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Beef Substitutes

The beef industry appears vulnerable to invasion by beef substitutes and its best chance of stemming the invasion may be promotion of greater beef price stability. University of Minnesota Agricultural Economist John Spriggs says price stabilization has been advocated before but not to inhibit development of substitutes.

The size of the beef market alone makes it attractive to the developers of substitutes. Each year Americans spend 25 billion dollars or 15 percent of their total food expenditures on beef. And each year the market has been expanding by an average of more than one pound per person. Last year per capita beef consumption was 120 pounds.

When beef prices hit unprecedented highs in 1973, Spriggs says development and production of substitutes were triggered. Soy extenders were mixed with ground beef and the product was accepted by consumers. Other simulated meats also began to appear.

Early in 1974 beef prices declined and soybean prices rose. As a result, soy-hamburger mixtures disappeared from supermarket meat counters. If beef prices should again rise significantly, Spriggs says more impetus would be given to development of substitutes. He believes the price of the natural product need not be extremely high to promote further development once it has begun.

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