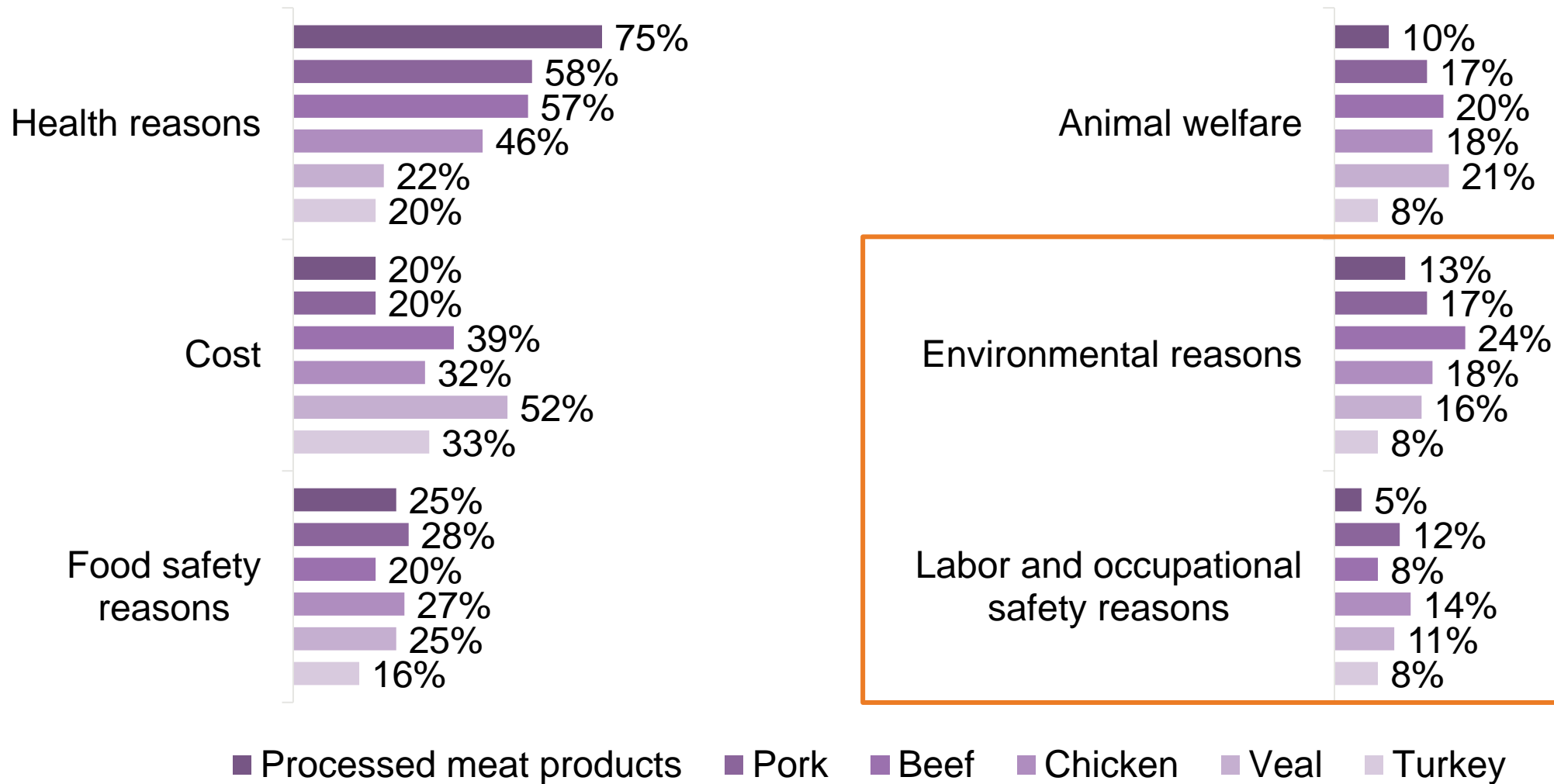
CHANGE IN PROTEIN CONSUMPTION COMPARED TO ONE YEAR AGO



KEY FINDING

Consumers planning to eat less meat in 2024 cite health and cost as the main driving factors

WHY DO YOU PLAN TO EAT LESS _____ IN THE NEXT YEAR?



*Base: Varies by consumers who plan to eat less of a certain protein

*Q: Why do you plan to eat less [insert meat type] in the next year? Select all that apply



37% of consumers indicate that they are consuming less meat due to environmental reasons

52%
among
millennials

Base: 1,482 consumers

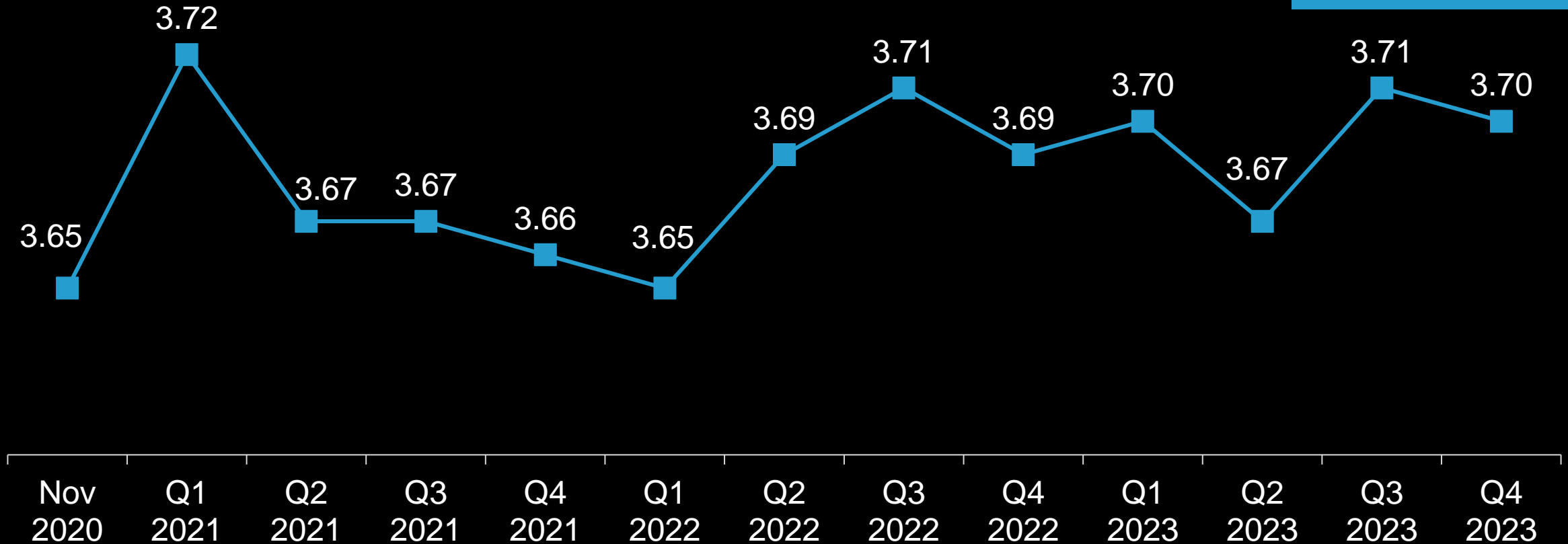
Q: How much do you agree or disagree with the following statements? Please indicate on a scale of 1-5 where 1=strongly disagree and 5=strongly agree.

Image Source: Shutterstock

Environmental Impact

TRUST IN INDUSTRY'S ABILITY TO PROTECT ENVIRONMENT

Trust in the industry on the environment is the highest among the Key Focus Areas

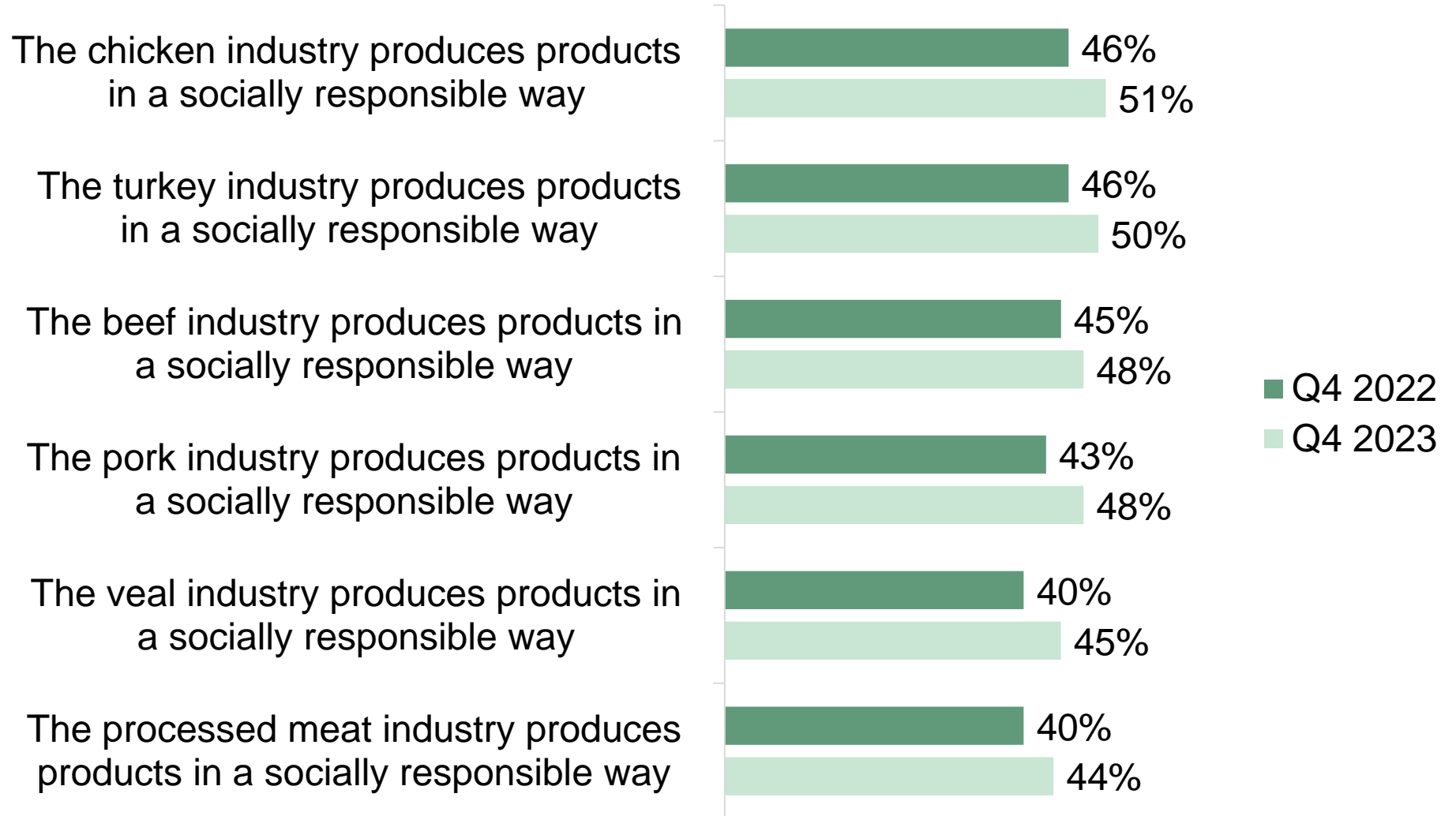


Base: 500 (November 2020), 1,467 (Q1 2021), 1,459 (Q2 2021), 1,471 (Q3 2021), 1,470 (Q4 2021), 1,461 (Q1 2022), 1,480 (Q2 2022), 1,459 (Q3 2022), 1,470 (Q4 2022), 1,500 (Q1 2023), 1,500 (Q2 2023), 1,500 (Q3 2023) and 1,500 (Q4 2023) consumers

Note: Q1 consumer scores reflect an aggregate of January, February and March survey data; Q2 reflects April, May and June survey data; Q3 reflects July, August and September survey data; and Q4 reflects October, November and December survey data; Statistical significance at +/- 0.05

59% of consumers agree that meat/poultry farming can be done in an environmentally friendly way

KEY FOCUS AREA—TRUST IN INDUSTRY’S ABILITY TO PROTECT ENVIRONMENT
STRONGLY AGREE OR AGREE



Base: 1,470 (Q4 2022) and 1,482 (Q4 2023) consumers

Q: How much do you agree or disagree with the following statements? Please indicate on a scale of 1-5 where 1=strongly disagree and 5=strongly agree.

Defining Sustainability

“Sustainability means the ability to use or produce products with limited or no negative environmental impact.”

“Responsible use of resources required in raising, transporting,

distributing and processing the products.”

“The ability to produce a product at a certain rate without depleting the resources needed to make it.”



Base: 1,500 consumers

Q: How do you define “sustainability” when it comes to meat/poultry? Please describe in detail.

Image Source: Shutterstock

How important is sustainability in foodservice?

90%

of **operators** say sustainability is important for their business*

77%

of **consumers** say its important foodservice establishments have sustainable practices**

*Base: 600 operators

*Q: How important is sustainability and social responsibility to your operation today?

**Base: 1,000 consumers

**Q: How important is it to you that the restaurant or foodservice establishment that you visit or order food from incorporates sustainable practices in their business?

Source: Technomic 2022 CSR & Sustainability Multi Client Study



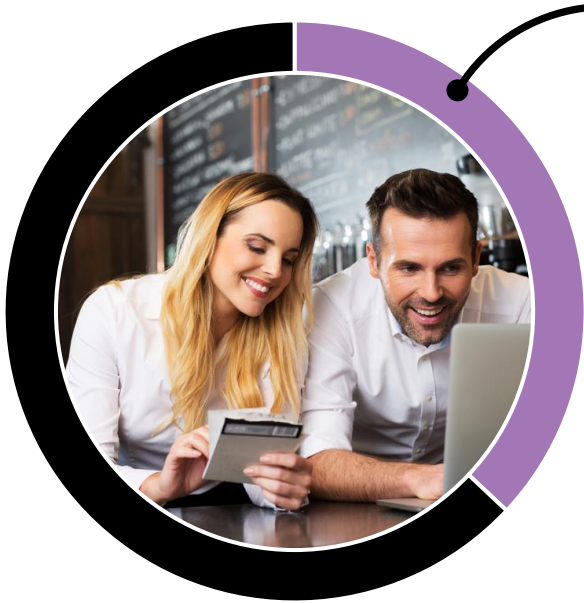
57%

of operators say they're experiencing pressure from upper management to be more sustainable

Base: 650 operators

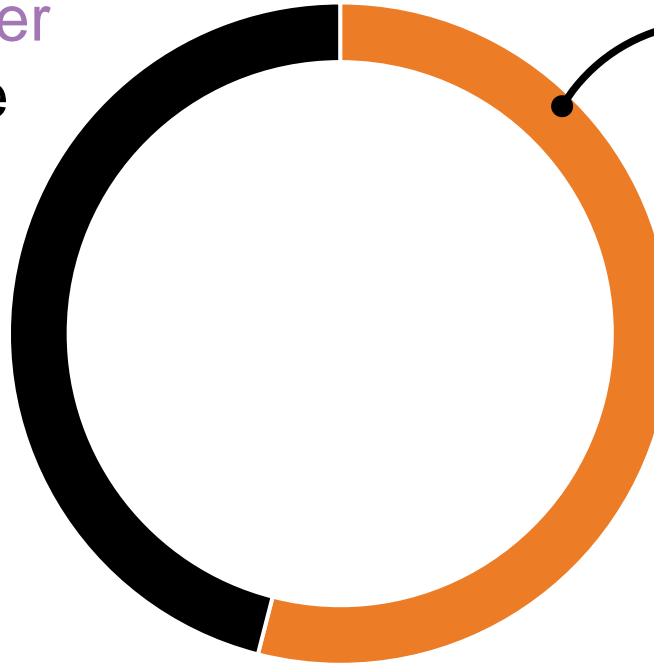
Q: How much do you agree or disagree with the following statements? Please indicate on a scale of 1-5 where 1=strongly disagree and 5=strongly agree.

Image Source: Shutterstock



57%

of operators say they're experiencing pressure from upper management to be more sustainable



54%

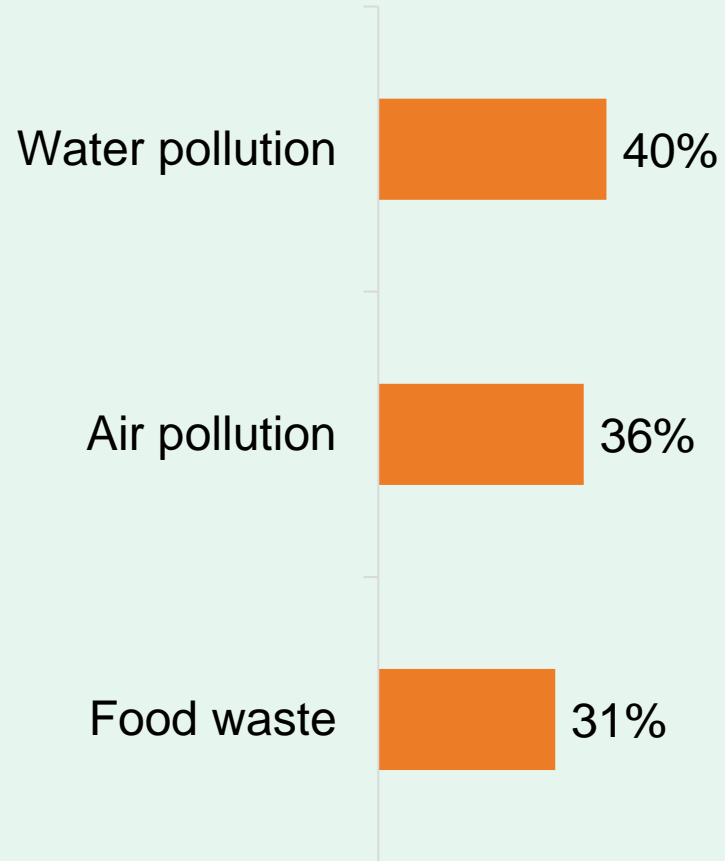
of operators say they're experiencing pressure from consumers to be more sustainable

Base: 650 operators

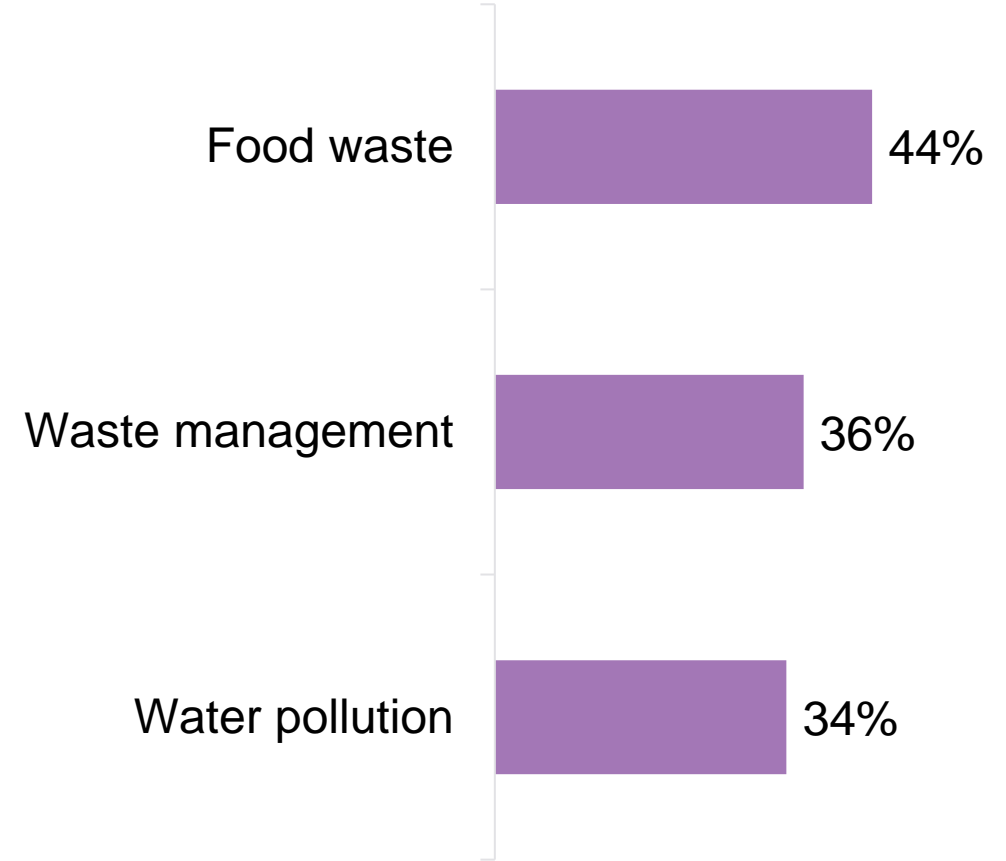
Q: How much do you agree or disagree with the following statements? Please indicate on a scale of 1-5 where 1=strongly disagree and 5=strongly agree.

Image Source: Shutterstock

TOP ENVIRONMENTAL ISSUES FOR CONSUMERS*



TOP ENVIRONMENTAL ISSUES FOR OPERATORS**



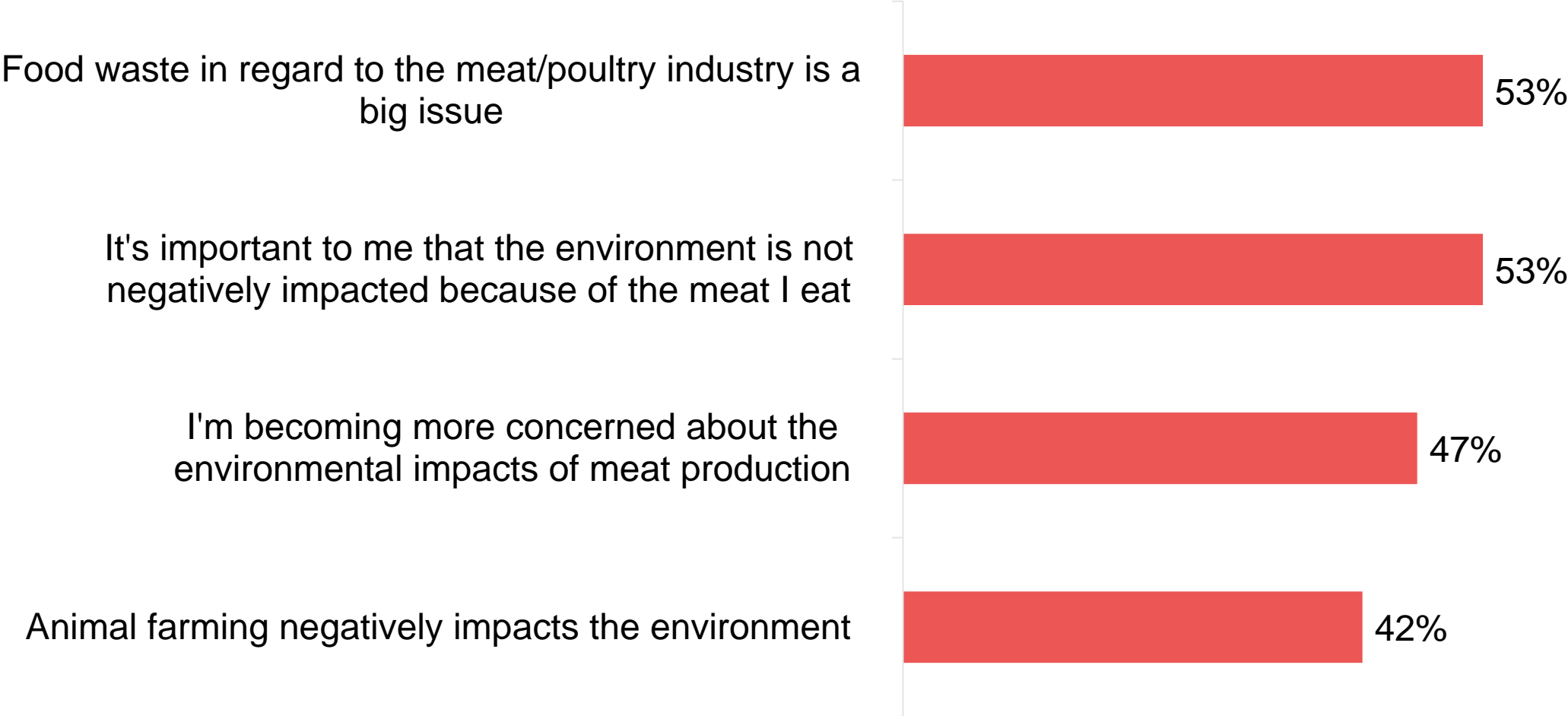
*Base: 986 (Q2 2023) consumers

*Now, what are the environmental issues that you are most concerned about. Please select up to three

**Base: 650 operators

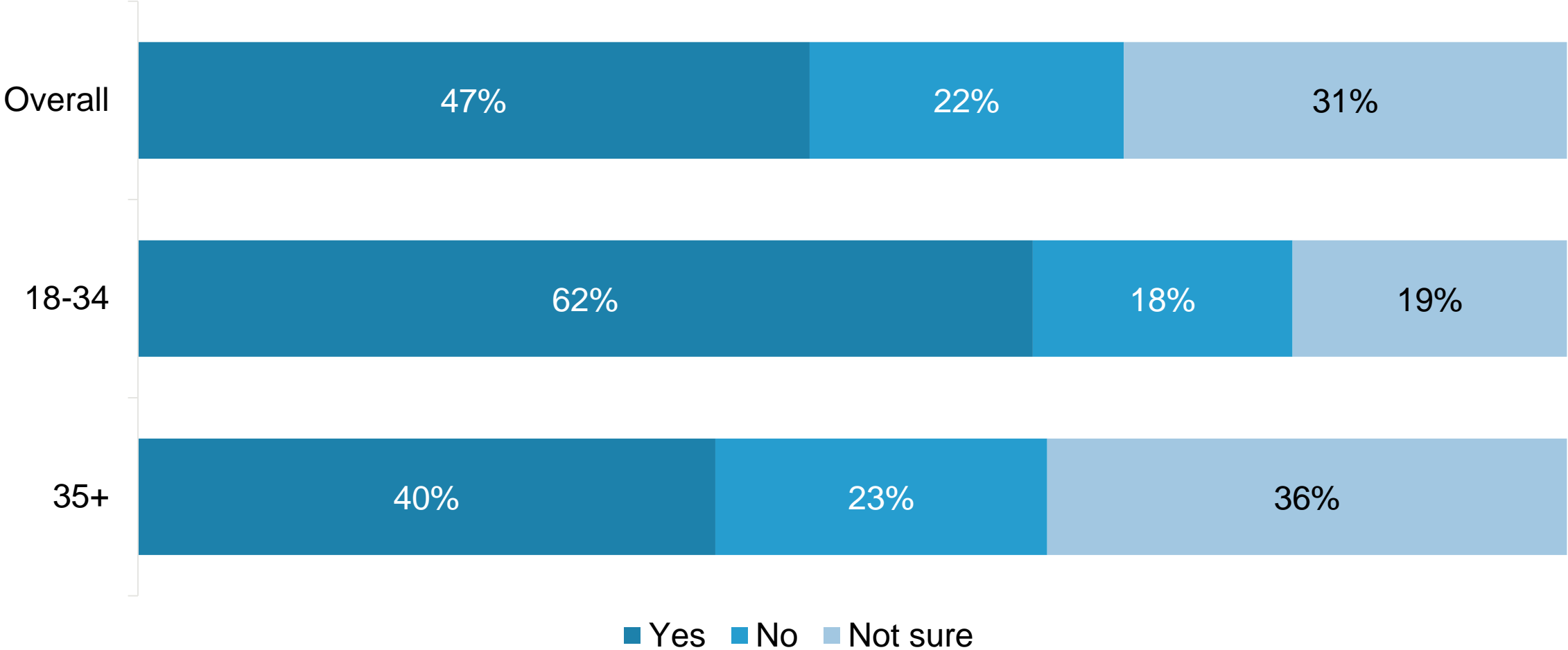
**Q: Now, what are the environmental issues that you are most concerned about? Please select up to three.

CONCERN ABOUT IMPACT OF MEAT ON ENVIRONMENT PERCEPTIONS*
STRONGLY AGREE OR AGREE



*Base: 1,482 consumers
Q: How much do you agree or disagree with the following statements? Please indicate on a scale of 1-5 where 1=strongly disagree and 5=strongly agree.

WILLINGNESS TO PAY A PREMIUM ON MENU ITEMS FOR SUSTAINABLE PRACTICES

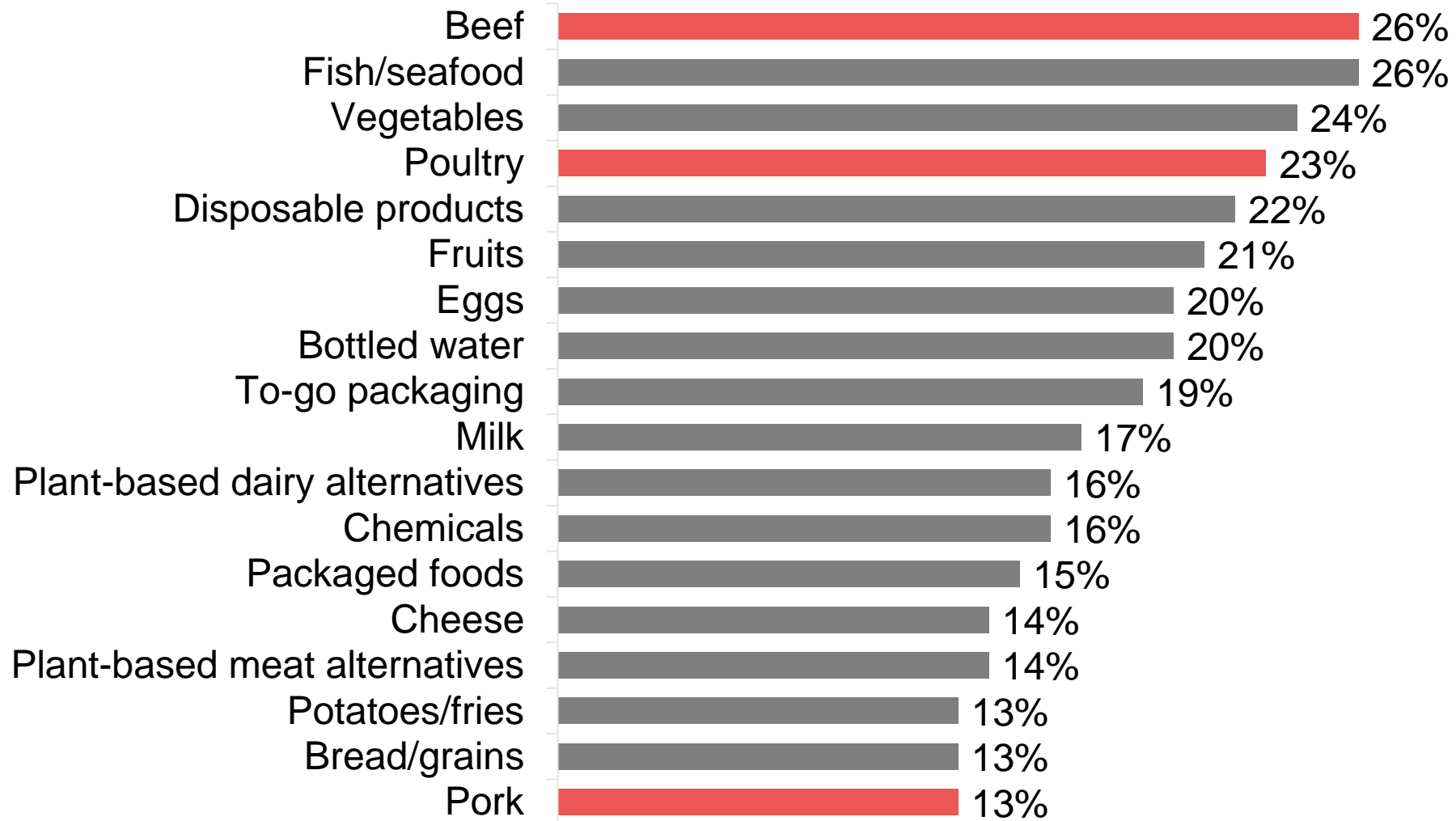


Base: 1,000 consumers

Q: Would you visit a restaurant or foodservice establishment that you consider socially responsible/sustainable if you knew that you would pay a premium for the food and beverages on the menu?

Source: Technomic 2022 CSR & Sustainability Multi Client Study

PRODUCT CATEGORIES IN WHICH SUSTAINABILITY IS MOST IMPORTANT TO CONSUMERS



Base: 1,000 consumers

Q: In which of the below product categories is sustainability most important for you? Select up to six.

Source: Technomic 2022 CSR & Sustainability Multi Client Study

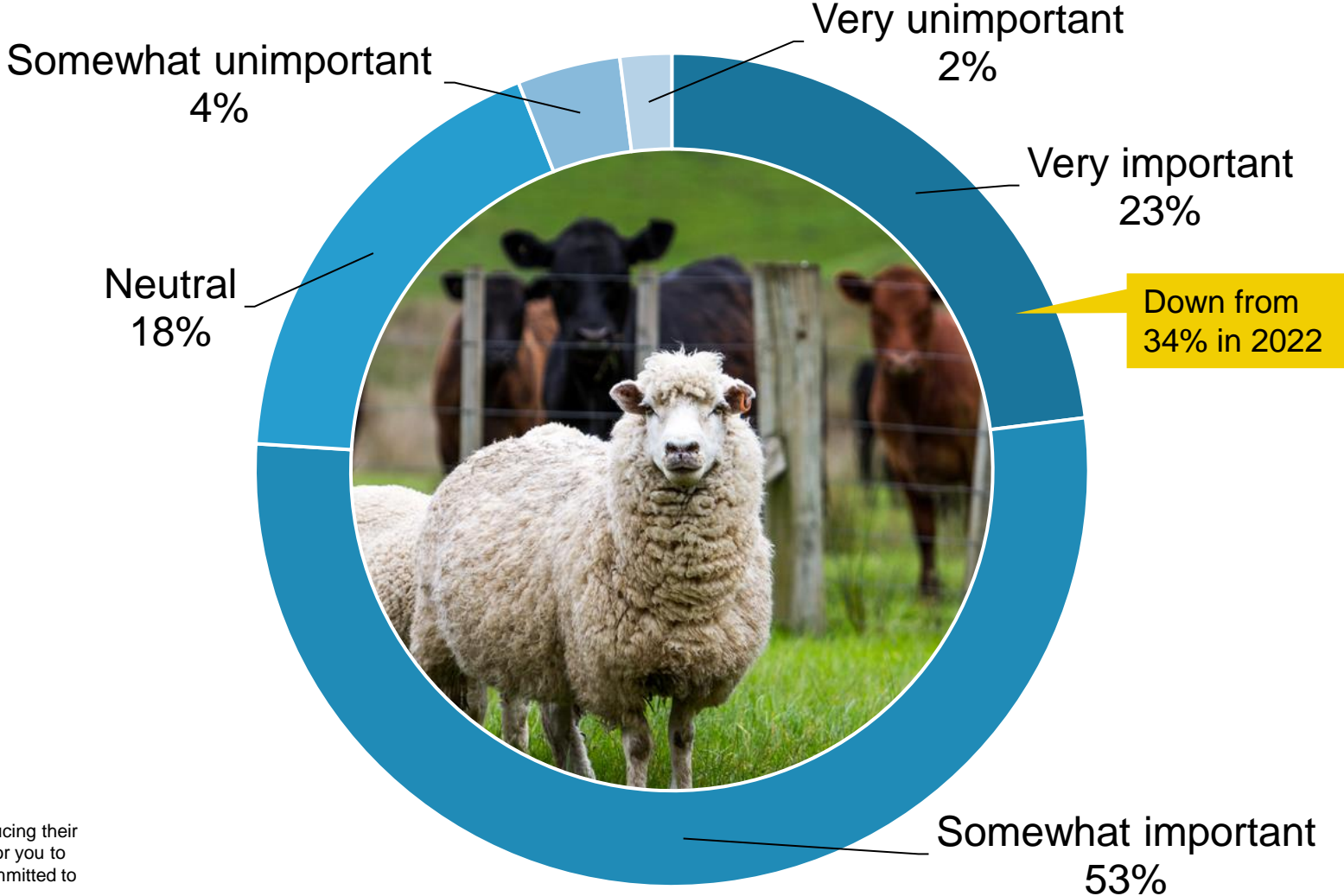


61%

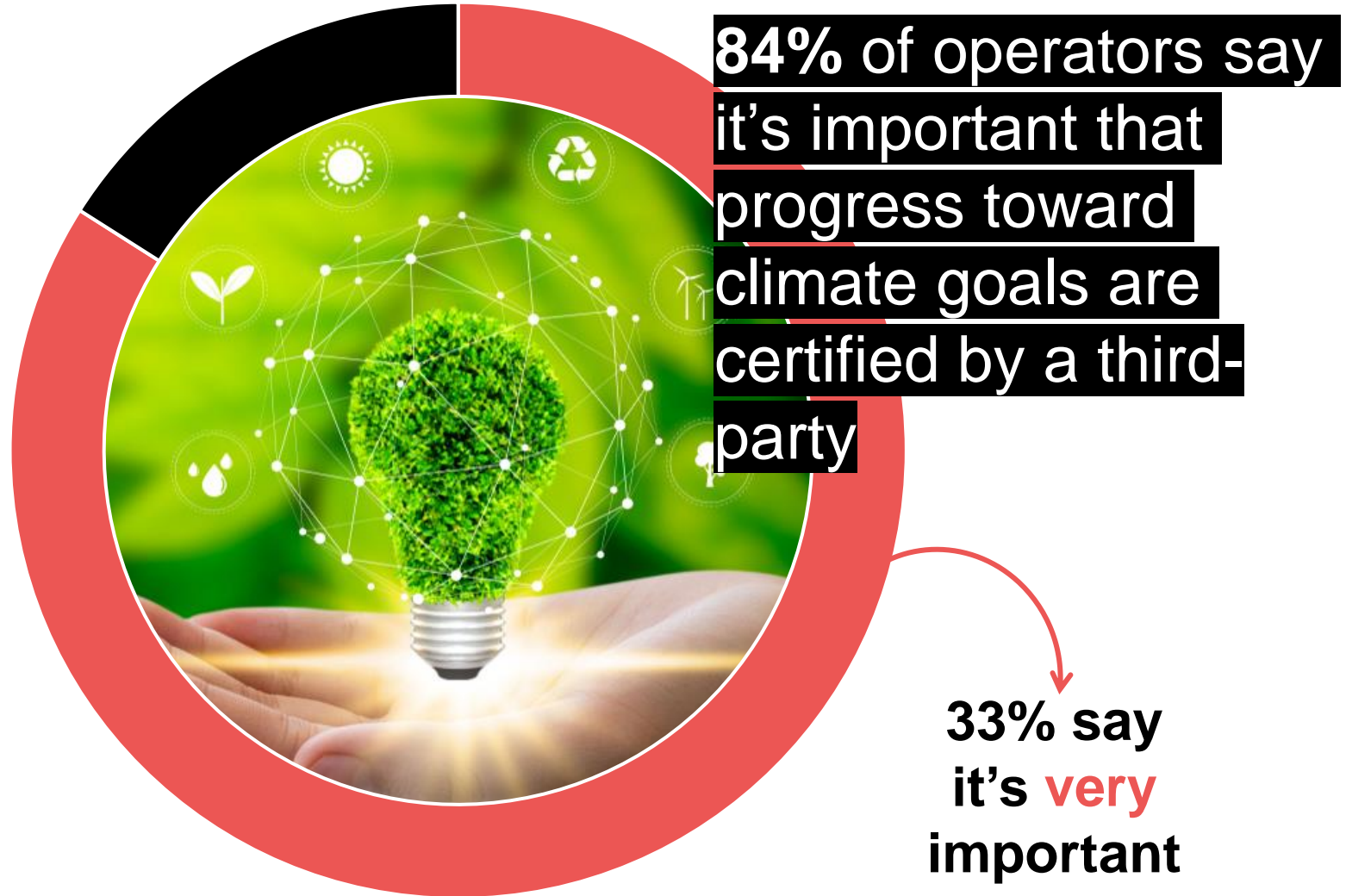
of consumers are willing to pay more for **third-party certification** on **environmental** claims

Base: 1,482 consumers who have strong feelings about labels/certifications/claims as they relate to meat and other animal proteins
Q: How much more are you willing to pay for meat/poultry products with each of the following labels, certifications and claims?

IMPORTANCE OF SOURCING MEAT/POULTRY FROM SUPPLIERS COMMITTED TO REDUCING THEIR IMPACT ON THE ENVIRONMENT OPERATORS



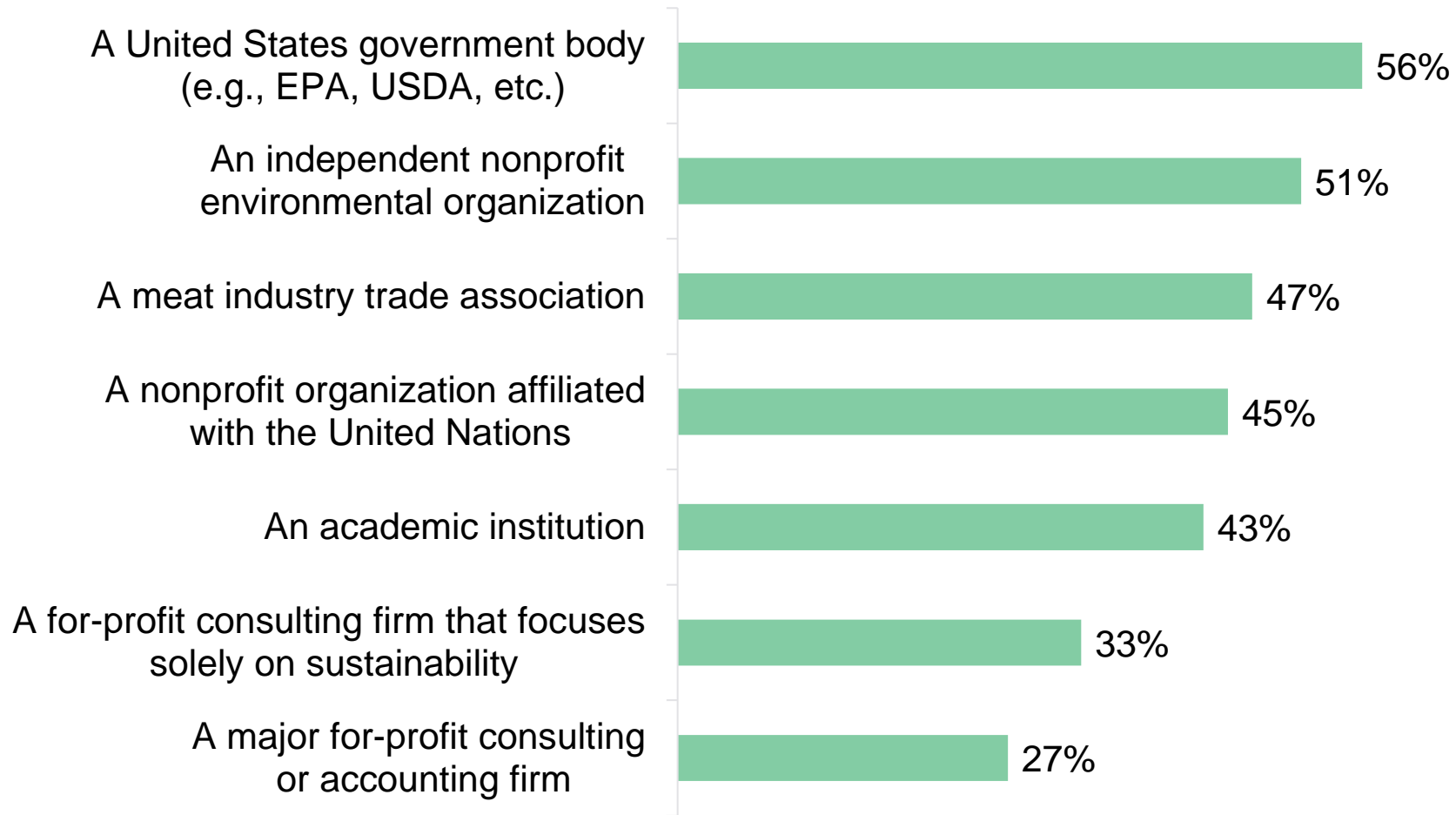
Base: 650 operators
Q: Many businesses are committing to reducing their impact on the climate. How important is it for you to source meat and poultry from suppliers committed to reducing their impact on the environment?
Image Source: Shutterstock



*Base: 494 operators who say it's important for them to source meat/poultry from suppliers committed to reducing their impact on the environment

*Q: How important is it for you to have your meat and poultry suppliers' progress toward climate change goals be certified by a respected third-party organization?.

MOST CREDIBLE THIRD-PARTY ORGANIZATIONS TO CERTIFY PROGRESS ON CLIMATE GOALS RANKED ONE, TWO OR THREE



U.S. Government bodies are considered most credible

For-profit entities are less trusted

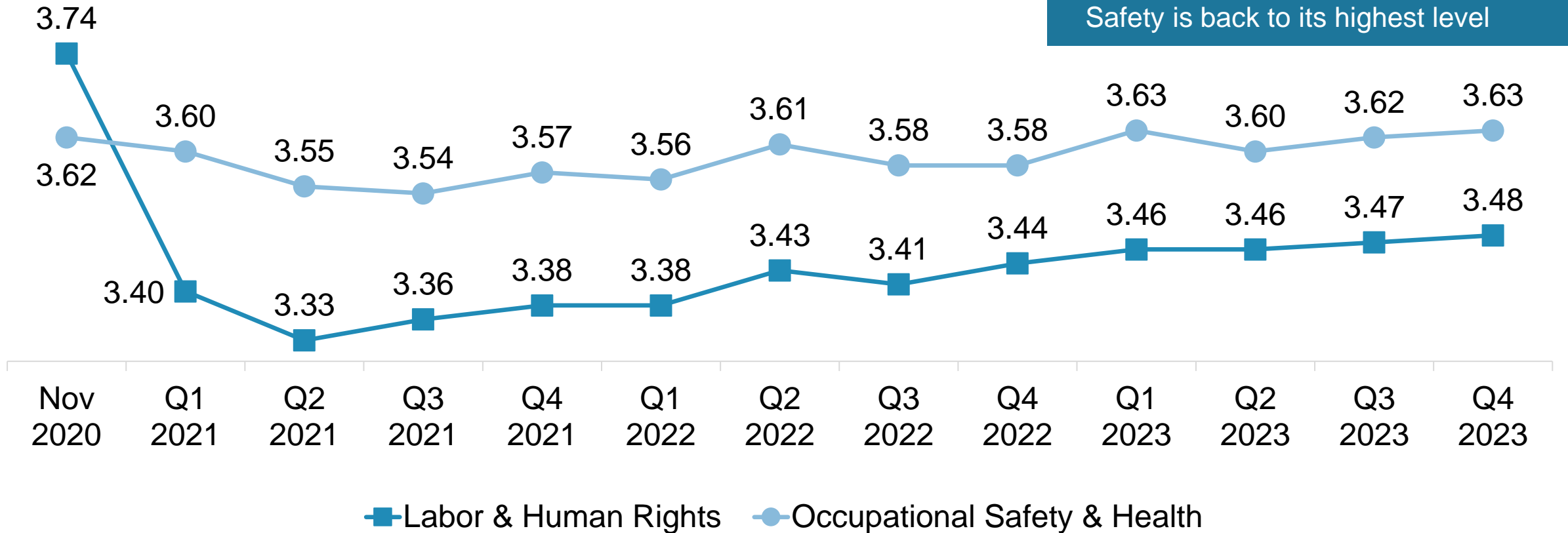
Base: 418 operators who say it's important to have meat/poultry suppliers' progress toward climate change goals be certified by a respected third-party organization

Q: With regards to certifying progress toward climate change commitments, please rank up to three types of organization you find most credible to conduct a certification. Please rank them from 1-3, where 1=the most credible. ?

Labor/Human Rights & Occupational Safety

TRUST IN INDUSTRY ON LABOR AND OCCUPATIONAL SAFETY

Labor & Human Rights trust continued its upward trend after a large dip in 2021, while Occupational Safety is back to its highest level



Base: 500 (November 2020), 1,467 (Q1 2021), 1,459 (Q2 2021), 1,471 (Q3 2021), 1,470 (Q4 2021), 1,461 (Q1 2022), 1,480 (Q2 2022), 1,459 (Q3 2022), 1,470 (Q4 2022), 1,500 (Q1 2023), 1,500 (Q2 2023), 1,500 (Q3 2023) and 1,500 (Q4 2023) consumers
 Note: Q1 consumer scores reflect an aggregate of January, February and March survey data; Q2 reflects April, May and June survey data; Q3 reflects July, August and September survey data; and Q4 reflects October, November and December survey data;
 Statistical significance at +/- 0.05

Defining Diversity in the Workplace

“Diversity refers to accepting various viewpoints and not suppressing any specific opinions. It also includes hiring the best employees regardless of their race, ethnicity or sexual orientation.”—*C&U operator*

“Diversity is giving equal opportunity to people regardless of their race or

sexual orientation.”—*Fast-casual restaurant operator*

“Diversity in workplace could help strengthen the consumer trust in the business.”—*Fine-dining restaurant operator*

“Well balanced team from all ethnic backgrounds and ages.”—*Supermarket foodservice operator*



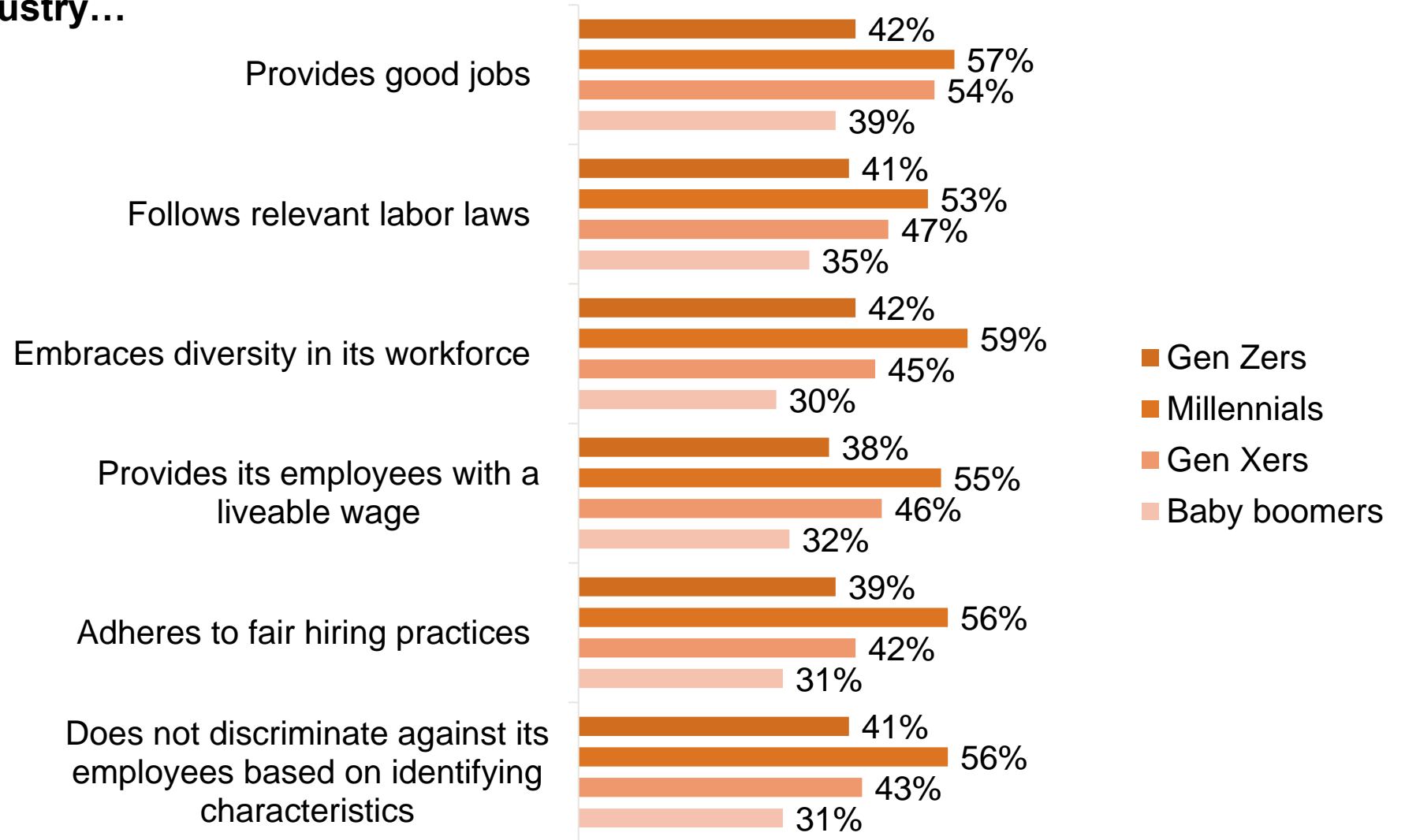
Base: 307 operators
Q: How do you define “diversity” in the workplace. Please be as detailed and specific as possible

Image Source: Shutterstock

KEY FOCUS AREA—TRUST INDUSTRY TO SUPPORT DIVERSITY AND INCLUSION PERCEPTIONS
STRONGLY AGREE OR AGREE

The meat/poultry industry...

Trust in the industry to uphold labor and human rights is trending upward



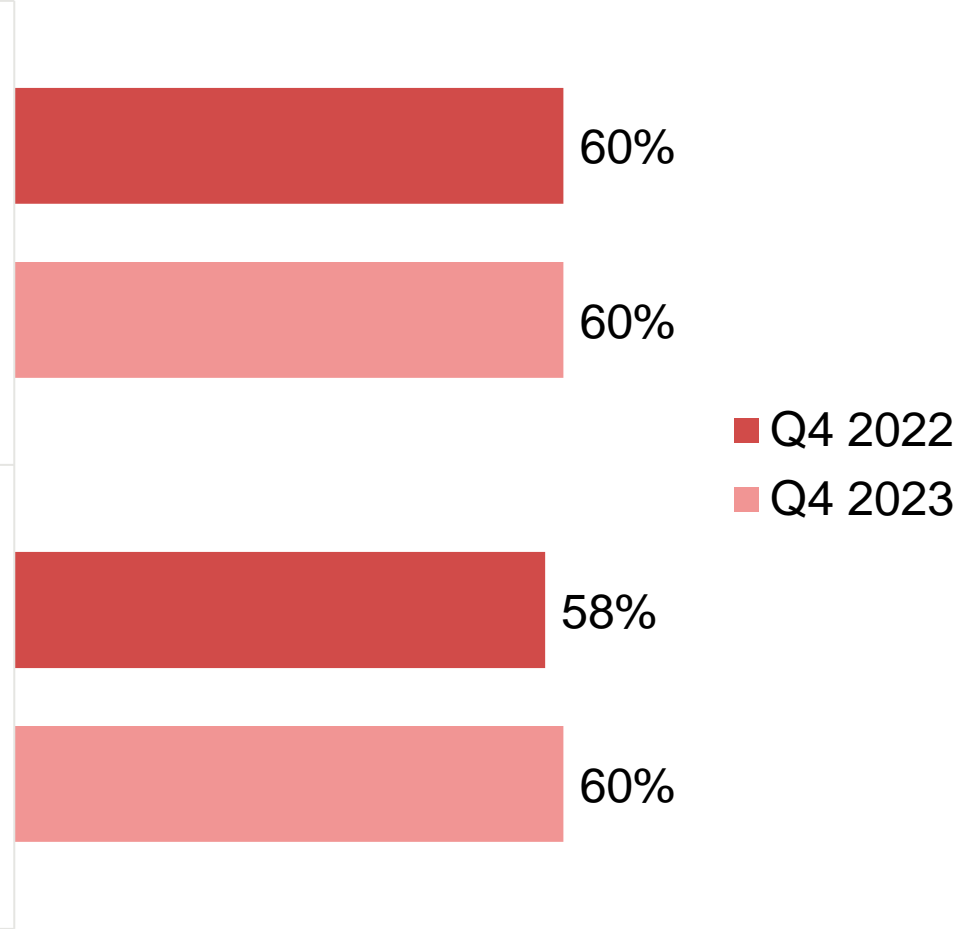
Base: 1,482 (Q4 2023) consumers
 Q: How much do you agree or disagree with the following statements? Please indicate on a scale of 1-5, where 1=strongly disagree and 5=strongly agree.

KEY FOCUS AREA—TRUST INDUSTRY WITH OCCUPATIONAL SAFETY
STRONGLY AGREE OR AGREE

**Jobs in the
meat industry
remain
important to
communities**

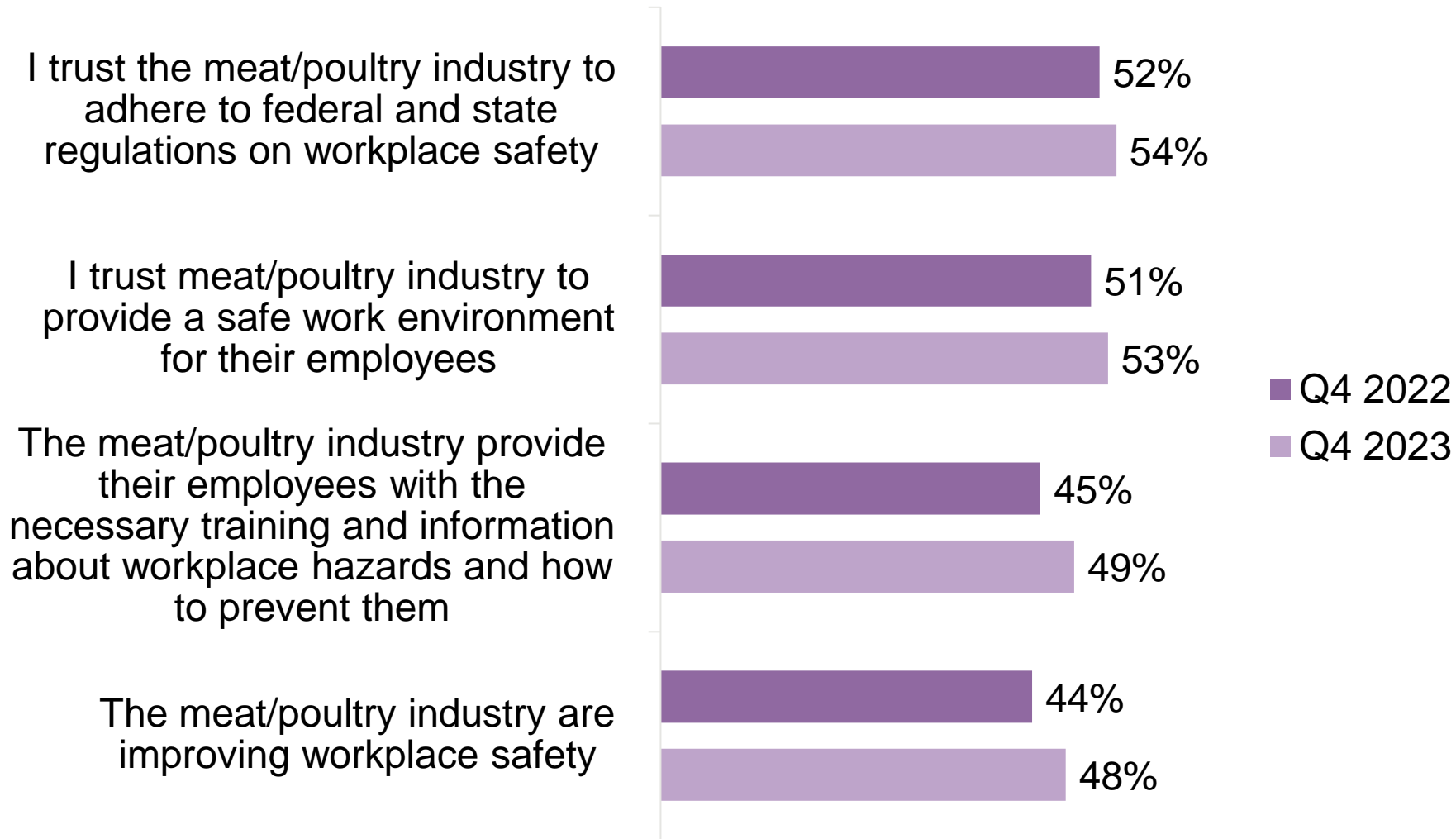
Jobs in meat and poultry
processing plants are important to
our communities

Workers in meat and poultry
processing plants play an
important role in our society



Base: 1,470 (Q4 2022), 1,448 (Q1 2023), 1,475 (Q2 2023), 1,469 (Q3 2023) and 1,482 (Q4 2023) consumers
Q: How much do you agree or disagree with the following statements? Please indicate on a scale of 1-5, where 1=strongly disagree and 5=strongly agree. If you're unsure, please select "unsure/I have no opinion"

KEY FOCUS AREA—TRUST INDUSTRY WITH OCCUPATIONAL SAFETY
STRONGLY AGREE OR AGREE



Consumers are recognizing efforts made to improve worker safety

Base: 1,470 (Q4 2022), 1,448 (Q1 2023), 1,475 (Q2 2023), 1,469 (Q3 2023) and 1,482 (Q4 2023) consumers

Q: How much do you agree or disagree with the following statements? Please indicate on a scale of 1-5, where 1=strongly disagree and 5=strongly agree. If you're unsure, please select "unsure/I have no opinion"

FINAL THOUGHTS

Trust in institutions has declined dramatically, while trust in the meat industry on Environment, Labor and Safety (ELS) is stable to positive

- Increasing trust in each Focus Area, particularly Environmental Trust and Labor & Human Rights, will increase purchases
- Demand for animal proteins is strong, healthfulness and cost are greater deterrents than ELS
- Millennials are more likely than other generations to be consuming less meat for environmental reasons
- Cost pressures on operators are impacting their commitment to sourcing from environmentally-friendly suppliers

Questions?



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Since 1966, we have produced in-depth research focused on the foodservice industry.

We provide insights into consumer, industry and menu trends in the U.S., Canada and 23 countries around the world.

Our team of experts helps leaders in the industry make complex business decisions, set strategy and stay ahead of the curve.

Have questions?

Reach out to us today.

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