

Holidays Continue to Provide a Sales Boost Despite Inflation

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

The June Marketplace

Inflation has dominated the trade and consumer headlines since early fall of last year and June 2022 is no different. “While consumer options for money-saving options when buying groceries are plentiful, it is important to note that it is not a ‘race to the bottom’ to the cheapest choice nor a complete abandoning of restaurant visits,” noted Jonna Parker, Team Lead Fresh at IRI. “However, the 40-year high inflation does mean consumers are much more strategic about their grocery and restaurant trips. That means cooking-from-scratch one day and leaning on value-added or deli-prepared solutions the next. Likewise, we’re seeing consumers seamlessly switching between value and premium — creating a complex pattern of marketplace trends.”

According to the June edition of the IRI monthly survey of primary shoppers, consumers are applying many of the lessons learned during the Great Recession to tighten spending.

- Fully 96% of consumers say they are paying somewhat or a lot more for groceries than they did last year — listing examples of price inflation across virtually every department in the store. “A number of deli, dairy and bakery categories are among the most frequently mentioned items when shoppers reflect on inflation,” said Parker. “Bakery and dairy have a very high trip frequency, making consumers ultra-aware of the price increases.” Concern over inflation reached its most widespread level yet, at 93% of all grocery shoppers. Up month over month, 81% of grocery shoppers made changes to what and where they purchased in June. This is up from 50% in the fall of 2021. The dominant changes are looking for sales specials (54%), skipping non-essentials (45%), finding coupons (33%) and buying more private or other low-cost brands (29%). Despite the high gas prices, 17% cherry-pick specials across retailers and 16% now do some of their shopping at lower-cost retailers.
- Sales specials, while popular, are still far below pre-pandemic levels and consumers are taking notice: 59% say fewer of the items they want are on sale and 43% say items are not discounted as much as they used to be. About half of shoppers, 51%, are stocking up on certain items more than usual, 18% out of fear they will not be available next time and 26% out of concern that prices may rise further. “All this points to great power of relevant, targeted promotions if supply chain conditions allow for it,” said Heather Prach, Director of Education for IDDBA. “It could be a cross-promotion, happy hour sale, one-day or three-day promotion, but try to keep relevant promotions front and center to retain a greater share of primary shoppers instead of them cherry picking competitors’ deals and losing a vital part of the total store basket.”
- Additionally, 95% of shoppers are concerned about the higher gas prices and 72% changed their driving habits because of it, from trying to stock up more to delaying road trips. “Now is the time to be a helping hand in making staycations, get-togethers and backyard barbecues memorable and deli, dairy and bakery can play a great role in that,” Parker pointed out.
- The share of home-prepared meals continued to average around 79-80%. The average share of home-prepared meals is higher among low-income shoppers, at 81.7%, versus high-income shoppers, at 76.7%.
- Restaurant engagement remained high in June — virtually unchanged from spring levels. Fifty-five percent of consumers got restaurant takeout in June and 52% dined on premise. An additional 19% had restaurant food delivered. “Restaurant takeout and delivery open the door for retail deli, dairy and bakery departments to sell appetizers, sides, beverages or desserts,” Parker added.
- The level of new COVID-19 cases no longer appears to have a significant impact on whether people shop in-store or online. Less than one-quarter of Americans are extremely concerned about COVID-19 as of June. In-store trips are holding at a high 87% of total trips. Online trips are near equally divided in home delivery (6%) and store pickup (7%). “Online trips have been very stable at around 13% of total trips and making sure deli, dairy and bakery get an equal share of online basket penetration versus their in-person share is still an area of growth,” Parker explained.

The consumer reactions combined with supply side volatility are creating an environment of continued change and uncertainty and IRI, 210 Analytics and IDDBA are committed to bringing the latest trends and analysis relative to the dairy, bakery and deli departments.

Inflation Insights

The price per unit across all foods and beverages in the IRI-measured multi-outlet stores, including supermarkets, club, mass, supercenter, drug and military, accelerated further to an increase of +12.3% in the four weeks ending June 26, 2022 (“June”) versus year ago. This is up from +11.9% in the second quarter of the year. June inflation was in the double digits in the center of the store (+11.3%) as well as in perishables (+11.8%) and compared to June 2019, prices across all foods and beverages were up 24.2%.

Average price/unit vs. YA	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22
Total food and beverages	+5.5%	+2.7%	+5.0%	+8.0%	+9.9%	+11.9%	+12.3%

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

On a per unit basis, deli inflation was right around the total average price increase seen across total food and beverages. Bakery (covering both in-aisle and perimeter baked goods) and dairy inflation were above average in June 2022 versus year ago. Due to the weight-variability of many non-UPC baked goods, specialty cheeses and deli prepared items, volume is not equalized across all three spaces.

Average price/unit vs. YA	Q1 21	Q2 21	Q3 21	Q4 21	2021	Q1 22	Q2 22	Jun 22	Vs. YA
Total bakery	+9.0%	+3.6%	+4.1%	+7.8%	+6.2%	+8.8%	+12.6%	\$3.34	+13.2%
Total deli	+2.1%	+3.8%	+4.3%	+7.2%	+4.4%	+9.9%	+11.5%	\$5.72	+12.5%
Total dairy	+3.7%	-0.9%	+3.6%	+4.4%	+2.7%	+12.7%	+17.1%	\$3.43	+19.2%

Source: IRI, Integrated Fresh Total US, MULO

Perishables Performance

In June, total perishables grew +6.8%, with above-average increases for bakery, deli and refrigerated, which includes dairy. The highest gain versus the pre-pandemic normal was generated by refrigerated, up +29.2% in June of 2022 versus June 2019. The departments still selling more units in June 2022 than they did in May 2019 were deli and produce.

June 2022	\$ sales	Change vs. YA	Change vs. 2YA	Change vs. 3YA	Unit sales	Change vs. YA	Change vs. 2YA	Change vs. 3YA
Perishables	\$25.8B	+6.8%	+8.2%	+23.0%	6.7B	-4.5%	-5.8%	+0.1%
Bakery	\$3.1B	+9.3%	+14.4%	+22.3%	921M	-3.4%	-2.0%	-5.2%
Deli	\$3.4B	+7.2%	+20.0%	+21.2%	595M	-4.7%	+3.1%	+2.6%
Meat	\$6.7B	+5.7%	+3.5%	+24.6%	1.1B	-4.1%	-4.4%	-0.6%
Produce	\$6.1B	+1.4%	+3.8%	+17.6%	2.3B	-6.0%	-8.5%	+2.7%
Refrigerated	\$6.0B	+14.8%	+12.5%	+29.2%	1.8B	-2.5%	-6.6%	-0.5%
Seafood	\$502M	-13.3%	-20.8%	+15.4%	55M	-21.8%	-30.8%	-4.7%

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

Dairy Sales

“The four June weeks generated a little over \$5 billion in dairy sales, an increase of +16.3% year-on-year,” said Jessica Ives, Professional Development Coordinator with IDDBA. “The consistency of the weekly sales levels, all at least \$1.2 billion, is encouraging as it means demand is holding strong — certainly when compared to pre-pandemic levels. The biggest week was the week leading up to Father’s Day, with weekly sales of \$1.3 billion.”

Dairy	Dollar sales	Dollars vs. 2021	Units vs. 2021
June 2022	\$5.095B	+16.3%	-2.4%
w.e. 6/5/2022	\$1.265B	+14.8%	-3.3%
w.e. 6/12/2022	\$1.284B	+17.1%	-1.5%
w.e. 6/19/2022	\$1.295B	+17.0%	-2.2%
w.e. 6/26/2022	\$1.251B	+16.3%	-2.8%

Milk was easily the biggest seller in June 2022, at \$1.3 billion. The next biggest sellers were natural cheese and eggs. Eggs moved over yogurt with very high inflation. Due to supply chain challenges and avian influenza, the average price-per-unit for eggs has increased to \$4.10, which is +51.5% more than it was in June 2021. The two columns on the far right of the table below show the change versus year ago in dollars and pounds. The difference between the two percentages is a good proxy for the combination of inflation and fewer sales promotions.

Sales vs. YA											
	2019	2020	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22	\$ vs YA	lbs vs YA
Dairy	0%	+13%	0%	-9%	0%	+1%	+5.0%	+14.2%	\$5.1B	+16.3%	--
Milk	+1%	+10%	-1%	-6%	0%	+1%	+6.2%	+14.0%	\$1.3B	+14.3%	-1.9%
Natural cheese	+2%	+20%	+2%	-12%	-2%	-2%	-1.0%	+5.1%	\$667B	+11.0%	-2.4%
Eggs	-10%	+18%	-2%	-18%	+2%	+5%	+12.8%	+42.9%	\$672M	+49.9%	--
Yogurt	-1%	+4%	-2%	+5%	+5%	+7%	+7.2%	+9.0%	\$667M	+11.0%	-2.4%
Cream/creamers	+8%	+15%	+7%	-3%	+4%	+3%	+6.7%	+11.4%	\$389M	+13.7%	-0.7%
Butter/margarine	+1%	+17%	-7%	-25%	-7%	-3%	+2.5%	+18.8%	\$378M	+20.9%	-3.1%
Processed cheese	-3%	+16%	-6%	-14%	-3%	-3%	+0.7%	+7.6%	\$189M	+11.0%	-1.5%
Cream cheese	+4%	+18%	+9%	-8%	-1%	0%	+2.9%	+16.3%	\$173M	+18.0%	-2.7%
Whipped toppings	+9%	+22%	+17%	-9%	-2%	+1%	+2.4%	+10.8%	\$116M	+12.6%	+1.2%
Sour cream	0%	+14%	+1%	-17%	-4%	+3%	+4.8%	+14.7%	\$110M	+17.2%	+0.4%
Cottage cheese	-3%	+5%	-4%	-9%	-5%	-3%	+3.0%	+7.5%	\$91M	+11.3%	-2.6%
Desserts	+5%	+10%	+7%	+18%	13%	+14%	+11.0%	+6.2%	\$83M	+9.3%	-0.2%
Cheese snack kits	+5%	-13%	-12%	+12%	-4%	-3%	+16.6%	-1.4%	\$22M	-3.2%	-13.5%
Dairy alternative cheese	+5%	+30%	-5%	-17%	-3%	-11%	-7.9%	-6.6%	\$8M	-6.0%	-5.6%

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

Deli Sales

“The deli department is one of the best to demonstrate that both convenience and premiumization are very much alive despite all the inflation we’ve been seen in the grocery store and beyond,” said Parker. “Deli prepared food sales, whether picked up in the store or delivered much like restaurant meals, was reached \$1.8 billion in June 2022, which was up nearly +10% versus year ago and more than +33% versus 2020.”

June 2022	Dollar sales	Dollar gains vs. 2021	Dollar gains vs. 2020	Price per unit vs. YA
Department deli	\$3.4B	+7.2%	+20.0%	+12.5%
Deli cheese	\$591M	+3.0%	+2.1%	+8.0%
Deli entertaining	\$362M	+3.1%	+9.5%	+9.1%
Deli meat	\$645M	+7.4%	+12.0%	+16.0%
Deli prepared	\$1.8B	+9.5%	+33.6%	+13.5%

Source: IRI, Total US, Integrated Fresh, MULO, % growth vs YA

Deli Meat

Deli meat sales (combined fixed and random weight) totaled \$645 million in June. While this was certainly an increase in dollars versus year ago, the growth was fully inflation boosted. Both units and pounds were down more than -7% when compared to the same weeks in 2021 due to inflation of +16%. Father’s Day week (the third week) was the biggest of the four, at \$165 million, but gains versus year ago were in line with the other June weeks.

Deli meat	Dollar sales	Dollar gains vs. 2021	Price per unit vs. YA
June 2022	\$645M	+7.4%	+16.0%
w.e. 6/5/2022	\$158M	+7.8%	+16.2%
w.e. 6/12/2022	\$163M	+7.1%	+15.7%
w.e. 6/19/2022	\$165M	+8.1%	+16.5%
w.e. 6/26/2022	\$159M	+6.7%	+15.5%

Volume sales were down in the tune of -7.5% year over year. This was much higher than the first quarter result when pound sales were down -4.9%.

Total Deli Meat (FW/RW)							Sales vs. YA				
	2019	2020	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22	vs 2021	vs 2020
Dollars	+2.1%	+10.6%	+6.5%	+6.6%	+2.2%	+6.0%	+7.0%	+6.9%	\$645M	+7.4%	+12.0%
Volume	+0.0%	+5.6%	+2.6%	+3.0%	-1.6%	-3.2%	-4.9%	-7.1%	63M	-7.5%	-7.3%

Service deli meat remained the largest of the three areas, but all growth was driven by grab & go and pre-sliced deli meat. Grab & go increased in both dollars and pounds over year ago, continuing to show it's a go-to choice despite being higher price-premium than meat department packaged lunchmeat.

Total Deli Meat (FW/RW) \$	Sales vs. YA										
	2019	2020	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22	\$ vs YA	lbs vs YA
Grab & go	+23.9%	+55.5%	+38.7%	+7.7%	+11.6%	+15.9%	+21.6%	+21.1%	\$202M	+21.3%	+2.6%
Pre-sliced	+5.5%	+20.3%	+13.7%	+4.5%	+5.0%	+12.7%	+6.0%	+3.5%	\$63M	+3.7%	-5.7%
Service	-2.4%	-1.3%	-3.5%	+6.5%	-1.9%	+1.0%	+1.2%	+1.2%	\$380M	+1.8%	-12.2%

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

Packaged lunchmeat, usually cheaper on a per-pound basis, had a strong June with a mere -1.6% decline in pounds, which was one of the better performances across departments and categories. Dollars increased +19.4% over year ago. However, overall share of packaged versus deli options remained somewhat similar, indicating again that not all consumers elect for the lowest priced option in lunchmeat, and many still premium-ize their favorites and selections.

Packaged lunchmeat	Sales vs. YA										
	2019	2020	Q1 21	Q2 '21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22	vs 2021	vs 2020
Dollars	-0.6%	+9.8%	-5.3%	-4.5%	+3.7%	+6.1%	+11.6%	+17.5%	\$526M	+19.4%	+20.9%
Volume	-2.0%	+4.4%	-9.6%	-5.1%	+2.8%	-1.1%	-1.9%	-1.5%	90M	-1.6%	+0.2%

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

Deli Cheese

June 2022 deli cheese sales totaled \$591 million. Sales were up +3.0% over year ago despite below average inflation.

"The difference between the holiday week sales, at \$151 million, and the typical weeks shows the impact celebrations can have on deli cheese," said Prach.

"This is why so many retailers have self-invented holidays or a 'cheese of the month'-type special, to drive consumer interest and impulse purchases."

Deli cheese	Dollar sales	Dollar gains vs. 2021	Price per unit vs. YA
June 2022	\$591M	+3.0%	+8.0%
w.e. 6/5/2022	\$147M	+2.9%	+8.1%
w.e. 6/12/2022	\$147M	+2.8%	+7.7%
w.e. 6/19/2022	\$151M	+3.5%	+8.4%
w.e. 6/26/2022	\$146M	+2.8%	+7.8%

The low inflation resulted in a relatively small gap between dollars and volume, certainly when compared to deli meat. Additionally, deli cheese sales stayed ahead of June 2020 sales.

Total Deli Cheese (FW/RW) \$	Sales vs. YA										
	2019	2020	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22	vs YA	vs 2YA
Dollars	+1.6%	+16.8%	+10.0%	-2.1%	+0.3%	+2.5%	-0.4%	+2.1%	\$591M	+3.0%	+2.1%
Volume	+0.2%	+13.0%	+5.6%	-6.0%	-2.1%	-0.5%	-4.0%	-3.3%	71M	-4.2%	-8.1%

Grab & go and pre-sliced have been highly successful strategies long before the onset of the pandemic and in June 2022 grab-and-go sales exceeded service sales by \$4 million. However, the largest seller was specialty cheese, reaching \$365 million, which was up +2.8% versus year ago.

Total Deli Cheese (FW/RW)	Sales vs. YA										
	2019	2020	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22	\$ vs YA	Pounds vs YA
Grab & go	+7.9%	+29.9%	+15.1%	-6.0%	+2.5%	+4.3%	+5.0%	+6.6%	\$94M	+8.4%	+0.7%
Pre-sliced	-6.3%	+16.1%	+2.6%	-5.2%	+1.8%	+7.0%	+4.9%	+6.8%	\$36M	+7.5%	+2.1%
Service	-1.5%	+0.6%	-6.2%	+1.2%	-3.1%	-6.3%	-7.1%	-5.0%	\$90M	-3.9%	-10.5%
Specialty	+2.0%	+18.7%	+14.0%	-2.3%	+0.1%	+3.7%	-0.7%	+2.1%	\$365M	+2.8%	-4.7%

Source: IRI, Total US, MULO, Integrated Fresh

Deli Prepared and Deli Entertaining

“The IRI monthly survey shows very steady levels of restaurant engagement across takeout, delivery and on-premise dining,” said Parker. “We know that pent-up demand for getting out of the house and having someone else do the cooking is there. At the same time, deli entertaining and deli prepared are also recognized and heavily utilized as ways to take a bit of the burden away whether for an everyday or special occasion. In both deli entertaining and deli prepared, Father’s Day was the biggest of the four June weeks and retailers were very inventive with smoked meats and all the sides or convenient entertaining and side dishes.”

Deli entertaining	Dollar sales	Dollar gains vs. 2021	Price per unit vs. YA
June 2022	\$362M	+3.1%	+9.1%
w.e. 6/5/2022	\$90.5M	+2.2%	+8.4%
w.e. 6/12/2022	\$88.9M	+1.8%	+8.2%
w.e. 6/19/2022	\$92.6M	+3.7%	+9.2%
w.e. 6/26/2022	\$89.8M	+4.8%	+10.7%

Deli prepared foods sales reached 1.8 billion, which was up nearly +10%. At the same time, the average price per unit was up +13.5%, so that meant the dollar gains were inflation boosted. However, a quick look at unit sales shows that while units were down by -3.6% in June 2022, they were up +2.8% compared with the pre-pandemic normal.

Deli prepared	Dollar sales	Dollar gains vs. 2021	Price per unit vs. YA
June 2022	\$1.8B	+9.5%	+13.5%
w.e. 6/5/2022	\$455M	+10.7%	+13.4%
w.e. 6/12/2022	\$452M	+9.6%	+13.6%
w.e. 6/19/2022	\$456M	+9.3%	+13.7%
w.e. 6/26/2022	\$445M	+8.3%	+13.3%

Most areas in both deli entertaining and prepared foods had strong June results, but more items trended in the negative in unit sales. Two notable exception is are entrees and combination meals, which may point to deli-prepared foods being a substitution for restaurant meals as well as increased consumer mobility.

Deli Prepared	Sales vs. YA										Units vs YA
	2019	2020	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22	\$ vs YA	
Deli entertaining	+5%	+5%	+2%	+9%	+7%	+13%	+10%	+4.5%	\$392M	+3.1%	-5.5%
Dips and sauces	+7%	+10%	+4%	+1%	+2%	+6%	+8%	+6.4%	\$199M	+7.0%	-2.4%
Spreads	-0%	+3%	-8%	-2%	-1%	+6%	-1%	-10.3%	\$64M	-14.0%	-16.8%
Trays	+5%	-19%	+1%	+96%	+47%	+65%	+35%	+21%	\$58M	+12.0%	+5.9%
Deli prepared	+5%	-7%	+1%	+32%	+21%	+20%	+15%	+12%	\$1.8B	+9.5%	-3.6%
Entrees	+8%	-4%	+13%	+52%	+37%	+33%	+25%	+18%	\$441M	+12.5%	+1.7%
Salads	+3%	-7%	+1%	+30%	+18%	+23%	+15%	+11%	\$363M	+8.7%	-5.0%
Prepared meats	+3%	-7%	-5%	+17%	+10%	+14%	+9%	+12%	\$353M	+13.0%	-2.5%
Sandwiches	+4%	-9%	+5%	+52%	+24%	+23%	+17%	+11%	\$260M	+8.5%	-4.3%
Appetizers	+6%	-14%	-10%	+20%	+10%	+12%	+8%	+6%	\$134M	+3.2%	-6.7%
Side dishes	-1%	+10%	+6%	+9%	+8%	+5%	+4%	+3%	\$97M	+2.9%	-9.4%
Pizza	+6%	-9%	-10%	+21%	+12%	+6%	+7%	+9%	\$52M	+2.0%	+3.3%
Soups & chili	+11%	-13%	-6%	+37%	+41%	+31%	+31%	+26%	\$52M	+21.4%	+8.5%
Breakfast	+32%	+11%	+11%	+24%	+19%	+6%	+0%	-3%	\$28M	-7.3%	-21.1%
Combo meals	+2%	-42%	-35%	+99%	+81%	+12%	+23%	+30%	\$17M	+21.9%	+29.9%
Desserts	+%	+%	-3%	78%	39%	+18%	+10%	+1%	\$7M	-7.5%	-7.3%

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

Both the fresh perimeter and aisle bakery delivered growth in June, though much like many other areas of the store, all growth came from inflation. Units were down -2.0% for bakery overall and -3.0% for fresh bakery.

June 2022 sales	Dollar sales	\$ vs. 2021	Lbs* vs. 2021	Price per lbs vs. YA
Bakery department	\$3.1B	+9.3%	-2.0%	+11.5%
Aisle bakery	\$1.8B	+11.7%	-1.5%	+13.3%
Fresh bakery	\$1.3B	+6.1%	-3.0%	+9.4%

Each of the June weeks increased in dollars but units were down between +3% and +4%. Father's Day weekend, the third week of June, was by far the biggest in sales, at \$784 million — once more demonstrating the impact of holiday celebrations on total bakery and perimeter bakery in particular.

Bakery	Dollars sales	\$ vs. 2021	Units vs. 2021
June 2022	\$3.1B	+9.3%	-3.4%
w.e. 6/5/2022	\$774M	+8.8%	-3.8%
w.e. 6/12/2022	\$763M	+10.2%	-2.8%
w.e. 6/19/2022	\$784M	+9.1%	-3.6%
w.e. 6/26/2022	\$753M	+9.3%	-3.5%

Source: IRI, Total US, Integrated Fresh, MULO, % growth versus year ago. *Where weight is equalized, excludes some bulk items sold by each.

Center Store Bakery

Baked goods items found in the “aisle” or center-store area adjacent to the fresh bakery, increased +12.5% in June 2022 versus year ago. Overall unit sales were up by 0.4%, with some areas up, others down. Center-store cookies gained the most, at +5.9% in units versus year ago — another sign of the return of gatherings and celebrations.

Center store baked goods	Current sales vs YA										
	2019	2020	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22	\$ vs YA	Units vs YA
Breads	-0.2%	+10.1%	-3.5%	-8.9%	+0.0%	+2.4%	+9%	+11.0%	\$733M	+12.5%	+0.4%
Buns & rolls	+1.8%	+16.8%	+3.9%	-5.8%	-0.4%	+3.8%	+7%	+6.2%	\$439M	+9.5%	-3.4%
Bagels/bialys	+4.4%	+22.7%	+13.8%	-4.8%	+5.1%	+7.0%	+12%	+15.1%	\$103M	+15.4%	+4.6%
Snack cakes	+2.6%	+8.5%	+1.9%	-1.2%	+7.4%	+9.9%	+14%	+13.9%	\$103M	+12.5%	-3.0%
Donuts	+0.2%	+13.5%	+4.6%	-2.8%	-0.4%	+9.2%	+19%	+15.3%	\$100M	+13.6%	+2.8%
Muffins	-12.5%	+13.2%	+10.5%	+22.0%	+15.9%	+26.2%	+20%	+19.3%	\$66M	+16.8%	-3.2%
Cookies	+3.1%	+7.9%	-9.3%	-5.4%	+4.3%	+2.7%	+28%	+27.1%	\$65M	+28.4%	+5.9%
English muffins	-2.1%	+14.8%	+5.0%	-13.2%	-1.4%	+0.1%	+5%	+6.8%	\$60M	+6.7%	-5.6%
Pastry/Danish/coffee cakes	+3.3%	+5.8%	+1.9%	+4.1%	+10.8%	+11.0%	+13%	+7.4%	\$46M	+6.7%	-7.1%
Cakes	+0.3%	+11.1%	+3.6%	+0.7%	+13.8%	+12.0%	+29%	+22.8%	\$34M	+20.5%	+3.6%
Brownies/bars	-1.1%	+9.7%	+2.7%	+7.4%	+19.2%	+6.1%	+13%	+5.4%	\$31M	+0.3%	-17.7%
Wraps/flatbreads	-1.2%	+13.5%	+3.7%	+6.1%	-3.6%	+1.1%	-1%	+0.8%	\$19M	+2.1%	-11.4%
Pies	-2.5%	+15.0%	-1.2%	+0.1%	-1.3%	-0.3%	-6%	-15.2%	\$17M	-18.3%	-48.2%
Croissants	-19.9%	+13.1%	+15.9%	+34.4%	+25.1%	+15.0%	+23%	+12.1%	\$7M	+10.6%	+0.1%

Source: IRI, Total US Integrated Fresh, MULO

Perimeter Bakery (including both fixed and random weight)

June 2022 continued to see great engagement with the perimeter or fresh bakery section. Almost every area grew dollars, and many grew unit sales as well. These include celebratory items, including cookies, but also morning bakery, including muffins and donuts.

Perimeter bakery	Current sales vs YA										
	2019	2020	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Jun 22	\$ vs YA	Units vs YA
Cakes	+2.5%	-2.7%	+7.1%	+23.7%	+13.8%	+15.8%	+9%	+5%	\$423M	+1.7%	-5.8%
Cookies	+6.0%	-2.7%	+2.4%	+21.8%	+15.7%	+19.4%	+13%	+18%	\$176M	+13.6%	+0.0%
Pastry/Danish/coffee cakes	+7.8%	+2.7%	+9.1%	+17.6%	+16.0%	+14.1%	+10%	+7%	\$116M	+4.4%	-16.5%
Breads	+2.9%	+6.8%	+0.7%	+2.2%	+1.8%	-0.4%	+1%	+4%	\$99M	+4.5%	-3.5%
Muffins	+4.6%	-0.9%	+3.4%	+19.7%	+21.0%	+21.3%	+19%	+21%	\$89M	+20.8%	+6.7%
Donuts	+1.6%	-17.8%	-11.0%	+31.0%	+15.4%	+15.0%	+17%	+19%	\$80M	+15.3%	+6.5%
Buns & rolls	+1.5%	-2.6%	-5.7%	+9.9%	+10.6%	+8.9%	+9%	+10%	\$73M	+9.7%	-2.8%
Pies	+2.2%	-0.7%	+7.2%	+12.5%	+1.8%	+4.5%	+3%	+13%	\$59M	-11.4%	-43.4%
Croissants	+25.6%	+14.0%	+14.7%	+24.1%	+19.4%	+20.7%	+21%	+13%	\$40M	+4.2%	+6.2%
Brownies/bars	+6.5%	+2.2%	+15.3%	+26.7%	+19.2%	+2.4%	-5%	+9%	\$30M	+9.1%	-2.7%
Wraps/flatbreads	+3.7%	+10.1%	+7.2%	+7.7%	+7.7%	+9.3%	+10%	+13%	\$24M	+13.8%	+2.6%
Bagels/bialys	+6.0%	-8.8%	-11.8%	+14.0%	+19.3%	+17.7%	+20%	+24%	\$22M	+22.5%	+13.9%
Specialty desserts	+7.6%	-30.4%	-18.0%	+37.0%	+25.5%	+27.2%	+13%	+12%	\$9M	+0.8%	+25.8%

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?

Continued supply chain disruptions, including the rising costs of gasoline and diesel, coupled with the Russian sanctions that went in effect on June 1 for a number of categories as well as rises in housing and rent prices are all combining to hit shoppers' perceptions at the grocery store as well as actual pocketbooks.

Inflation will have a profound impact on grocery and total food spending. However, we are not seeing a race to the bottom for cost-savings measures. Depending on the meal occasion, consumers are moving between value and premiumization, scratch and convenience, brands, and store brands — making grocery patterns more unpredictable than ever.

- 45% of American households describe their financial situation as being worse than a year ago.
- 41% feel their financial situation one year from now will look worse than it does today.

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

Date ranges:

2019: 52 weeks ending 12/28/2019

2020: 52 weeks ending 12/27/2020

Q1 2021: 13 weeks ending 3/28/2021

Q2 2021: 13 weeks ending 6/27/2021

Q3 2021: 13 weeks ending 9/26/2021

Q4 2021: 13 weeks ending 12/26/2021

Q1 2022: 13 weeks ending 3/27/2022

Q2 2022: 13 weeks ending 6/26/2022

June 2022: 4 weeks ending 6/26/2022