

Double-Digit Increases Continue for Frozen Foods Amid COVID-19

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

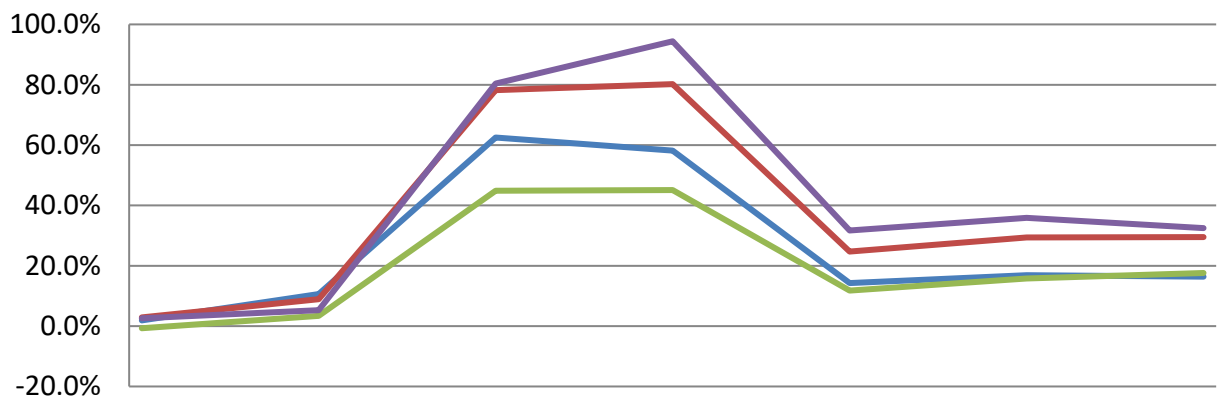


The week of April 12th marked the year's earlier Easter as well as the sixth week of the coronavirus-related grocery shopping patterns. Since the onset of coronavirus in the United States, grocery retailing conditions have been unlike any ever experienced in recent history. Unprecedented pantry, fridge and freezer loading by consumers across the United States emptied stores for days and weeks on end, resulting in incredible sales surges and widespread out-of-stocks conditions.

During the week of April 12, many stores further sharpened safety measures, such as metered entry, asking shoppers to limit visits to one person per cart and encouraging consumers to wear masks and to shop just once a week, while avoiding stocking up on any one item. Frozen food sales at retail remained highly elevated during the week ending April 12. 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 12, frozen food sales continued to show highly elevated levels, with dollars up 32.5% over the comparable week in 2019. Boosted by an increase of 43% in meat, the total perimeter increased 17.6% over the week of April 12 compared to the comparable week in 2019. Center store edibles increased 29.5%. Frozen foods generated nearly \$1.4 billion during the week of March 29, 2020 — over \$332 million more than the comparable week in 2019. Frozen food unit sales were up 22.9%.

Dollar growth versus comparable week in 2019



	03/01/20	03/08/20	03/15/20	03/22/20	03/29/20	04/05/20	04/12/20
Total store, incl. fresh	1.9%	10.6%	62.5%	58.2%	14.3%	16.9%	16.4%
Edibles minus fresh	2.9%	8.9%	78.2%	80.2%	24.7%	29.4%	29.5%
Fresh perimeter	-0.7%	3.4%	44.9%	45.1%	11.8%	15.8%	17.6%
Frozen	2.6%	5.3%	80.4%	94.4%	31.7%	35.9%	32.5%

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

A Deep-Dive into Frozen Food Sales

The largest share within frozen foods, meal solutions, increased more than 20%. This was driven by continued appetite for frozen pizza, that was up 47% over the week ending April 12 versus the comparable week in 2019. Like fresh meat and poultry, frozen animal protein continued to see high gains, up 39.2%, with big gains for meat. Frozen fruits and vegetables continued to soar, up 44.6%.

	% Dollar sales change vs. comparable week ending in 2019							Share of \$ sales
	4-12-20	4-5-20	3-29-20	3-22-20	3-15-20	3-08-20	3-01-20	
Frozen Dept (ex Poultry)	+32.5%	+35.9%	+31.7%	+94.4%	+80.4%	+5.3%	+2.6%	100%
Frozen meals	+21.5%	+27.8%	+25.4%	+99.3%	+88.6%	+3.3%	-2.5%	34%
Breakfast food	+22.2%	+25.4%	+21.3%	+81.9%	+72.6%	+4.5%	+1.1%	
Dinners/entrees	+8.9%	+14.3%	+21.3%	+83.2%	+79.4%	+3.5%	-3.4%	
Pizza	+47.0%	+58.8%	+53.8%	+143.0%	+120.1%	+3.8%	-2.0%	
Frozen meat/poultry /seafood	+39.2%	+43.0%	+44.7%	+123.1%	+97.5%	+3.5%	+8.3%	31%
Processed poultry	+33.7%	+42.6%	+43.7%	+134.7%	+115.8%	+9.2%	+4.3%	
Meat	+51.8%	+58.5%	+56.9%	+163.6%	+131.6%	+17.9%	+11.0%	
Seafood	+40.4%	+35.5%	+33.8%	+96.8%	+67.4%	-5.7%	+16.9%	
Frozen desserts	+28.6%	+32.0%	+23.9%	+43.1%	+35.9%	+9.3%	+2.2%	22%
Ice cream/sherbet	+31.1%	+35.0%	+26.9%	+45.4%	+36.5%	+8.2%	-0.2%	
Novelties	+21.5%	+27.9%	+20.5%	+40.6%	+36.7%	+11.4%	+6.1%	
Desserts/toppings	+57.2%	+31.3%	+17.1%	+36.9%	+25.5%	+5.4%	+0.2%	
Frozen fruits & vegetables	+44.6%	+47.4%	+40.7%	+111.4%	+106.7%	+11.8%	+4.3%	13%
Fruit	+43.7%	+42.9%	+37.0%	+95.4%	+103.5%	+19.1%	+10.1%	
Potatoes/onions	+54.4%	+60.7%	+50.1%	+117.3%	+98.3%	+9.0%	+3.2%	
Plain vegetables	+39.5%	+42.2%	+37.5%	+115.9%	+119.3%	+13.3%	+4.6%	
Prepared vegetables	+12.8%	+18.4%	+8.8%	+84.5%	+62.9%	-12.6%	-13.4%	
Frozen baked goods	+63.2%	+42.4%	+38.9%	+87.8%	+56.8%	+1.4%	-0.8%	4%
Frozen snacks	+49.7%	+56.8%	+46.0%	+127.2%	+97.2%	+4.2%	+1.2%	4%
Appetizers/snack rolls	+49.9%	+56.9%	+46.1%	+127.4%	+97.5%	+4.2%	+1.3%	
Frozen beverages	+63.2%	+62.9%	+59.5%	+142.9%	+114.5%	+8.2%	-1.8%	<1%
Juices	+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.

Dollar versus Unit Sales

Dollar and unit growth grew further apart the second week of April. At the department level, dollar sales tracked nearly 10 percentage points ahead of unit sales. The biggest differences were found for frozen meals, meat/poultry and seafood, and baked goods.

Change for week ending 4/12/2020 versus year ago		
	Dollar sales	Unit sales
Frozen food department	+32.5%	+22.9%
Frozen meals	+21.5%	+11.6%
Frozen meat/poultry/seafood	+39.2%	+28.7%
Frozen desserts	+28.6%	+20.6%
Frozen fruits & vegetables	+44.6%	+36.9%
Frozen baked goods	+63.2%	+51.1%
Frozen snacks	+49.7%	+40.4%
Frozen beverages	+63.2%	+56.1%

Lessons from Overseas

European sales patterns can help shed some light on what may lie ahead. After very similar weeks of stockpiling as seen in the U.S., most countries seem to have shifted to continued elevated purchasing levels for total edibles, with mixed engagement with fresh. For food, the everyday baseline for the week ending April 5 trended between 10 and 20 percent above the comparable week in 2019 for all countries except France. Non-edible sales have mostly leveled off and declined for some. Frozen food continues to see above-average gains in all countries, but Spain.

	Italy	Greece	France	Germany	Netherlands	Spain
Total store	+6.7%	+27.6%	+5.0%	+14.0%	+11.0%	+8.5%
Total non-edible	-11.5%	+24.8%	-5.5%	+4.5%	+12.8%	-25.0%
Total edibles	+10.8%	+28.7%	+6.9%	+16.7%	+10.7%	+17.4%
Dairy	+20.8%	+27.3%	+16.9%	+13.8%	+10.1%	+13.7%
Frozen	+26.5%	+32.7%	+24.6%	+25.7%	+10.5%	-13.0%
Fresh	+2.5%	+45.5%	+4.7%	+24.2%	+5.0%	+22.5%

Source: IRI, Total US, MULO, week ending April 5, 2020

What's next?

The third week of April still saw great uncertainty about the “re-opening” of the country. While states were encouraged to begin lifting their executive orders in a phased approach under strict criteria when it is safe to do so, many states extended their stay-at-home orders. Only South Dakota remains free of statewide government restrictions that require businesses to close. Other states are a patchwork of state-specific mandates to “shelter in place,” with expiration dates ranging from the end of April (Indiana and others) to mid-June (Virginia) to indefinitely (California, Maryland, New Jersey and others).

The top question on everyone’s mind is how far the new baseline lies above the old normal. The reality is that it is too early to tell. There has not been a good indicator week yet of what will be the “new normal.” Mid March had the enormous panic purchasing surge, followed by subsequent social distancing and shelter-in-place surges. Next were the two weeks leading up to Easter. In the upcoming two weeks, sales will go up against Easter 2019, which fell on April 21, which yet again complicates any sense of normalcy and data predictions.

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.