Summer Meal Patterns Provide All-Around Opportunity for Grocery Retail

By: Anne-Marie Roerink, President, 210 Analytics LLC

The May Marketplace

Summer has arrived and with it the start of grilling season, outdoor entertaining and travel. According to the May Circana survey of 1,000+ primary grocery shoppers, summer travel may look a bit different this year. "While 20% of consumers expect they will travel a bit more than in the summer of 2022, inflationary pressures are challenging the travel plans of others," shared Jonna Parker, Team Lead, Fresh for Circana (formerly IRI). "This means fewer/shorter trips and staycations — both opportunities for grocery retailers to create memorable moments at home."

Other findings from the May Circana survey include:

- 67% of consumers who like to entertain at home plan cookouts/barbeque gatherings.
- Across entertaining, everyday and weekend occasions, two-thirds of shoppers plan to grill as much as (50%) or more (19%) than last summer. New grills (31%) and the enjoyment of trying new foods and new barbecue recipes (34%) are important drivers behind plans to grill more often, according to shoppers.
- "Many consumers mix and match items prepared from scratch with items that are semi- or fully-prepared when grilling," said Heather Prach, VP of Education for the IDDBA. "Cross-merchandising stations can deliver that extra item in the basket during times when consumers are hyper-focused on sticking to the shopping list. Retailers have been successful in displaying product in the same case, but also by leveraging signage and coupons instead of moving physical products in the light of labor constraints."
- 21% of consumers plan to watch sporting events together with friends this summer — opening the door to sports-focused cross-merchandising opportunities.
- 18% of shoppers plan to organize pool parties, weather permitting.

The May Circana survey of primary grocery shoppers also documented the continued economic pressure on income and its subsequent influence on food spending, with more than eight in 10 shoppers applying one or more money-saving measures when buying groceries. This includes shifting dollars around between retail and foodservice as well as between channels, products and brands. Circana, 210 Analytics and the IDDBA continue to team up to document the marketplace impact on the dairy, deli and bakery industries.

Inflation Insights

The price per unit across all foods and beverages in the Circana-measured multi-outlet stores, including supermarkets, club, mass, supercenter, drug and military, increased by +6.9% in May (the four weeks ending 5/28/2023), which was down from +11.4% in the first quarter of the year. This means continued moderation of the rate of inflation. However, when compared to the same four-week period in 2020, prices have increased by +23.3%.

Average price/unit vs. YA	2018	2019	2020	2021	2022	Q4 2022	Q1 2023	May 23
Total food & beverages	+1.5%	+2.0%	+5.1%	+5.4%	+12.5%	+13.5%	+11.4%	+6.9%

Source: Circana, Integrated Fresh, Total US, MULO, average price per unit and % gain versus YA

Dairy prices are starting to stabilize, with a big gap between the rate of inflation in May 2023 versus the full 52-week view. Only bakery prices continued to increase at double-digit pace.

Price per unit	Price/unit	Change vs. YA	Change vs. 3YA
Total dairy May 2023	**$3.54**	**+3.9%**	**+22.8%**
Total dairy 52 weeks ending 5/28/2023	$3.64	+19.6%	+33.0%
Total deli May 2023	**$5.96**	**+6.1%**	**+22.1%**
Total deli 52 weeks ending 5/28/2023	$5.91	+10.6%	+21.0%
Total bakery May 2023	**$3.71**	**+10.7%**	**+29.6%**
Total bakery 52 weeks ending 5/28/2023	$3.59	+14.7%	+33.8%

Source: Circana, Integrated Fresh Total US, MULO

Perishables Performance

The meat department had the highest sales in May 2023, at $6.7 billion. However, the meat department experienced a decline in dollar sales due to lower unit/pound sales combined with deflation. The dairy aisle and produce department had the lowest unit pressure across the fresh perimeter.

Source: Circana Integrated Fresh, Total U.S., MULO, fixed and random weight items combined into department views

Perimeter departments	May 2023 $ sales	$ vs. YA	Units vs. YA
Meat dpt.	$6.7B	-1.5%	-2.4%
Produce dpt.	$6.1B	-0.7%	-0.3%
Dairy aisle	$B5.3	+3.8%	-0.1%
Deli dpt.	$3.6B	+3.9%	-2.0%
Bakery dpt.	$3.4B	+9.5%	-1.1%
Seafood dpt.	$501M	-2.2%	-1.4%

Dairy Sales

Dairy dollar sales continued to pace well ahead of year-ago levels in May 2023. Additionally, unit sales remained steady — something few areas of the store can claim. A handful of categories accomplished unit growth in May 2023 versus May 2022, including natural cheese, butter, cream cheese, whipped toppings, cottage cheese and cheese snack kits. Cottage cheese, in particular, experienced strong demand.

	May 2023				Latest 52 weeks ending 5/28/2023		
	$ sales	$ vs. YA	Units vs. YA		$ sales	$ vs. YA	Units vs. YA
Dairy	**$5.3B**	**+3.8%**	**-0.1%**	**Dairy**	**$73.4B**	**+16.8%**	**-2.4%**
Milk	$1.2B	-3.3%	-2.1%	Milk	$17.1B	+7.6%	-2.6%
Natural cheese	$955M	+5.1%	+3.1%	Natural cheese	$12.9B	+8.6%	-0.2%
Yogurt	$740M	+10.7%	-0.6%	Eggs	$10.8B	+50.9%	-2.5%
Eggs	$622M	-7.2%	-0.1%	Yogurt	$9.1B	+13.0%	-5.4%
Cream/creamers	$439M	+11.3%	-1.6%	Butter/margarine	$6.2B	+26.2%	-1.4%
Butter/margarine	$416M	+12.2%	+1.9%	Cream/creamers	$5.9B	+16.2%	-1.3%
Processed cheese	$190M	+4.1%	-1.9%	Cream cheese	$2.7B	+22.1%	-1.0%
Cream cheese	$188M	+11.2%	+0.9%	Processed cheese	$2.6B	+9.4%	-3.1%
Whipped toppings	$135M	+18.3%	+2.2%	Whipped toppings	$1.8B	+22.8%	+0.8%
Sour cream	$121M	+10.6%	+0.1%	Sour cream	$1.6B	+17.1%	-0.8%
Cottage cheese	$103M	+16.4%	+7.6%	Cottage cheese	$1.3B	+16.0%	+1.2%
Desserts	$89M	+2.9%	-10.2%	Desserts	$1.1B	+5.9%	-%
Cheese snack kits	$24M	+1.1%	+3.1%	Cheese snack kits	$320M	+6.2%	-%
Dairy alternative cheese	$7M	-9.4%	-6.1%	Dairy alternative cheese	$106M	-5.1%	-%

Source: Circana, Total US, Integrated Fresh, MULO, % growth versus year ago

Deli Sales

“Deli-prepared foods were not only the biggest seller in the deli department, but also had a strong year-on-year growth performance,” Parker pointed out. Deli-prepared foods only had mild unit pressure of -1.1%, in sharp contrast to deli meat that dropped 5.4% year-over-year. The power of holidays and special celebrations to prompt the additional splurge is evident in the sales performance of deli entertaining. Memorial Day celebrations helped boost dollar sales of dollar entertaining by 5.4% and while units were down slightly, larger trays and platters boosted volume sales by 2.6%.

	May 2023				Latest 52 weeks ending 5/28/2023		
	$ sales	$ vs. YA	Units vs. YA		$ sales	$ vs. YA	Units vs. YA
Department deli	**$3.6B**	**+3.9%**	**-2.0%**	**Department deli**	**$45.5B**	**+7.5%**	**-2.8%**
Deli cheese	$599M	+3.3%	-2.5%	Deli cheese	$8.0B	+5.4%	-3.1%
Deli entertaining	$390M	+5.4%	-0.7%	Deli entertaining	$4.9B	+6.0%	-3.5%
Deli meat	$639M	+1.2%	-5.4%	Deli meat	$8.4B	+5.9%	-6.9%
Deli prepared	$1.9B	+4.7%	-1.1%	Deli prepared	$24.3B	+9.1%	-1.1%

Source: Circana, Total US, Integrated Fresh, MULO, % growth versus year ago

Deli Meat

Deli meat sales (combined fixed and random weight) totaled $639 million in the four May weeks, up +1.2% in dollars but down -5.3% in pounds. Over the past few years, the share of deli meat generated by the service counter has dropped in favor of growing shares for grab & go and pre-sliced. This trend can also be seen in May 2023, with grab & go dollar sales up +6.3% versus service deli meat being down -1.1%.

	May 2023				Latest 52 weeks ending 5/28/2023		
Deli meat	$ sales	$ vs. YA	Lbs vs. YA		$ sales	$ vs. YA	Lbs vs. YA
Total deli meat	**$639M**	**+1.2%**	**-5.3%**	**Total deli meat**	**$8.4B**	**+5.9%**	**-6.9%**
Grab & go	$209M	+6.3%	-1.9%	Grab & go	$2.6B	+16.2%	-0.5%
Pre-sliced	$62M	-0.5%	-4.3%	Pre-sliced	$838M	+3.2%	-3.0%
Service	$368M	-1.1%	-7.1%	Service	$4.9B	+1.5%	-10.3%

Source: Circana, Total US, MULO, Integrated Fresh % growth versus year ago, Deli Pre-Sliced Meat includes known deli products based on Circana's Integrated Fresh research process powered in cooperation with IDDBA.

Packaged lunchmeat (included in meat department sales) reached $493 million in May 2023. After many months of substantial, but inflation-driven dollar gains, May is the first month in which sales remained flat. Packaged deli meat saw pounds drop -8.5% versus year ago in May versus -5.3% for deli meat.

Pre-packaged	May 2023				Latest 52 weeks ending 5/28/2023		
lunchmeat	$ sales	$ vs. YA	Lbs vs. YA		$ sales	$ vs. YA	Lbs vs. YA
Packaged lunchmeat	$493M	-0.1%	-8.5%	Packaged lunchmeat	$6.4B	+9.8%	-7.0%

Source: Circana, Total US, MULO, Integrated Fresh % growth versus year ago

Deli Cheese

Deli cheese never experienced the big price increases seen in deli meat. Likewise, the demand for deli cheese has been much more stable. Grab-and-go deli cheese continues to drive additional units in the shorter and 52-week views, whereas service cheese experienced unit pressure in May and the past year.

	May 2023				Latest 52 weeks ending 5/28/2023		
Deli cheese	$ sales	$ vs. YA	Lbs vs. YA		$ sales	$ vs. YA	Lbs vs. YA
Total deli cheese	**$599M**	**+3.3%**	**-2.1%**	**Deli cheese**	**$8.0B**	**+5.4%**	**-3.0%**
Grab & go	$89M	+7.6%	+2.9%	Grab & go	$1.1B	+10.6%	+1.0%
Pre-sliced	$35M	-0.4%	-6.2%	Pre-sliced	$465M	+6.1%	+0.2%
Service	$87M	-2.2%	-7.4%	Service	$1.2B	-0.7%	-9.1%
Specialty	$380M	+4.1%	-1.3%	Specialty	$5.1B	+5.7%	-2.7%

Source: Circana, Total US, MULO, Integrated Fresh

Deli Entertaining

"Memorial Day week saw strong specialty cheese, charcuterie meats and pickles/relish (including olives) sales," said Parker. "This underscores the continued opportunity in all things boards, whether charcuterie, butter or hummus boards. In-store and online inspiration tied to charcuterie endcaps or one-click recipe ideas can be a great way to inspire shoppers to partake in this ongoing trend."

	May 2023				Latest 52 weeks ending 5/28/2023		
Deli entertaining	$ sales	$ vs. YA	Lbs vs. YA		$ sales	$ vs. YA	Lbs vs. YA
Deli entertaining	**$390M**	**+5.4%**	**+2.6%**	**Deli entertaining**	**$4.9B**	**+6.0%**	**-2.6%**
Dips and sauces	$204M	-0.5%	-4.2%	Dips and sauces	$2.6B	+5.1%	-3.1%
Trays	$68M	+7.6%	-2.9%	Trays	$865M	+13.6%	+2.0%
Spreads	$74M	+18.5%	+26.7%	Spreads	$932M	+0.5%	-4.0%

Pickles/relish	$44M	+11.8%	+6.6%	Pickles/relish	$528M	+8.6%	-1.5%
Holiday meals	$1M	-15.4%	-11.9%	Holiday meals	$28M	+4.4%	+12.0%

Source: Circana, Total US, MULO, Integrated Fresh, % increase versus same period year ago, deli prepared foods including both fixed and random weight, includes known deli products based on Circana's Integrated Fresh research process powered in cooperation with IDDBA

Deli Prepared

"Experience, variety and convenience in combination with affordability are the big drivers for deli-prepared foods," said Parker. "Consumers recognize deli prepared as being more cost-effective compared to their restaurant counterparts and most believe them to be just as good. However, many grocery stores continue to struggle with being on the radar when consumers run out of time or are simply not in the mood to cook. This is where reputation and being known for something can be that trigger to winning the out-of-home trip." May winners include prepared meats and pizza, illustrating that deli-prepared foods can serve as one of the ingredients of a meal or replace the entire home-cooked meal.

	May 2023				Latest 52 weeks ending 5/28/2023		
Deli prepared	$ sales	$ vs. YA	Units vs. YA		$ sales	$ vs. YA	Units vs. YA
Deli prepared	**$1.9B**	**+4.7%**	**-1.1%**	**Deli prepared**	**$24.3B**	**+9.1%**	**-1.1%**
Entrees	$473M	+2.9%	-0.3%	Entrees	$6.0B	+8.7%	+1.5%
Prepared meats	$378M	+6.5%	+0.4%	Prepared meats	$4.8B	+12.4%	-0.6%
Salads	$376M	+4.5%	-0.7%	Salads	$4.2B	+8.5%	-2.3%
Sandwiches	$279M	+5.8%	-1.2%	Sandwiches	$3.4B	+10.4%	-1.2%
Appetizers	$144M	+2.5%	-0.9%	Appetizers	$1.8B	+1.2%	-3.0%
Side dishes	$107M	+5.4%	-0.2%	Side dishes	$1.4B	+7.9%	-0.6%
Pizza	$65.6M	+17.0%	+11.1%	Soups & chili	$1.0M	+10.7%	+0.8%
Soups & chili	$62.0M	+4.6%	-3.9%	Pizza	$839M	+19.6%	+8.9%
Breakfast	$28.1M	-2.9%	-13.4%	Breakfast	$373M	-4.2%	-15.8%
Combo meals	$15.2M	-8.0%	-34.9%	Combo meals	$214M	+5.7%	-7.8%
Desserts	$7.8M	-0.4%	-20.9%	Desserts	$93M	-4.1%	-15.6%

Source: Circana, Total US, MULO, Integrated Fresh, % increase versus same period year ago, deli prepared foods including both fixed and random weight, includes known deli products based on Circana's Integrated Fresh research process powered in cooperation with IDDBA

Bakery

May bakery department sales, which covers fixed and random weight items as well as the bakery aisle and the fresh perimeter bakery, totaled $3.4 billion. The patterns in May 2023 and the latest 52 weeks are the same: dollars were boosted by inflation whereas units were down slightly. However, the unit contraction was milder in May, perhaps signaling that holiday demand opened consumers' wallets just a little further.

	May 2023				Latest 52 weeks ending 5/28/2023		
	$ sales	$ vs. YA	Units vs. YA		$ sales	$ vs. YA	Units vs. YA
Total Bakery	**$3.4B**	**+9.5%**	**-1.1%**	**Total bakery**	**$42.5B**	**+12.0%**	**-2.4%**
Center-store bakery	$2.0B	+9.7%	-1.3%	Center-store	$24.6B	+12.2%	-2.7%
Perimeter bakery	$1.5B	+9.2%	-0.7%	Perimeter	$17.9B	+11.8%	-1.7%

Source: Circana, Total US Integrated Fresh, MULO

Center Aisle Bakery

Baked goods items found in the "aisle" or center-store area increased dollar sales by +9.7% in May 2023 versus year ago. While the dollar gains were fully driven by inflation, units were relatively stable, at -1.3%. Cookies continued to do extremely well in May, following patterns seen all throughout the year. The holiday week also drove strong engagement with and sales of snack cakes, brownies, cakes and pies.

Center aisle	May 2023			Latest 52 weeks ending 5/28/2023			
	$ sales	$ vs. YA	Units vs. YA		$ sales	$ vs. YA	Units vs. YA
Center-store bakery	**$2.0B**	**+9.7%**	**-1.3%**	**Center-store**	**$24.6B**	**+12.2%**	**-2.7%**
Breads and rolls	**$1.5B**	**+10.2%**	**-1.6%**	**Breads/rolls**	**$18.1B**	**+11.8%**	**-2.3%**
Desserts/sweet goods	**$288B**	**+12.2%**	**+4.0%**	**Desserts/sweet**	**$3.6B**	**+15.8%**	**-3.5%**
Morning bakery	**$228B**	**+3.5%**	**-6.6%**	**Morning bakery**	**$2.9B**	**+10.2%**	**-4.9%**
Breads	$785M	+9.1%	-1.9%	Breads	$10.2B	+11.4%	-1.8%
Buns & rolls	$471M	+13.6%	-0.4%	Buns & rolls	$5.2B	+13.0%	-2.9%
Snack cakes	$117M	+10.5%	+0.3%	Snack cakes	$1.5B	+15.8%	-1.1%
Bagels/bialys	$115M	+9.7%	-2.0%	Bagels/bialys	$1.5B	+16.0%	+2.5%
Donuts	$103M	+3.6%	-7.0%	Donuts	$1.3B	+10.8%	-3.9%
Cookies	$74M	+15.2%	+5.5%	Muffins	$938M	+12.1%	-5.7%
Muffins	$72M	-0.4%	-9.9%	Cookies	$894M	+24.3%	+8.3%
English muffins	$65M	+7.2%	-2.5%	English Muffins	$854M	+6.6%	-6.3%
Pastry/Danish/ coffee cakes	$53M	+7.9%	-2.1%	Pastry/Danish/ coffee cakes	$633M	+6.4%	-6.1%
Brownies/bars	$39M	-10.2%	+1.4%	Brownies/bars	$473M	+10.5%	-3.8%
Cakes	$39M	+12.8%	+3.1%	Cakes	$466M	+14.0%	-1.6%
Pies	$21M	+14.3%	+15.5%	Pies	$263M	+3.5%	-23.3%
Wraps/flatbreads	$18M	-3.1%	-13.2%	Wraps/flatbreads	$239M	+2.2%	-11.1%
Croissants	$7M	-9.1%	-17.9%	Croissants	$94M	-3.8%	-16.0%

Source: Circana, Total US Integrated Fresh, MULO

Perimeter Bakery (including both fixed and random weight)

May also brought year-over-year unit growth for several of the perimeter bakery categories, including donuts, buns and rolls, pies, croissants and tortillas/wraps.

Perimeter	May 2023			Latest 52 weeks ending 5/28/2023			
Bakery	$ sales	$ vs. YA	Units vs. YA		$ sales	$ vs. YA	Units vs. YA
Perimeter bakery	**$1.5B**	**+9.2%**	**-0.7%**	**Perimeter**	**$17.9B**	**+11.8%**	**-1.7%**
Breads/rolls	**$300M**	**+13.7%**	**+0.2%**	**Breads/rolls**	**$3.8B**	**+15.0%**	**-0.4%**
Desserts/sweets	**$802M**	**+7.5%**	**-1.3%**	**Desserts/sweet**	**$9.7B**	**+9.0%**	**-4.5%**
Morning bakery	**$334M**	**+9.3%**	**-0.8%**	**Morning bakery**	**$4.1B**	**+15.6%**	**+0.4%**
Cakes	$483M	+7.0%	-5.3%	Cakes	$5.5B	+7.9%	-5.1%
Cookies	$204M	+9.2%	-1.8%	Cookies	$2.6B	+12.8%	-0.8%
Pastries/Danish	$130M	+2.4%	-5.7%	Pastries/Danish	$1.7B	+6.5%	-9.1%
Breads	$115M	+14.5%	-1.8%	Breads	$1.5B	+13.0%	-2.6%
Donuts	$103M	+20.9%	+5.4%	Muffins	$1.2B	+27.5%	+8.5%
Muffins	$100M	+8.2%	-5.6%	Donuts	$1.2B	+18.2%	-0.6%
Buns & rolls	$83M	+16.4%	+2.0%	Pies	$1.2B	+4.3%	-11.9%
Pies	$70M	+7.5%	+29.0%	Buns & rolls	$1.0M	+17.1%	+0.1%
Croissants	$50M	+13.7%	+2.7%	Croissants	$627M	+18.4%	+3.0%
Brownies/bars	$31M	-1.2%	-10.6%	Brownies/bars	$384M	+14.9%	+0.1%
Tortillas/wraps	$27M	+7.5%	+1.8%	Tortillas/wraps	$340M	+12.0%	+0.6%
Bagels/bialys	$24M	+8.0%	-1.0%	Bagels/bialys	$301M	+14.7%	+2.0%
Specialty desserts	$13M	+21.3%	-19.7%	Specialty desserts	$135M	+11.1%	+2.4%

Source: Circana, Total US Integrated Fresh, MULO, % growth versus year ago includes fixed and random weight baked goods known to be commonly found in the perimeter bakery area based on Circana's Integrated Fresh research process powered in cooperation with IDDBA.

What's Next?

The Fourth of July is around the corner and one of the biggest grilling holidays of the year. According to the May Circana survey, 65% of Americans engaged in some kind of special activity last year, led by friends/family get togethers (36%), day and weekend trips (36%) and cookouts (25%). This year's plans are very similar.

The next report in the Circana, 210 Analytics and IDDBA performance series will be released mid-July covering the June sales trends. Please recognize and thank the entire food supply chain for all they do to keep supply flowing.

Date ranges:
2019: 52 weeks ending 12/28/2019
2020: 52 weeks ending 12/27/2020
2021: 52 weeks ending 12/26/2021
2022: 52 weeks ending 1/1/2023
Q4 2022: 13 weeks ending 1/1/2023
Q1 2023: 13 weeks ending 4/2/2023
March 2023: 5 weeks ending 4/2/2023
April 2023: 4 weeks ending 4/30/2023
May 2023: 4 weeks ending 5/28/2023

For Circana questions, please contact: Jonna Parker at Jonna.Parker@Circana.com
To contact 210 Analytics, please email: Anne-Marie Roerink at aroerink@210analytics.com