

Frozen Foods Remain a Sales Powerhouse during COVID-19 Buying

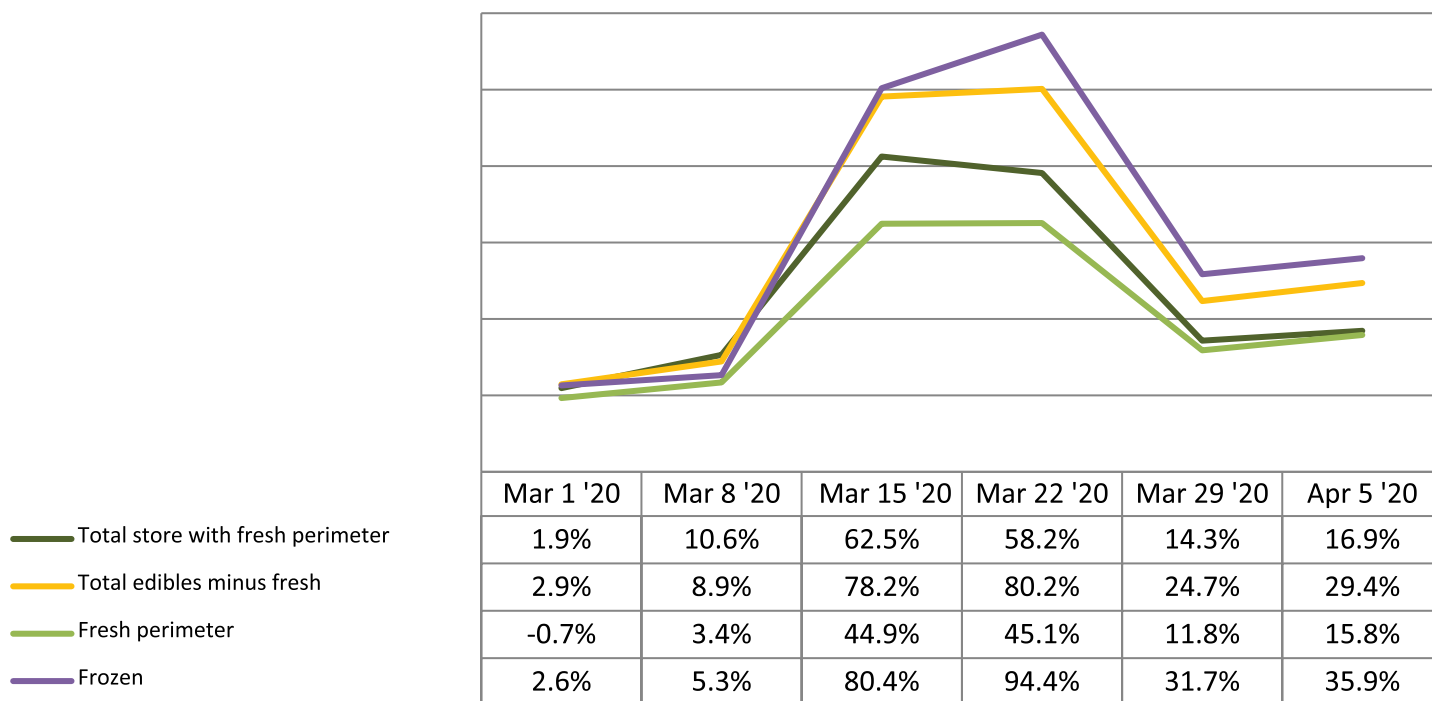
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The first week of April marked the end of what has been, for most people, the fourth week of tightening social distancing measures caused by the rapid spread of the coronavirus. As of early April, 47 states had issued some type of executive order governing social and business activities, with tremendous impact on grocery and frozen food sales. While foodservice sales have been decimated, sales at retail started surging come the second week of March. 210 Analytics, IRI and AFFI partnered up to understand the effect for frozen food in dollars and volume throughout the pandemic.

During the week of April 5, frozen food sales continued to show highly elevated levels, with dollars up 35.9% over the comparable week in 2019. Boosted by an increase of 41% in meat, the total perimeter increased 15.8% over the week of April 5 compared to the comparable week in 2019. Center store edibles increased 29.4%. Frozen foods generated nearly \$1.4 billion during the week of March 29, 2020 — nearly \$365 million more than the comparable week in 2019.

Dollar growth versus comparable week in 2019



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

Sales were likely influenced by the earlier Easter holiday and a higher everyday demand that is driving a new baseline that sits well above the old normal. At the same time, sales results must be seen against the backdrop of many stores having shortened opening hours, closed service departments, metered entry of shoppers, purchase limitations on popular items and continued out-of-stocks for others.

A Deep-Dive into Frozen Food Sales

The largest share within frozen foods, meal solutions, increased more than 25%. This was driven by a huge spike in frozen pizza sales, that continued to see high double digit growth. Like fresh meat and poultry, frozen animal protein continued to see high gains, up 44.7%, with big gains for processed poultry (chicken nugget type items) and meat. Frozen fruits and vegetables continued to soar, up more than 40%.

	% Dollar sales change vs. comparable week ending in 2019						Share of \$ sales
	04-05-20	03-29-20	03-22-20	3-15-20	03-08-20	03-01-20	04-05-20
Frozen Dept (ex Poultry)	+35.9%	+31.7%	+94.4%	+80.4%	+5.3%	+2.6%	100%
Frozen meals	+27.8%	+25.4%	+99.3%	+88.6%	+3.3%	-2.5%	36%
Breakfast food	+25.4%	+21.3%	+81.9%	+72.6%	+4.5%	+1.1%	
Dinners/entrees	+14.3%	+21.3%	+83.2%	+79.4%	+3.5%	-3.4%	
Pizza	+58.8%	+53.8%	+143.0%	+120.1%	+3.8%	-2.0%	
Frozen meat/poultry /seafood	+43.0%	+44.7%	+123.1%	+97.5%	+3.5%	+8.3%	31%
Processed poultry	+42.6%	+43.7%	+134.7%	+115.8%	+9.2%	+4.3%	
Meat	+58.5%	+56.9%	+163.6%	+131.6%	+17.9%	+11.0%	
Seafood	+35.5%	+33.8%	+96.8%	+67.4%	-5.7%	+16.9%	
Frozen desserts	+32.0%	+23.9%	+43.1%	+35.9%	+9.3%	+2.2%	21%
Ice cream/sherbet	+35.0%	+26.9%	+45.4%	+36.5%	+8.2%	-0.2%	
Novelties	+27.9%	+20.5%	+40.6%	+36.7%	+11.4%	+6.1%	
Desserts/toppings	+31.3%	+17.1%	+36.9%	+25.5%	+5.4%	+0.2%	
Frozen fruits & vegetables	+47.4%	+40.7%	+111.4%	+106.7%	+11.8%	+4.3%	13%
Fruit	+42.9%	+37.0%	+95.4%	+103.5%	+19.1%	+10.1%	
Potatoes/onions	+60.7%	+50.1%	+117.3%	+98.3%	+9.0%	+3.2%	
Plain vegetables	+42.2%	+37.5%	+115.9%	+119.3%	+13.3%	+4.6%	
Prepared vegetables	+18.4%	+8.8%	+84.5%	+62.9%	-12.6%	-13.4%	
Frozen baked goods	+42.4%	+38.9%	+87.8%	+56.8%	+1.4%	-0.8%	3%
Frozen beverages	+62.9%	+59.5%	+142.9%	+114.5%	+8.2%	-1.8%	1%
Juices	+63.2%	+59.7%	+143.2%	+114.7%	+8.3%	-1.8%	

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

Dollar versus Volume Sales

Dollar and volume growth are very close together for the week ending March 29, signaling very low levels of inflation.

Change for week ending 3/29/2020
vs. comparable week in 2019

	Dollar sales	Volume sales
Frozen meals	+27.8%	+25.0%
Frozen meat/poultry/seafood	+43.0%	+39.1%
Frozen fruits & vegetables	+47.4%	+45.3%
Frozen baked goods	+42.4%	+43.6%
Frozen beverages	+62.9%	+59.9%

Lessons from Overseas

Consumers in most European countries that were affected weeks before coronavirus upended sales patterns in the U.S. Most countries are shifting to a moderately elevated purchasing level post stockpiling. For food, the everyday baseline has been trending between 10 and 20 percent above the comparable week in 2019 for Italy, Greece and the Netherlands and between five and 10 percent for France and Germany. Non-edible sales have mostly leveled off and declined for some. Frozen food continues to see above-average gains in these countries. Frozen food sales remain highly elevated for most of these countries.

	Italy	Greece	France	Germany	Netherlands
Total store	+9.3%	+11.8%	+5.6%	+4.0%	+12.1%
Total non-edible	-7.9%	+3.3%	-10.1%	-2.6%	+32.0%
Total edible	+13.2%	+15.0%	+8.9%	+5.8%	+11.2%
Dairy	+22.6%	+18.9%	+18.3%	+5.1%	+13.3%
Frozen	+29.9%	+17.9%	+26.5%	+15.2%	+9.3%
Fresh	+7.4%	+34.3%	+7.1%	+16.7%	+5.7%

Source: IRI, Total US, MULO, week ending March 29, 2020

What's next?

The subsequent week, the second week of April, was Easter week, which is traditionally a sales powerhouse for many categories. In the absence of family gatherings, Easter celebrations and dinners are likely to have been very different in makeup and size. Increased everyday demand on retail meat sales is likely to continue while social distancing measures are in effect, driven by increased at-home meal occasions. At the same time economic pressure is continuing to build with ever-rising unemployment numbers. Shopping patterns will also likely remain very different in number, size, day of the week, day part and online ordering trends.

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.