

MSU Product Center

For Agriculture and Natural Resources

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Processed Beef Products: Overview

Products included in the product line

- Processed Beef Products include beef hot dogs, sliced and non-sliced sandwich meat, sausages made from beef and other products. Processed beef does not include beef snack products and ground beef products.

General market trends and information

- Sales in this product category are flat. One area of growth is dinner sausages such as Bratwurst. These trends are forecasted to continue.
- Beef is the preferred Hot Dog ingredient.
- Flavor is an important consideration for many consumers. New flavors can attract new consumers.
- For the most part these products have a high level of household penetration. For example 89 percent of households consume lunchmeats. This level is high for all income groups and age brackets. Asians consume considerably less than other ethnic groups.
- Pork is the most common type of sausage consumed. Beef may be able to compete with pork based sausage, especially dinner sausages. Blacks and Hispanics are particularly high users of beef sausage.
- One trend working against this industry is the fact that more and more lunches are eaten in restaurants. This has a particularly negative effect on the lunchmeat market.
- A decline in the number of children also has a negative effect on lunchmeat consumption.
- The interest in low carb diets increased the demand for processed beef products in 2003 and 2004; however, it appears that interest in these diets is declining.

New product trends

- The most common positioning claims of new products are microwavable, convenient, low/no/reduced fat, all natural, and organic.
- Traditionally meat snacks have been a food geared and marketed towards men. New product developments are expanding the market to include women, children, and diet conscious consumers.
- According to Mintel there were 68 new meat snack product introductions in 2004, an increase of 31 percent from 2003.

Manufacturing and distribution issues

- These markets tend to be dominated by large firms such as Sara Lee, Kraft, and Johnsonville. Entry into the market may be very difficult.

Overall assessment of opportunities

- In conclusion, the greatest potential for product development in the beef snack industry to be in the areas of indulgence of ethnicity, and convenience. There is also some potential of appealing to wellness. There are few opportunities to develop products and markets that appeal to value.

Sources

Mintel. Breakfast and Sandwich Meats.