

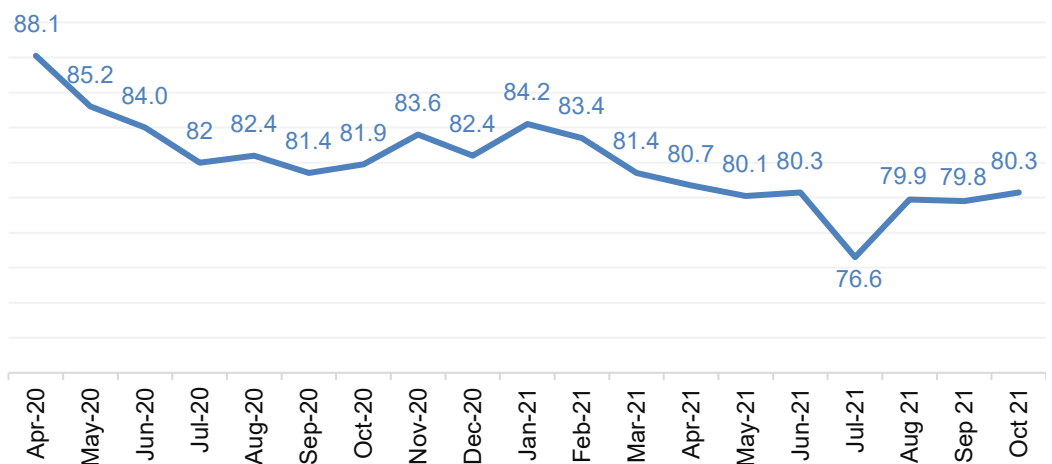
Halloween Boosts Bakery Sales; Thanksgiving Gearing Up

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 October 2021 and the first 10 months of 2021.

Meals continued to be home-centric in October. "According to the October IRI primary shopper survey, the share of meals prepared at home is back to late spring, early summer levels," said Jonna Parker, Team Lead Fresh with IRI. "There are many drivers for the reversal, from the uptick in COVID case counts to rapidly rising inflation. While retail inflation is the highest in many decades, the cost for eating out rose even faster. Restaurant inflation typically results in more at-home meal preparation and it is likely we will see an enhanced reaction as many people were reminded of the potential savings and other benefits of home cooking in the past year and a half."

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



Other changes also point to a reversal in the normalization of shopping and consumption patterns. During the height of the pandemic, as many as 20% of trips were online. This dropped to a low of 11% in July. In October, the online share of trips increased to 15%. 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," said Parker. "This compares to 21% who will only buy some or a little online. This underscores the importance of a strong omnichannel strategy to optimize the share of total dollars, particularly in deli and in-store bakery."

"Twenty months into the pandemic, food retailing patterns remain in flux," said Jeremy Johnson, VP of Education for IDDBA. "Continually changing consumer consumption and buying patterns, high inflation and severe supply chain constraints have yet to create a new and lasting balance of supply and demand. The disrupted marketplace is prompting shoppers to alter their everyday and holiday shopping and consumption patterns. Yet, the outlook for retail to continue to capture a large share of meals are strong as is the outlook for the Winter Holiday celebrations. I expect robust food retail engagement for the remainder of the fourth quarter."

Perishables Performance

A look across fresh foods departments for the five October weeks, from October 3 through October 31, shows perimeter strength. All departments, with the exception of seafood, gained year-over-year, with the highest increases going to deli and meat. Seafood is significantly smaller than the other fresh departments and deli sales overtook bakery sales this month, with October sales of \$4.0 billion.

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October 2021	\$ sales	Dollar sales gains vs. 2020	Dollar sales gains vs. 2019
Total perishables	\$260B	+1.5%	+14.5%
Meat	\$7.9B	+7.2%	+22.3%
Refrigerated (including dairy)	\$7.0B	+1.6%	+12.5%
Produce	\$6.5B	+3.8%	+15.9%
Deli (meat, cheese and deli prepared)	\$4.0B	+11.3%	+15.1%
Bakery	\$3.5B	+6.4%	+12.7%
Seafood	\$584M	-0.5%	+29.5%

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 10 months of 2021 only trailed the 2020 record levels by 2.8%, said Eric Richard, Industry Relations Coordinator with IDDBA. “Reaching \$50.1 billion during January through October 31st, sales tracked 11.2% ahead of the same period in 2019. Dairy’s robust sales stems from playing a role in all meal occasions from snacks to dinner. That means a more home-centric meal outlook benefits dairy sales across all meal occasions instead of just one or two.”

In October, dairy sales once more exceeded year ago levels, at +0.5. Three out of the five weeks saw sales gains upwards of +1%. The biggest sales week was the week ending October 10, with sales of \$1.16 billion.

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

Eggs were the fastest grower in October. “When inflation in the meat department is high, we often see strength for other proteins,” said Richard. “Eggs are among the top contenders to pick up that dollar. At the same time, a lot of the dollar sales performance is skewed by the high levels of inflation, particularly in eggs.”

Dairy	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
October	\$5.749B	+0.5%	+10.3%
w.e. 10/3/2021	\$1.137B	-0.1%	+8.7%
w.e. 10/10/2021	\$1.159B	+1.2%	+9.8%
w.e. 10/17/2021	\$1.156B	+1.5%	+11.5%
w.e. 10/24/2021	\$1.147B	+1.1%	+11.7%
w.e. 10/31/2021	\$1.149B	-1.1%	+10.0%

Current dollar sales vs the same time period year ago

	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Oct '21	Oct vs '20	Oct vs '19
Dairy	+12%	+21.5%	+11.9%	+9.0%	-0.2%	-9.2%	-0.1%	\$5.7B	+0.5%	+10.3%
Milk	+11%	+14.1%	+8.7%	+6.9%	-1.4%	-5.6%	0.0%	\$1.5B	+0.6%	+7.0%
Natural cheese	+17%	+31.3%	+17.4%	+14.0%	+1.6%	-12.3%	-2.3%	\$1.1B	-1.9%	+12.2%
Yogurt	+4%	+2.4%	+3.5%	+4.6%	-1.7%	+4.4%	+5.4%	\$754M	+4.9%	+8.8%
Eggs	+8%	+38.4%	+16.6%	+9.5%	-1.8%	-18.5%	+1.7%	\$615M	+5.3%	+19.2%
Cream/creamers	+11%	+21.2%	+14.8%	+12.7%	+6.5%	-3.1%	-1.2%	\$479M	+1.9%	+15.4%
Butter/margarine	+19%	+35.1%	+12.5%	+5.0%	-7.3%	-24.7%	-7.3%	\$444M	-3.3%	+4.1%
Processed cheese	+21%	+24.9%	+12.3%	+9.5%	-6.3%	-14.1%	-3.5%	\$212M	-3.4%	+7.1%
Cream cheese	+16%	+28.4%	+19.9%	+12.1%	+9.3%	-8.0%	-1.2%	\$190M	-8.3%	+10.8%
Whipped toppings	+10%	+34.2%	+24.1%	+18.5%	+17.2%	-9.3%	-1.6%	\$130M	+0.5%	+20.8%
Sour cream	+11%	+28.2%	+12.6%	+5.8%	+0.7%	-16.5%	-4.2%	\$128M	-0.2%	+8.1%
Cottage cheese	+2%	+8.7%	+4.5%	+5.0%	-4.1%	-9.4%	-5.5%	\$97M	-3.4%	+0.4%

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 most dairy categories, with the exception of yogurt and desserts.

“Yogurt was trending in the plus for both units and volume but it appears that reversal of normalization patterns is also affecting the yogurt purchases back to some of the larger container sizes,” said Parker. “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, we now see that extra

effort move back to store-bought solutions, both in refrigerated and frozen. I recommend placing some refrigerated desserts and baked goods close the deli-prepared takeout area for an incremental sale. I’m even seeing some retailers merchandise desserts in the checkout area and others tying the purchase of a rotisserie chicken meal to a complementary addition of a pie or other baked good — a great way to expand awareness of the store’s assortment.”

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

October 2021 vs. 2020	\$ gains	Unit sales	Volume gains
Dairy	+0.5%	-3.6%	--
Milk	+0.6%	-3.5%	-5.5%
Natural cheese	-1.9%	-2.4%	-1.8%
Yogurt	+4.9%	-1.6%	+1.4%
Eggs	+5.3%	-7.8%	--
Cream/creamers	+1.9%	-1.7%	+0.0%
Butter/margarine	-3.3%	-7.6%	-8.2%
Processed cheese	-3.4%	-4.1%	-2.5%
Cream cheese	-8.3%	-8.2%	-8.1%
Whipped toppings	+0.5%	-3.0%	-0.3%
Sour cream	-0.2%	-3.5%	-3.8%
Cottage cheese	-3.4%	-2.4%	-5.2%
Desserts	+13.4%	+6.6%	+4.6%
Cheese snack kits	-5.8%	-13.5%	-10.7%

Cheese Alternatives Versus Conventional Cheese

During the first 10 months of 2021, natural and processed cheese generated \$11.7 billion in sales. This was slightly less than during the record-setting first 10 months of 2020, at -4.6%. During the same time period, dairy cheese alternatives generated \$97.4 million which is 0.8% of combined natural and processed cheese sales. Dollar sales for cheese alternatives declined 11.9% over the first 10 months of 2021 compared with last year.

The same pattern can be seen for units and volume. Cheese alternatives generated 0.6% of combined natural, processed and alternative cheese volume sales, at 15 million pounds. That was down 21.4% versus year ago for the first 10 months of the year. Unit sales were down 5.7% for conventional cheese and down 18.9% for cheese alternatives.

First 10 months of 2021 through w.e. 10/31/2021	Natural and processed cheese excluding alternatives	Cheese alternatives
Dollar sales	\$11.7B	\$97.4M
Dollar sales growth	-4.6%	-11.9%
Unit sales	3.3B	30M
Unit sales growth	-5.7%	-18.9%
Volume sales (in pounds)	2.5B	15M
Volume sales growth	-5.1%	-21.4%

Source: IRI, Integrated Fresh, Total US, MULO, % change vs. year ago.

Deli Year-to-Date Sales

“The deli department continued its all-around win,” said Angela Bozo, Education Director with IDDBA. “For the first 10 months of 2021, deli sales increased 10.6% versus 2020 and that performance was supported by each of the four areas within deli. Importantly, deli prepared not only beat the down 2020 sales performance, but also exceeds its 2019 numbers. For the first 10 months of 2021, dollars reached \$17.5 billion, which is up 17.3% over 2020 and 8.5% over 2019.

Jan-Oct 2021 sales	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
Department deli	\$34.1B	+10.6%	+12.4%
Deli cheese	\$6.4B	+2.2%	+20.1%
Deli entertaining	\$3.7B	+6.5%	+13.5%
Deli meat	\$6.5B	+4.9%	+15.6%
Deli prepared	\$17.5B	+17.3%	+8.5%

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

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There is an important lesson in these numbers and that is the quest for convenience. Even during times of high inflation and income pressure, consumers seek solutions that help them serve a nutritious, cost-effective meal.”

Deli Meat

Deli meat sales (combined fixed and random weight) totaled \$742.8 billion for the five October 2021 weeks, which translated into increases compared to both 2019 and 2020. Each week generated between \$147 million and \$150 million, with increases ranging from 3% to almost 5% versus year ago.

Deli (October)	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
October	\$742.8B	+4.1%	+17.8%
w.e. 10/3/2021	\$149.1M	+3.1%	+15.8%
w.e. 10/10/2021	\$149.9M	+3.6%	+17.2%
w.e. 10/17/2021	\$148.8M	+4.0%	+18.6%
w.e. 10/24/2021	\$147.8M	+4.9%	+19.3%
w.e. 10/31/2021	\$147.1M	+4.8%	+18.4%

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.

Total Deli Meat (FW/RW)	Current sales vs. 2019 and 2020									
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Oct '21	Oct vs '20	Oct vs '19
Dollars	+8.0%	+9.0%	+12.1%	+12.5%	+6.4%	+6.6%	2.2%	\$743M	+4.1%	+17.8%
Volume	+4.8%	+3.9%	+6.0%	+7.3%	+2.4%	+3.0%	-1.5%	80M	-2.7%	+4.8%

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. 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 (FW/RW)	Current sales vs. 2019 and 2020									
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Oct '21	Oct vs '20	Oct vs '19
Grab & go	+35.2%	+72.4%	+56.9%	+55.9%	+38.9%	+8.0%	+11.6%	\$209M	+13.7%	+79.1%
Pre-sliced	+12.6%	+27.0%	+23.7%	+18.6%	+13.2%	+4.5%	+5.3%	\$76M	+8.3%	+33.4%
Service	+1.7%	-7.7%	-0.3%	+0.6%	-3.6%	+6.3%	-2.0%	\$458M	-0.4%	+0.3%

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 sales generated another \$556 million in October 2021, which constitutes an improvement in performance in both dollars and volume versus 2019 and 2020. Volume was off slightly versus year ago but up against 2019.

Meat dept packaged lunchmeat (excludes Deli)	Current sales vs. 2019 and 2020									
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Oct '21	Oct vs '20	Oct vs '19
Dollars	+13.3%	+11.4%	+5.4%	+9.8%	-5.1%	-4.4%	+3.8%	\$556M	+5.3%	+14.0%
Volume	+11.0%	+4.9%	-1.1%	+3.7%	-9.1%	-4.9%	+2.9%	110M	-0.3%	+1.7%

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 October 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.

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Total Deli Cheese (FW/RW)		Current sales vs. 2019 and 2020								
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Oct '21	Oct vs '20	Oct vs '19
Dollars	+11.5%	+23.0%	+18.3%	+14.4%	+9.9%	-2.3%	0.0%	\$704M	+0.5%	+17.6%
Volume	+8.8%	+19.0%	+13.4%	+9.9%	+5.4%	-5.8%	-2.0%	91M	-1.7%	+9.5%

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 another net gain when regarding total deli cheese sales. Specialty cheese sales have recovered to above year-ago levels come October 2021. Dollars trended 1.1% above year ago and 20.5% ahead of 2019. "The next few months are a big opportunity for specialty cheese," said Bozo. "All surveys point to people being ready to re-engage with the holidays with a focus on at-home gatherings. That's where charcuterie and specialty cheese can shine for easy entertaining."

Total Deli Cheese (FW/RW)		Current sales vs 2019 and 2020								
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Oct '21	Oct vs '20	Oct vs '19
Grab & go	+19.5%	+45.6%	+31.5%	+24.6%	+15.1%	-6.3%	+2.0%	\$107M	+2.2%	+32.0%
Pre-sliced	+12.8%	+25.7%	+18.9%	+14.8%	+5.4%	+4.5%	+2.6%	\$41M	+4.0%	+22.1%
Service	+7.0%	-3.3%	-0.9%	-0.3%	-6.2%	+1.2%	-3.2%	\$112M	-5.4%	-5.8%
Specialty	+11.2%	+26.3%	+21.6%	+16.5%	+14.3%	-2.0%	+0.1%	\$437M	+1.1%	+20.5%

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

Along with America's cooking fatigue come strong deli prepared and deli entertaining sales. Deli entertaining sales reached \$423 million in the five October weeks. That is 10.3% above 2020 levels and 16.5% above 2019. In comparison to the third-quarter results, the fourth quarter is off to a strong start of the holiday season.

In deli prepared, prepared meats have completed their comeback over 2019 sales results. Sales for prepared meat, which includes rotisserie and fried chicken, were 10.6% higher in October than in 2020 and 2.8% 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 having found 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	Oct '21	Oct vs '20	Oct vs '19
Deli entertaining	+9.1%	-3.9%	+6.5%	+0.1%	+1.3%	+8.6%	+6.7%	\$423M	+10.3%	+16.5%
Holiday meals	-25.8%	+13.0%	+7.7%	+22.4%	+129.8%	+124%	+262%	\$195K	+159%	+145%
Spreads	+7.3%	+2.5%	+3.7%	-1.8%	-7.6%	-1.7%	-1.6%	\$88M	+1.7%	+3.2%
Trays	+2.4%	-38.6%	-14.8%	-26.0%	-0.5%	+60.0%	+45.5%	\$76M	+59.5%	+30.2%
Dips and sauces	+9.9%	+12.8%	+11.5%	+6.1%	+4.1%	+0.9%	+1.0%	\$216M	+2.6%	+14.5%
Deli prepared	+2.1%	-18.3%	-6.5%	-4.7%	-3.7%	+31.0%	+19.7%	\$2.1B	+18.7%	+13.1%
Entrees	+1.2%	-19.4%	-4.2%	-1.4%	+12.7%	+48.5%	+35.4%	\$528M	+33.9%	+34.9%
Prepared meats	+5.8%	-13.0%	-6.6%	-6.5%	-5.7%	+15.9%	+8.5%	\$418M	+10.6%	+2.8%
Salads	+3.8%	-16.1%	-5.6%	-3.2%	+1.2%	+27.3%	+16.6%	\$344M	+19.7%	+14.1%
Sandwiches	-1.3%	-26.3%	-6.7%	-3.2%	-5.0%	+51.7%	+24.0%	\$291M	+21.9%	+17.8%
Appetizers	-2.6%	-24.3%	-14.8%	-16.9%	-9.7%	+20.4%	+10.8%	\$178M	+10.4%	-6.1%
Side dishes	+10.0%	+7.5%	+13.4%	+12.1%	+6.1%	+9.2%	+7.4%	\$125M	+1.3%	+15.5%
Soups & chili	-2.6%	-26.0%	-13.5%	-14.0%	-6.2%	+35.6%	+38.4%	\$98M	+27.7%	+10.2%
Pizza	+3.6%	-20.3%	-13.4%	-10.7%	-10.4%	+19.9%	+11.8%	\$66M	+3.7%	-5.8%
Breakfast	+16.3%	+7.4%	+7.0%	+16.2%	+11.7%	+23.3%	+18.4%	\$41M	+9.3%	+23.3%
Combo meals	-9.7%	-68.8%	-59.7%	-37.1%	-34.7%	+100.1%	+78.4%	\$18M	+25.7%	-27.6%
Desserts	-5.5%	-44.5%	-24.1%	-8.5%	-2.7%	+78.2%	+38.6%	\$9M	+16.6%	+6.5%

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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 10 months of 2021, bakery sales reached \$30.2 billion, an increase of 4.0% over the same period in 2020. While the smaller half of the two, perimeter bakery's increase of 11.1% over year ago drove total department year-to-date growth. Fresh perimeter bakery sales have also recovered above 2019 levels by more than 9%.

Jan-Oct 2021 sales	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
Bakery department	\$30.2B	+4.0%	+10.9%
Aisle bakery	\$17.7B	-0.5%	+12.1%
Fresh (Perimeter) bakery	\$12.5B	+11.1%	+9.3%

Bakery had two very strong weeks: the second and the final week, ending October 31st. In looking at Halloween candy sales that shattered all prior year records, the final week was likely positively influenced by Halloween celebratory cupcakes, cookies and cakes. October also marks the start of pie season.

Bakery	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
October	\$3.3B	+6.4%	+12.7%
w.e. 10/3/2021	\$653M	+5.5%	+11.3%
w.e. 10/10/2021	\$662M	+5.9%	+11.9%
w.e. 10/17/2021	\$652M	+6.7%	+12.9%
w.e. 10/24/2021	\$646M	+7.4%	+13.3%
w.e. 10/31/2021	\$661M	+6.7%	+14.0%

In October, both areas of the bakery drove growth.

Perimeter bakery grew the most, at +9.4%, which is not surprising given the high rates of sales in 2020 for the aisle.

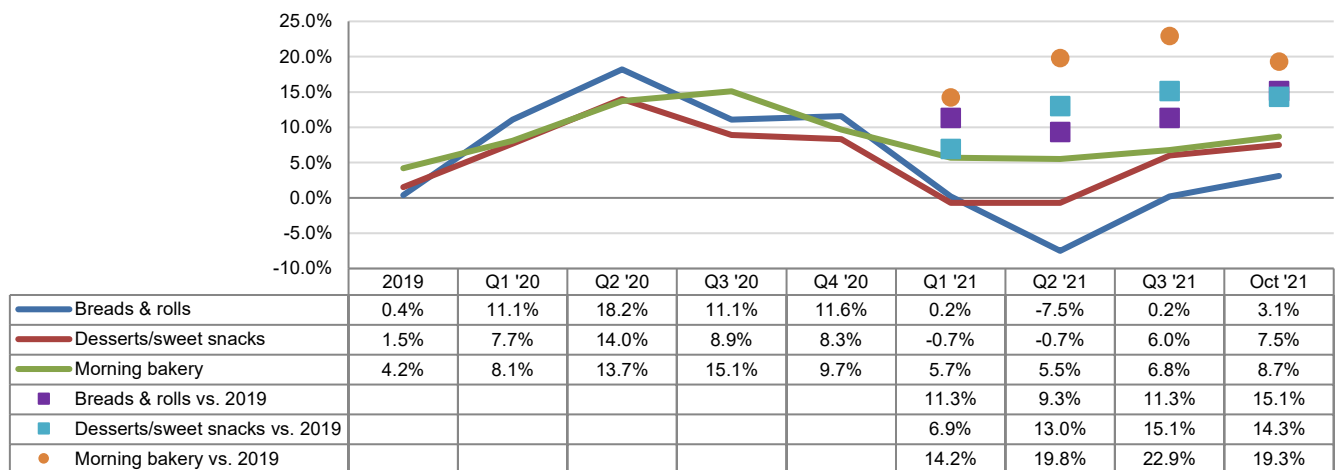
October 2021	Sales	Dollar % gains vs. 2020	Dollar gains vs. 2019
Department bakery	\$3.3B	+6.4%	+12.7%
Aisle bakery	\$1.9B	+4.4%	+15.5%
Perimeter bakery	\$1.3B	+9.4%	+9.0%

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, increased 4.4% in October versus the same month in 2020. Gains were highest for desserts and 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

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The overall gain for center-store baked goods was broadly supported. Several areas that had been in negative growth territory since March moved back into the plus. These include donuts and pies. Bread was, by far, the biggest seller at \$862 million in October. The highest growth was recorded by croissants, but they are also the smallest seller.

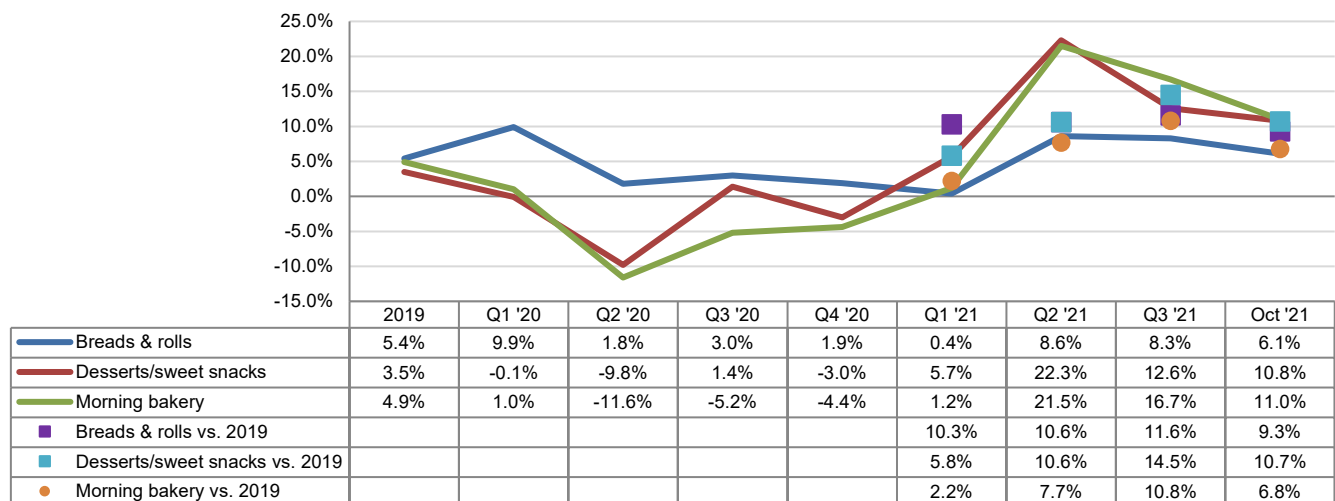
Center store baked goods	Current sales vs 2019 and 2020									
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Oct '21	Oct vs '20	Oct vs '19
Breads	+10%	+15%	+7.3%	+7.8%	-3.8%	-9.2%	-0.3%	\$862M	+2.6%	+9.9%
Buns & rolls	+16%	+21%	+14.8%	+15.3%	+3.9%	-5.9%	-0.5%	\$391M	+3.8%	+22.7%
Bagels/bialys	+11%	+32%	+23.3%	+26.1%	+14.0%	-4.6%	5.0%	\$124M	+6.4%	+31.4%
Snack cakes	+4%	+13%	+8.2%	+9.8%	+1.5%	-1.7%	6.3%	\$121M	+11.9%	+19.1%
Donuts	+6%	+19%	+21.3%	+8.3%	+4.7%	-2.8%	-1.1%	\$109M	+2.3%	+13.0%
Muffins	+14%	+9%	+15.2%	+15.1%	+10.4%	+21.8%	16.5%	\$80M	+19.6%	+34.4%
English muffins	+6%	+26%	+14.2%	+13.8%	+5.0%	-13.2%	-1.5%	\$76M	-0.1%	+13.9%
Cookies	+10%	+13%	+6.7%	+6.2%	-6.3%	-1.3%	8.3%	\$64M	+4.6%	+8.4%
Pastry/Danish/coffee cakes	+5%	+9%	+3.6%	+6.4%	+2.0%	+3.4%	10.8%	\$56M	+7.6%	+13.3%
Brownies/squares/bars	+11%	+12%	+10.3%	+6.0%	+2.7%	+7.2%	4.4%	\$40M	+4.1%	+11.8%
Cakes	+9%	+18%	+8.9%	+9.6%	+3.5%	-0.7%	12.9%	\$35M	+7.1%	+18.2%
Pies	+18%	+20%	+15.1%	+7.9%	-1.2%	-0.7%	-1.3%	\$26M	+1.5%	+7.4%
Tortillas/wraps/flatbreads	+11%	+9%	+18.0%	+15.5%	+3.6%	+5.7%	-3.7%	\$22M	+0.9%	+16.0%
Croissants	+1%	0%	+24.0%	+28.1%	+15.9%	+33.7%	24.8%	\$9M	+15.4%	+51.4%

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 9.4% over 2020 in October with continued accelerating month-to-month. Desserts and morning bakery had the highest gains in October, though the increases compared with the prior month are slowing down.

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

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In perimeter bakery, cakes and cookies were the biggest sellers in October and each managed a significant increase in dollar sales over both 2020 and 2019. With the exception of breads, 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 fall and winter holidays.

Perimeter bakery	Current sales vs 2019 and 2020								Oct vs '20	Oct vs '19
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Oct '21		
Cakes	-1.6%	-9.6%	+2.8%	-3.2%	+6.9%	+23.5%	+12.7%	\$470M	+11.7%	+12.2%
Cookies	+6.1%	-10.1%	-1.2%	-4.9%	+2.0%	+21.6%	+14.1%	\$216M	+13.1%	+13.1%
Pastry/Danish/coffee cakes	+4.0%	-1.0%	+5.3%	+1.1%	+9.0%	+17.7%	+15.7%	\$137M	+8.5%	+13.7%
Breads	+10.5%	+7.2%	+7.1%	+4.2%	+1.0%	+2.2%	+1.6%	\$128M	-1.3%	+4.8%
Muffins	+2.5%	-5.2%	-2.6%	+1.5%	+3.2%	+19.3%	+19.4%	\$97M	+19.8%	+18.7%
Pies	-5.1%	-6.1%	+4.3%	+1.4%	+7.1%	+12.4%	+0.6%	\$97M	+0.9%	+0.6%
Donuts	-4.0%	-30.8%	-20.9%	-17.0%	-11.0%	+30.9%	+14.4%	\$87M	+6.1%	-11.6%
Buns & rolls	+5.6%	-6.0%	-4.4%	-5.3%	-5.8%	+9.8%	+10.4%	\$79M	+9.3%	+3.9%
Croissants	+21.7%	+9.3%	+12.3%	+13.5%	+14.7%	+23.9%	+18.1%	\$47M	+17.1%	+33.6%
Brownies/squares/bars	+6.3%	-4.6%	+6.8%	-1.1%	+15.0%	+26.4%	+15.3%	\$33M	+11.3%	+15.2%
Tortillas/wraps/flatbreads	+7.9%	+8.5%	+11.5%	+12.6%	+7.1%	+7.6%	+7.8%	\$26M	+7.6%	+21.9%
Bagels/bialys	+6.9%	-16.0%	-14.3%	-12.3%	-11.8%	+13.8%	+19.1%	\$25M	+17.9%	+2.5%
Specialty desserts	-13.1%	-42.8%	-37.1%	-27.8%	-18.0%	+36.4%	+24.6%	\$11M	+23.7%	-11.0%

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 points to some more normalcy for the Thanksgiving celebrations compared with last year. The survey did find a sizeable share of consumers with plans to shop early. This is something to keep in mind for deli and bakery, in particular. Some retailers took to drive-through Thanksgiving dinner lines last year to avoid the usual holiday rush. The role of online ordering; and ensuring specialty and seasonal bakery and deli offerings are included, will also be critical to win that all important celebration holiday basket.

- More people are planning on celebrating Thanksgiving this year, with 60% saying they plan to celebrate as usual, defined as the way they celebrated before COVID-19.
- 36% hosting or attending a party with guests beyond their own household and 25% preparing a special meal for just their own household.
- In addition to or in lieu of Thanksgiving dinner, 8% are also doing a "Friendsgiving" meal with friends.
- Only 9% are not planning on a special celebration this year.
- The average party size is also expected to be bigger this year, at an average of seven to eight people.
- 22% expect to spend more on Thanksgiving dinner than they did last year, in part because of inflation and in part because of a larger party size.
- 36% also plan to start shopping earlier. This has been a trend all throughout the pandemic, making the week before the holiday the biggest week for most departments rather than the holiday week itself.

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

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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
October 2021: 5 weeks ending 10/31/2021