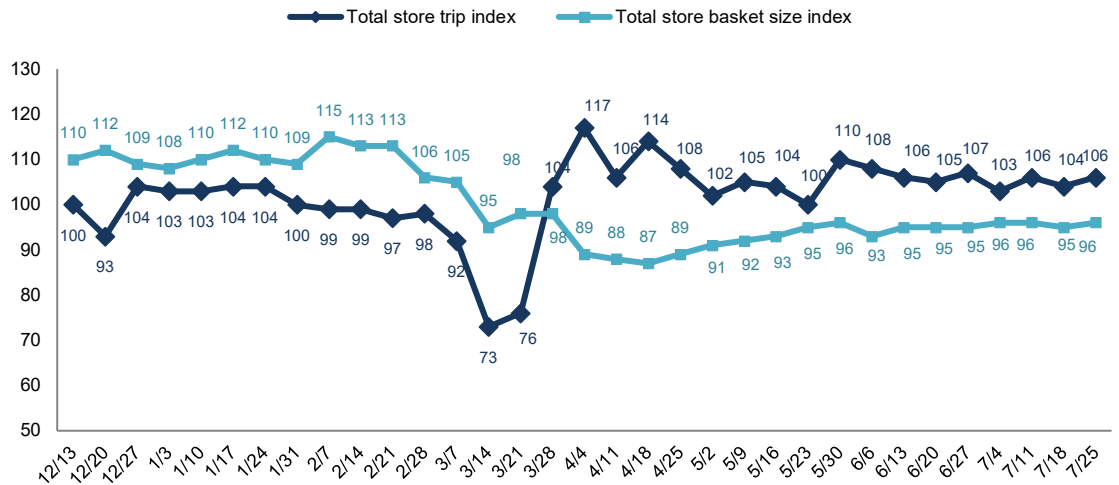


Continued Trending Back to Normal Favors Bakery and Deli Sales

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

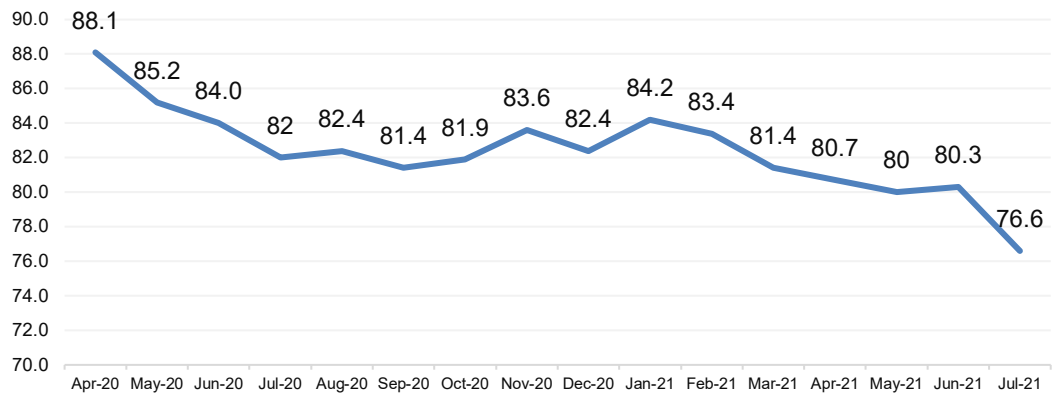
The normalization of shopping patterns seen in the first six months of 2021 continued in July. Whereas in most of 2020 people shopped less frequently but spent more while they were in store, the trend reversed come March of 2021. Jonna Parker, Team Lead, Fresh at IRI explains. "In our July survey of primary grocery shoppers, even more trips shifted back to in-store that now account for 87% of all grocery trips. Shoppers also averaged 32.3 minutes in-store, the longest since March 2020. That means people are browsing more across categories and products and it is time to review the assortment to make sure we keep shoppers engaged at retail."

Total CPG trip and basket size index across all outlets



Catching the eye of shoppers at retail is particularly important as the share of home-prepared meals dropped to 76.6% of all meal occasions in July 2021, which is down from 82.0% in July 2020 but still highly elevated from any estimate of pre-pandemic.

Share of total meals prepared at home by month (%)



This slight decline in home prepared meals

goes hand-in-hand with more consumers eating on premise at restaurants (50%), while restaurant takeout (53%) and delivery (21%) remained high, according to the July survey. Behind the quick rise in on-premise dining are summer road trips, making up for all the missed celebrations with friends and family, cooking fatigue but also a return to working away from home. In January of 2021, 45% of shoppers indicated they would not or rarely work from home. Come July 2021, this share has risen to 55%. That means more time pressure for breakfast and dinner as commuting resumes, in addition to more lunches consumed away from home.

This ever-changing grocery and restaurant landscape is prompting continued changes for dairy, deli and bakery sales and IRI, 210 Analytics and IDDBA partnered to understand the latest developments. "I believe these latest market trends are very favorable for deli and bakery sales," said Jeremy Johnson, VP of Education for IDDBA. "The return to the office lunch and commuting has always favorably impacted deli-prepared food sales. Combined with a greater trip frequency, I expect to see an increase in prepared foods engagement as a full meal solution and as a meal

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component in combination with items cooked from scratch for a quick dinner or lunch. The in-store bakery also benefits from the more frequent celebrations and social gatherings and the return of impulse sales as people visit the store. In dairy, I expect we'll see a continued shift to more on-the-go items as people are returning the office and the nation's schoolchildren are returning to the classroom."

Perishables Performance

A look across fresh foods departments for the four July weeks shows mixed year-over-year performance. Departments with strong 2020 sales results have a much tougher roadmap to stay ahead of prior year sales. This is the case for meat, seafood and refrigerated (including dairy). On the other hand, departments that struggled during the early pandemic months, including fresh bakery and deli prepared, are now tracking ahead.

July 2021	\$ sales	Dollar sales gains vs. 2020	Dollar sales gains vs. 2019
Total perishables	\$24.0B	+0.4%	+14.3%
Meat	\$6.4B	-1.9%	+18.4%
Produce	\$5.9B	-1.9%	+11.4%
Refrigerated (including dairy)	\$5.3B	-0.8%	+13.6%
Deli (meat, cheese and deli prepared)	\$3.3B	+9.9%	+12.8%
Bakery	\$2.8B	+4.6%	+12.1%
Seafood	\$568M	-6.9%	+28.3%

Source: IRI Integrated Fresh, Total U.S., MULO, % change vs. YA, fixed and random weight items combined into department views

Dairy Sales Are Rapidly Approaching Prior Year Levels

During the first seven months of 2021, dairy generated \$34.0 billion in sales. Compared to the massive sales peaks of 2020, this constitutes a 4.3% decline year-on-year, but an 11.1% increase compared with 2019.

"Dairy sales were strongest during Independence Day week, totaling \$1.15 billion," said Eric Richard, Industry Relations Coordinator with IDDBA. "While sales are somewhat lower in the subsequent July weeks, this is closer to the everyday demand we saw last year, particularly the last week of July that only fell 0.5% short of the comparable 2020 week. This bodes well for future weeks and months."

Dairy	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
July	\$4.4B	-1.4%	+12.0%
w.e. 7/4/2021	\$1.15B	-1.7%	+11.7%
w.e. 7/11/2021	\$1.08B	-0.9%	+10.7%
w.e. 7/18/2021	\$1.09B	-2.4%	+12.2%
w.e. 7/25/2021	\$1.09B	-0.5%	+13.6%

While yogurt sales had been outpacing 2020 levels for a few months, a few other categories have now joined in. This includes milk, the largest seller within dairy, increased 1.1% year-over-year in July 2021, as well as cream/creamers and cream cheese.

	Current dollar sales vs the same time period year ago								Jul vs '20	Jul vs '19
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Jul '21		
Dairy	+0.2%	+11.7%	+21.5%	+11.9%	+9.0%	-0.2%	-9.2%	\$4.4B	-1.4%	+12.0%
Milk	+0.7%	+11.3%	+14.1%	+8.7%	+6.9%	-1.4%	-5.6%	\$1.1B	+1.1%	+8.9%
Natural cheese	+2.1%	+17.1%	+31.3%	+17.4%	+14.0%	+1.6%	-12.3%	\$852M	-3.1%	+15.8%
Yogurt	-0.5%	+4.2%	+2.4%	+3.5%	+4.6%	-1.7%	+4.4%	\$597M	+2.5%	+8.9%
Eggs	-10.3%	+7.7%	+38.4%	+16.6%	+9.5%	-1.8%	-18.5%	\$459M	-4.1%	+16.7%
Cream/creamers	+7.7%	+11.3%	+21.2%	+14.8%	+12.7%	+6.5%	-3.1%	\$344M	+2.9%	+19.9%
Butter/margarine	+1.4%	+19.3%	+35.1%	+12.5%	+5.0%	-7.3%	-24.7%	\$320M	-9.6%	+4.9%
Processed cheese	-3.0%	+20.7%	+24.9%	+12.3%	+9.5%	-6.3%	-14.1%	\$184M	-4.2%	+8.8%
Cream cheese	+3.8%	+15.7%	+28.4%	+19.9%	+12.1%	+9.3%	-8.0%	\$155M	+0.7%	+21.0%
Whipped toppings	+9.4%	+10.1%	+34.2%	+24.1%	+18.5%	+17.2%	-9.3%	\$103M	-2.7%	+21.7%
Sour cream	+0.2%	+10.6%	+28.2%	+12.6%	+5.8%	+0.7%	-16.5%	\$99M	-6.0%	+7.8%
Cottage cheese	-3.1%	+2.0%	+8.7%	+4.5%	+5.0%	-4.1%	-9.4%	\$81M	-8.3%	-2.0%

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

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In the year-over-year look, units and volume sales trended below 2020 levels for virtually all dairy categories, as could be expected. Yogurt is a notable exception, with volume up slightly, as are refrigerated desserts.

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

June 2021 vs. 2020	\$ gains	Unit sales	Volume gains
Dairy	-1.4%	-4.7%	---
Milk	+1.1%	-3.7%	-6.1%
Natural cheese	-3.1%	-5.0%	-3.7%
Yogurt	+2.5%	-2.4%	+0.2%
Eggs	-4.1%	-10.2%	---
Cream/creamers	+2.9%	+1.2%	+2.6%
Butter/margarine	-9.6%	-11.1%	-12.1%
Processed cheese	-4.2%	-6.3%	-3.4%
Cream cheese	+0.7%	-2.7%	-0.4%
Whipped toppings	-2.7%	-2.2%	-1.2%
Sour cream	-6.0%	-6.5%	-7.4%
Cottage cheese	-8.3%	-6.4%	-8.8%
Cheese snack kits	-8.9%	-15.9%	-10.1%
Desserts	+9.9%	+2.8%	+0.9%

Deli: All Areas Are Tracking in the Plus

“We are now very consistently seeing deli prepared food sales sit well above year ago *and* 2019 levels,” said Parker. “While people preparing fewer meals at home is putting some pressure on meal ingredient departments, this should play right into the hand of deli prepared. Now more than ever, the grocery deli needs to have high top-of-mind awareness as consumers are

looking to outsource meal preparation to others. Consumers have gotten used to packaged solutions over the past year and with careful production planning, the deli department has an opportunity to offer both daily variety and assortment rotation, which is something that restaurants are struggling with right now.”

Jan-Jul 2021 sales	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
Department deli	\$23.0B	+9.8%	+11.1%
Deli cheese	\$4.5B	+3.0%	+21.1%
Deli entertaining	\$2.5B	+5.3%	+12.5%
Deli meat	\$4.3B	+5.8%	+15.3%
Deli prepared	\$11.6B	+15.5%	+6.1%

The largest year-on-year growth is achieved by deli-prepared with a 15.5% increase. Importantly, the \$11.6 billion in July sales is up from \$10.1 billion in the four June weeks — signaling that the sales momentum is sustaining.

Angela Bozo, Education Director with IDDBA agreed with Parker and added, “It’s not only sustained growth for deli-prepared foods, but also balanced growth with all four components of the deli (being meat, cheese, deli-prepared and deli entertaining) adding to the overall department growth.”

Deli (July)	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
July	\$3.3B	+9.9%	+12.8%
w.e. 7/4/2021	\$865M	+10.3%	+12.9%
w.e. 7/11/2021	\$798M	+10.9%	+13.4%
w.e. 7/18/2021	\$795M	+8.4%	+11.9%
w.e. 7/25/2021	\$795M	+9.8%	+13.2%

Independence Day week was the biggest for deli sales overall and while most other departments were not able to meet or exceed last year’s home-centric celebrations, deli sales blew past the 2020 numbers by more than 10%. The remainder of the month comes in close to those numbers.

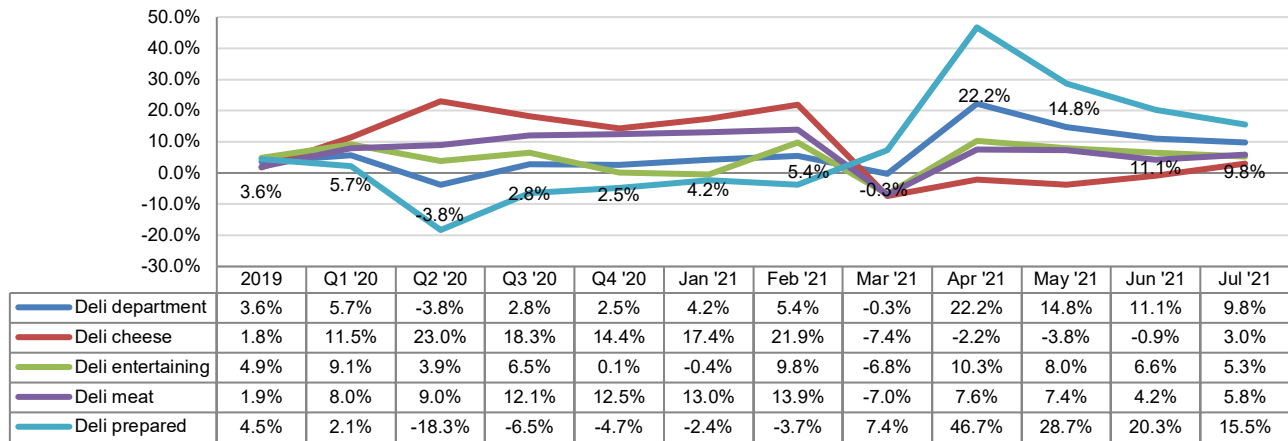
Source: IRI, Total US, Integrated Fresh, MULO, % growth versus year ago

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\$ sales growth vs. year ago deli department



Source: IRI, Total US Integrated Fresh, MULO, 1 month % growth versus year ago

Deli Meat

Deli meat sales (combined fixed and random weight) totaled \$608 million in the four July 2021 weeks, which translated into increases compared to both 2019 and 2020. Deli meat volume also continued to trend above 2019 levels.

Total Deli Meat (FW/RW)	Current sales vs. 2019 and 2020									
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Jul '21	Jul vs '20	Jul vs '19
Dollars	+1.9%	+8.0%	+9.0%	+12.1%	+12.5%	+6.4%	+6.6%	\$608M	+1.3%	+13.1%
Volume	-0.1%	+4.8%	+3.9%	+6.0%	+7.3%	+2.4%	+3.0%	68M	-1.8%	+3.8%

Taking a closer look at deli meat shows that grab & go (random-weight, but sliced for self-service) has been the main driver of the deli meat success in the pandemic months, plus continued to track ahead of year-ago levels in July 2021. While service deli is, by far, the largest of the three areas, sales actually backslid a little into negative year-over-year territory. "The convenience of grab & go was not a pandemic-specific need – this area is here to stay," said Parker.

Total Deli Meat (FW/RW)	Current sales vs. 2019 and 2020									
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Jul '21	Jul vs '20	Jul vs '19
Grab & go	+24.5%	+35.2%	+72.4%	+56.9%	+55.9%	+38.9%	+8.0%	\$167M	+11.9%	+74.3%
Pre-sliced	+5.1%	+12.6%	+27.0%	+23.7%	+18.6%	+13.2%	+4.5%	\$61M	+2.7%	+29.1%
Service	-2.6%	+1.7%	-7.7%	-0.3%	+0.6%	-3.6%	+6.3%	\$380M	-2.9%	-3.6%

Packaged lunchmeat sales generated another \$448 million in July 2021, which was up from \$440 million in June. At the same time, sales increased year-over-year as well as versus 2019.

Meat dept packaged lunchmeat (excludes Deli)	Current sales vs. 2019 and 2020									
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Jul '21	Jul vs '20	Jul vs '19
Dollars	-0.6%	+13.3%	+11.4%	+5.4%	+9.8%	-5.1%	-4.4%	\$448M	+0.8%	+7.0%
Volume	-2.0%	+11.0%	+4.9%	-1.1%	+3.7%	-9.1%	-4.9%	\$93M	+1.1%	+0.8%

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

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Deli Cheese

While deli cheese is still trending in positive territory year-to-date through July, sales during the past few months have been slightly negative. Sales fell behind by 2.3% in the second quarter and volume, in particular, remains off in July.

Total Deli Cheese (FW/RW)		Current sales vs. 2019 and 2020							Jul vs '20	Jul vs '19
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Jul '21		
Dollars	+1.8%	+11.5%	+23.0%	+18.3%	+14.4%	+9.9%	-2.3%	\$615M	-0.1%	+18.8%
Volume	+0.5%	+8.8%	+19.0%	+13.4%	+9.9%	+5.4%	-5.8%	81M	-2.9%	+11.7%

Grab-and-go remains an area of interest for consumers, along with pre-sliced. That points to continued focus on convenience versus standing in line for a cut-to-order purchase. Specialty cheese sales slowed down a little in July, coming in right around 2020 levels, but still up well above the pre-pandemic normal.

Total Deli Cheese (FW/RW)		Current sales vs 2019 and 2020							Jul vs '20	Jul vs '19
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Jul '21		
Grab & go	+8.0%	+19.5%	+45.6%	+31.5%	+24.6%	+15.1%	-6.3%	\$88M	+1.4%	+32.3%
Pre-sliced	-2.1%	+12.8%	+25.7%	+18.9%	+14.8%	+5.4%	+4.5%	\$50M	+1.6%	+20.4%
Service	-1.6%	+7.0%	-3.3%	-0.9%	-0.3%	-6.2%	+1.2%	\$95M	-3.6%	-4.4%
Specialty	+2.2%	+11.2%	+26.3%	+21.6%	+16.5%	+14.3%	-2.0%	\$382M	+0.3%	+23.1%

Source: IRI, Total US, MULO, Integrated Fresh % growth versus year ago, Deli Cheese includes known deli products based on IRI's Integrated Fresh research process powered in cooperation with IDDBA

Deli-Prepared and Deli Entertaining

Much like more people are engaging with restaurants, deli-prepared and deli entertaining sales patterns are signaling a normalization in consumers increasingly looking for some help in meal and party preparation. "The tremendous strength of holiday meal solutions (while small) and trays shows that people are back to socializing whether in their own backyard or something bigger," said IDDBA's Richard. "Within deli prepared foods we see breakfasts and entrees doing really well, but combination meals (often consumed in-store, more likely to be hot and ready) have not yet made a full comeback. Interestingly, desserts are doing very well in dairy as well as deli prepared, showing that people are enjoying a little treat."

Deli Prepared		Current sales vs 2019 and 2020							Jul vs '20	Jul vs '19
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Jul '21		
Deli entertaining	+4.9%	+9.1%	-3.9%	+6.5%	+0.1%	+1.3%	+8.6%	\$360M	+19.0%	+10.5%
Holiday meals	+3.1%	-25.8%	+13.0%	+7.7%	+22.4%	+129.8%	+124%	\$0.2M	+211%	+402%
Spreads	-0.2%	+7.3%	+2.5%	+3.7%	-1.8%	-7.6%	-1.7%	\$74M	-3.6%	+1.6%
Trays	+4.9%	+2.4%	-38.6%	-14.8%	-26.0%	-0.5%	+60.0%	\$55M	+42.2%	+29.6%
Deli prepared	+4.5%	+2.1%	-18.3%	-6.5%	-4.7%	-3.7%	+31.0%	\$1.7M	+19.0%	+10.5%
Appetizers	+5.5%	-2.6%	-24.3%	-14.8%	-16.9%	-9.7%	+20.4%	\$134M	+9.9%	-5.6%
Breakfast	+32.9%	+16.3%	+7.4%	+7.0%	+16.2%	+11.7%	+23.3%	\$29M	+18.2%	+28.5%
Combo meals	-0.4%	-9.7%	-68.8%	-59.7%	-37.1%	-34.7%	+100.1%	\$14M	+90.3%	-28.3%
Desserts	-2.9%	-5.5%	-44.5%	-24.1%	-8.5%	-2.7%	+78.2%	\$8M	+42.0%	+3.3%
Entrees	+5.4%	+1.2%	-19.4%	-4.2%	-1.4%	+12.7%	+48.5%	\$396M	+35.3%	+31.2%
Pizza	+3.8%	+3.6%	-20.3%	-13.4%	-10.7%	-10.4%	+19.9%	\$51M	+15.8%	-2.3%
Prepared meats	+4.1%	+5.8%	-13.0%	-6.6%	-6.5%	-5.7%	+15.9%	\$314M	+7.9%	-0.8%
Salads	+2.2%	+3.8%	-16.1%	-5.6%	-3.2%	+1.2%	+27.3%	\$345M	+13.5%	+5.5%
Sandwiches	+5.0%	-1.3%	-26.3%	-6.7%	-3.2%	-5.0%	+51.7%	\$238M	+25.4%	+15.5%
Side dishes	-0.9%	+10.0%	+7.5%	+13.4%	+12.1%	+6.1%	+9.2%	\$94M	+7.0%	+23.1%
Soups & chili	+10.7%	-2.6%	-26.0%	-13.5%	-14.0%	-6.2%	+35.6%	\$43M	+38.6%	+21.9%

Source: IRI, 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 IRI's Integrated Fresh research process powered in cooperation with IDDBA

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Bakery's Recovery Has Come Full Circle

During the first seven months of 2021, bakery sales have fully recovered, with total bakery sales up to \$20.4 billion, an increase of 2.9% over 2020. The increase is driven by fresh bakery that reached \$8.5 billion — an increase of 11.0% over the first seven months of 2020.

Independence Day week was the biggest week — almost \$100 million more than the final two weeks of July. This once more underscores the returning importance of the holidays to bakery sales.

Split out by area of the bakery shows that the perimeter drove all the gains in July, although not surprising given the high rates of sales in 2020 for the aisle. Adding \$131 million in sales, the department grew 12.6% year-on-year.

Jan-Jul 2021 sales	Dollar sales	Dollar gains vs. 2020
Bakery department	\$20.4B	+2.9%
Aisle bakery	\$11.9B	-2.1%
Fresh bakery	\$8.5B	+11.0%

Bakery	Dollar sales	Dollar gains vs. 2020
July	\$2.8B	+4.6%
w.e. 7/4/2021	\$774M	+2.9%
w.e. 7/11/2021	\$703M	+8.2%
w.e. 7/18/2021	\$679M	+2.9%
w.e. 7/25/2021	\$679M	+4.8%

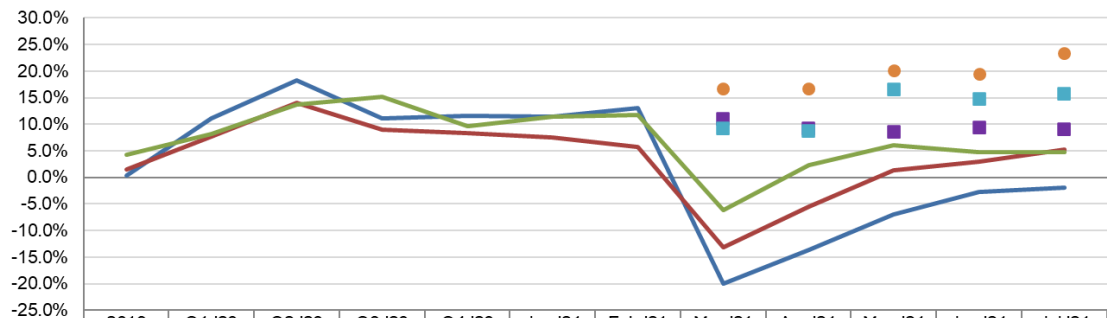
July 2021	Sales	Dollar % gains	Absolute dollar gains
Department bakery	\$2.8B	+4.6%	+\$125M
Perimeter bakery	\$1.2B	+12.6%	+\$131M
Aisle bakery	\$1.7B	-0.4%	-\$6M

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

Center Store Bakery

Baked goods items found in the “aisle” or center-store area adjacent, but not included in the perimeter bakery area, have recovered from their significant declines in March and April. Come July, only breads and rolls are slightly behind their 2020 sales levels and much like seen in dairy and deli-prepared, dessert sales are strong, up 5.3% over 2020.

Center store bakery \$ sales growth vs. year ago



	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21
— Breads & rolls	0.4%	11.1%	18.2%	11.1%	11.6%	11.5%	13.0%	-19.9%	-13.6%	-7.0%	-2.7%	-2.0%
— Desserts/sweet snacks	1.5%	7.7%	14.0%	8.9%	8.3%	7.5%	5.8%	-13.1%	-5.5%	1.3%	3.0%	5.3%
— Morning bakery	4.2%	8.1%	13.7%	15.1%	9.7%	11.4%	11.7%	-6.2%	2.3%	6.1%	4.7%	4.8%
■ Breads & rolls vs. 2019								11.0%	9.2%	8.5%	9.4%	9.1%
■ Desserts/sweet snacks vs. 2019								9.2%	8.7%	16.6%	14.7%	15.8%
● Morning bakery vs. 2019								16.7%	16.7%	20.1%	19.5%	23.4%

Source: IRI, Total US, MULO, Integrated Fresh, 1 month % growth versus year ago includes known baked goods commonly found in the bakery aisle based on IRI's Integrated Fresh research process powered in cooperation with IDDBA

Aisle bakery's overall performance is pulled down by the negative year-on-year change for breads and buns/rolls, which are the two biggest sellers. Many of the smaller sellers are growing sales versus year ago, including areas such as bagels, snack cakes, cookies, muffins, pastries/Danishes, cakes and croissants. All areas in the bakery aisle are trending ahead of the 2019 dollar sales levels.

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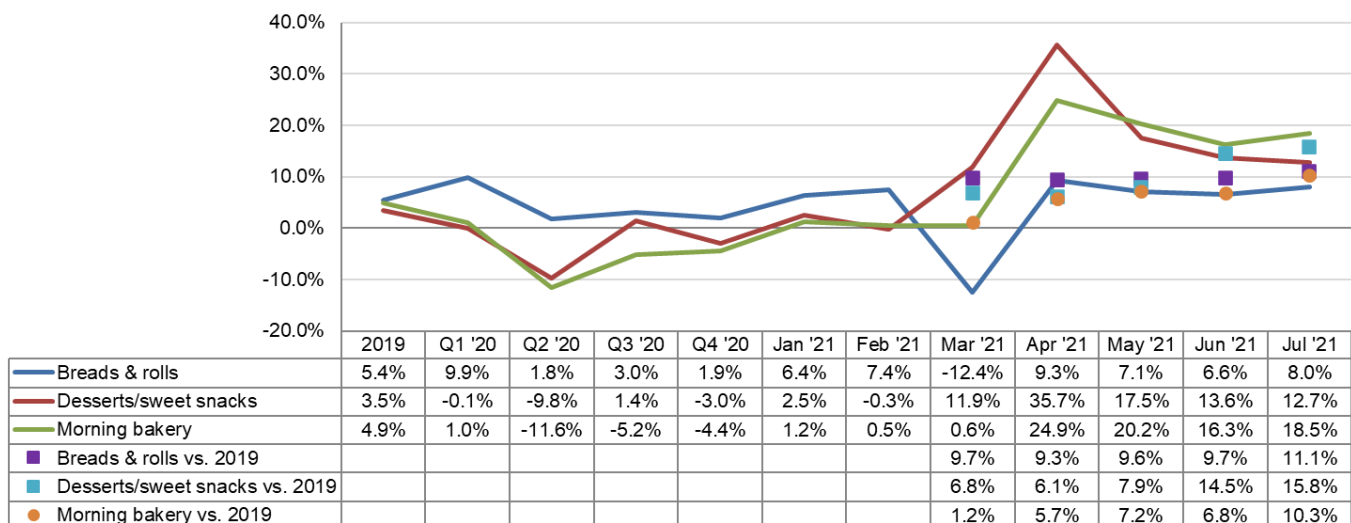
Center store baked goods	Current sales vs 2019 and 2020								Jul vs '20	Jul vs '19
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Jul '21		
Breads	-0.3%	+9.9%	+15.0%	+7.3%	+7.8%	-3.8%	-9.2%	\$665M	-2.7%	+5.1%
Buns & rolls	+1.8%	+15.8%	+20.6%	+14.8%	+15.3%	+3.9%	-5.9%	\$425M	-1.6%	+11.3%
Bagels/bialys	4.3%	+10.8%	+32.1%	+23.3%	+26.1%	+14.0%	-4.6%	\$91M	+3.0%	+28.0%
Donuts	+0.2%	+6.4%	+19.1%	+21.3%	+8.3%	+4.7%	-2.8%	\$87M	-0.9%	+19.7%
Snack cakes	+2.6%	+3.8%	+12.8%	+8.2%	+9.8%	+1.5%	-1.7%	\$86M	+3.9%	+10.2%
English muffins	-2.1%	+5.9%	+26.1%	+14.2%	+13.8%	+5.0%	-13.2%	\$56M	-5.6%	+10.8%
Muffins	+12.5%	+13.7%	+9.2%	+15.2%	+15.1%	+10.4%	+21.8%	\$54M	+11.7%	+36.7%
Cookies	+3.2%	+9.5%	+13.1%	+6.7%	+6.2%	-6.3%	-1.3%	\$54M	+7.4%	+18.3%
Pastry/Danish/coffee cakes	+3.2%	+4.8%	+8.6%	+3.6%	+6.4%	+2.0%	+3.4%	\$43M	+8.9%	+16.5%
Brownies/squares/bars	-0.8%	+10.7%	+12.1%	+10.3%	+6.0%	+2.7%	+7.2%	\$30M	+3.9%	+21.9%
Cakes	+0.3%	+8.5%	+17.5%	+8.9%	+9.6%	+3.5%	-0.7%	\$28M	+12.8%	+23.6%
Pies	-2.5%	+17.5%	+19.9%	+15.1%	+7.9%	-1.2%	-0.7%	\$20M	-1.1%	+15.6%
Tortillas/wraps/flatbreads	-1.2%	+11.2%	+9.3%	+18.0%	+15.5%	+3.6%	+5.7%	\$18M	-6.4%	+11.8%
Croissants	-20.1%	+1.0%	+0.3%	+24.0%	+28.1%	+15.9%	+33.7%	\$7M	+27.9%	+48.8%

Source: IRI, Total US Integrated Fresh, MULO, % growth versus year ago includes known baked goods commonly found in the bakery aisle based on IRI's Integrated Fresh research process powered in cooperation with IDDBA

Perimeter Bakery

In comparison to June, the performance of the perimeter bakery improved further in July in two out of the three areas, being breads/rolls and morning bakery. Desserts and sweet snacks decreased one percentage point versus June. But all three areas are seeing strong growth compared to last year as well as the 2019 pre-pandemic normal.

Perimeter bakery \$ sales growth vs. year ago



Source: IRI, Total US, MULO, Integrated Fresh, 1 month % growth versus year ago includes known baked goods commonly found in the bakery aisle based on IRI's Integrated Fresh research process powered in cooperation with IDDBA

Performance data for the categories within perimeter bakery further underscore the recovery. Only two areas have not yet recovered to their 2019 pre-pandemic levels, which are donuts and specialty desserts. Now that self-serve areas are widely re-opened, it is likely those areas will soon meet, if not exceed, 2019 levels as well.

COVID-19 IMPACT

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Perimeter bakery	Current sales vs 2019 and 2020								Jul vs '20	Jul vs '19
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Jul '21		
Cakes	+2.4%	-1.6%	-9.6%	+2.8%	-3.2%	+6.9%	+23.5%	\$392M	+13.4%	+18.4%
Cookies	+6.1%	+6.1%	-10.1%	-1.2%	-4.9%	+2.0%	+21.6%	\$159M	+14.2%	+15.7%
Pastry/Danish/coffee cakes	+7.7%	+4.0%	-1.0%	+5.3%	+1.1%	+9.0%	+17.7%	\$112M	+16.0%	+19.5%
Breads	+3.4%	+10.5%	+7.2%	+7.1%	+4.2%	+1.0%	+2.2%	\$98M	+2.4%	+8.7%
Muffins	+4.5%	+2.5%	-5.2%	-2.6%	+1.5%	+3.2%	+19.3%	\$77M	+19.6%	+17.0%
Donuts	+1.6%	-4.0%	-30.8%	-20.9%	-17.0%	-11.0%	+30.9%	\$67M	+21.7%	-7.7%
Buns & rolls	+1.5%	+5.6%	-6.0%	-4.4%	-5.3%	-5.8%	+9.8%	\$69M	+9.5%	+5.4%
Pies	+2.2%	-5.1%	-6.1%	+4.3%	+1.4%	+7.1%	+12.4%	\$71M	+3.1%	+7.4%
Croissants	+25.6%	+21.7%	+9.3%	+12.3%	+13.5%	+14.7%	+23.9%	\$39M	+19.8%	+33.8%
Brownies/squares/bars	+6.2%	+6.3%	-4.6%	+6.8%	-1.1%	+15.0%	+26.4%	\$28M	+18.1%	+26.2%
Tortillas/wraps/flatbreads	+3.7%	+7.9%	+8.5%	+11.5%	+12.6%	+7.1%	+7.6%	\$22M	+4.2%	+18.4%
Bagels/bialys	+6.0%	+6.9%	-16.0%	-14.3%	-12.3%	-11.8%	+13.8%	\$19M	+17.9%	+0.7%
Specialty desserts	+7.6%	-13.1%	-42.8%	-37.1%	-27.8%	-18.0%	+36.4%	\$8M	+25.0%	-24.5%

Source: IRI, 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 IRI's Integrated Fresh research process powered in cooperation with IDDBA

What's Next?

August will be an interesting test case relative to the normalization of the marketplace thus far in 2021 as the Delta variant of the COVID-19 virus is prompting an increase of new COVID cases across the country. In the past few months, the normalization of shopping patterns including a return to in-store shopping, spending more time as well as the increase in on-premise restaurant dining, has been driven by vaccinated Americans. The August sales and survey results relative to retail and foodservice sales will be interesting to watch as we close out the summer.

As of yet, most school districts are planning to resume in-person education. Consumers are expecting back-to-school spending to be big this year. The July IRI survey found that 51% of parents expect they will spend more this year than they did last year in addition to 38% believing they will spend about the same.

Of parents shopping for back-to-school items, 47% believe they will do most or all in-store and 38% expect they will spend equally in-store and online. That provides grocery retailers with an important opportunity to draw people to the store as they prepare for the upcoming school year.

The next report in the IRI, 210 Analytics and IDDBA performance series will be released mid-September to cover the August 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
 Q1 2020: 13 weeks ending 3/29/2020
 Q2 2020: 13 weeks ending 6/28/2020
 Q3 2020: 13 weeks ending 9/27/2020
 Q4 2020: 13 weeks ending 12/27/2020
 Q1 2021: 13 weeks ending 3/28/2021
 Q2 2021: 13 weeks ending 6/27/2021
 July: 4 weeks ending 7/25/2021