

## Halloween Boosts Bakery Sales; Thanksgiving Gearing Up

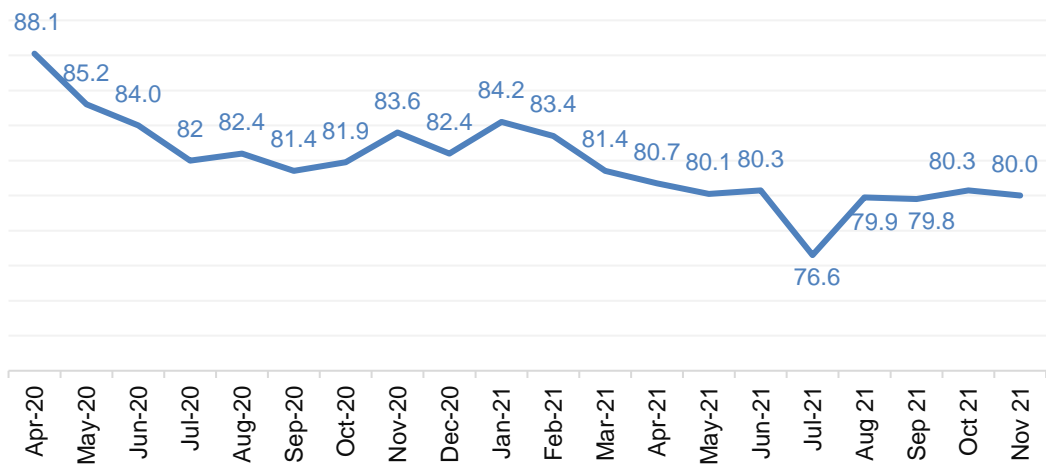
By: Anne-Marie Roerink, President, 210 Analytics LLC

IRI, 210 Analytics and the IDDBA have teamed up since March 2020 to document the ever-changing marketplace and its impact on dairy, deli and bakery sales. This month's report takes an in-depth look at November 2021, including holiday week, and the first 11 months of 2021.

Meals continued to be home-centric in November. Jonna Parker, team lead of IRI Fresh, shared some insights from the November IRI primary shopper survey. "The share of meals prepared at home remains around 80% despite more people working away from home and most of the nation's school children being back to in-person education."

While retail prices for most categories rose to their highest point in many decades, the cost for eating out-of-home rose even faster, which typically favors grocery and retail deli sales. Parker noted that shoppers are very aware of the widespread inflation: 90% of primary shoppers reported grocery item prices being a little (42%) or much (48%) higher. Among consumers who noted higher prices, 92% are extremely (41%) or somewhat concerned (51%). "This translates into 83% of primary shoppers being aware and concerned of the inflationary conditions," said Parker. Consumers selected categories across the store as areas where they have noted higher prices, led by the meat, produce and dairy categories. In response, 61% of consumers have made changes to their grocery selection. Looking for money-saving measures, including stocking up, is the most common response, followed by cutting back on non-essentials and switching to store brand alternatives.

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



Beyond inflation, COVID-19 continued its grip on shopping patterns. During the early months of the pandemic, as many as 20% of trips were online, according to the IRI survey tracker. This dropped to a low of 11% in July of 2021 and the share has ticked back up every month since. In November, the online share of trips increased to 17%. Yet online shopping remains a complementary trip for most consumers. Only 4% of survey respondents believe they will buy all their groceries online in the next month versus 19% who will only buy some or a little online. While shopping in person, fewer people browsed for new items or ideas and 17% spent less time in the store than pre-pandemic. "The bakery and deli departments are experiential and it is important to keep people engaged whether online or in the store," added Jeremy Johnson, VP of Education. This includes cross merchandising and eye-catching displays in store, but also easy online ordering and shortening the step from inspiration to purchasing online."

November sales are typically dominated by the Thanksgiving holiday, which tends to push an above-average share of dollars to the fresh departments. In 2020, Thanksgiving was very home-centric. In the October 2021 IRI survey among primary grocery shoppers, more people planned to celebrate Thanksgiving this year and party sizes were expected to be bigger. Many restaurants and grocery deli's offered turnkey holiday meal solutions and shoppers planned to shop earlier. The Transportation Security Administration (TSA) reported its highest passenger volume since the onset of the pandemic, at about 88% of the pre-pandemic volume.

# COVID-19 IMPACT

brought to you by:



## Perishables Performance

A look across fresh foods departments for the four November weeks shows perimeter strength. All departments, with the exception of seafood, gained year-over-year, with the highest increases going to deli. Deli sales overtook bakery sales this month, with November sales of \$3.3 billion.

November 2021	\$ sales	Dollar sales gains vs. 2020	Dollar sales gains vs. 2019
Total perishables	\$25.0B	+4.7%	+15.4%
Meat	\$6.8B	+3.9%	+20.5%
Refrigerated (including dairy)	\$6.1B	+1.5%	+10.7%
Produce	\$5.3B	+4.0%	+16.0%
Deli (meat, cheese and deli prepared)	\$3.3B	+12.0%	+14.5%
Bakery	\$3.0B	+7.7%	+12.9%
Seafood	\$456M	-0.3%	+27.9%

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

## Dairy Sales

"Dairy sales during the first 11 months of 2021 only trailed the 2020 record levels by 2.5%, said Jessica Ives, Professional Development Coordinator with IDDBA. "Reaching \$55.2 billion during January through November 28<sup>th</sup>, sales tracked 11.0% ahead of the same period in 2019. Without a doubt, this high-level number masks the uneven impact of inflation and supply chain issues throughout the country and week by week."

In November, dairy sales once more exceeded year ago levels, at +0.6%, however, three out of the four weeks saw a bit of sales pressure. The biggest week was not around the Thanksgiving holiday, but the first week of November, with sales of \$1.7 billion.

Underneath the strong dairy sales performance is a more mixed performance at the category level. The largest seller, milk, remained in positive territory in November.

Yogurt was the fastest grower in November. Eggs, that had a very strong October, slipped back under the 2% growth mark.

Dairy	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
<b>November</b>	<b>\$5.1B</b>	<b>+0.6%</b>	<b>+8.7%</b>
w.e. 11/7/2021	\$1.7B	-0.2%	+7.3%
w.e. 11/14/2021	\$1.2B	-0.1%	+10.5%
w.e. 11/21/2021	\$1.4B	-1.0%	+11.3%
w.e. 11/28/2021	\$1.3B	+3.7%	+5.7%

### Current dollar sales vs the same time period year ago

	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Nov '21	Nov vs '20	Nov vs '19
<b>Dairy</b>	<b>+12%</b>	<b>+21.5%</b>	<b>+11.9%</b>	<b>+9.0%</b>	<b>-0.2%</b>	<b>-9.2%</b>	<b>-0.1%</b>	<b>\$5.1B</b>	<b>+0.6%</b>	<b>+8.7%</b>
Milk	+11%	+14.1%	+8.7%	+6.9%	-1.4%	-5.6%	0.0%	\$1.2B	+0.4%	+5.7%
Natural cheese	+17%	+31.3%	+17.4%	+14.0%	+1.6%	-12.3%	-2.3%	\$967M	-1.6%	+11.9%
Yogurt	+4%	+2.4%	+3.5%	+4.6%	-1.7%	+4.4%	+5.4%	\$562M	+5.5%	+9.7%
Eggs	+8%	+38.4%	+16.6%	+9.5%	-1.8%	-18.5%	+1.7%	\$542M	+1.9%	+12.5%
Butter/margarine	+19%	+35.1%	+12.5%	+5.0%	-7.3%	-24.7%	-7.3%	\$501M	-2.5%	-0.9%
Cream/creamers	+11%	+21.2%	+14.8%	+12.7%	+6.5%	-3.1%	-1.2%	\$410M	+2.9%	+14.4%
Cream cheese	+16%	+28.4%	+19.9%	+12.1%	+9.3%	-8.0%	-1.2%	\$212M	-0.4%	+10.0%
Processed cheese	+21%	+24.9%	+12.3%	+9.5%	-6.3%	-14.1%	-3.5%	\$190M	-3.5%	+6.5%
Whipped toppings	+10%	+34.2%	+24.1%	+18.5%	+17.2%	-9.3%	-1.6%	\$181M	+2.5%	+17.8%
Sour cream	+11%	+28.2%	+12.6%	+5.8%	+0.7%	-16.5%	-4.2%	\$124M	+2.5%	+7.6%
Cottage cheese	+2%	+8.7%	+4.5%	+5.0%	-4.1%	-9.4%	-5.5%	\$72M	-4.2%	+0.1%

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

# COVID-19 IMPACT

brought to you by:



In the year-over-year look, units and volume sales trended below 2020 levels for most dairy categories, with the exception of yogurt and desserts.

“Yogurt remains an interesting test case relative to pandemic buying patterns,” said Ives. “We had been seeing units pull even with volume, but once more we’re seeing the move to larger containers, which prompts volume increases but some unit pressure.” An exciting area in the dairy and refrigerated space are desserts. While at the onset of the pandemic home-made desserts and baked goods were extremely popular, those dollars have moved back to store-bought solutions across the store, including refrigerated, frozen, deli and bakery.

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

November 2021 vs. 2020	\$ gains	Unit sales	Volume gains
<b>Dairy</b>	<b>+0.6%</b>	-3.3%	--
Milk	+0.4%	-4.2%	-5.7%
Natural cheese	-1.6%	-2.4%	-1.7%
Yogurt	+5.5%	-2.3%	+0.6%
<b>Eggs</b>	<b>+1.9%</b>	-5.9%	--
Butter/margarine	-2.5%	-6.1%	-6.3%
Cream/creamers	+2.9%	-1.8%	-0.2%
Cream cheese	-0.4%	-1.6%	-2.9%
Processed cheese	-3.5%	-5.5%	-4.1%
Whipped toppings	+2.5%	-2.0%	+1.0%
Sour cream	+2.5%	+0.8%	+0.7%
Cottage cheese	-4.2%	-3.3%	-6.5%
<b>Desserts</b>	<b>+11.2%</b>	+5.4%	+3.5%
Cheese snack kits	-3.3%	-7.5%	-2.9%

## Deli Year-to-Date Sales

“November was another month with an all-around win for deli with robust increases for the four individual areas in the 2021 year-to-date view,” said Johnson. “The biggest seller, deli prepared, was also up the most, at +17.5%. Importantly, the \$19.2 billion in year-to-date sales also reflects a 9.0% increase versus the 2019 pre-pandemic normal. Additionally, deli cheese and meat did have a very strong 2020 and yet both areas are recording year-on-year increases.”

Jan-Nov 2021 sales	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
<b>Department deli</b>	<b>\$37.4B</b>	<b>+10.8%</b>	<b>+12.6%</b>
Deli cheese	\$7.0B	+2.4%	+20.0%
Deli entertaining	\$4.1B	+6.8%	+13.4%
Deli meat	\$7.0B	+5.1%	+15.9%
Deli prepared	\$19.2B	+17.5%	+9.0%

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

## Deli Meat

Deli meat sales (combined fixed and random weight) totaled \$585 billion for the four November 2021 weeks, which translated into increases compared to both 2019 and 2020. Sales during Thanksgiving week were lower than the other three weeks, yet growth was substantial at +11.5% versus year ago.

While inflation played a role in boosting dollar sales, deli meat volume also continued to trend above 2019 levels, noting a continued demand regardless of price.

Deli meat (November)	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
<b>November</b>	<b>\$585M</b>	<b>+6.7%</b>	<b>+18.7%</b>
w.e. 11/7/2021	\$151M	+5.4%	+16.7%
w.e. 11/14/2021	\$153M	+5.4%	+20.3%
w.e. 11/21/2021	\$153M	+5.5%	+20.7%
w.e. 11/28/2021	\$129M	+11.5%	+16.8%

Total Deli Meat (FW/RW)	Current sales vs. 2019 and 2020			
	Q1 '20	Q2 '20	Q3 '20	Q4 '20
Dollars	+8.0%	+9.0%	+12.1%	+12.5%
Volume	+4.8%	+3.9%	+6.0%	+7.3%

Current sales vs. 2019 and 2020	Current sales vs. 2019 and 2020			
	Q1 '21	Q2 '21	Q3 '21	Nov '21
Dollars	+6.4%	+6.6%	2.2%	\$585M
Volume	+2.4%	+3.0%	-1.5%	62M

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. The convenience of grab & go was not a pandemic-specific trend, but rather something that already was an area of growth prior to the pandemic. Pre-packaged items do seem to pull some dollars and volume away from service meat, but with the overall increase in dollars and volume, the net impact is positive.

Total Deli Meat

Current sales vs. 2019 and 2020



# COVID-19 IMPACT

brought to you by:



(FW/RW)										Nov vs '20	Nov vs '19
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Nov '21			
Grab & go	+35.2%	+72.4%	+56.9%	+55.9%	+38.9%	+8.0%	+11.6%	\$162M	+15.4%	+77.0%	
Pre-sliced	+12.6%	+27.0%	+23.7%	+18.6%	+13.2%	+4.5%	+5.3%	\$66M	+14.7%	+34.3%	
Service	+1.7%	-7.7%	-0.3%	+0.6%	-3.6%	+6.3%	-2.0%	\$357M	+1.9%	+1.4%	

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

Packaged lunchmeat, typically found in the meat department, sales generated another \$417 million in November 2021, which constitutes an improvement in performance in dollars versus 2019 and 2020. Volume was off slightly versus year ago but up against 2019.

Meat dept packaged lunchmeat (excludes Deli)										Nov vs '20	Nov vs '19
Current sales vs. 2019 and 2020											
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Nov '21			
Dollars	+13.3%	+11.4%	+5.4%	+9.8%	-5.1%	-4.4%	+3.8%	\$417M	+4.7%	+16.0%	
Volume	+11.0%	+4.9%	-1.1%	+3.7%	-9.1%	-4.9%	+2.9%	81M	-2.5%	+2.3%	

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

## Deli Cheese

In a full turnaround, deli cheese sales (combined fixed and random weight) have moved from being far behind year-ago levels in March, to coming out even in the third quarter of 2021 and ahead in November 2021. While volume is still slightly behind 2020 levels, the renewed growth is a direct reflection of meal occasions and gatherings moving back to the home.

Total Deli Cheese (FW/RW)										Nov vs '20	Nov vs '19
Current sales vs. 2019 and 2020											
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Nov '21			
Dollars	+11.5%	+23.0%	+18.3%	+14.4%	+9.9%	-2.3%	0.0%	\$622M	+3.4%	+17.1%	
Volume	+8.8%	+19.0%	+13.4%	+9.9%	+5.4%	-5.8%	-2.0%	78M	-0.3%	+9.1%	

Grab-and-go remains an area of interest for consumers, along with pre-sliced. Much like deli meat, these convenience-focused options do put a bit of a dent in service cheese, but for a net gain when regarding total deli cheese sales. "Specialty cheese sales had a big Thanksgiving month, reaching more than \$400 million in sales, and coming out 4.8% ahead of last year," said Johnson. "We saw a big Halloween and a big Thanksgiving and all the surveys are pointing to people being ready to re-engage with the end-of-year holidays as well. December is likely to be another big month for charcuterie and specialty cheese for easy entertaining."

Total Deli Cheese (FW/RW)										Nov vs '20	Nov vs '19
Current sales vs 2019 and 2020											
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Nov '21			
Grab & go	+19.5%	+45.6%	+31.5%	+24.6%	+15.1%	-6.3%	+2.0%	\$92M	+4.8%	+27.7%	
Pre-sliced	+12.8%	+25.7%	+18.9%	+14.8%	+5.4%	+4.5%	+2.6%	\$35M	+7.1%	+21.4%	
Service	+7.0%	-3.3%	-0.9%	-0.3%	-6.2%	+1.2%	-3.2%	\$88M	-6.0%	-7.6%	
Specialty	+11.2%	+26.3%	+21.6%	+16.5%	+14.3%	-2.0%	+0.1%	\$401M	+4.8%	+20.7%	

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

In November, deli prepared and deli entertaining sales remained strong. "Deli entertaining sales reached \$366 million, with a somewhat surprising decline in holiday meals," said Parker. "But consumers did continue to rely on convenience-focused solutions such as trays, that were up 65.9%. We also see continued strength for sandwiches, entrees and many other deli-prepared offerings."

# COVID-19 IMPACT

brought to you by:



Prepared meats have completed their comeback over 2019 sales results. Sales for prepared meat, which includes rotisserie and fried chicken, were 14.3% higher in November 2021 than in 2020 and 4.4% more than in 2019.

Areas that are still down versus the pre-pandemic normal include combination meals, appetizers and pizza. Each of these three areas is having above-average growth in the freezer aisles, which may point to at least some shoppers finding frozen alternative to items they bought in the deli priorly. Winning these consumers back can be a great way to drive further growth in months to come.

Deli Prepared										
Current sales vs 2019 and 2020										
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Nov '21	Nov vs '20	Nov vs '19
<b>Deli entertaining</b>	+9.1%	-3.9%	+6.5%	+0.1%	+1.3%	+8.6%	+6.7%	\$366M	+9.2%	+12.3%
Holiday meals	-25.8%	+13.0%	+7.7%	+22.4%	+129.8%	+124%	+262%	\$17M	-44.0%	-29.9%
Spreads	+7.3%	+2.5%	+3.7%	-1.8%	-7.6%	-1.7%	-1.6%	\$69M	+5.7%	+2.4%
Trays	+2.4%	-38.6%	-14.8%	-26.0%	-0.5%	+60.0%	+45.5%	\$74M	+65.9%	+31.7%
Dips and sauces	+9.9%	+12.8%	+11.5%	+6.1%	+4.1%	+0.9%	+1.0%	\$171M	+5.3%	+11.6%
<b>Deli prepared</b>	<b>+2.1%</b>	<b>-18.3%</b>	<b>-6.5%</b>	<b>-4.7%</b>	<b>-3.7%</b>	<b>+31.0%</b>	<b>+19.7%</b>	<b>\$1.7B</b>	<b>+18.4%</b>	<b>+12.7%</b>
Entrees	+1.2%	-19.4%	-4.2%	-1.4%	+12.7%	+48.5%	+35.4%	\$426M	+28.8%	+31.2%
Prepared meats	+5.8%	-13.0%	-6.6%	-6.5%	-5.7%	+15.9%	+8.5%	\$330M	+14.3%	+4.4%
Salads	+3.8%	-16.1%	-5.6%	-3.2%	+1.2%	+27.3%	+16.6%	\$255M	+18.6%	+14.5%
Sandwiches	-1.3%	-26.3%	-6.7%	-3.2%	-5.0%	+51.7%	+24.0%	\$222M	+22.1%	+19.0%
Appetizers	-2.6%	-24.3%	-14.8%	-16.9%	-9.7%	+20.4%	+10.8%	\$142M	+13.5%	-6.6%
Side dishes	+10.0%	+7.5%	+13.4%	+12.1%	+6.1%	+9.2%	+7.4%	\$107M	+3.2%	+14.8%
Soups & chili	-2.6%	-26.0%	-13.5%	-14.0%	-6.2%	+35.6%	+38.4%	\$83M	+31.6%	+9.2%
Pizza	+3.6%	-20.3%	-13.4%	-10.7%	-10.4%	+19.9%	+11.8%	\$53M	+5.9%	-4.8%
Breakfast	+16.3%	+7.4%	+7.0%	+16.2%	+11.7%	+23.3%	+18.4%	\$28M	+3.3%	+18.2%
Combo meals	-9.7%	-68.8%	-59.7%	-37.1%	-34.7%	+100.1%	+78.4%	\$24M	-3.5%	-21.8%
Desserts	-5.5%	-44.5%	-24.1%	-8.5%	-2.7%	+78.2%	+38.6%	\$7.3M	+15.9%	+7.8%

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

## Bakery

While aisle bakery carried baked goods sales in 2020, perimeter fresh bakery is driving the growth in 2021. During the first 11 months of 2021, bakery sales reached \$33.3 billion, an increase of 4.5% over the same period in 2020. While the smaller half of the two, perimeter bakery's increase of 11.5% over year ago drove total department year-to-date growth. Fresh perimeter bakery sales have also recovered above 2019 levels by nearly 10%.

Jan-Nov 2021 sales	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
Bakery department	\$33.3B	+4.5%	+11.2%
Aisle bakery	\$19.3B	-0.1%	+12.4%
Fresh (perimeter) bakery	\$13.9B	+11.5%	+9.7%

November delivered strong bakery sales all the way around. Thanksgiving week was the biggest of the four, with sales reaching \$828 million compared with \$692 million the first week of November. Year-on-year gains were between seven and eight percent each week.

Bakery	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
<b>November</b>	<b>\$3.0B</b>	<b>+7.7%</b>	<b>+12.9%</b>
w.e. 11/7/2021	\$692M	+7.1%	+12.2%
w.e. 11/14/2021	\$714M	+7.7%	+14.3%
w.e. 11/21/2021	\$804M	+7.3%	+16.1%
w.e. 11/28/2021	\$828M	+8.7%	+9.5%

In November, both areas of the bakery drove growth.

Perimeter bakery grew the most, at +12.1%, which is not surprising given the high rates of sales in 2020 for the aisle.

November 2021	Sales	Dollar % gains vs. 2020	Dollar gains vs. 2019
Department bakery	\$3.0B	+7.7%	+12.9%
Aisle bakery	\$1.7B	+4.4%	+15.0%
Perimeter bakery	\$1.4B	+12.1%	+10.5%

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

# COVID-19 IMPACT

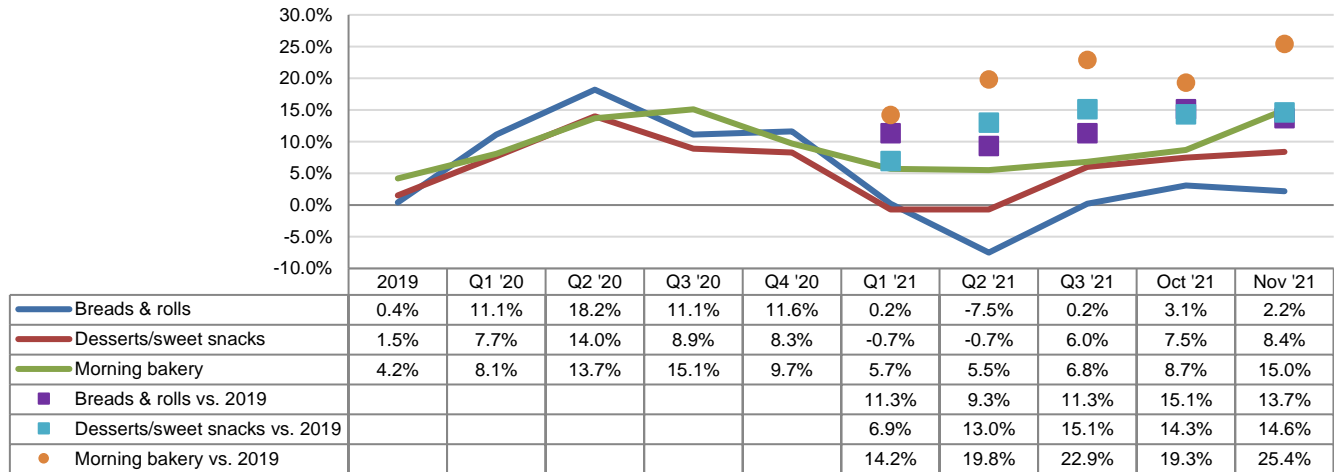
brought to you by:



## Center Store Bakery

Baked goods items found in the “aisle” or center-store area adjacent, but not included in the perimeter bakery area, increased 4.4% in October versus the same month in 2020. Gains were highest for morning bakery.

Center store 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

The overall gain for center-store baked goods was broadly supported. All areas with the exception of pies were flat or in the plus. Bread was, by far, the biggest seller at \$691 million in November. The highest growth was recorded by cakes and croissants, but they are also among the smallest sellers.

Center store baked goods	Current sales vs 2019 and 2020									
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Nov '21	Nov vs '20	Nov vs '19
Breads	+10%	+15%	+7.3%	+7.8%	-3.8%	-9.2%	-0.3%	\$691M	+1.7%	+9.0%
Buns & rolls	+16%	+21%	+14.8%	+15.3%	+3.9%	-5.9%	-0.5%	\$366M	+2.4%	+18.2%
Snack cakes	+4%	+13%	+8.2%	+9.8%	+1.5%	-1.7%	6.3%	\$106M	+13.5%	+22.5%
Bagels/bialys	+11%	+32%	+23.3%	+26.1%	+14.0%	-4.6%	5.0%	\$98M	+6.0%	+33.1%
Donuts	+6%	+19%	+21.3%	+8.3%	+4.7%	-2.8%	-1.1%	\$86M	+9.6%	+16.8%
English muffins	+6%	+26%	+14.2%	+13.8%	+5.0%	-13.2%	-1.5%	\$62M	-0.1%	+11.9%
Muffins	+14%	+9%	+15.2%	+15.1%	+10.4%	+21.8%	16.5%	\$60M	+26.4%	+48.1%
Cookies	+10%	+13%	+6.7%	+6.2%	-6.3%	-1.3%	8.3%	\$48M	+0.3%	+3.6%
Pastry/Danish/coffee cakes	+5%	+9%	+3.6%	+6.4%	+2.0%	+3.4%	10.8%	\$44M	+12.1%	+17.8%
Cakes	+9%	+18%	+8.9%	+9.6%	+3.5%	-0.7%	12.9%	\$32M	+13.3%	+20.5%
Brownies/squares/bars	+11%	+12%	+10.3%	+6.0%	+2.7%	+7.2%	4.4%	\$31M	+8.8%	+10.6%
Pies	+18%	+20%	+15.1%	+7.9%	-1.2%	-0.7%	-1.3%	\$20M	-2.9%	+3.9%
Tortillas/wraps/flatbreads	+11%	+9%	+18.0%	+15.5%	+3.6%	+5.7%	-3.7%	\$16M	+0.2%	+14.9%
Croissants	+1%	0%	+24.0%	+28.1%	+15.9%	+33.7%	24.8%	\$8M	+13.2%	+48.2%

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 (including both fixed and random weight)

Sales in perimeter breads and rolls improved 12.1% over 2020 in November with renewed acceleration month-to-month. Desserts and morning bakery had the highest gains in November for what was a big holiday month.

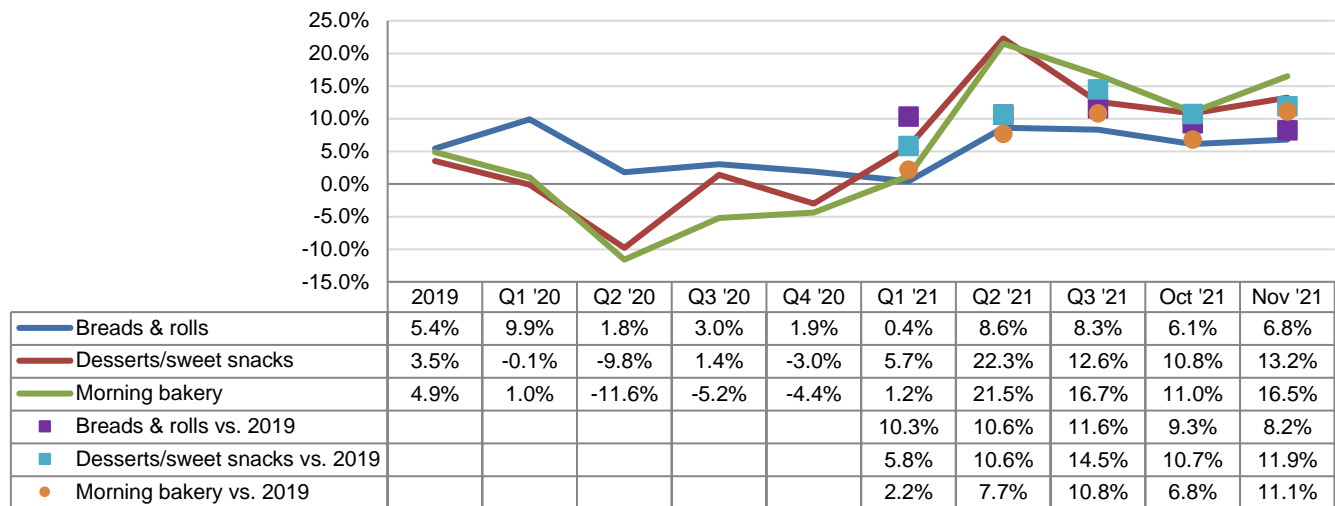


# COVID-19 IMPACT

brought to you by:



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

In perimeter bakery, Thanksgiving made its mark with strong pie, buns and rolls sales. Cakes remained the biggest seller, at \$376 million. With the exception of breads and brownies, every area in the perimeter bakery improved year-on-year sales. Whereas in 2020 the baking aisle had record sales, the bake-at-home trend appears to have cooled off, likely pushing more dollars back to the perimeter bakery for celebration and holiday needs. Perimeter bakery will have the opportunity to further grow sales during the end-of-year holidays.

Perimeter bakery	Current sales vs 2019 and 2020								Nov '21	Nov vs '20	Nov vs '19
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21				
Cakes	-1.6%	-9.6%	+2.8%	-3.2%	+6.9%	+23.5%	+12.7%	\$376M	+15.6%	+12.8%	
Pies	-5.1%	-6.1%	+4.3%	+1.4%	+7.1%	+12.4%	+0.6%	\$243M	+5.6%	+7.8%	
Cookies	+6.1%	-10.1%	-1.2%	-4.9%	+2.0%	+21.6%	+14.1%	\$175M	+22.0%	+19.2%	
Pastry/Danish/coffee cakes	+4.0%	-1.0%	+5.3%	+1.1%	+9.0%	+17.7%	+15.7%	\$120M	+14.9%	+15.7%	
Breads	+10.5%	+7.2%	+7.1%	+4.2%	+1.0%	+2.2%	+1.6%	\$112M	-1.0%	+3.4%	
Muffins	+2.5%	-5.2%	-2.6%	+1.5%	+3.2%	+19.3%	+19.4%	\$79M	+20.0%	+22.6%	
Buns & rolls	+5.6%	-6.0%	-4.4%	-5.3%	-5.8%	+9.8%	+10.4%	\$71M	+7.4%	+2.6%	
Donuts	-4.0%	-30.8%	-20.9%	-17.0%	-11.0%	+30.9%	+14.4%	\$71M	+15.4%	-5.2%	
Croissants	+21.7%	+9.3%	+12.3%	+13.5%	+14.7%	+23.9%	+18.1%	\$41M	+17.3%	+35.0%	
Brownies/squares/bars	+6.3%	-4.6%	+6.8%	-1.1%	+15.0%	+26.4%	+15.3%	\$21M	-5.5%	-0.3%	
Bagels/bialys	+6.9%	-16.0%	-14.3%	-12.3%	-11.8%	+13.8%	+19.1%	\$20M	+18.5%	+3.5%	
Tortillas/wraps/flatbreads	+7.9%	+8.5%	+11.5%	+12.6%	+7.1%	+7.6%	+7.8%	\$20M	+8.4%	+20.4%	
Specialty desserts	-13.1%	-42.8%	-37.1%	-27.8%	-18.0%	+36.4%	+24.6%	\$10M	+29.2%	-8.4%	

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?

The IRI primary shopper survey found many examples of consumers encountering inflation and out-of-stocks.

- 37% encountered issues with availability on their list trip. Highest out-of-stocks were reported for toilet paper, canned goods, carbonated soft drinks, paper towels and milk.

# COVID-19 IMPACT

brought to you by:



- In response to not being able to buy what they came for, 39% of shoppers spent their money elsewhere and 29% ended up not purchasing the planned item at all — underscoring the significant impact of out-of-stocks on sales.
  - 29% went to a different store and another 10% went online and bought it from another store
  - 29% forewent the purchase
  - 28% bought a different brand or variety
  - 22% returned to the store later

While the upswing in new COVID-19 cases in the latter half of 2021 has reversed some of the normalization seen in the first half of the year, concern levels are not quite what they have been. This explains the small reversals in areas such as online sales, browsing for new items and time spent in store, but not anywhere near the levels seen at the onset of the pandemic.

- 33% is extremely concerned — a ratio that was double as high during the early months.
- Despite the arrival of the Omicron variant, 78% are not any more or less worried; 12% are more worried and 10% are less worried
- 50% expect to start Christmas grocery shopping a bit earlier than usual. Celebrations are likely to be very home-centric yet again, with only 3% expecting to go out to a restaurant.

Consumer mobility remains high, especially in the area of virtual versus in-person education:

- 81% of the nation's children attend school in person full time, another 4% are in a hybrid system.
- 15% of parents now pack food to bring to school more often than they did pre-pandemic. In contrast, 19% now do school lunch more often. 62% go about school lunch the same way they did pre-pandemic.
- 9% of parents pack more drinks to bring to school as water fountains remain off limits in some schools.

Restaurant engagement, at 82%, remained high in November, driven by takeout and delivery:

- 58% of primary shoppers have gotten takeout, a few points higher than in the summer, and 22% have ordered home delivery.
- 50% have dined inside at a restaurant and 15% have eaten outdoors at a restaurant.

The next report in the IRI, 210 Analytics and IDDBA performance series will be released mid-January covering the December 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

Q3 2021: 13 weeks ending 9/26/2021

November 2021: 4 weeks ending 11/28/2021