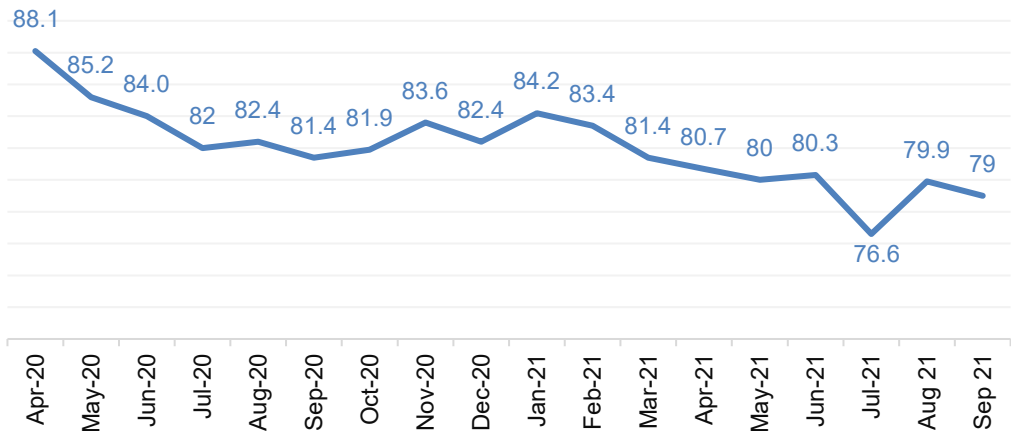


Inflation Tests Consumer Appetite for Deli, Bakery and Dairy

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

In September, at-home meal preparation remained far above the July low. “Nearly 80% of total meals were prepared at home in September, according to the IRI primary shopper survey,” said Jonna Parker, Team Lead Fresh for IRI. “Subsequently, some food dollars that had returned to foodservice moved back to retail.”

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



At the same time, the survey found that more people returned to buying groceries online. During the height of the pandemic, as many as 20% of trips were online. This dropped to a low of 11% in July. In August, the online share of trips increased to 13% and in September the share reached 14%. “An opportunity gap remains for perimeter departments when comparing how often center-store and frozen items land in online baskets versus perishables,” added Parker. “Produce is leading the way for fresh items, representing 12 out of the top 15 fresh items in household penetration when regarding online baskets among our panelists. Dairy, deli and bakery are presented by specialty cheese only, providing ample room to improve and secure the same share in online and offline baskets across items and brands.”

Between the changes in consumer consumption and buying patterns, high inflation and severe supply chain disruption and constraints, grocery retailing remains in flux. In partnership with IDDBA, IRI and 210 Analytics analyzed the dairy, deli and bakery department performance in the first nine months of the year along with a September performance deep dive. “Significant supply chain disruption is driving up prices across the store and the high levels of inflation are testing consumers’ ability and willingness to pay more,” said Jeremy Johnson, VP of Education for IDDBA. “At the same time, the USDA Economic Research Service (ERS) released data last week that Americans spent 7.8% less on food in 2020 than the year before as a result of eating more meals at home versus eating out. Americans are continually reminded that home-cooked meals are both less expensive and often healthier — two important messages for the deli, dairy and bakery departments.”

Perishables Performance

A look across fresh foods departments for the four September weeks shows perimeter strength. All departments gained year-over-year, with the highest increases going to deli and meat. Seafood is significantly smaller than the other fresh departments, but had very aggressive growth in 2020 and managed to still come ahead in 2021.

September 2021	\$ sales	Dollar sales gains vs. 2020	Dollar sales gains vs. 2019
Total perishables	\$23.9B	+4.7%	+17.5%
Meat	\$6.4B	+5.6%	+23.0%
Produce	\$5.4B	+4.0%	+16.3%
Refrigerated (including dairy)	\$5.5B	+1.4%	+14.4%
Deli (meat, cheese and deli prepared)	\$3.2B	+10.5%	+15.2%
Bakery	\$2.8B	+5.5%	+14.7%
Seafood	\$525M	+1.1%	+33.7%

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

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Dairy Sales

Dairy sales during the first three quarters of 2021 only trailed 3.3% behind the record sales of 2020. Reaching \$44.2 billion during those first nine months, sales tracked 11.2% ahead of the same period in 2019.

Sales fell far behind year ago levels in March when going up against the panic buying weeks. However, the year-on-year performance improved each subsequent month and exceeded year ago levels for the first time in August. September continued on this positive path.

“Labor Day, the week ending September 5, had the highest sales of the four September weeks,” said Eric Richard, Industry Relations Coordinator with IDDBA. “Importantly, sales held steady against August as the higher share of meals is driving robust demand in the dairy aisle.”

Dairy	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
September	\$4.538B	+0.2%	+12.2%
w.e. 9/5/2021	\$1.159B	+0.5%	+12.2%
w.e. 9/12/2021	\$1.138B	-0.2%	+12.4%
w.e. 9/19/2021	\$1.123B	-0.4%	+11.8%
w.e. 9/26/2021	\$1.117B	+0.9%	+12.2%

Underneath the strong dairy sales performance is a more mixed performance at the category level. The two largest sellers, milk and natural cheese, were still down versus September 2020, but yogurt, eggs and cream/creamers sales offset those losses for the overall department gain. Egg sales had the highest percentage increase, at +6.9%.

Current dollar sales vs the same time period year ago										
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Sep '21	Sep vs '20	Sep vs '19
Dairy	+12%	+21.5%	+11.9%	+9.0%	-0.2%	-9.2%	-0.1%	\$4.5B	+0.2%	+12.2%
Milk	+11%	+14.1%	+8.7%	+6.9%	-1.4%	-5.6%	0.0%	\$1.1B	-0.9%	+8.8%
Natural cheese	+17%	+31.3%	+17.4%	+14.0%	+1.6%	-12.3%	-2.3%	\$867B	-2.3%	+15.3%
Yogurt	+4%	+2.4%	+3.5%	+4.6%	-1.7%	+4.4%	+5.4%	\$624M	+6.7%	+8.4%
Eggs	+8%	+38.4%	+16.6%	+9.5%	-1.8%	-18.5%	+1.7%	\$487M	+6.9%	+19.4%
Cream/creamers	+11%	+21.2%	+14.8%	+12.7%	+6.5%	-3.1%	-1.2%	\$370M	+2.9%	+18.4%
Butter/margarine	+19%	+35.1%	+12.5%	+5.0%	-7.3%	-24.7%	-7.3%	\$335M	-7.5%	+5.7%
Processed cheese	+21%	+24.9%	+12.3%	+9.5%	-6.3%	-14.1%	-3.5%	\$179M	-4.2%	+10.3%
Cream cheese	+16%	+28.4%	+19.9%	+12.1%	+9.3%	-8.0%	-1.2%	\$154M	-5.4%	+18.4%
Sour cream	+11%	+28.2%	+12.6%	+5.8%	+0.7%	-16.5%	-4.2%	\$99M	-3.0%	+10.1%
Whipped toppings	+10%	+34.2%	+24.1%	+18.5%	+17.2%	-9.3%	-1.6%	\$98M	-0.2%	+25.3%
Cottage cheese	+2%	+8.7%	+4.5%	+5.0%	-4.1%	-9.4%	-5.5%	\$81M	-4.0%	-1.4%

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

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.

“We see great strength for dessert sales in dairy, deli and frozen,” said Parker. “I suspect that at least some people order restaurant takeout or delivery, but complement that purchase with items bought at retail, such as wine, beer and desserts, for an overall cost savings. In addition, people are getting back together for holidays and celebrations, which may also boost other dessert sales.”

September 2021 vs. 2020	\$ gains	Unit sales	Volume gains
Dairy	+0.2%	-3.7%	--
Milk	-0.9%	-3.3%	-5.5%
Natural cheese	-2.3%	-2.8%	-2.1%
Yogurt	+6.7%	+0.3%	+2.8%
Eggs	+6.9%	-8.8%	--
Cream/creamers	+2.9%	-1.2%	+0.9%
Butter/margarine	-7.5%	-11.8%	-12.4%
Processed cheese	-4.2%	-5.0%	-3.4%
Cream cheese	-5.4%	-7.0%	-5.4%
Sour cream	-3.0%	-6.3%	-7.0%
Whipped toppings	-0.2%	-2.0%	-1.0%
Cottage cheese	-4.0%	-3.0%	-6.2%
Desserts	+14.0%	+6.6%	+4.5%
Cheese snack kits	-3.5%	-11.5%	-8.7%

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

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Deli: All Areas Are Tracking in the Plus

“Deli sales increased more than 10% versus 2020 and that performance was supported by each of the four areas within deli,” said Parker. “Deli prepared had a tough 2020 but sales have come roaring back. For the first nine months of 2021, dollars reached \$15.4 billion, which is up 16.8% over 2020 and 7.8% over 2019. In other words, sales have not only recovered but deli-prepared is once more an area of growth, as retailers are experimenting with online (delivery and pickup) as well as and packaged grab-and-go.”

Jan-Sep 2021 sales	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
Department deli	\$30B	+10.2%	+12.0%
Deli cheese	\$5.9B	+2.3%	+20.4%
Deli entertaining	\$3.3B	+5.8%	+13.0%
Deli meat	\$5.7B	+5.0%	+15.4%
Deli prepared	\$15.4B	+16.8%	+7.8%

Angela Bozo, Education Director with IDDBA added, “deli-prepared and deli entertaining are two areas to watch in the coming months during the various fall and winter holidays. This year, we are seeing a clear pattern of more people relying on their deli for the holiday meal, which is also fueling aggressive growth for party platters, spreads and trays. Deli-prepared foods are supporting busy consumers with their everyday meal needs both as a full meal solution and a meal ingredient in combination with items cooked from scratch. After a full recovery, restaurant visits dropped back down in recent months, and the deli has an opportunity to grow sales among convenience-seeking consumers.”

Deli (September)	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
September	\$3.2B	+10.5%	+15.2%
w.e. 9/5/2021	\$830M	+9.9%	+16.0%
w.e. 9/12/2021	\$809M	+11.0%	+15.1%
w.e. 9/19/2021	\$798M	+10.6%	+14.8%
w.e. 9/26/2021	\$792M	+10.6%	+14.8%

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

Sales during the four September weeks showed a very tight range, from \$830 million during the holiday week to \$792 million during the final week of September.

Deli Meat

Deli meat sales (combined fixed and random weight) totaled \$604 million in the four September 2021 weeks, which translated into increases compared to both 2019 and 2020. 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	Sep '21	Sep vs '20	Sep vs '19
Dollars	+8.0%	+9.0%	+12.1%	+12.5%	+6.4%	+6.6%	2.2%	\$604M	+2.8%	+16.7%
Volume	+4.8%	+3.9%	+6.0%	+7.3%	+2.4%	+3.0%	-1.5%	66.6M	-1.6%	+5.5%

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	Sep '21	Sep vs '20	Sep vs '19
Grab & go	+35.2%	+72.4%	+56.9%	+55.9%	+38.9%	+8.0%	+11.6%	\$168M	+11.9%	+76.6%
Pre-sliced	+12.6%	+27.0%	+23.7%	+18.6%	+13.2%	+4.5%	+5.3%	\$61M	+5.4%	+34.3%
Service	+1.7%	-7.7%	-0.3%	+0.6%	-3.6%	+6.3%	-2.0%	\$375M	-1.2%	-0.5%

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

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Packaged lunchmeat sales generated another \$453 million in September 2021, which constitutes an improvement in performance in both dollars and volume versus 2019 and 2020.

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	Sep '21	Sep vs '20	Sep vs '19
Dollars	+13.3%	+11.4%	+5.4%	+9.8%	-5.1%	-4.4%	+3.8%	\$453M	+5.5%	+12.8%
Volume	+11.0%	+4.9%	-1.1%	+3.7%	-9.1%	-4.9%	+2.9%	92M	+2.9%	+3.8%

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

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 even slightly ahead in September 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)	Current sales vs. 2019 and 2020									
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Sep '21	Sep vs '20	Sep vs '19
Dollars	+11.5%	+23.0%	+18.3%	+14.4%	+9.9%	-2.3%	0.0%	\$599M	+0.3%	+19.8%
Volume	+8.8%	+19.0%	+13.4%	+9.9%	+5.4%	-5.8%	-2.0%	79M	-1.0%	+12.1%

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 another net gain when regarding total deli cheese sales. Specialty cheese sales have recovered to above year-ago levels come the third quarter of 2021. In September, sales trended 0.6% above 2020 and 23.1% ahead of 2019.

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	Sep '21	Sep vs '20	Sep vs '19
Grab & go	+19.5%	+45.6%	+31.5%	+24.6%	+15.1%	-6.3%	+2.0%	\$87M	+1.6%	+36.2%
Pre-sliced	+12.8%	+25.7%	+18.9%	+14.8%	+5.4%	+4.5%	+2.6%	\$49M	+3.4%	+24.5%
Service	+7.0%	-3.3%	-0.9%	-0.3%	-6.2%	+1.2%	-3.2%	\$93M	-3.4%	-3.4%
Specialty	+11.2%	+26.3%	+21.6%	+16.5%	+14.3%	-2.0%	+0.1%	\$371M	+0.6%	+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

Deli entertaining sales have been taking off in recent months. Sales growth has been positive ever since the third quarter of 2020. In September, sales reached \$344 million with big gains for trays, in particular.

In deli prepared, prepared meats have completed their comeback over 2019 sales results. Sales for prepared meat, which includes rotisserie and fried chicken, were 8.1% higher in September than in 2020 and 0.6% more than in 2019. As a result, prepared meat jumped over salads as the number two behind entrees.

Areas that are still down versus the pre-pandemic normal include appetizers and pizza. "Interestingly, these two areas are doing very well in the frozen equivalent," said Parker. "This could mean that shoppers started adopting new routines during 2020 and at least for now are sticking with them. Additionally, pizza was one of the few meal types that did well in restaurant foodservice throughout the pandemic. For retailers to win back deli pizza, it will likely be more about the whole pizza for ready-to-eat pickup or delivery or heat-and-eat at home than selling by the slice for immediate consumption. The latter requires high trip frequency that we typically saw in urban areas."

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Deli Prepared		Current sales vs 2019 and 2020								
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Sep '21	Sep vs '20	Sep vs '19
Deli entertaining	+9.1%	-3.9%	+6.5%	+0.1%	+1.3%	+8.6%	+6.7%	\$344M	+7.3%	+16.1%
Holiday meals	-25.8%	+13.0%	+7.7%	+22.4%	+129.8%	+124%	+262%	\$24K	+164%	+211%
Spreads	+7.3%	+2.5%	+3.7%	-1.8%	-7.6%	-1.7%	-1.6%	\$74M	-0.2%	+3.2%
Trays	+2.4%	-38.6%	-14.8%	-26.0%	-0.5%	+60.0%	+45.5%	\$54M	+44.1%	+23.6%
Dips and sauces	+9.9%	+12.8%	+11.5%	+6.1%	+4.1%	+0.9%	+1.0%	\$181M	+2.3%	+16.1%
Deli prepared	+2.1%	-18.3%	-6.5%	-4.7%	-3.7%	+31.0%	+19.7%	\$1.7B	+18.7%	+12.9%
Entrees	+1.2%	-19.4%	-4.2%	-1.4%	+12.7%	+48.5%	+35.4%	\$413M	+33.8%	+34.1%
Prepared meats	+5.8%	-13.0%	-6.6%	-6.5%	-5.7%	+15.9%	+8.5%	\$320M	+8.1%	+0.6%
Salads	+3.8%	-16.1%	-5.6%	-3.2%	+1.2%	+27.3%	+16.6%	\$314M	+18.1%	+14.8%
Sandwiches	-1.3%	-26.3%	-6.7%	-3.2%	-5.0%	+51.7%	+24.0%	\$231M	+21.7%	+16.1%
Appetizers	-2.6%	-24.3%	-14.8%	-16.9%	-9.7%	+20.4%	+10.8%	\$138M	+9.3%	-6.1%
Side dishes	+10.0%	+7.5%	+13.4%	+12.1%	+6.1%	+9.2%	+7.4%	\$100M	+5.7%	+18.8%
Soups & chili	-2.6%	-26.0%	-13.5%	-14.0%	-6.2%	+35.6%	+38.4%	\$60M	+34.9%	+14.2%
Pizza	+3.6%	-20.3%	-13.4%	-10.7%	-10.4%	+19.9%	+11.8%	\$50M	+6.8%	-4.1%
Breakfast	+16.3%	+7.4%	+7.0%	+16.2%	+11.7%	+23.3%	+18.4%	\$32M	+16.2%	+21.9%
Combo meals	-9.7%	-68.8%	-59.7%	-37.1%	-34.7%	+100.1%	+78.4%	\$14M	+61.4%	-26.7%
Desserts	-5.5%	-44.5%	-24.1%	-8.5%	-2.7%	+78.2%	+38.6%	\$8M	+34.9%	+8.2%

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 nine months of 2021, bakery sales reached \$26.7 billion, an increase of 3.6% over the same period in 2020. While the smaller half of the two, fresh bakery's increase of 11.1% over year ago drove year to date growth. Fresh bakery sales have also recovered above 2019 levels by more than 9%.

Jan-Sep 2021 sales	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
Bakery department	\$26.7B	+3.6%	+10.7%
Aisle bakery	\$15.6B	-1.0%	+11.7%
Fresh bakery	\$11.0B	+11.1%	+9.2%

The holiday week, ending September 5th, was the high watermark for bakery sales, at \$719 billion. Sales slowly dropped from there each week, but growth rates over year ago remained between 5% and 6%.

Bakery	Dollar sales	Dollar gains vs. 2020	Dollar gains vs. 2019
September	\$2.8B	+5.5%	+14.7%
w.e. 9/5/2021	\$719M	+5.2%	+14.6%
w.e. 9/12/2021	\$705M	+5.6%	+16.2%
w.e. 9/19/2021	\$688M	+5.3%	+14.1%
w.e. 9/26/2021	\$682M	+5.8%	+13.8%

In September, both areas of the bakery drove growth. Perimeter bakery grew the most, at +9.5%, which is not surprising given the high rates of sales in 2020 for the aisle.

September 2021	Sales	Dollar % gains vs. 2020	Dollar gains vs. 2019
Department bakery	\$2.8B	+5.5%	+14.7%
Aisle bakery	\$1.6B	+2.9%	+16.6%
Perimeter bakery	\$1.0B	+9.5%	+12.1%

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

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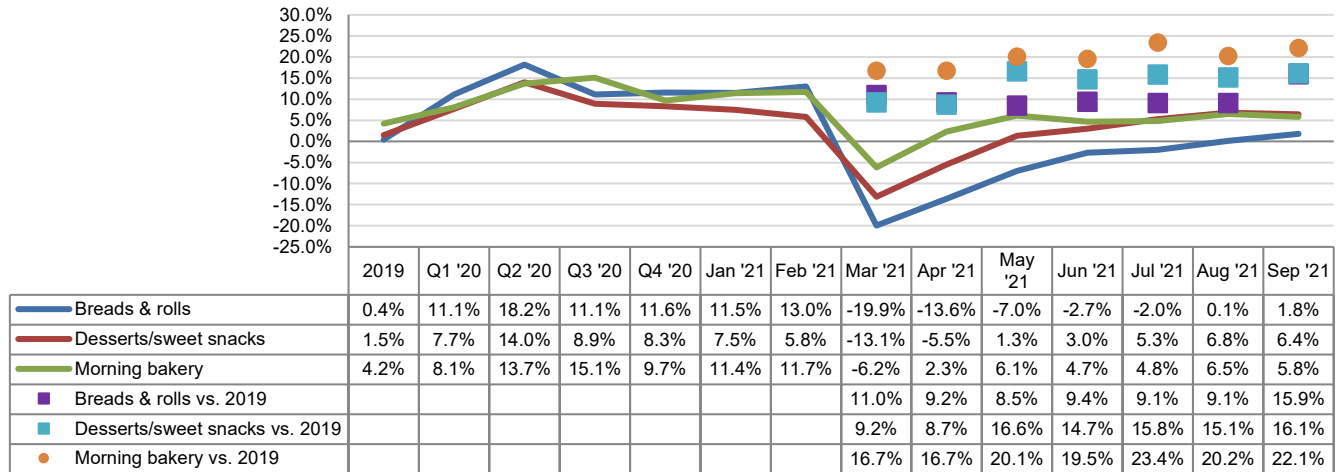
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Center Store Bakery

Baked goods items found in the “aisle” or center-store area adjacent, but not included in the perimeter bakery area, increased 2.9% in September 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

Within the aisle, the increases in bread, rolls, desserts and morning bakery were supported by increases in virtually all categories. Croissants had the highest year-on-year increases, followed by muffins and cakes. The only areas still down versus year ago are donuts and pies. Snack cakes did well versus 2020 – indicating a return to in-person school and the associated individually-wrapped treats.

Center store baked goods	Current sales vs 2019 and 2020									
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Sep '21	Sep vs '20	Sep vs '19
Breads	+10%	+15%	+7.3%	+7.8%	-3.8%	-9.2%	-0.3%	\$687M	+1.6%	+10.0%
Buns & rolls	+16%	+21%	+14.8%	+15.3%	+3.9%	-5.9%	-0.5%	\$353M	+1.0%	+24.2%
Bagels/bialys	+11%	+32%	+23.3%	+26.1%	+14.0%	-4.6%	5.0%	\$98M	+5.5%	+31.1%
Snack cakes	+4%	+13%	+8.2%	+9.8%	+1.5%	-1.7%	6.3%	\$93M	+7.5%	+17.8%
Donuts	+6%	+19%	+21.3%	+8.3%	+4.7%	-2.8%	-1.1%	\$86M	-2.5%	+18.6%
Muffins	+14%	+9%	+15.2%	+15.1%	+10.4%	+21.8%	16.5%	\$63M	+17.4%	+34.9%
English muffins	+6%	+26%	+14.2%	+13.8%	+5.0%	-13.2%	-1.5%	\$60M	+1.6%	+15.7%
Cookies	+10%	+13%	+6.7%	+6.2%	-6.3%	-1.3%	8.3%	\$55M	+6.3%	+13.3%
Pastry/Danish/coffee cakes	+5%	+9%	+3.6%	+6.4%	+2.0%	+3.4%	10.8%	\$45M	+8.2%	+13.5%
Brownies/squares/bars	+11%	+12%	+10.3%	+6.0%	+2.7%	+7.2%	4.4%	\$32M	+2.7%	+8.8%
Cakes	+9%	+18%	+8.9%	+9.6%	+3.5%	-0.7%	12.9%	\$29M	+14.8%	+27.0%
Pies	+18%	+20%	+15.1%	+7.9%	-1.2%	-0.7%	-1.3%	\$20M	-2.5%	+13.9%
Tortillas/wraps/flatbreads	+11%	+9%	+18.0%	+15.5%	+3.6%	+5.7%	-3.7%	\$18M	-0.9%	+15.4%
Croissants	+1%	0%	+24.0%	+28.1%	+15.9%	+33.7%	24.8%	\$7M	+19.1%	+56.6%

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

COVID-19 IMPACT

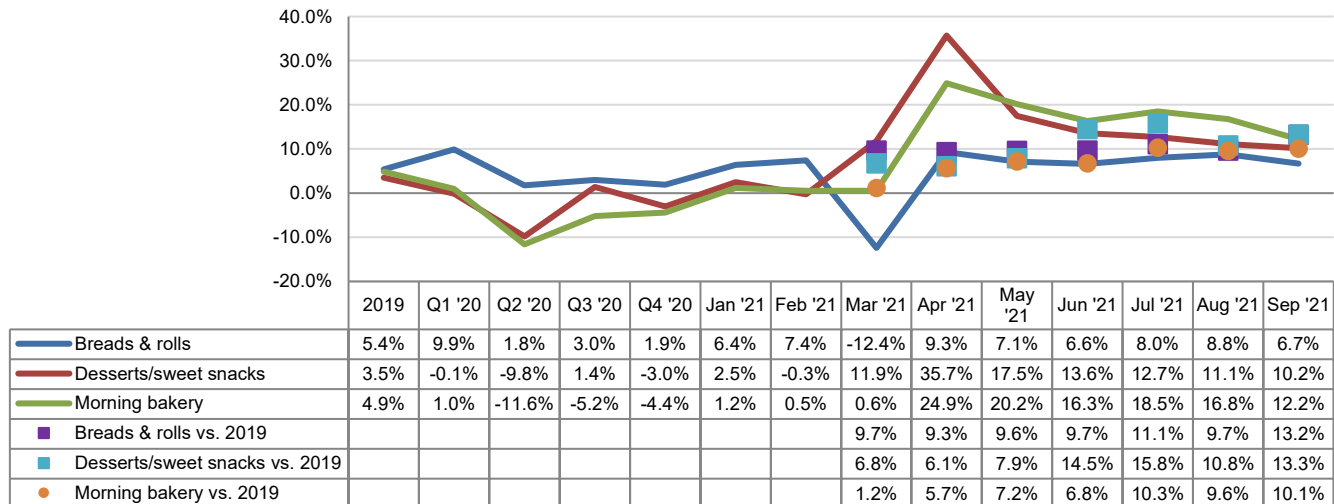
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Perimeter Bakery (including both fixed and random weight)

Sales in perimeter breads and rolls improved 9.5% over 2020 in September with continued accelerating month-to-month. Desserts and morning bakery had the highest gains in September, 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

In perimeter bakery, cakes and cookies were the biggest sellers in September and each managed a significant increase in dollar sales over both 2020 and 2019. With the exception of pies, 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								Sep '21	Sep vs '20	Sep vs '19
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q3 '21			
Cakes	-1.6%	-9.6%	+2.8%	-3.2%	+6.9%	+23.5%	+12.7%	\$376M	+11.7%	+15.6%	
Cookies	+6.1%	-10.1%	-1.2%	-4.9%	+2.0%	+21.6%	+14.1%	\$155M	+13.5%	+11.8%	
Pastry/Danish/coffee cakes	+4.0%	-1.0%	+5.3%	+1.1%	+9.0%	+17.7%	+15.7%	\$115M	+13.4%	+22.4%	
Breads	+10.5%	+7.2%	+7.1%	+4.2%	+1.0%	+2.2%	+1.6%	\$101M	+0.0%	+10.3%	
Muffins	+2.5%	-5.2%	-2.6%	+1.5%	+3.2%	+19.3%	+19.4%	\$78M	+17.6%	+19.1%	
Pies	-5.1%	-6.1%	+4.3%	+1.4%	+7.1%	+12.4%	+0.6%	\$67M	-4.9%	+5.8%	
Buns & rolls	+5.6%	-6.0%	-4.4%	-5.3%	-5.8%	+9.8%	+10.4%	\$66M	+10.4%	+7.8%	
Donuts	-4.0%	-30.8%	-20.9%	-17.0%	-11.0%	+30.9%	+14.4%	\$66M	+4.7%	-12.8%	
Croissants	+21.7%	+9.3%	+12.3%	+13.5%	+14.7%	+23.9%	+18.1%	\$37M	+12.7%	+34.3%	
Brownies/squares/bars	+6.3%	-4.6%	+6.8%	-1.1%	+15.0%	+26.4%	+15.3%	\$26M	+12.8%	+27.0%	
Tortillas/wraps/flatbreads	+7.9%	+8.5%	+11.5%	+12.6%	+7.1%	+7.6%	+7.8%	\$22M	+10.1%	+22.2%	
Bagels/bialys	+6.9%	-16.0%	-14.3%	-12.3%	-11.8%	+13.8%	+19.1%	\$20M	+18.5%	+4.6%	
Specialty desserts	-13.1%	-42.8%	-37.1%	-27.8%	-18.0%	+36.4%	+24.6%	\$9M	+22.9%	-18.2%	

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

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What's Next?

A few months ago, nine in 10 Americans expected to celebrate the winter holidays like normal, according to a June survey by 210 Analytics. However, the upswing in COVID-19 case counts in the fall is once more disrupting the Halloween through New Year's Day holiday celebrations.

A second wave of the study in September found that 51% of grocery shoppers now expect COVID-19 to have some level of impact on their plans rather than celebrating like normal. In 2020, the winter holiday gatherings were smaller and home-centric and it is likely that 2021 will see some of the same.

The next report in the IRI, 210 Analytics and IDDBA performance series will be released mid-November to cover the October 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

September 2021: 4 weeks ending 9/26/2021