NOW is the Best Time for Dairy, Deli and Bakery Foods

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Did You Know?

86%

of meals continue to be at home. **Refrigerated doughs** (+24%), **deli pizza** (+22%), **fresh muffins** (+15%), and **creamers** (+14%) are among the dollar change winners

Shoppers continue to invest in premium products at retail, despite inflation. Year-to-date, **bakery cakes** have brought in an incremental

$141M

vs Year Ago

Deli sandwiches rank

8th

among ALL fresh foods with added dollar sales versus year ago, which shows shoppers **enjoy convenience**

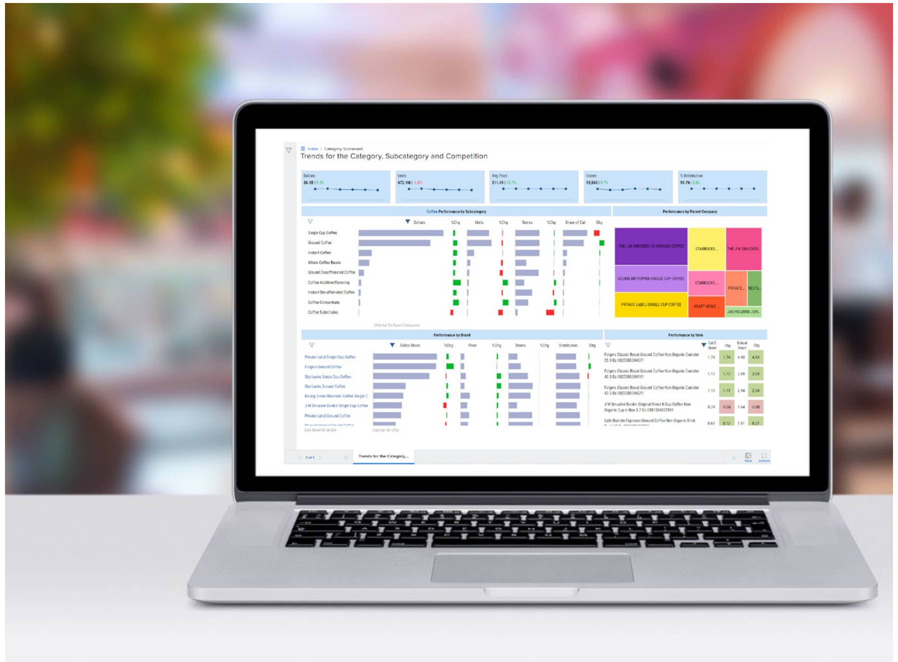
WHAT'S IN STORE LIVE!

WISL

IDDBA 2023

How do we know this?

It is an unprecedented time for sales performance and shopper behavior analysis – yes, even in Fresh Foods!



Access IDDBA Member Benefit Data Here: https://www.iddba.org/trendscenter/trends-research/integrated-fresh

IDDBA MEMBERS CAN ACCESS:

- Fact-based definitions of Dairy, Deli and Bakery
- Department and category sales including both fixed and random weight items combined
- Retail sales performance for Total US Multi-Outlet & Regions

- **IDDBA MEMBERS GET A DISCOUNT:**
- Deep-dive on sales, trends and behavior– categories, subcategories- even flavors, brands and forms!
- Activate digital and social media based on past behavior
- Fully automated, ready-to-act-on analysis

Need deeper data? Circana's IDDBA exclusive Passport+ site

SCAN ME

Prices Are Up +11.3% Across Retail Total Food & Beverages including Fresh Convenience and Quality Still Drive Sales— More than Price Drives Demand

YTD 2023 % Change vs. Year Ago (Sorted by Total $ Sales)

Dollars | Units or Volume* | Fresh Department

General Food

+9.7% | -3.8%

Beverages

+11.5% | -2.2%

RFG / Dairy

+12.8% | -3.5%*

Meat

-0.8% | -2.7%

Frozen

+6.5% | -5.3%*

Produce

+1.2% | -1.0%

Deli & Prep Foods

+6.1% | -2.6%*

Bakery

+10.4% | -3.0%*

Adult Beverages

-0.2% | -3.8%

Seafood

-0.3% | -0.8%

Category	Dollars	Units or Volume*
General Food	+9.7%	-3.8%
Beverages	+11.5%	-2.2%
RFG / Dairy	+12.8%	-3.5%*
Meat	-0.8%	-2.7%
Frozen	+6.5%	-5.3%*
Produce	+1.2%	-1.0%
Deli & Prep Foods	+6.1%	-2.6%*
Bakery	+10.4%	-3.0%*
Adult Beverages	-0.2%	-3.8%
Seafood	-0.3%	-0.8%

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Source: IRI Integrated Fresh Market Advantage, MULO, YTD WKE 4-23-23, *Units used when volume is not equivalized at the department level.

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In the Top 15 Highest Selling Food Types Across Total Retail Food/Bev Dairy, Deli and Bakery all Make an Appearance

Beer / Ale / Cider

$44.9B

Carb Soft Drinks

$39.5B

Salty Snacks

$36.9B

Bottled Water

$24.6B

Energy Drinks

$19.5B

Chocolate Candy

$18.7B

Natural Cheese

$17.3B

Fresh Bread / Rolls

$17.1B

Dairy Milk

$15.8B

Wine

$14.0B

Fz Dinners / Entrees

$13.5B

Coffee / Tea

$12.3B

Cookies

$12.0B

Sports Drinks

$11.2B

Fresh Eggs

$10.9B

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Circana OmniMarket Total U.S. MULO+C Total Store – 52 Weeks Ending Apr 23, 2023
Total Category shown- can be split in Circana data by department
(Deli vs. Dairy or Perimeter Bakery vs. Aisle, etc)

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Zeroing in on just FRESH department categories, Deli and Bakery Not Only Appear, Some of the Only Pockets of both Unit/Volume Growth

YTD 2023 Fresh Foods Top 15 Categories by Dollar Sales Change vs. YA


Chicken: $349.6M | -0.1%


Center Aisle Bread: $277.2M | -3.9%


Center Aisle Buns & Rolls: $177.8M | -3.5%


Deli Prepared Meats: $161.9M | +0.4%*


Fresh Potatoes: $147.7M | -4.8%


Perimeter Cakes: $141.1M | -6.2%*


Deli Entrees: $125.9M | +0.9%*


Deli Sandwiches: $112.9M | -0.3%*


Perimeter Cookies: $96.3M | -1.8%


Perimeter Donuts: $94.5M | +5.7%


Deli Salads: $88.8M | -3.6%


Meat Dept- Lunch Meat: $85.1M | -8.4%


Fresh Lettuce: $83.1M | -0.7%


Deli Specialty Cheese: $81.4M | -2.7%


Deli Grab&Go Lunchmeat: $75.5M | -4.2%

Abs $ Sales Change vs. YA

Volume or Unit* Sales % Change vs. YA

Deli and Bakery categories

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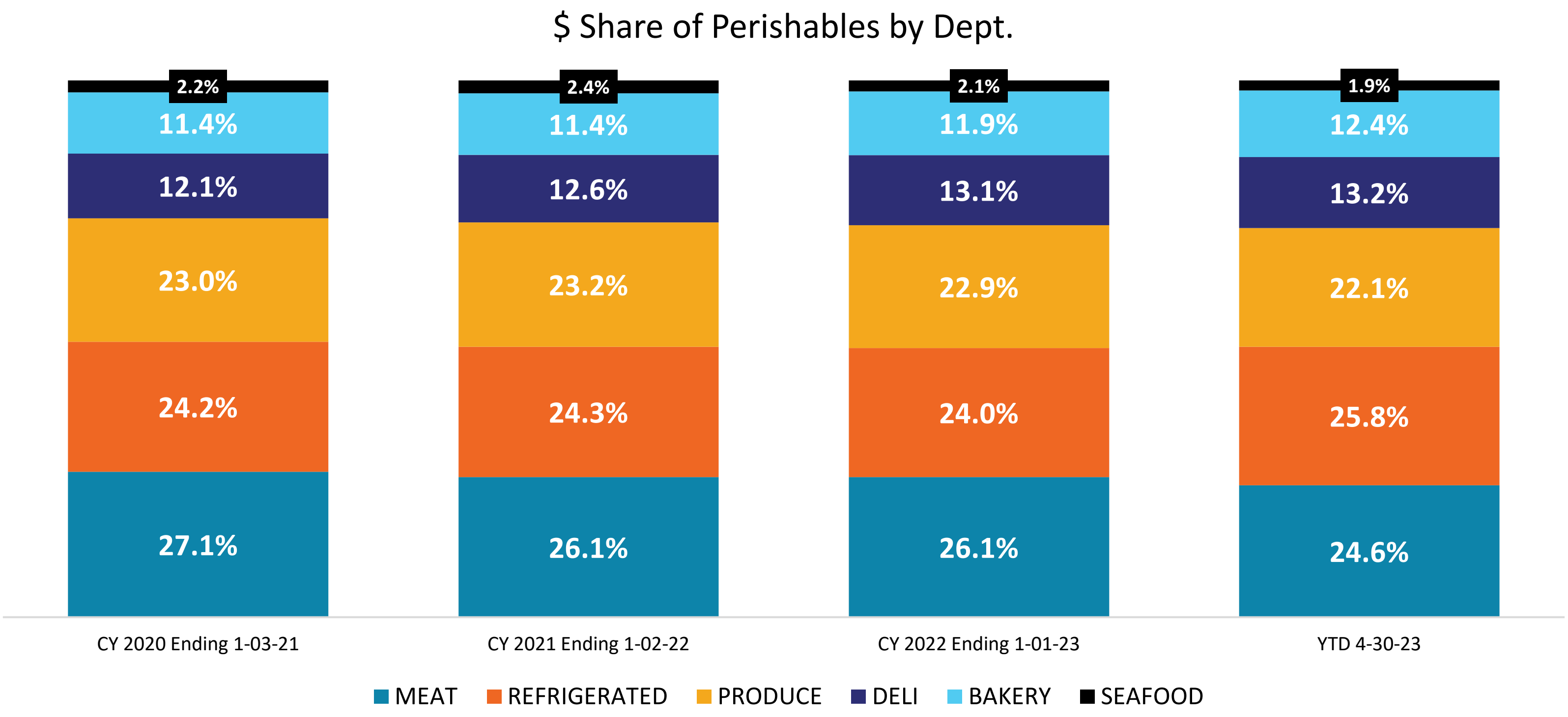
Source: Circana Integrated Fresh, MULO, 2023 ending 5-07-23, note Units used when volume is not equivalized at the department level. Beverages, Meat, Produce and Seafood are in volume

Deli, Bakery and Refrigerated (Dairy) have Surged in Fresh Foods Retail Sales Share

	Share Chg vs YA	Share Chg vs 2YA
Meat	-1.5pts	-1.5pts
Refrigerated	+1.8pts	+1.5pts
Produce	-0.8pts	-1.1pts
Deli	+0.1pts	+0.6pts
Bakery	+0.5pts	+1.0pt
Seafood	-0.2pts	-0.5pts



Source: Circana Integrated Fresh Panel, YTD Ending 4-30-2023
*Refrigerated Includes Dairy

NOW is the time for Dairy, Deli and Bakery

We have the Momentum but…

Must Understand **Shopper Needs** and the **Macro Food Marketplace** to capitalize

The Complete Spectrum of Food & Beverage

*All together, ready to turn the complex **INSIGHTS** into clear **ACTIONS***

To learn more: Contact freshfoods@circana.com

86%

The rising cost of food, household necessities, and life stage shifts are keeping ***share of meals sourced from retail*** elevated versus pre-pandemic times.

Sources: Circana NET and CREST as of Mar 2023

Total Food/Bev *Spending* has Tipped Back Towards Foodservice

60%

at Retail
(At Home)

40% **(+2.5 pts since 2022)**

at Foodservice
(Away from Home)

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Source: Circana POS and consumer data Q1 2023.

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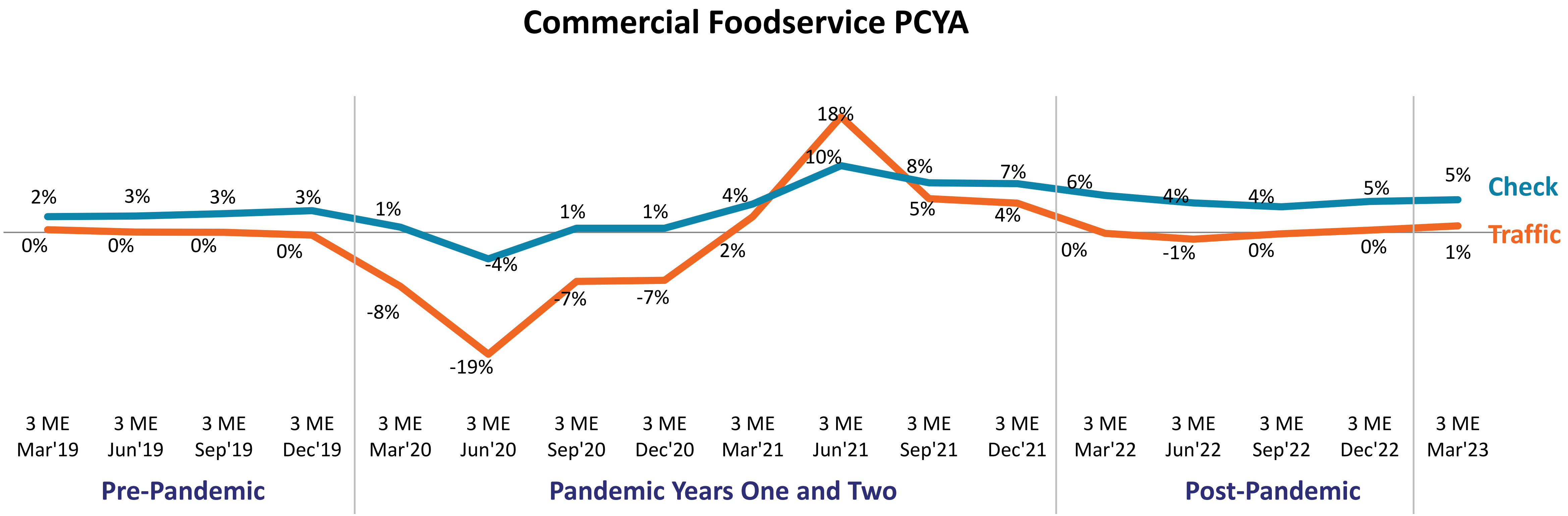
The start of 2023 is showing promising signs for out-of-home (food service) traffic recovery



Source: Circana/CREST®

Food Service traffic share by sub-segment

Within QSR, both traditional QSR and Fast Casual contributing to overall growth; casual dining (sit down) driving decline within FSR. Segments that are more fresh oriented and offering customizations outperforming others

% Share of Traffic - 3 ME Mar 2023

	% Share of Traffic	**Traffic PCYA** 3 ME Mar 2023	**Unit PCYA** Fall 2022 ReCount®
Commercial Foodservice	100%	+1%	+2%
QSR Excl Fast Casual	58%	+2%	+3%
C-Stores	16%	-1%	+1%
Casual Dining	9%	-1%	+2%
Fast Casual	7%	+5%	+3%
AO Retail Foodservice	5%	-1%	n/a
Midscale	4%	+1%	0%

PCYA: Percent Change vs. year ago

Sources: Circana/CREST®, 3 ME Mar 2023 and ReCount®, Sept 2022

As Grocery Retail Food Inflation Continues to Concern, Shoppers Hyper-Aware of What They Buy and How Much It Will Be Used

95%

The % of April shoppers who are **concerned** about food cost **inflation,** 2% higher than February results and 1% higher than March

40%

The % of shoppers more conscious of **using up fresh foods before they go bad**.

76%

The % of shoppers who have noticed "shrinkflation" and say it has impacted their shopping behavior. **25% decided not to buy** a product due to size/price value equation

46%

The % of shoppers who reported focusing on specific **pre-planned items** when grocery shopping. Stock-up sized trips down across departments- **Produce and Deli** seeing +2pts share increase from **quick trips**

WHAT'S IN STORE LIVE!

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Sources: Circana Shopper Survey April 2023
Circana Scan Panel, Integrated Fresh by trip mission, 4 weeks ending 4-23-23

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Shoppers are On Missions- Not Browsing

70% of all households preferred to buy all groceries in-store vs. online- the **30% who mix in-store and online** have held steady since late 2022.

57% Of buyers do not stock-up on essentials (shop around), while 34% do because they are concerned prices will go up or product inventory will be affected.

46% Of buyers focused on buying specific items they had pre-planned to buy while shopping. An additional 39% had a mental or written shopping list of specific items to buy and were focused on getting those items and spent little/no time browsing the store.

WHAT'S IN STORE LIVE! WISL

Sources: Circana Shopper Survey April 2023

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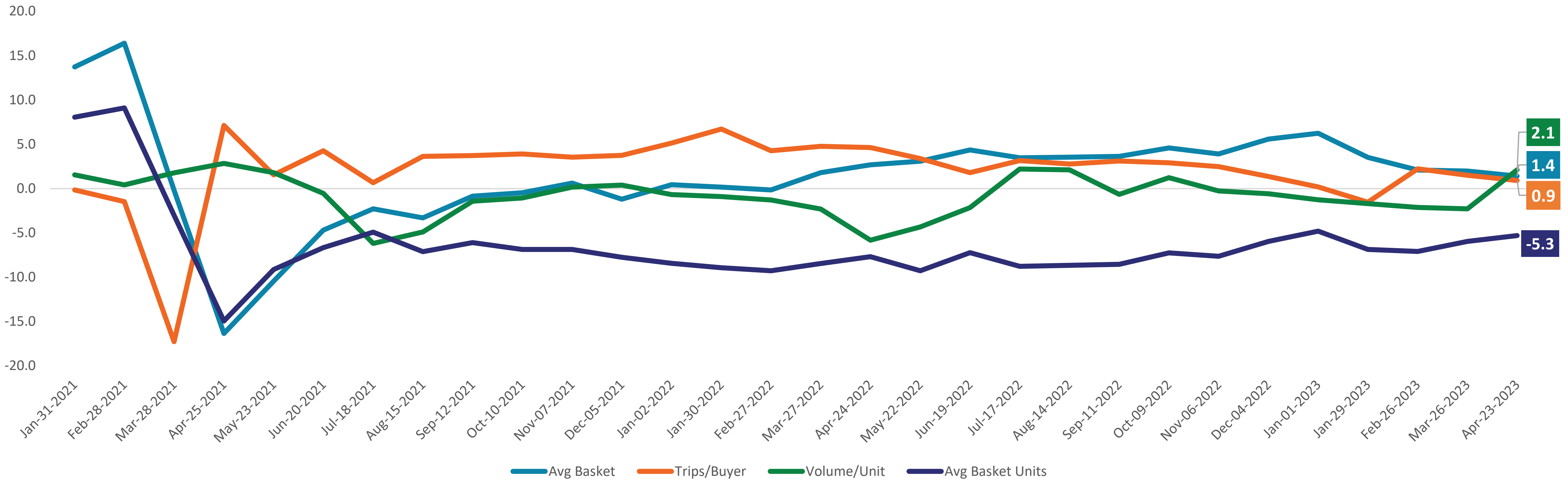
April Baskets and Trips Continued to Outpace Prior Year—With Volume Back Increasing. However, the Number of Items or Units Per Trip Continues to Erode

Total Food and Beverages Buyer Behavior Food-at-Home (Retail) All Outlets vs Prior Year

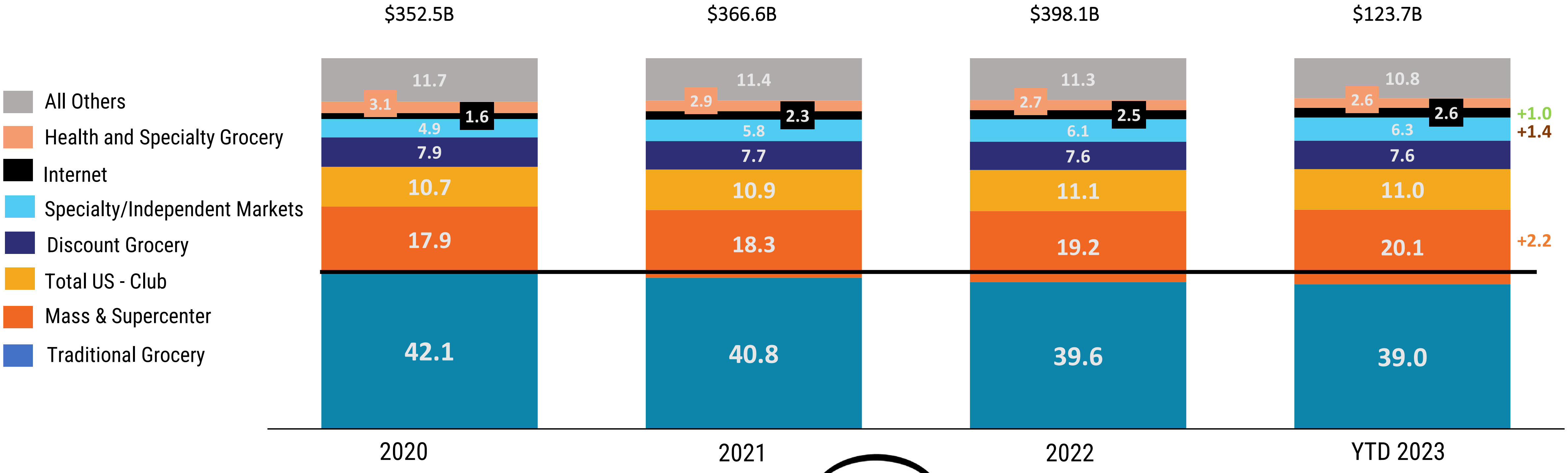


Circana

Source: Circana Integrated Fresh Panel, Change vs Prior Year Shown, data ending 4-23-2023

Shoppers Continue to Split their Fresh Foods Spending Across Multiple Retail Channels with Mass/Supercenter and Specialty Shops (Independent and Focused Food Outlets) Taking the Biggest Bite From Traditional Grocers

Total Fresh Foods Combined | Dollar Sales and Share of All Outlets/Channels



WHAT'S IN STORE LIVE!

Source: OmniConsumer Integrated Fresh CY 2020-2022, L52W, YTD 2023, L13W, L4W data ending 04/23/23, All Outlets Change rates are YTD 2023 vs. 2020.

IDDBA 2023

Top trends in Fresh 2023

What it takes to win

Table Stakes

Holistic Health

Sustainability and Transparency

Connected Consumer

Mindsets

Affordable Essentials

Everyday Escapes

Convenience Continuum

Difference Makers

Solving the Meal

Cohort Mosaics

Fresh Channel Shifting

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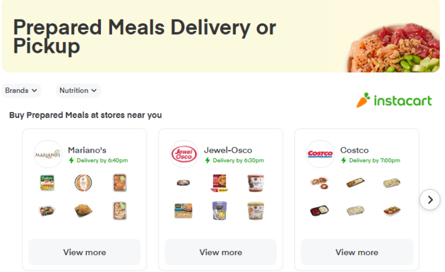
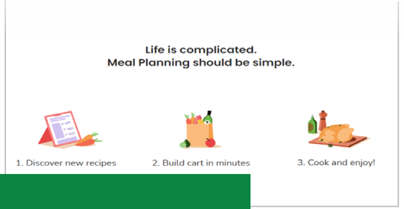
In Fact, We See Disruption in How Connected Consumers Utilize Digital As They Discover and Decide

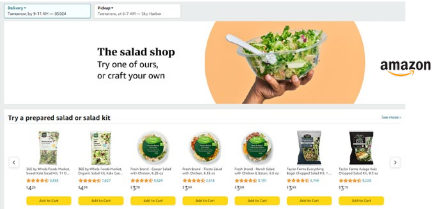
Social Media is Already Making a Fresh Sales Impact

Social In-Store & Online Connections are Here and Drive Sales & Differentiation Already Making a Fresh Sales Impact





Albertsons



WHAT'S TO COME

Right Audience | Right Impact | Right Medium

Source: Circana (IRI) industry analyses as presented in Feb 2023 Circana/FMI Top Trends in Fresh webinar

WHAT'S IN STORE LIVE! WISL

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Convenience continuum:

Make it easy to make or make it yourself.

All Appear in the Same Basket

Raw Ingredients	Value-Added Step Savers	Ready-to-Heat	Ready-to-Eat
			

WHAT'S TO COME

Merchandising | **Solution Deals** | **In- and Out-of-Home Retail**

Source: Circana (IRI) industry analyses as presented in Feb 2023 Circana/FMI Top Trends in Fresh

Solving the Meal: At-Home Meal Making is at a Peak – When "How" is as Important as "What"

At-home outdoor gatherings were more popular than ever – and most popular "grilling" items are outpaced other foods during summer

2022

91%

of snacks are consumed in the home – and snackable ready items across the aisles are seeing growth despite inflation

WHAT'S TO COME

Ethnic Exploration | One-Click-Wonders | Easy-to-Execute

Source: Circana (IRI) industry analyses as presented in Feb 2023 Circana/FMI Top Trends in Fresh

The future of Fresh looks more like this (and WISL!) than today's supermarket

EDUCATION

SOLUTIONS

EXPERIENCE

EVERYWHERE

WHAT'S IN STORE LIVE!

Questions?

Upcoming Circana/IDDBA WISL Webinars for IDDBA Members:
9/14/23 - State of Baked Goods
11/30/23 - State of Deli Meat and Prepared Foods

Access Circana & IDDBA's partnership insights here:

https://www.iddba.org/trendscenter/trends-research/integrated-fresh

Need deeper data? Circana's IDDBA exclusive Passport+ site – discount for Members!

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