

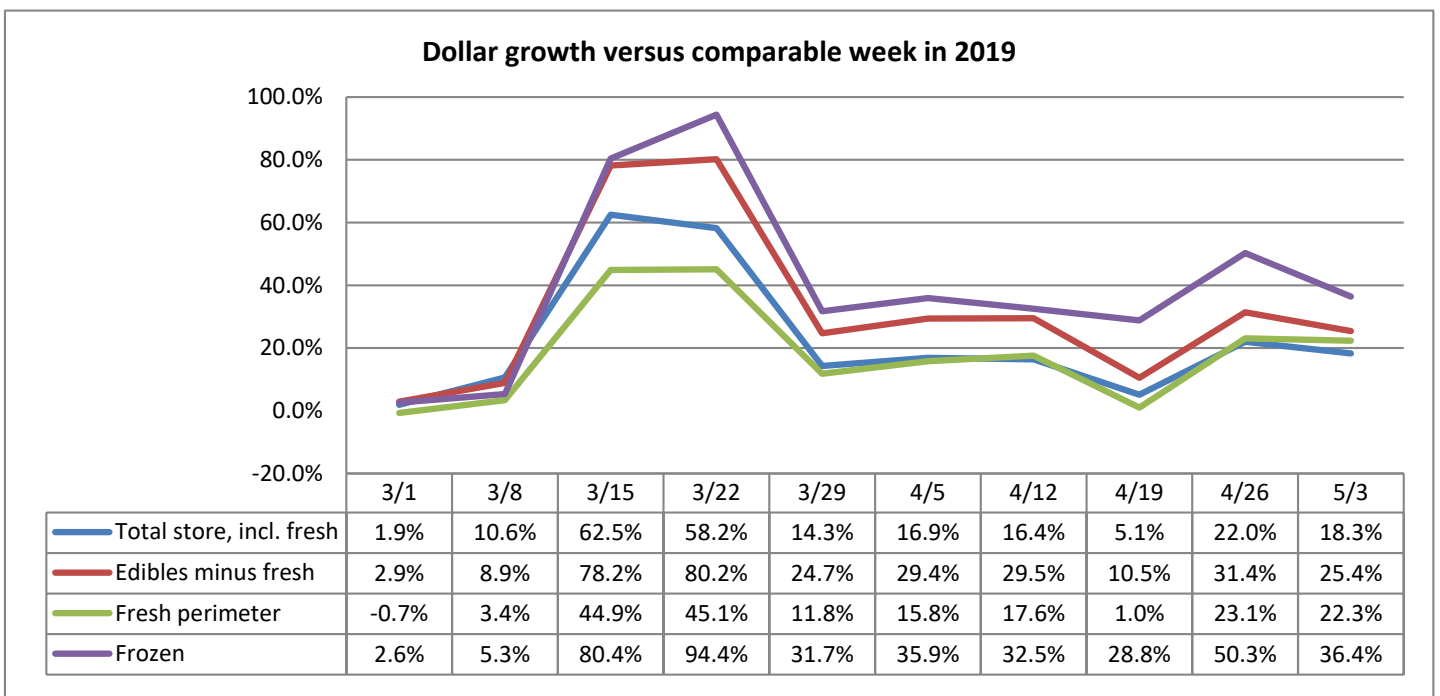
Eight Weeks of Pandemic Shopping, Eight Weeks of Sales Increases for Frozen

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Two months into the COVID-19 pandemic, grocery patterns continue to evolve. Following two panic buying weeks, consumers are shifting to fewer but bigger trips and shopping at different times, buying different items and buying at different stores. The one constant throughout all this change has been frozen food's powerhouse performance since the onset of coronavirus in the U.S. Whether driven by a desire to have a multi-week food supply on hand, wanting to take fewer trips, or having convenient solutions, the frozen food department has been among the top performers.

After a monster week in late April, sales gains were the second-highest since March 22. For the week ending May 3, dollar gains were up 36.4% over the same week in 2019. In other areas of the store, the meat department did extremely well, prompted by ample news coverage on potential shortages, up 51.3%. However, continued struggles in deli-prepared, in particular, pulled the overall perimeter performance to just over +22%. Center store edibles increased 25.4%.



Source: IRI, Total US, MULO, 1 week view % change vs. year ago.

Frozen foods generated more than \$1.3 billion in the week ending May 3, 2020 — over \$359 million more than the comparable week in 2019. Frozen food unit sales were up 23.4%. The highly elevated consumer demand drove continued out-of-stocks at some stores. On the Retail Feedback Group’s Constant Customer Feedback (CCF) program, a shopper wrote, “I know we are going through a pandemic, but I was really looking

forward to a stir fry. The frozen department vegetable foods were really, really low. I was surprised by that. I could not get any of the frozen vegetables I wanted.” Another shopper noted, “The frozen and canned vegetables were almost completely gone.”

An early April consumer survey by the American Frozen Food Institute (AFFI) and 210 Analytics found that 15% of frozen food shoppers pointed to their concerns over buying fresh fruit and vegetables during COVID-19 as a reason to purchase frozen fruits and vegetables. Consumer comments illustrate this as well. One shopper said, “The idea that I do not know who has touched the fruit, or worse, coughed on it, has me avoiding the fresh produce department right now.” Jonna Parker, Team Lead Fresh at IRI commented, “The needs of the fruit and vegetable-buying consumers are being met throughout the store right now. IRI data demonstrates that new buyers drove a significant share of dollars for both canned and frozen fruits and vegetables during the pandemic. For instance, 48% of shoppers who bought canned fruits in recent weeks had not bought the category in the same four weeks last year. In frozen, 32% of those who bought frozen fruit did not do so the same four weeks in 2019 and yet they represented 62% of frozen fruit dollars. Vegetable numbers are similar. For instance, 46% of frozen vegetable sales during COVID-19 came from buyers who did not buy frozen vegetables during the same period last year.” Retaining these new buyers is a huge opportunity for the frozen food department.

A Deep-Dive into Frozen Food Sales

The 60.2% gain in frozen meat, poultry and seafood was also the highest of the larger frozen categories. This translated into \$452 million in frozen animal protein sales the week ending on May 3, an additional \$170 million versus the same week last year. The largest share within frozen foods, frozen meals, increased more than 20%. This was driven by continued appetite for frozen pizza, that was up 34.6% over the week ending May 3 versus the comparable week in 2019. Frozen snacks also continued to do well, up 47.8%.

Product and share of frozen food department sales for week ending 5-3-20	% Dollar sales change vs. comparable week ending in 2019									
	5-3	4-26	4-19	4-12	4-5	3-29	3-22	3-15	3-08	3-01
Frozen Dept (ex Poultry)	+36.4%	+50.3%	+28.8%	+32.5%	+35.9%	+31.7%	+94.4%	+80.4%	+5.3%	+2.6%
Frozen meals (34%)	+20.2%	+37.2%	+27.7%	+21.5%	+27.8%	+25.4%	+99.3%	+88.6%	+3.3%	-2.5%
Breakfast food	+22.0%	+42.7%	+30.2%	+22.2%	+25.4%	+21.3%	+81.9%	+72.6%	+4.5%	+1.1%
Dinners/entrees	+11.7%	+26.3%	+16.9%	+8.9%	+14.3%	+21.3%	+83.2%	+79.4%	+3.5%	-3.4%
Pizza	+34.6%	+53.0%	+51.1%	+47.0%	+58.8%	+53.8%	+143.0%	+120.1%	+3.8%	-2.0%
Frozen meat/poultry /seafood (32%)	+60.2%	+68.0%	+41.5%	+39.2%	+43.0%	+44.7%	+123.1%	+97.5%	+3.5%	+8.3%
Processed poultry	+50.0%	+68.3%	+50.6%	+33.7%	+42.6%	+43.7%	+134.7%	+115.8%	+9.2%	+4.3%
Meat	+60.9%	+65.1%	+50.0%	+51.8%	+58.5%	+56.9%	+163.6%	+131.6%	+17.9%	+11.0%
Seafood	+65.9%	+75.7%	+31.9%	+40.4%	+35.5%	+33.8%	+96.8%	+67.4%	-5.7%	+16.9%
Frozen desserts (23%)	+34.6%	+45.9%	+20.8%	+28.6%	+32.0%	+23.9%	+43.1%	+35.9%	+9.3%	+2.2%
Ice cream/sherbet	+33.5%	+48.7%	+24.1%	+31.1%	+35.0%	+26.9%	+45.4%	+36.5%	+8.2%	-0.2%
Novelties	+34.9%	+44.6%	+25.7%	+21.5%	+27.9%	+20.5%	+40.6%	+36.7%	+11.4%	+6.1%
Desserts/toppings	+43.1%	+29.4%	-22.0%	+57.2%	+31.3%	+17.1%	+36.9%	+25.5%	+5.4%	+0.2%
Frozen fruits & vegetables (12%)	+43.1%	+57.6%	+28.7%	+44.6%	+47.4%	+40.7%	+111.4%	+106.7%	+11.8%	+4.3%
Fruit	+53.3%	+65.0%	+35.7%	+43.7%	+42.9%	+37.0%	+95.4%	+103.5%	+19.1%	+10.1%
Potatoes/onions	+53.5%	+72.7%	+37.8%	+54.4%	+60.7%	+50.1%	+117.3%	+98.3%	+9.0%	+3.2%
Plain vegetables	+33.5%	+48.4%	+22.8%	+39.5%	+42.2%	+37.5%	+115.9%	+119.3%	+13.3%	+4.6%
Prepared vegetables	+8.6%	+16.9%	-2.4%	+12.8%	+18.4%	+8.8%	+84.5%	+62.9%	-12.6%	-13.4%
Frozen baked goods (3%)	+46.3%	+44.0%	-6.9%	+63.2%	+42.4%	+38.9%	+87.8%	+56.8%	+1.4%	-0.8%
Frozen snacks (4%)	+47.8%	+76.0%	+58.6%	+49.7%	+56.8%	+46.0%	+127.2%	+97.2%	+4.2%	+1.2%
Appetizers/snack rolls	+47.8%	+76.0%	+58.9%	+49.9%	+56.9%	+46.1%	+127.4%	+97.5%	+4.2%	+1.3%
Frozen beverages <1%	+49.4%	+65.4%	+41.9%	+63.2%	+62.9%	+59.5%	+142.9%	+114.5%	+8.2%	-1.8%
Juices	+49.6%	+65.6%	+42.2%	+63.7%	+63.2%	+59.7%	+143.2%	+114.7%	+8.3%	-1.8%

Source: IRI, Total US, MULO, 1 week view % change vs. year ago.

Dollars versus Units

The slightly longer four-week look shows strong gains for both dollars and units across all areas of frozen. In most areas, dollar sales gains exceed unit sales by more than 10 percentage points. This typically points to consumers opting for larger pack sizes that have a higher per unit cost. It could also indicate some inflationary pressure.

Category with % of frozen department sales	% sales change over the four weeks ending 5/3/20 versus year ago	
	Dollar sales	Unit sales
Frozen Dept (ex Poultry)	+36.4%	+23.4%
Frozen meals (34%)	+20.2%	+10.2%
Breakfast food	+22.0%	+12.5%
Dinners/entrees	+11.7%	+2.7%
Pizza	+34.6%	+21.2%
Frozen meat/poultry/seafood (32%)	+60.2%	+44.1%
Processed poultry	+50.0%	+36.8%
Meat	+60.9%	+41.7%
Seafood	+65.9%	+53.8%
Frozen desserts (23%)	+34.6%	+26.0%
Ice cream/sherbet	+33.5%	+24.2%
Novelties	+34.9%	+26.2%
Desserts/toppings	+43.1%	+38.7%
Frozen fruits & vegetables (12%)	+43.1%	+32.3%
Fruit	+53.3%	+42.8%
Potatoes/onions	+53.5%	+50.3%
Plain vegetables	+33.5%	+23.1%
Prepared vegetables	+8.6%	+14.9%
Frozen baked goods (3%)	+46.3%	+38.3%
Frozen snacks (4%)	+47.8%	+38.2%
Appetizers/snack rolls	+47.8%	+38.2%
Frozen beverages <1%	+49.4%	+37.8%
Juices	+49.6%	+37.9%

What's next?

Frozen foods have generated double-digit gains for eight out of the last eight weeks. There are few signs that the elevated every day demand will diminish any time soon. Prompted by the continued media coverage of meat shortages and rising prices, the run on meat will likely continue. This will likely prompt complementary trips to the frozen food department, for both frozen meat and other items. Additionally, Mother's Day may have provided another small sales boost with restaurants in most states still closed or open with limited seating capacity.

It is important to remember that the sales surges at retail are only possible thanks to the heroic work of the entire grocery and frozen food supply chains. 210 Analytics and IRI will continue to provide weekly updates as sales trends develop.