

## Tennessee Branded Beef

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A group of researchers at the University of Tennessee have been conducting research concerning cattle producer, consumer, and retail sector attitudes toward Tennessee Branded Beef the past few years. This research was funded by a USDA-AMS Federal-State Marketing Improvement Program grant to look at alternative markets. The research included three surveys: consumer, producer, and restaurant. For those who participated in any of the three surveys, thank you for doing so. Here are some of the results and links to additional information.

**Consumer Survey:** With the production of any product, it is integral to know if there consumer demand. Thus, the consumer survey was developed to determine Tennessee beef consumers' willingness to pay (WTP) for Tennessee Certified Beef (TCB) which was defined as beef that was produced solely in Tennessee, harvested in Tennessee, and graded either Choice or Prime. The WTP study evaluated several labels on 85% lean/15% fat ground beef and Choice boneless ribeye steak. The additional labels evaluated included Master Quality Raised Beef (MQRB) (cattle produced by a producer who was trained in the Master Beef Program and Beef Quality Assurance program), Certified Angus Beef (CAB), no hormones administered, and grass-fed. A total of 814 Tennessee Consumers completed the survey with half of the respondents receiving a definition or information for TCB and the other half not receiving information for TCB (control).

Results suggest Tennessee consumers are willing to pay \$2.42 (control) to \$2.89 (information) per pound more for TCB steak than an unbranded steak while the willingness to pay for MQRB ranged from \$1.39(control) to \$1.67 (information) per pound. However, if the steak was labeled TCB and MQRB then Tennessee consumers were willing to pay \$2.62 (control) to \$3.67 (information) per pound.

Similar results were found for willingness to pay for 85% lean/15% fat ground beef. Tennessee consumers indicated they are willing to pay \$1.15 (control) to \$1.53 (information) per pound more for TCB ground beef than unbranded ground beef while the willingness to pay for MQRB ranged from \$0.65(control) to \$0.91 (information) per pound. If the ground beef was labeled TCB and MQRB then Tennessee consumers were willing to pay \$1.45 (control) to \$1.72 (information) per pound.

For more information on the consumer survey and the stated willingness to pay for other labels, please see the University of Tennessee Extension publication W 484-B titled "Consumer Willingness to Pay for Tennessee Certified Beef." This publication is available at <https://extension.tennessee.edu/publications/Documents/W484-B.pdf>.

**Producer Survey:** Similar to needing a market for a product, if there is no one willing to produce the product then there will not be a product for the consumer to purchase. The producer survey was conducted to determine how many Tennessee cattle may potentially be marketed through a Tennessee Branded Beef program (TBBP) and how those producers would prefer to market their cattle. A total 864 producers responded to the survey with 568 producers responding to questions evaluating the TBBP. Of the 568 producers responding to TBBP questions, 380 of the respondents stated interest and willingness to supply cattle in the TBBP if profitable. Again, it was stated that cattle would have to grade Choice or Prime to be eligible for the program.

Producers who were willing to supply cattle to a TBBP stated they were willing to supply 32,329 pounds of live animal per year on average. This would equate to 25 head of cattle per farm assuming a 1,300 pound finish weight and would sum to nearly 12.3 million pounds of cattle when summing across the survey respondents who expressed a willingness to supply cattle. Of those willing producers, they averaged managing 83.5 animal units on 162.2 acres of pasture. About 43 percent of survey respondents who stated they would supply cattle to a TBBP currently retain ownership of cattle on farm or in custom feedlots. Similarly, 30.3 percent of survey participants background cattle.

For more information on the producer survey, please see publication W 484-A titled “Tennessee Branded Beef Program: The Producers’ Perspective and Willingness to Participate.” This publication is available at <https://extension.tennessee.edu/publications/Documents/W484-A.pdf>.

**Restaurant Survey:** The restaurant survey was conducted to determine restaurants’ willingness to pay for TCB ground beef and sirloin steak with 107 respondents for ground beef and 90 respondents for sirloin steak. The average willingness to pay of restaurants for TCB ground beef was \$1.09 per pound more than a generic product and a \$2.41 per pound more for a TCB sirloin steak compared to a generic sirloin steak. Additional information on restaurant willingness to pay for TCB will be available in the coming months as the research is finalized.