

## While Sales for the Rest of Store Cooled, Frozen Food Remained Hot

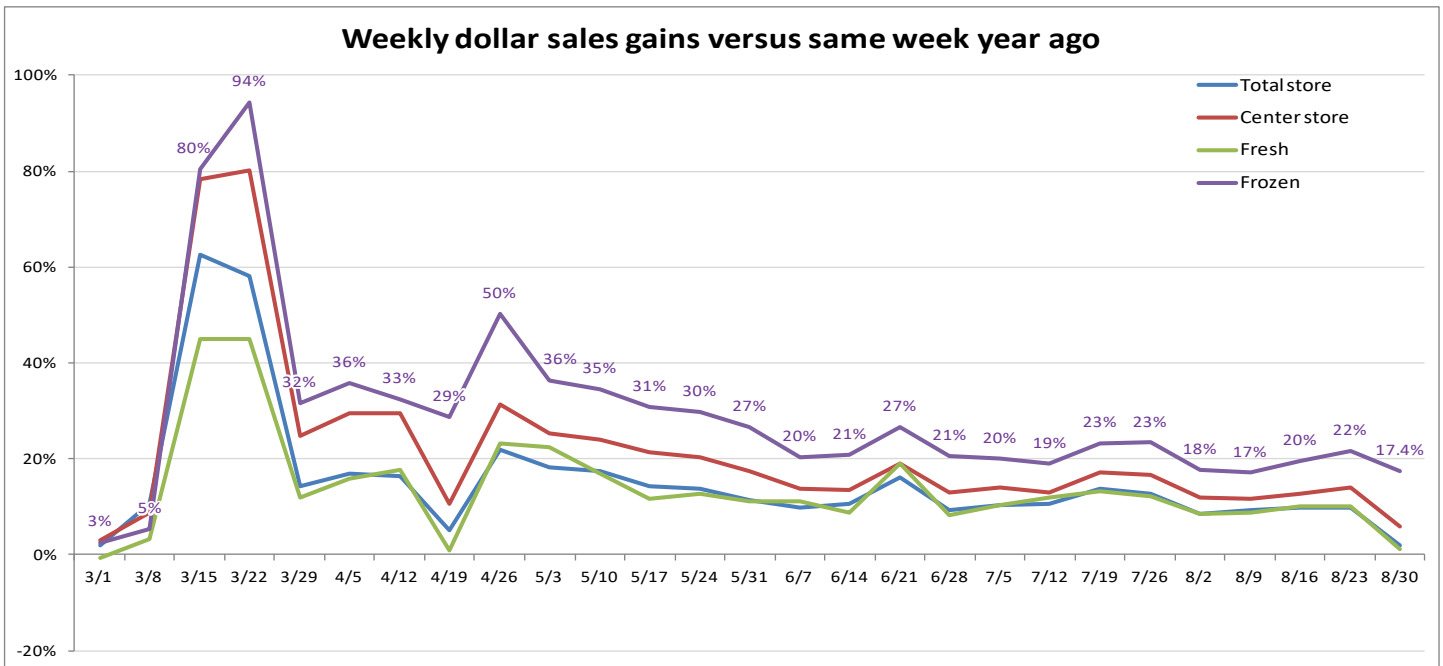
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Frozen foods have been among the strongest performers across the store since the start of the pandemic. From the initial stock up behavior to many weeks of buying and replenishing, frozen foods have trended well above the 2019 baseline driven by strong everyday demand across all categories. During the last week of August, sales had to go up against the 2019 Labor Day weekend that fell much earlier last year, on September 2, 2019. While this negatively impacted center store and fresh food sales, frozen food sales had another strong week — precisely because of that high everyday demand and much less impact of holiday peak demand.

## Sales

While total store sales dropped to just 2.0% above year ago levels during the week of August 30, frozen food sales still increased 17.4% year-over-year. This leaves frozen food, seafood and the cleaning aisle as the ones that experienced double-digit gains during the week of August 30th. This also crowns the 25th week of double-digit dollar sales increases for frozen foods, with exceptional dollar, volume and unit gains that far exceed other areas of the store. Center-store edibles increased 6.0% and the fresh perimeter a mere 1.3%.



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

Frozen foods generated \$1.14 billion in sales the week of August 30, 2020, \$47 million less than the week prior but 17.4% more than the same week last year. Assortment had been

slowly climbing back up to pre-pandemic levels, but backslid a bit more this week after losing some ground the week prior. IRI’s measure reflecting assortment variety showed items per store were down 5.7% versus year ago, reflecting 1,331 items.

	3/1	March (3/8-3-29)	April (4/5-4/26)	May (5/3-5/31)	June (6/7-6/28)	July (7/15-7/26)	8/23	8/30
Average weekly items/store selling	1,393	1,449	1,394	1,365	1,347	1,348	1,340	1,331
Change vs. YA	-4.2%	-0.1%	-3.3%	-5.7%	-7.2%	-6.9%	-5.5%	-5.7%

Source: IRI, Total US, MULO, average weekly items per store selling

Three areas saw assortment down in double digits versus the same week in 2019.

- Frozen fruit: -11.2%
- Breakfast foods: -10.4%
- Frozen pizza: -10.2%

Source: IRI, Total US, MULO, average weekly items per store selling

At the same time, three areas saw an increase in assortment, being frozen juices (+13.2%), frozen desserts (+7.3%) and frozen meat (+2.1%).

## Dollar, Unit and Volume Gains

Dollar gains easily outpaced volume gains in all areas, indicating continued inflationary conditions during the last week of August. The gap remained the widest for frozen meat that actually experienced a decrease in volume sales — which could have been the 2019 Labor Day effect. Frozen seafood was once more the highest gains in dollars, but was outdone by snacks in the highest volume gains.

Category	% sales change 1 week ending 8/30 versus year ago		
	Dollar sales	Volume sales	Volume/dollar gap (percentage points)
<b>Frozen meals</b>	+13.9%	+10.4%	-3.5
Breakfast food	+17.6%	+12.4%	-5.2
Dinners/entrees	+10.6%	+7.6%	-3.0
Pizza	+18.6%	+15.0%	-3.6
<b>Frozen meat/poultry/seafood</b>	+19.5%	+7.0%	-12.5
Processed poultry	+22.9%	+16.5%	-6.4
Meat	+11.7%	-2.8%	-14.5
Seafood	+32.3%	+26.3%	-6.0
<b>Frozen desserts</b>	+15.8%	---	---
Ice cream/sherbet	+12.8%	+2.0%	-10.8
<b>Frozen fruits &amp; vegetables</b>	+17.7%	+10.2%	-7.5
<b>Frozen baked goods</b>	+8.1%	+3.9%	-4.2
<b>Frozen snacks</b>	+29.3%	+29.5%	-0.2
<b>Frozen beverages</b>	+24.3%	+14.9%	-9.4

Source: IRI, Total US, MULO, dollar and volume sales 1 week change vs. year ago

## A Deep-Dive into Frozen Food Sales

The week of August 30 once again brought double-digit increases versus the same week a year ago for all areas except frozen baked goods. Frozen meals remained the largest sales category, representing 34.3% of total frozen food sales. Frozen meat/poultry/seafood stayed in second, at 29.8% of sales. Frozen fruit edged out seafood with an increase of +36.0% versus a year ago versus 32.3%, respectively.

Product and share of frozen food department sales for w.e. 8/30/20	% Dollar sales change vs. comparable week ending in 2019							
	3/1	March (3/8-3/29)	April (4/5-4/26)	May (5/3-5/31)	June (6/7-6/28)	July (7/5-7/26)	8/23	8/30
<b>Frozen dept (ex poultry)</b>	<b>+2.6%</b>	<b>+52%</b>	<b>+37%</b>	<b>+36%</b>	<b>+22%</b>	<b>+22%</b>	<b>+21.7%</b>	<b>+17.4%</b>
Frozen meals (34.3% of sales)	-3%	+53%	+28%	+20%	+14%	+17%	+15.4%	+13.9%
Breakfast food	+1%	+44%	+30%	+22%	+17%	+19%	+18.3%	+17.6%
Dinners/entrees	-3%	+44%	+16%	+12%	+12%	+15%	+11.7%	+10.6%
Pizza	-2%	+79%	+53%	+35%	+17%	+18%	+21.6%	+18.6%
Frozen meat/poultry/seafood (29.8%)	+8%	+65%	+48%	+60%	+35%	+31%	+28.8%	+19.5%
Processed poultry	+4%	+75%	+48%	+50%	+33%	+31%	+30.0%	+22.9%
Meat	+11%	+91%	+57%	+61%	+30%	+21%	+26.6%	+11.7%
Seafood	+17%	+46%	+46%	+66%	+48%	+47%	+42.1%	+32.3%
Frozen desserts (24.9%)	+2%	+28%	+32%	+35%	+18%	+15%	+19.7%	+15.8%
Ice cream/sherbet	-0.2%	+30%	+35%	+34%	+16%	+13%	+17.7%	+12.8%
Novelties	+6%	+28%	+31%	+35%	+19%	+16%	+21.3%	+20.2%
Desserts/toppings	+0.2%	+23%	+18%	+43%	+28%	+25%	+26.9%	+10.3%
Frozen fruits & vegetables (10.7%)	+4%	+67%	+44%	+43%	+24%	+25%	+21.0%	+17.7%
Fruit	+10%	+64%	+46%	+53%	+37%	+36%	+33.1%	+36.0%
Potatoes/onions	+3%	+67%	+56%	+54%	+29%	+29%	+27.9%	+18.6%
Plain vegetables	+5%	+72%	+38%	+34%	+16%	+20%	+11.6%	+10.8%
Prepared vegetables	-13%	+35%	+12%	+9%	-0.3%	+5%	+7.0%	+10.1%
Frozen snacks (4.2%)	+1%	+67%	+60%	+48%	+31%	+28%	+29.3%	+29.3%
Appetizers/snack rolls	+1%	+67%	+60%	+48%	+31%	+28%	+29.3%	+29.6%
Frozen baked goods (2.6%)	-1%	+46%	+32%	+46%	+22%	+21%	+17.5%	+8.1%
Frozen beverages (0.4%)	-2%	+80%	+58%	+49%	+31%	+29%	+31.5%	+24.3%
Juices	-2%	+80%	+58%	+50%	+32%	+29%	+31.6%	+24.4%

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

## What's next?

Next week's report will be the last in the weekly series IRI, 210 Analytics and AFFI have produced since the week of March 15, after which the report series will continue on a monthly basis. Next week will also show the results of the 2020 Labor Day weekend sales, which are not likely to impact frozen food sales like they will fresh and center store.

**Please recognize and thank the entire food supply chain for all they do to keep supply flowing during these unprecedented times. These sales surges are only possible thanks to the heroic work of the entire food supply chain.**