



INSIGHT
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ACTION

HISPANICS: PORK'S GREATEST OPPORTUNITY

Latinos are America's fastest growing minority.
Is the pork industry paying attention?



Over the past decade, millennials have dominated marketing and industry conversation – and not without reason. Their buying habits, preferences and heightened understanding of the food industry demand our attention if we want to remain relevant. Yet, while we read and hear much about the millennial customer, we’ve turned a blind eye to one of our most loyal, and growing, consumer segments: U.S. Hispanics.

Over the last two decades, no cultural or ethnic group has had a greater impact on the demographics of the United States than Latinos. There are about 59 million Hispanics in the United States today – 18 percent of the total U.S. population, its largest multicultural segment.¹

“ THE UNITED STATES IS THE SECOND LARGEST SPANISH-SPEAKING COUNTRY IN THE WORLD AFTER MEXICO. ”

Latinos are leading the population growth in the United States, and their importance will only continue to grow. From 2010 to 2019, they accounted for 68 percent of the nation’s population growth,^{2,3} and Hispanics will continue to account for more than 50 percent of future U.S. population growth. In comparison, the population of non-Hispanic whites actually declined 0.66 percent from 2010 to 2019.⁴

So why isn’t the pork industry paying more attention to the Hispanic market?

Latinos present the greatest opportunity – and the greatest risk – to the pork industry. As we’ll explore further in this report, Hispanics have a great affinity for pork, especially unacculturated Hispanics, or those rooted or anchored in Hispanic culture. But as Latinos integrate more of the U.S. lifestyle and culture into their lives, their pork consumption decreases. In other words, we’re losing our most loyal customers.

If we don’t do anything to capture that market now, we risk losing what could become the most powerful consumer segment in America.

ON ACCULTURATION

To understand the U.S. Hispanic consumer, it is important to talk about acculturation and how it influences consumers’ behaviors and preferences.

Acculturation is the integration of different cultures into one’s life and an individual’s affinity for each of those cultures. In the case of Hispanics, this refers to the balancing, integration and embedment of Latino and American cultures and lifestyles into their everyday.

Within the U.S. Hispanic population, there are three wide acculturation groups:

- The unacculturated – those who remain closer and more anchored in their Hispanic cultural heritage
- The bicultural – those who embed both Hispanic and American culture and traditions into their lives
- The acculturated – those who are more detached from their Hispanic heritage

For marketing and business purposes, the importance of acculturation lies in its influence on consumer behavior, preferences and habits, which ultimately affect how they make their choices in the marketplace.

HISPANIC OR LATINO?

You may have heard both terms used by companies, brands and marketers and wondered, “Well which is it?”

If that’s the case, you’re not alone.

While both terms are correct and commonly used interchangeably, they are not exactly the same. For instance, consumer preference may differ when it comes to using one term over the other. To be inclusive and consistent and to compare behaviors among the general population, the National Pork Board will use both terms – Hispanic and Latino – interchangeably in this document.

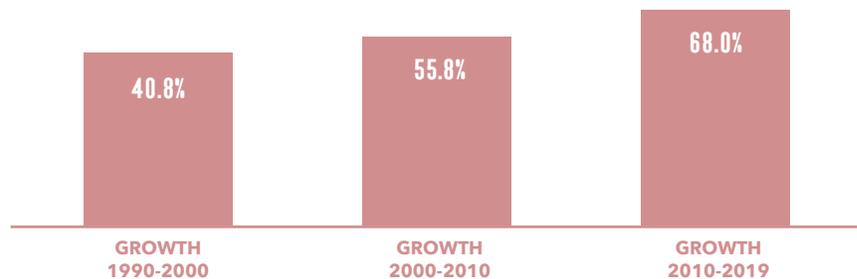
A fuller view on this topic will be included in a more comprehensive report in October.



HISPANIC PURCHASING POWER KEEPS GROWING

As the Latino population grows in the United States, so, too, does its purchasing power. Hispanics have larger households than the average American household, and as such, are buying groceries for more people. Overall, the average size of a Hispanic household is 3.25 people, while the average size of a non-Hispanic household is 2.43 people.⁵ Also, 50 percent of Latinos have children younger than 25 years of age living at home compared with 28 percent of all U.S. households.⁶

POPULATION GROWTH 1990 TO 2019



Source: The U.S. Census Bureau for 1990-2010 and Geoscape AMDS Projections for 2019-2024. *The Growth Majority and the New American Mainstream* November 2018

HISPANICS' BUYING POWER IS ONLY INCREASING

(Buying power in billions)



Source: Selig Center for Economic Growth, *The Multicultural Economy 2013, 2015*

By 2020, the buying power of Latinos in the United States is expected to reach \$1.7 trillion, larger than the gross domestic product of Australia or Spain.⁷ Thus, this is a segment integral to the success and growth of consumer brands.

On average, Hispanics are younger and more likely to live longer than non-Hispanic whites. Specifically, the average Hispanic in the United States is 27 years old and expected to live to 82 years, while the average non-Hispanic white is 42 years old and expected to live to be 78.7 years old. As a result, the average Hispanic has about 55 years of buying power, while the average non-Hispanic white has about 37 years of buying power.⁸

As shoppers, Latinos show some distinct preferences and behaviors not found among most shoppers in the United States. Hispanics view grocery shopping as a social experience to share with family.⁹ They shop more often at a greater variety of stores, enjoy grocery shopping and like to plan new meals and buy new dishes and products.¹⁰ Like many

Americans, most Latinos shop for price, taste and freshness.¹¹

For instance, 57 percent of Hispanics seek out grocery stores that carry products and brands that reflect their cultural tastes.¹² And 47 percent agree that they buy grocery brands that are authentic to their ethnic heritage.¹³ Not surprisingly then, Hispanics are more likely to buy

fresh pork from a specialty (15 percent vs. 5 percent) or ethnic (6 percent vs. 1 percent) store than non-Hispanics. To tap into this current and future buying power, retailers and packers alike need to do more to cater to the Hispanic shopper, from ingredient sourcing to advertising to bilingual messaging.

OPPORTUNITIES

RETAILERS

- For general retailers, carry more of the Hispanic items found in specialty stores.
- Advertise in circulars and other marketing channels in Spanish and English, highlighting Hispanic items.

PACKERS

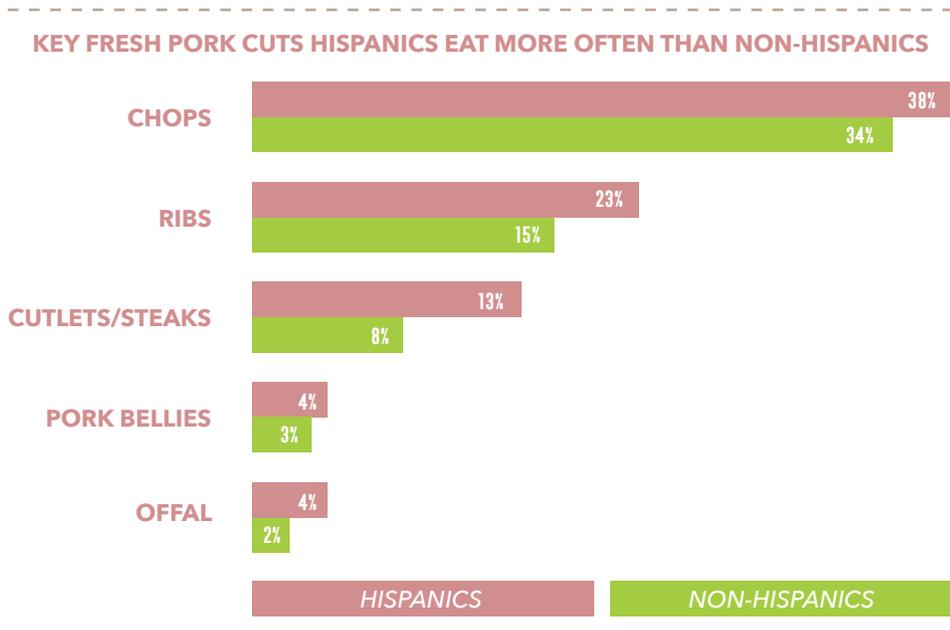
- Provide dual-language on-pack messaging for cuts more popular among Latino customers.



LATINOS DRIVE PORK AFFINITY AND USAGE

From carnitas to cochinita pibil, pork is a staple in Hispanic cuisine. Latinos often have an emotional connection to their food, which they associate with family and culture. Pork amplifies that emotional connection, bridging cultural connections from the United States to their roots through dishes such as chicharrones, tacos, tortas, empanadas, pupusas, pasteles, arepas, alcapurrias, tamales and others. These dishes have roots in different countries and regions throughout Latin America. But one thing they all have in common? Pork.

Overall, Hispanics eat fresh pork more often than non-Hispanics (65 percent vs. 62 percent) when asked about their prior two-week eating.



Beyond usage, their love for pork and the strong emotional tie to family and culture can be seen in U.S. Hispanics' affinities and behaviors.

Compared to non-Hispanics, Hispanics are more likely to buy fresh pork because of a craving (50 percent vs. 34 percent) or on impulse (25 percent vs. 15 percent). And they want to enjoy it with the people they care about: Hispanics are more likely than non-Hispanics to eat fresh pork in large groups (42 percent vs. 25 percent).

While fresh pork is often at the table in these large gatherings, it's not always the main course. Hispanics are less likely to serve fresh pork as a main dish than non-Hispanics (59 percent vs. 77 percent), choosing instead to serve it with another dish (39 percent vs. 23 percent).

OPPORTUNITIES

RETAILERS	PACKERS
<ul style="list-style-type: none"> Use culturally relevant messaging and activations (e.g., celebrate culture, important holidays, occasions and flavor exploration across America's cuisines) to reinforce how pork fits the needs of large gatherings. Carry and advertise pork cuts most popular among Hispanic customers while highlighting easy, healthy recipe swaps for less popular cuts among Latinos, such as pork tenderloin. Appeal to Hispanics' tendency to buy pork on impulse with pre-made hot bar items or by giving them popular and culturally relevant fresh pork cuts in a more visible retail space. 	<ul style="list-style-type: none"> Because Latinos are less likely to serve pork as a main dish, offer pre-sliced, ground or smaller cuts of fresh pork to cater to dishes where proteins are mixed in with other ingredients. Offer Spanish and English messaging on-pack.

THE TABLE AS A CULTURAL CONNECTOR



Culture and language are important to Hispanics, something they value and aim to maintain. For example, 73 percent of Latinos say their cultural and ethnic heritage is an important part of who they are,¹⁴ and that they want their children to carry on their family's cultural traditions.¹⁵

Food plays an important part in culture and traditions. Regardless of age or first language, Latinos have a

strong emotional connection to food through recipes, ingredients and brands.¹⁶

For instance, 79 percent of Hispanic families cook meals to retain a connection to their native culture.¹⁷ Food is one of the primary ways Latinos celebrate and share their culture with family and friends.¹⁸

TRADITIONAL CUISINE KEEPS HISPANIC CULTURE ALIVE

47% BUY

grocery brands that are authentic to their ethnic heritage

57% LOOK

for grocery stores that carry products and brands that reflect their cultural tastes

47% COOK

meals to retain a connection to their native culture

Source: U.S. Hispanic Shopper Study 6th Edition 2017, Getting a flavor for what attracts Hispanic millennial shoppers, 2016, Nielsen: Latinos are breadwinners, driving growth and influence for fmcg categories, 2017

As a result, it's not surprising that fresh pork is an important part of Hispanic cuisines and traditions. Hispanics are far more likely than non-Hispanics to use fresh pork in Mexican or other Latino dishes (39 percent vs. 5 percent). And for all in-home dining occasions, families who serve fresh pork with kids at the table are more likely to be Hispanic (53 percent) than non-Hispanic (32 percent).

While this might indicate that their love of pork will carry on into future generations, this unfortunately doesn't seem to be the case. Latinos who remained strongly attached to their cultural heritage or are new to the United States have a stronger affinity for pork. They are more likely to buy and eat it than Hispanics who have been here longer and have integrated more of the U.S. lifestyle and culture into their lives.

For pork to remain a popular protein today and into the future, the industry needs to do more to maintain pork's popularity among Latinos, especially among those who remain strongly connected to their cultural heritage—the unacculturated

and bicultural Hispanics—while addressing the concerns that impact pork's prevalence among the general population, such as health, versatility and simplicity.

OPPORTUNITIES

RETAILERS

- Partner with influencers and local chefs to highlight traditional Hispanic pork recipes through in-store and digital marketing.
- Use in-store messaging and advertising to remind Latinos of the happy, family memories associated with pork.
- Leverage culturally relevant occasions to promote traditional pork cuts and dishes (e.g., Grito de la Independencia, Hispanic Heritage Month, Quinceañeras, graduation season, etc.).

PACKERS

- Make it easier for Latinos to remain connected to culinary tradition by offering pre-sliced cuts and pre-seasoned solutions for traditional dishes.

HEALTH PERCEPTIONS CAN AFFECT FUTURE CONSUMPTION



As unacculturated and bicultural Hispanics embed more U.S. culture into their lives and straddle their Latino heritage and American lifestyle, they are more likely to believe that pork is somewhat unhealthy. And like non-Hispanics, clean labeling (a label with ingredients that are easy to read and understand), transparency (knowing where the meat comes from), hormone and antibiotic-free foods have become the most broadly important food issues among Hispanics. More Hispanics than non-Hispanics in the United States are

already adopting plant-based diets - a trend that has potential to continue growing among U.S. Hispanics.

Similar to the overall U.S. population, Latinos not only worry about pork being healthy, they also are concerned about undercooking it. This trend could be the result of acculturation - an acquired fear of undercooked pork and a gradual detachment from original recipes and degradation of cooking skills has made pork less satisfying to some Hispanics.

OPPORTUNITIES

RETAILERS

- Reinforce pork's heart-healthy attributes in-store, leveraging bilingual messaging.
- Ensure butchers are bilingual and knowledgeable about common Hispanic dishes involving pork.
- Latinos are more likely to enjoy personal interaction with a butcher, and view meat in the butcher's meat counter as having more freshness and quality than meat in a cooler away from the butcher.

PACKERS

- Leverage on-pack messaging to surprise and delight Latinos that the meat they already love is also healthy.
- Provide bilingual on-pack messaging on how to safely prepare pork to prevent overcooking or undercooking.

LOOKING AHEAD



We have many reasons to be optimistic about the future of pork consumption among Latinos. They like to buy it for many reasons - cultural traditions, authentic recipes that connect them to their heritage and family traditions. Moreover, the things Hispanics care about, such as price, taste and freshness, are where pork wins.

Also, it turns out that Hispanics see themselves as more likely than non-Hispanics to keep buying fresh meat (34 percent vs. 26 percent). They intend to buy more pork chops (28 percent vs. 21 percent), tenderloins (23 percent vs. 18 percent), ribs (29 percent vs. 21 percent) and roasts (21 percent vs. 16 percent) than their non-Hispanic peers.

But it's not all upside. As Latinos become more integrated into U.S. life, they use pork less. While the reasons for this decline are varied, as future reports will address, one consistent trend we've seen is health. Hispanics and non-Hispanics

alike believe, often inaccurately, that fresh pork isn't healthy.

But many Latinos *want* to like pork, associating it with large family gatherings and special occasions. If we can inform Hispanics that the meat they already love is good for them, too, we can keep them from drifting away from pork.

In the months ahead, the Pork Board will provide more detailed insights into the Latino population, including their in-home and away-from-home dining occasions, as well as their needs, barriers and affinities. The Pork Board's goal is to present not just the opportunities, but also the risks associated with this growing segment. While some opportunities are low-hanging fruit and others will require more innovation, the path forward is clear: Ignoring Hispanics can result in missed sales and a decline in market share to other proteins.

SOURCES

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RESEARCH METHODOLOGY

- Three 15-minute modular online surveys were fielded from March 27 to April 29, 2018, and again from Aug. 10 to Sept. 20, 2018:
 - In the first time frame, 10,163 English-only surveys were collected from panelists in the Numerator's InfoScout Omnipanel.
 - In the second time period, an additional 952 interviews were collected among panelists from Offerwise's U.S. Hispanic panel. These surveys were fielded in both English and Spanish, and all of the respondents identified as Hispanic/Latino.
- The total sample size was 11,115 U.S. meat consumers:
 - 9,086 non-Hispanics
 - 2,029 Hispanics
- To participate in this research, all respondents were required to meet the following criteria:
 - Males/Females age 18+ residing in the United States
 - Personally eats meat
 - Has at least some influence in buying or preparing food for the household
- The subject of each modular survey was:
 - Module 1 Survey: In-home meat consumption
 - Module 2 Survey: Out-of-home meat consumption
 - Module 3 Survey: Personal attitudes about meat, personal food/health/nutrition attitudes and awareness/engagement in contemporary food, diet and nutrition trends
- Certain data (such as demographic measures) were obtained from InfoScout's or Offerwise's panelist profiling databases. All other data was obtained through the surveys, except for retail spending on meat (Module 1), which was obtained using InfoScout's receipt database.
 - While consumers may have purchased/eaten multiple meats, they were assigned one meat to evaluate for occasion-based questions based on recency:
 - For Module 1, they evaluated the meat they have eaten most recently at home in the past two weeks.
 - For Module 2, they evaluated the meat they have eaten most recently away from home in the past month.

