



Beef Steak Marketing for July Fourth 2018

While Memorial Day is considered the unofficial start of the summer outdoor grilling season, it is July Fourth when outdoor grilling activity hits its stride so it is no coincidence that July is National Grilling Month. Grilling is big business in the U.S. where it is estimated that three-fourths of Americans own a grill or smoker and beef steaks are a perennial griller's favorite. Not surprising, beef consumption is at its highest from July to September. In 2018, just over 7% of annual marketing by supermarkets of the most popular beef steaks occurred during the run-up to July Fourth, ahead of Memorial Day (6.6%) and Labor Day (5.8%). Memorial Day is always a welcome kick-off to summer but, coming at the end of May, is sometimes hampered by cooler weather and schools are in session. By July, summer has heated up and vacations are underway. The Fourth also gets a boost from Father's Day in mid-June, another popular beef steak grilling event that provides momentum heading into the first week of July.

In 2018, T-bone steaks led all beef steaks in annual marketings at supermarkets making them the most popular bone-in beef steak among U.S. consumers with 14% marketing share. The most popular boneless beef steak in 2018 was the strip loin steak (aka New York, etc.) with 12.5% of annual marketing share. But during July Fourth 2018, the boneless ribeye nosed the T-bone out based on retail marketing share. At the same time, the T-bone just squeezed past the bone-in ribeye. The table at right shows the most popular beef steaks marketed during July Fourth 2018. Offerings of bone-in beef steaks held a slight advantage of boneless steaks with a 51% to 49% share of marketings.

2018 July 4th Beef Steak Marketing Share at Retail	
Ribeye, bnls	17.4%
T-bone	16.8%
Ribeye, bn-in	16.6%
Top Sirloin	12.4%
Strip, bnls	11.6%
Strip, bn-in	10.1%
Top Round	7.9%
Porterhouse	7.2%

During the 2018 July Fourth holiday, grocers employed the use of pack size to increase sales, wagering that many backyard cookouts tend to include a larger number of family and guests. Regular packs, usually of no more than one or two steaks, accounted for 71% of store features with 29% offered in value or family packs of multiple steaks. Of bone-in offerings, 36% were in value packs led by strip loins and followed closely by T-bones. Boneless steaks were offered in value packs in 22% of store ads, led by boneless ribeye steaks with 34% of offerings in value packs. Steak size also influences pack size with larger steaks like top round steaks for London broil marketed in regular packs 92% of the time and the porterhouse (T-bone's beefier cousin) 85% of the time.

Retailers were most likely to promote USDA Choice beef steaks for the holiday with 65% of the marketings of the top 8 steaks listed qualifying for the USDA Choice grade. But retailers do not always promote the USDA grades in their beef steak features, most commonly as a large share of unidentified beef does not qualify for the USDA Prime, Choice, or Select grades. In many cases, the type of production system (organic, grass-fed, or raised without antibiotics) takes precedence in store ads and the USDA grade, if relevant, if not included. Over 11% of ads for beef steak were for product from these specialty systems including about 5% never-ever antibiotics, just under 5% grass-fed, and nearly 2% raised organically. Of the beef grown organically, the majority was grown in grass-fed conditions.

Conventional Beef Steaks Average Feature Price at Retail		
\$/lbs	regular	value
Ribeye, bn-in	9.30	7.56
Ribeye, bnls	10.37	8.84
Strip, bn-in	7.08	6.54
Strip, bnls	10.02	8.08
T-bone	7.44	6.53
Top Round	5.29	5.42
Porterhouse	7.66	6.37

July 4th, 2018

Boneless ribeye steaks carried the highest average ad price (in both pack sizes) of the top 8 types featured for the Fourth in 2018. Ad prices for boneless strip loin steaks were a close second. Of the bone-in offerings, T-bones enjoyed the lowest average ad price which may explain part of their overall popularity. Their loin mate, the porterhouse was priced slightly higher. The lowest average ad price overall was for top round steaks for London broil, half the ad price of the boneless ribeye for regular packs. Top rounds tend to be more prominently featured at Memorial Day and taper off into the fall when marketing switches to the thicker cut roast version.

Data Sources: USDA AMS Agricultural Analytics

