



The Market for Chicken Raised Without Antibiotics, 2012-17

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What Is the Issue?

Producers in the chicken (broiler) industry have historically used antibiotics to promote animal growth, prevent disease, and treat sick animals. While the use of medically important antibiotics for growth promotion was eliminated in the United States in January 2017, a number of classes of antibiotics important for treating human disease are used for the treatment, control, and prevention of animal disease. The continued use of antibiotics in broiler production raises consumer concerns about antibiotic resistance, which can make human and animal infections increasingly difficult and costly to treat. In recent years, largely due to media coverage, consumers have become increasingly wary of antibiotic use in meat and poultry production, and a growing market for chicken products raised without any antibiotics has emerged. This report estimates the extent and growth of that market. Specifically, this report estimates consumer retail expenditure distributions and prices of chicken products labeled raised without antibiotics (RWA) between 2012 and 2017 and characterizes the demographics of households that purchased RWA-labeled chicken products.

What Did the Study Find?

The analysis grouped chicken products into three distinct market segments: classic, processed, and sausage. The classic chicken segment includes all raw, fresh or frozen, minimally processed chicken products sold in uniform weights (e.g., a package of frozen bone-in chicken breasts). The processed chicken segment includes all uniform-weight, fresh or frozen chicken products that are cooked, marinated, breaded, or fried (e.g., breaded chicken breast tenders). Finally, the chicken sausage segment includes all uniform-weight chicken sausage products. Between 2012 and 2017, household expenditure shares for RWA-labeled products grew substantially within each of the three market segments. In 2012, RWA-labeled products only represented 4 percent of the classic market, 1 percent of the processed market, and 7 percent of the sausage market. By 2017, RWA-labeled products represented 11, 9, and 18 percent of the markets, respectively.



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Between 2012 and 2017, RWA-labeled products also commanded higher prices per pound than conventional chicken products. For classic, processed, and sausage chicken products, RWA-labeled products had prices that were on average 87, 55, and 48 percent greater than conventional products, respectively.

U.S. Department of Agriculture (USDA)-certified organic products are also raised without antibiotics, but they are subject to additional production requirements, including organic feed and year-round access to the outdoors. These products exhibited little market growth over the time period examined by the report. These findings suggest there is significant consumer interest and market opportunities for production practices between conventional and organic.

Lastly, on average, households that purchased RWA-labeled chicken products were larger, had a greater likelihood of having children present, had higher incomes, and were more likely to have a primary food shopper with a college degree. Households that bought RWA-labeled chicken products were also more likely to report that they were very concerned about antibiotic use in meat production than those that did not purchase RWA-labeled chicken products.

How Was the Study Conducted?

This report features an analysis of proprietary household scanner data from IRI, a market research company, for the years 2012 to 2017, focusing on uniform-weight chicken product purchases. The household scanner data, known as the Consumer Network, are nationally representative and include detailed information on household food purchases from retail food stores, as well as household demographic information. A subset of the households also completed a MedProfiler survey on health concerns, medical conditions, diet, and lifestyle. Data on chicken product label claims were compiled from three sources: Label Insight, the USDA, Food Safety and Inspection Service (FSIS) Label Submission and Approval System (LSAS), and independent data collection efforts. Together, the IRI household scanner data and the constructed dataset of chicken product labels allow for an analysis of expenditure shares, national average prices, and demographics for RWA-labeled chicken products.

Expenditure shares for conventional, RWA, and organic chicken were calculated as the percent of total dollar expenditures within each of the three market segments (classic, processed, and chicken sausage). For example, the expenditure share of RWA-labeled chicken in the classic market is the percentage of all household expenditures on classic chicken that is labeled RWA. Average prices per pound (in 2017 dollars) for conventional, RWA, and organic products were also calculated for each market segment.

Lastly, household demographics were compared for three sets of households: (1) households that purchased an organic chicken product, (2) households that purchased an RWA-labeled chicken product (but not an organic product), and (3) households that only purchased conventional chicken products in 2017. Differences in demographics and self-reported concerns about antibiotic use in meat production were tested for significance.