

08/05/2002 Entry: "Beef Industry Producers Questionnaire"

Beef Industry
Producer's Questionnaire

July 29, 2002

Presented by:

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METHODOLOGY

The objective of this survey was to determine a "general" feeling among beef producers about certain beef industry developments—specifically, involvement of the packing industry in beef production and cattle numbers.

During the month of June, 2002, 1,250 questionnaires were mailed to a select target audience of what the agricultural research industry terms Class IA producers, or those with income from beef production at \$100,000 or above. The list was purchased from High Plains Journal, using a random selection (nth names) of the target audience. High Plains Journal has a high quality list, due to being an entirely paid subscription publication.

As a result of the list quality, only .32% or four questionnaires were returned as undeliverable mail needing address correction.

Mailings included a single-page questionnaire, a stamped, self-addressed postage-paid envelope, a cover letter and a one-dollar bill incentive. Copies are included in the appendix of this report.

A total of 497 or 39.9% of the questionnaires were returned. None were disqualified as all had been answered correctly. Each question was answered by all 497.

Four quantifiable questions were asked, each based on a three-point ordinal scale of strongly agree, agree and strongly disagree. Some questions were multi-part, asking specific responses to sub-categories within the question.

Following is a question-by-question summary of the results.

EXECUTIVE SUMMARY

An overall look at the answers shows that beef producers have some definite ideas about how packers are affecting the market but they are unsure how this move has affected some specific aspects.

For instance, 90% believe that consolidations and mergers have eliminated competition; but when you conversely (as a safety check to asking the same question twice) ask them if it has helped increase competition, 24% are undecided. Also, 25% are undecided that mergers and consolidations may have helped raise prices. But a whopping 65% are unsure that the mergers and consolidations may have lowered prices.

On the marketing side, an overwhelming number believe that mergers and consolidations have affected cattle marketing in some way. Also, 97% agree that country-of-origin labeling should be done; 91% say it is an important thing to do as a way of educating consumers. A total of 95% of respondents believe all meat coming from outside the USA should be subject to the same inspections as domestic beef.

When asked about whether meat packers should be allowed to own, feed and finance their own cattle for their own plants, 92% said no.

And when asked if the USA raises enough cattle to supply domestic consumption, 93% said yes.

Recommendations? Clearly, there is a need for research to clear up some questions about how mergers and consolidations have affected the market, particularly with regard to prices. But there seems to be no question in producers' minds that packers should not be allowed to own, feed and finance their own cattle for slaughter.

1. :Overall I feel that mergers and consolidations in the beef industry:

1a. ELIMINATE competition—73% strongly agree

1b. INCREASE competition—67% strongly disagree
(BUT, 24%, are undecided)

1. :Overall I feel that mergers and consolidations in the beef industry: (continued)

1c. RAISE prices—57% strongly disagree
(a large portion, 25%, are undecided)

1d. LOWER prices—65% are undecided

1. :Overall I feel that mergers and consolidations in the beef industry: (continued)

1d. AFFECT marketing—61% strongly agree

1e. Have LITTLE AFFECT on marketing—64% strongly disagree
(BUT 29% are undecided)

2. All meat coming from outside the USA:

2a. SHOULD BE LABELED with country of origin—87% strongly agree

2b. IS AN IMPORTANT THING for you, as a consumer, to know
—74% strongly agree

2. All meat coming from outside the USA: (continued)

2c. SHOULD BE subject to the same inspections as domestic beef
—89% strongly agree

3. Meat packers should be allowed to own, feed, finance livestock to be
slaughtered in their own packing plants.
—76% strongly disagree

4. The USA raises enough cattle to supply domestic consumption—60% strongly
agree.

5. What is your number one concern for the beef cattle industry? (samples of
selected comments)

*For the random selection of comments regarding #5. contact the Kansas
Cattlemen's Association