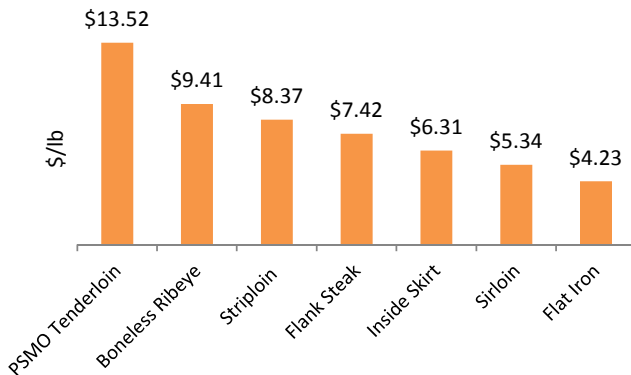




Steak, an affordable option?

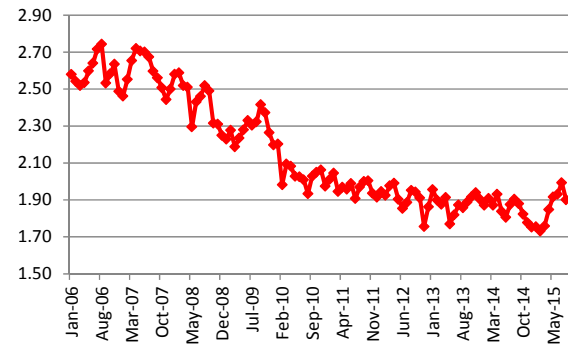
Bridging the information gap between consumers, retailers and producers

**Average Boxed Beef Prices 2015 YTD
Selected Steak Cuts**



Source: Canadian Boxed Beef Report

**Retail Sirloin Steaks to Ground Beef
Price Ratio**



Source: Statistics Canada

Information for the meat counter team to assist consumers with purchasing decisions

Steak is the icon of the beef category. North American consumers think “Steak” when they hear “beef”. They hear the sizzle on the grill. Steak cuts such as rib eye, New York strip and tenderloin are traditionally the most popular steaks but they are also the most expensive. While many consumers complain that they are not able to afford a steak at the current high prices, there are actually a number of less-known steak options available at lower prices.

The first chart shows the average price of different steak cuts at the wholesale level in 2015. Steak cuts such as sirloin, flank, and skirt are smaller cuts from the carcass and experience greater volatility but usually at a consistently lower price point than the traditional items. In addition, these steak cuts make a good value for money with prices growing relatively slower. For example, while ground beef prices at retail have doubled since 2008, prices for sirloin steaks have increased only 45%. Back in 2006 consumers paid 2.5 times the price of ground beef for steak, now it is only 1.7 times as much.

Compared to tenderloin and ribeye, which can be cooked quickly on the grill, many of the less-expensive cuts require different cooking methods including marinating and tenderizing.

Consumers exploring ethnic dishes and marinades

The number of steak entrees on the menu in the past 6 years has dropped, with a 100 million pound decline in steak volume by full service restaurants (Technomic 2013). A 2014 US FOODS survey indicated that consumer willingness to pay for meat, other than steak, continues to increase and that steak remains unchanged. Any volume gains at foodservice for steak have been in newer, emerging cuts like the flat iron, petite tender and tri-tip. This has been partially driven by consumer interest in non-traditional and ethnic dishes. Compared to five years ago 27% of consumers make more international and ethnic recipes and 29% more marinate meat (FMI and AMI 2014).

❖ Beef opportunity

Canada is a mature market for traditional high-end steak cuts but the opportunities for less-known steak cuts are knocking. Consumers and restaurants are looking for budget-friendly steak cuts and becoming more flexible in their meat choices. With a large range in steak prices, consumers can still enjoy steak at a lower price point if they are willing to try different cooking methods. For restaurants, these cuts can be promoted as a signature dish that helps to differentiate from competitors.

More information about steaks <http://www.beefinfo.org/?ID=11&ArticleID=18&SecID=8>

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