

COVID-19 Impact: Global poultry and egg purchases, behaviors

May 28, 2020

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“How to control mycoplasma infections in poultry flocks,”

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Today's Speakers



David Hughes
Imperial College London, and
Royal Agricultural University, U.K.



Chris DuBois
IRI

David Hughes is Emeritus Professor of Food Marketing at Imperial College London, and Visiting Professor at the Royal Agricultural University, U.K. He is a much sought-after speaker at international conferences and seminars on global food industry issues, particularly consumer and retail trends. David has lived and worked in Europe, North America, the Caribbean, Africa and South East Asia and has extensive experience as an international advisory board member with food companies and financial service organizations on three continents. He has worked with meat companies and spoken at global meat events in five continents. His views on food issues and, particularly, meat are much sought after by the media and food businesses in many countries of the world.





**Imperial College
London**

When It Comes to Food, How Might Consumers Change Their Behavior in a Post-Covid World?

Dr. David Hughes

Emeritus Professor of Food Marketing



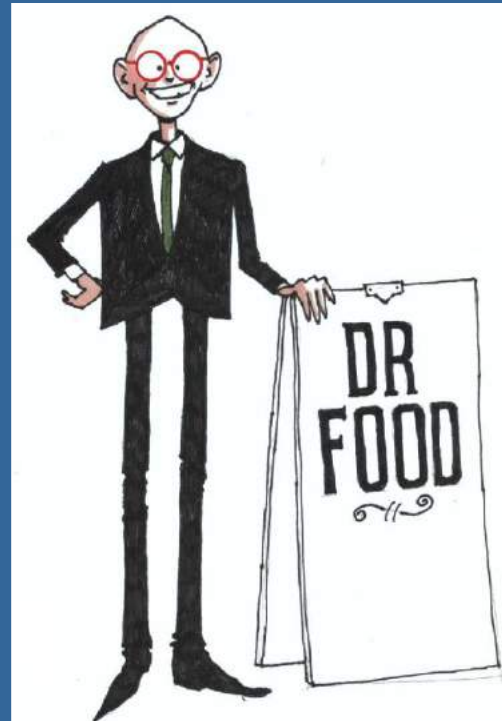
Covid-19: Impact on the Global Poultry Industry

Thursday, May 28th, 2020

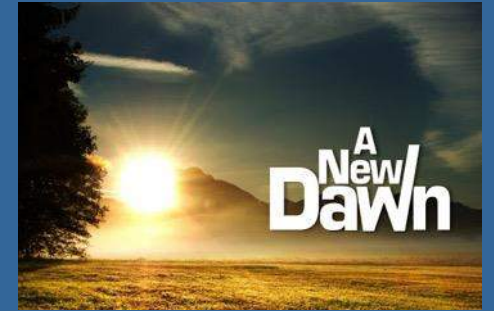


@profdavidhughes

www.supermarketsinyourpocket.com



What's the Most Likely Shape of the Economic Recovery Curve?



Calming or Scary?!



May 25th, 2020

Germany: This is not a 'v'

The just released Ifo index adds to evidence that the worst should be behind us. However, the route to normality will be long.

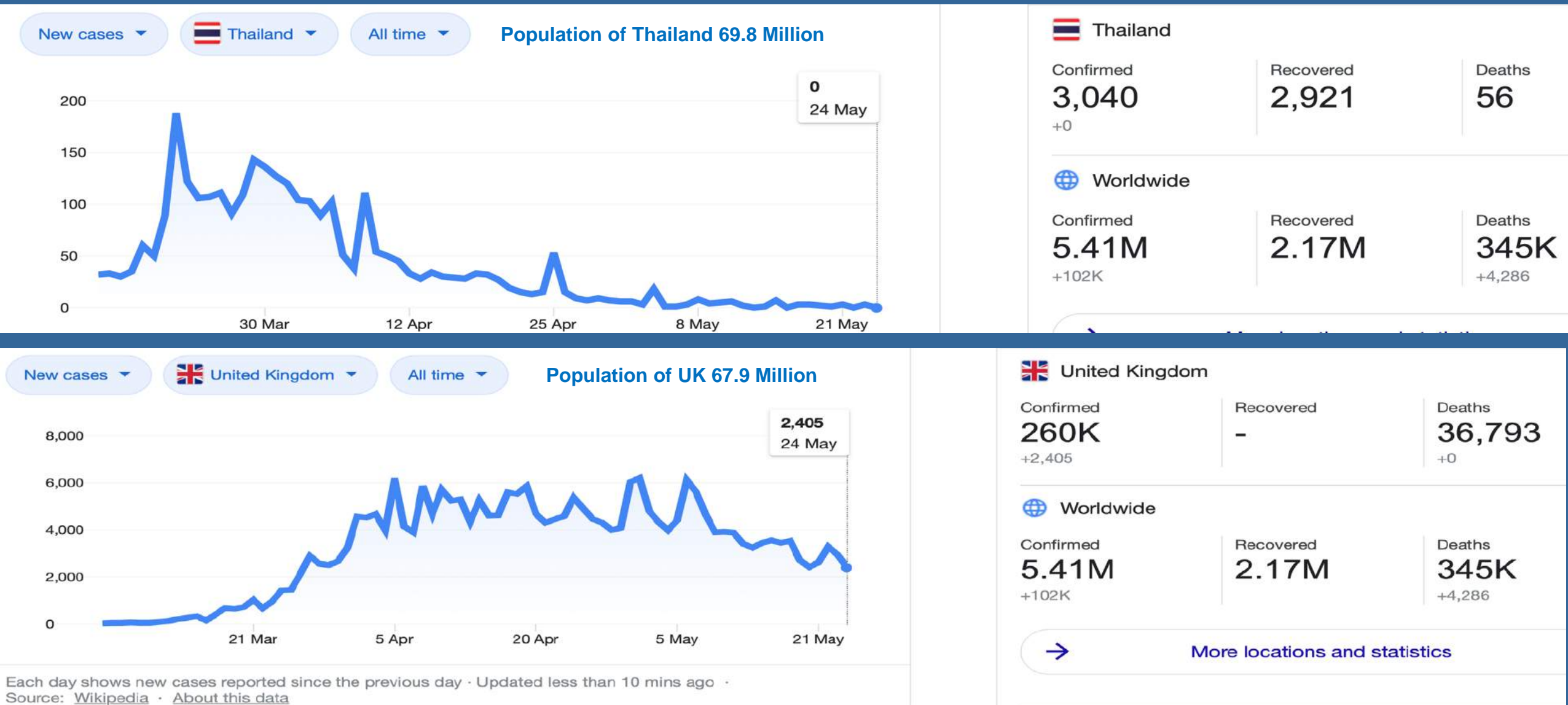


IMF global predictions

GDP Growth		World
2019	+2.9%	
2020f	-3.0%	
2021f	+5.8%	

Source: Rabobank, IMF Economic Outlook, 14 April 2020

Consumer Behavior Post-Covid Will Reflect, Amongst Other Things, Their Experiences and Worries from the Lockdown Period and Their Reflections on the Family and National Risks Associated with the Pandemic



Who Do You Think Will Be Most Sensitive About Eating Out in Restaurants?

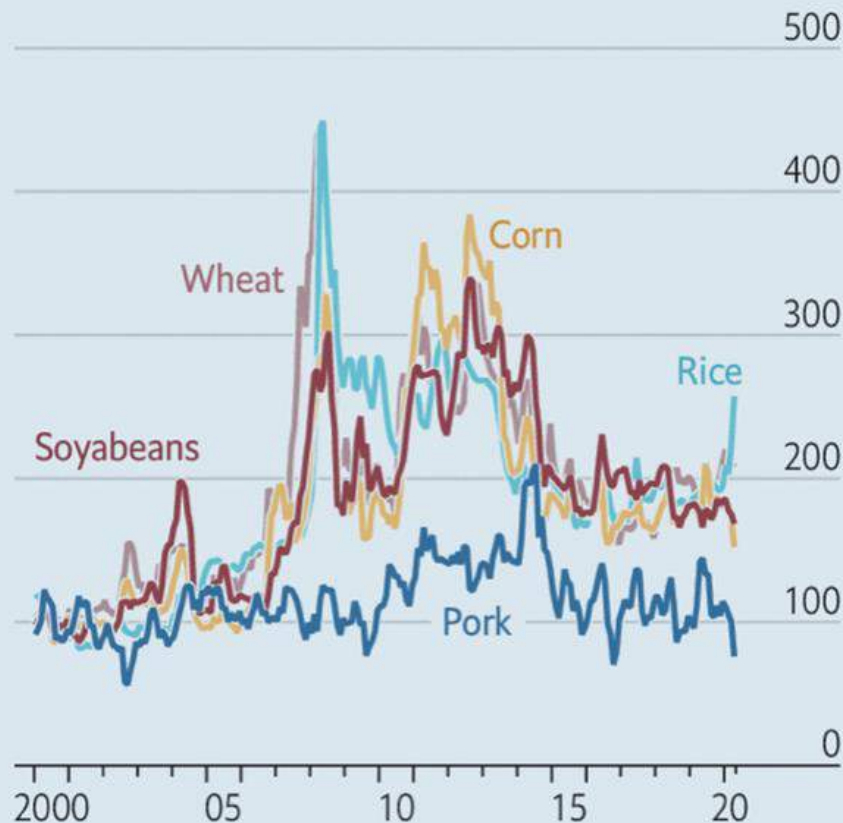
Keeping things cornucopious

The
Economist

May 9th, 2020

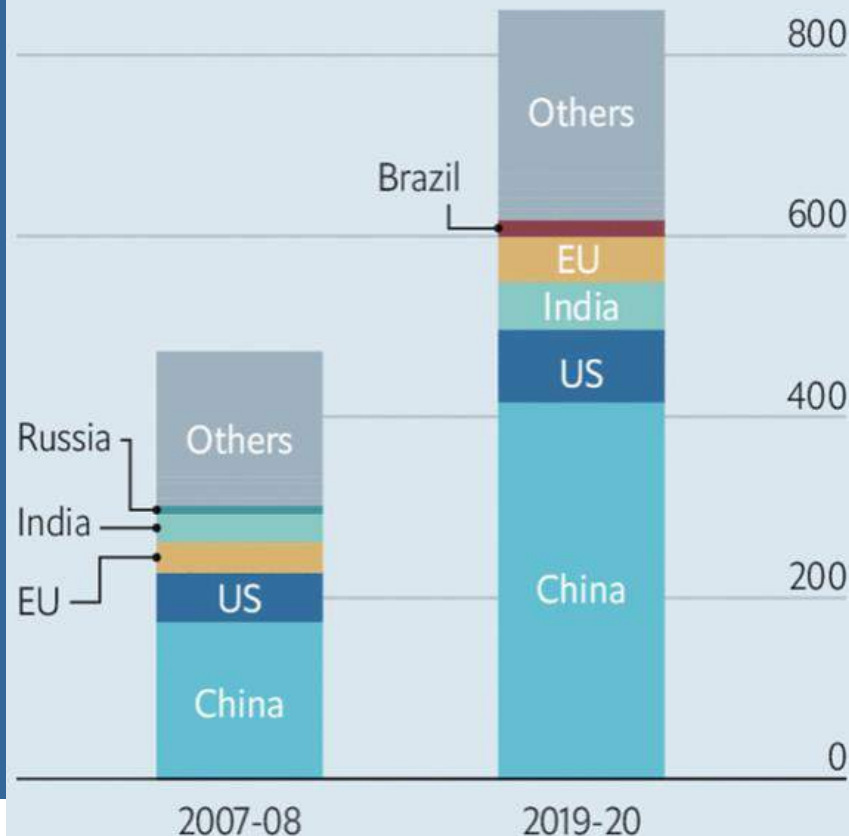
The world's food system has so far weathered the challenge of covid-19

Food prices, 2000=100, \$ terms



Sources: Bloomberg; Datastream from Refinitiv; FT; Live Rice Index

Cereal stocks*, tonnes, m



Source: FAO

*Includes rice, wheat and coarse grains

Although Particular Turb
In North American Meat

Biggest Consumer issues:

- Household income
- Health of the Family
- Food Safety
- Food Security

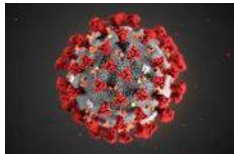
Economic crisis: Trading down protein demand, eggs will benefit



The Scramble for Value!

Economic downturn and higher volatility:

Eggs and chicken the best positioned proteins



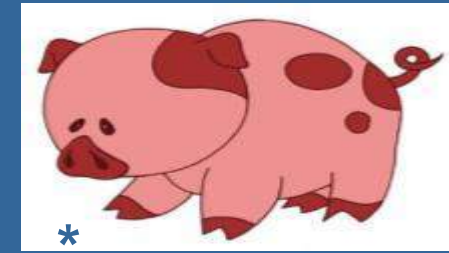
	Sales channel	Product species	Product groups	Concepts
'Expensive'	Restaurants	Veal	Ready meals	Organic
	Premium retail	Beef	Steaks	Free range
	QSR		Breast meat	Slow growing
	Supermarkets	Pork	Sausages	Barn
		Poultry	Minced meat	
			Legs	
'Cheap'	Discount retail	Eggs	Shell eggs	Regular



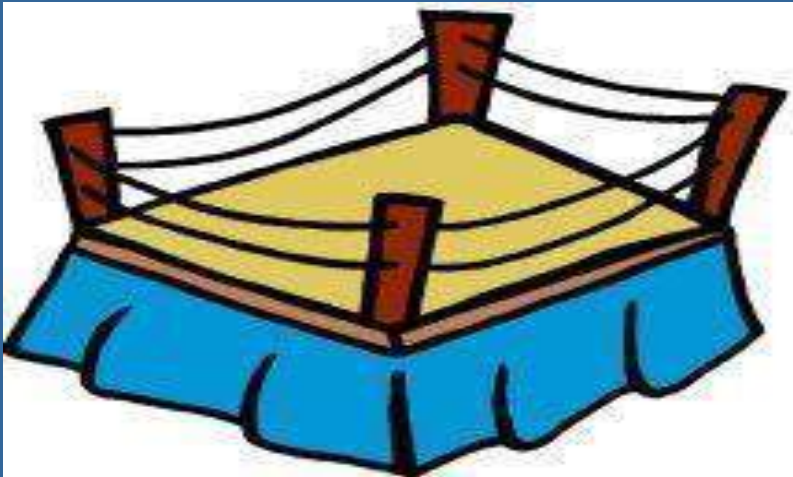
In Asia & Latin America, Eggs are a Core Source of Protein In Meals & Snacks Sold Throughout the Day. Recession-Proof Comfort Food When Money's Tight!



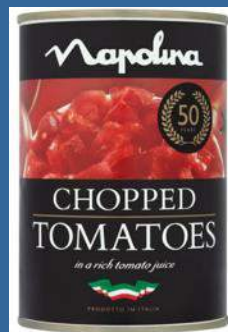
Red Meat Should Keep Out of the Way
in Global Battle Between Intensively
Produced Chicken and Fish



Scramble for Value will Intensify Battle!



* China imported 1.35 million tonnes of Pork January-April 2020: The ASF Factor



What Did We Rush to Buy?
Comfort Food, Old Favourites,
Storeables, Indulgent Snacks,
Staples, Value-Priced Protein!

It's an ILL Wind that Blows No One Any Good!



Kraft Heinz Q1 results boosted significantly by stockpiling
April 30th, 2020

Kraft Heinz has posted net sales of \$6.16 billion in its first-quarter, representing 6.2% organic growth as a result of increased consumer demand related to Covid-19.

April 24th, 2020



Nestlé posts 'best sales growth in five years' due to stockpiling

Nestlé has reported organic sales growth of 4.3% in Q1, driven by consumer stockpiling of its coffee, frozen food and pet brands.



PepsiCo posts strong Q1 results due to food and snack business

PepsiCo reported strong results in Q1, as its three North American divisions saw positive impact due to Covid-19.

April 29th, 2020



Mondelēz posts stronger than expected results amid Covid-19

Mondelēz International has reported 2.6% growth in net revenue to \$6.7 billion in Q1, driven by demand from North America.

April 23rd, 2020

Loblaws reports sales spike as pandemic worries sparked stockpiling
April 30th, 2020



Coronavirus: The weekly shop is back in fashion, says Tesco boss
April 28th, 2020

Why the strong performance of supermarkets during the Covid-19 crisis is feeding investor appetite

Japanese supermarket sales spike, luxury seafood prices plummet
April 5th, 2020



New Normal: How COVID-19 could change Canada's grocery landscape forever



Amazon was already powerful. The coronavirus pandemic cleared the way to dominance.

The global health crisis has forced 250,000 US stores closed, clearing the way to Amazon's dominance.



Alibaba GMV surpasses US\$1 trillion

May 25th, 2020



UK online grocery sales likely to surge by a quarter amid lockdown

May 5th, 2020



Demand overwhelms grocery-delivery services in Malaysia, Singapore

April 7th, 2020



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London

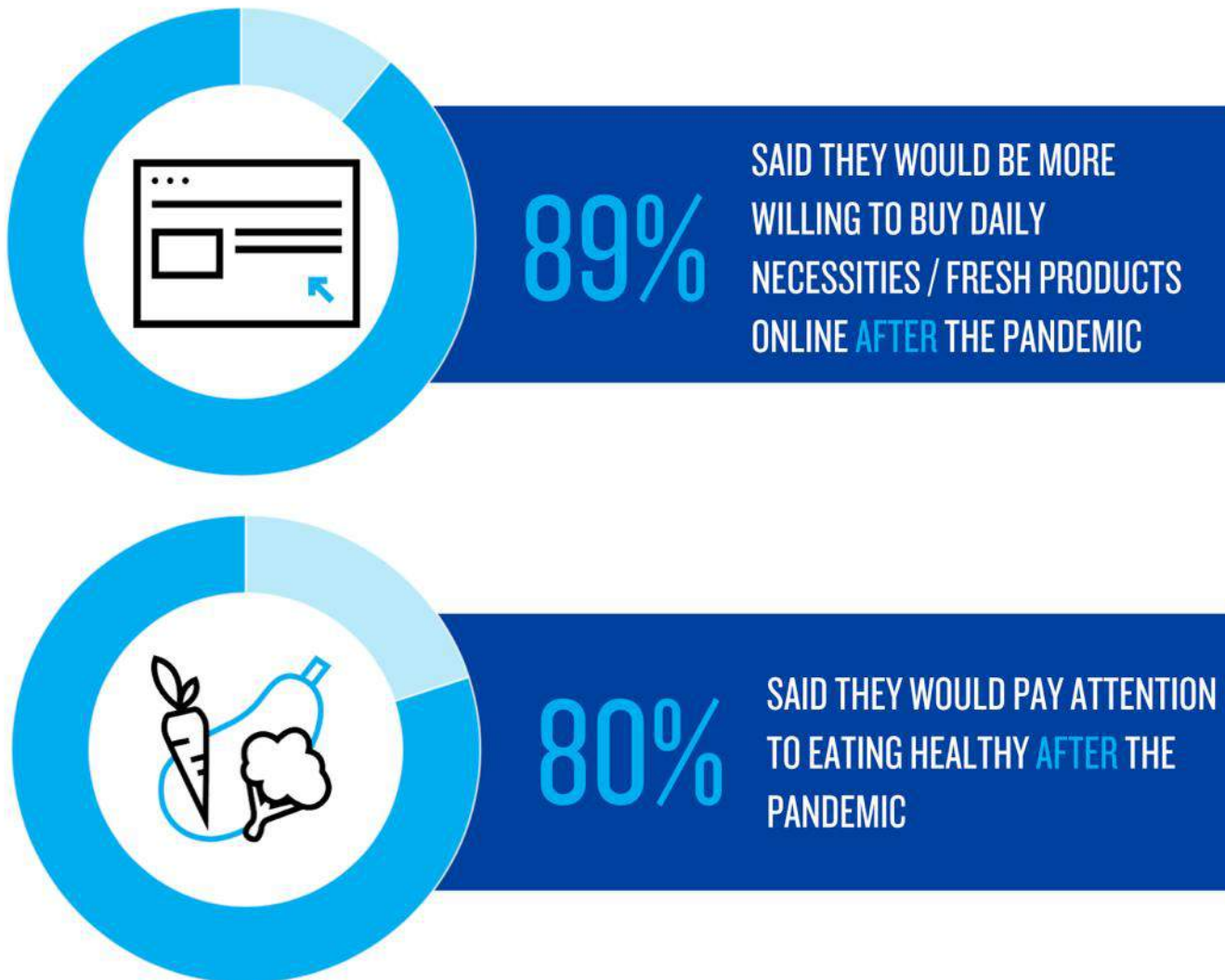


US online grocery sales surge to new record in April

May 5th, 2020

Consumers continue to use new buying channel as coronavirus lockdowns drag on.



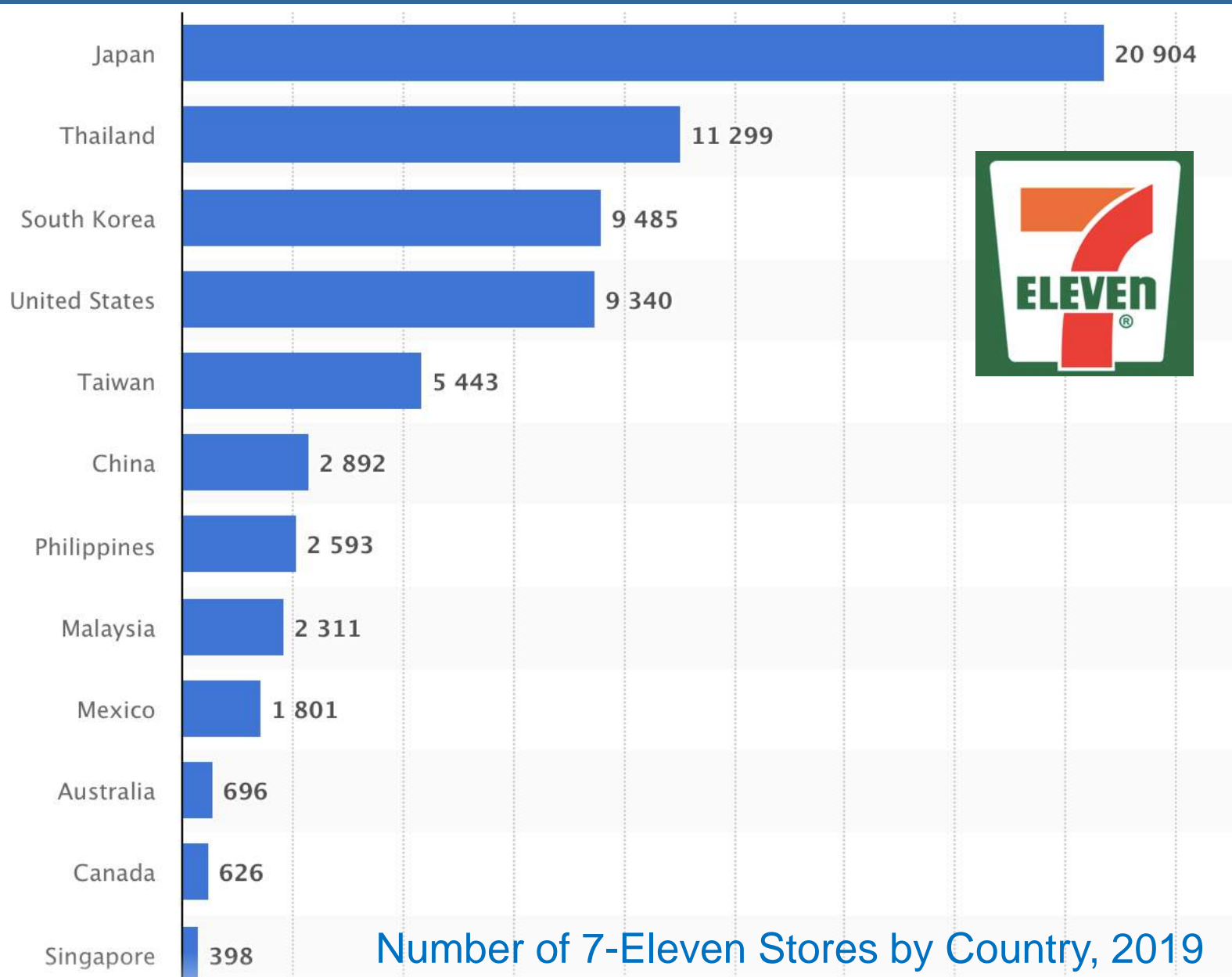


Source: Nielsen Social Intelligence Survey on Coronavirus, Feb. 2020

Particularly in China, Accelerated Decline of Wet Markets as Major Source of Fresh Meat Purchases



Pre- and Post-Covid 19 Strong International Growth in Convenience Store Retailing



7-Eleven Singapore ups its game



December, 2019

7-Eleven India plans 1000+ stores in Mumbai



Couche-Tard still focused on U.S. eyes Asia Pacific growth: CEO



Hard Discount Stores Set to Increase Grocery Retail Share in Income-Constrained Markets



New Aldi Store in Shanghai



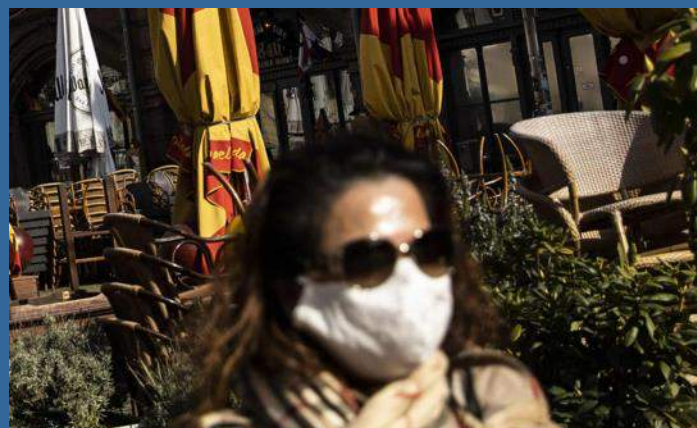
It's a Lot Fancier than My Aldi Store in the UK!



Lockdown to spell disaster for thousands of pubs, restaurants and shops



Can Europe's restaurants survive the coronavirus lockdown? May 1st, 2020



"If the adage that it takes two months to form a habit holds, the economy that reemerges will be fundamentally different."

SOCIAL DISTANCING WHOPPER



**THE WHOPPER WITH TRIPLE ONIONS
THAT KEEPS OTHERS AWAY FROM YOU**



TAKE AWAY

KING  DRIVE

Restaurants & Cafés Become Takeaways

THE ROYAL GEORGE

• IRSHA STREET, APPLIEDORE •

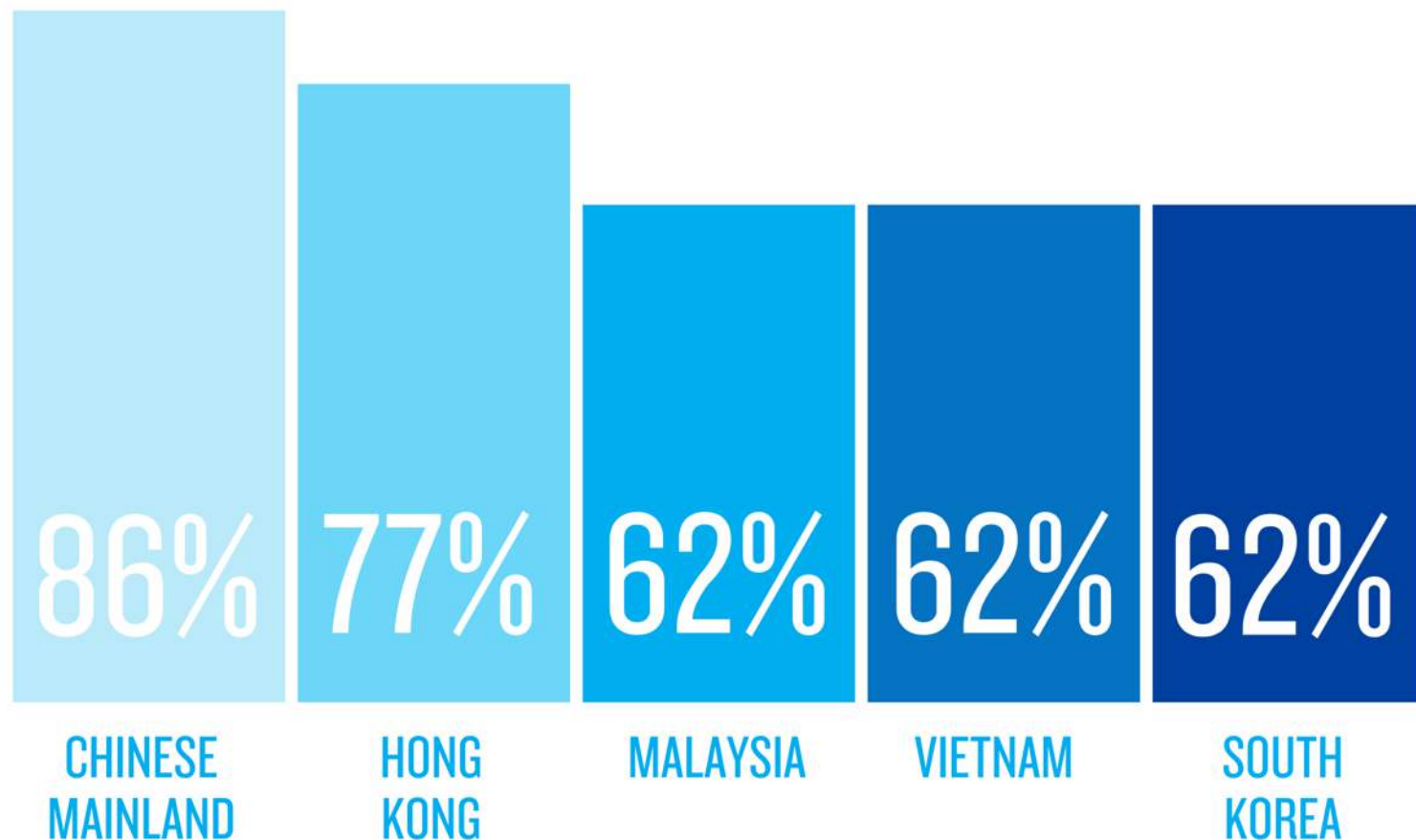


Triple Onions in the Takeaway Whopper:
Making a Positive from Social Distancing!



TOP ASIAN MARKETS RE-PRIORITIZING EATING AT HOME

% OF RESPONDENTS WHO SAID THEY WOULD EAT AT HOME MORE POST-PANDEMIC



Source: Nielsen "COVID-19 Where consumers are heading?" Study March 2020

Street Food in Emerging Markets Competes on Price With Home Cooked Food. Eating at Home Could Be Eating Street Food At Home!



ASIAN CONSUMERS ARE RETHINKING HOW
THEY EAT POST COVID-19

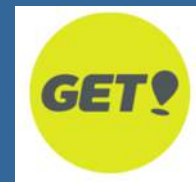
March 27th, 2020



Deliveroo Open “Dark/Ghost” Kitchens



There's Plenty of Food Delivery Options in Bangkok!



Grab Taxi Acquired Uber in SE Asia to Extend Its Ride and Food Delivery Services



Deliveroo Hong Kong opens third Editions site, in Quarry Bay April 14th, 2020

Frozen Food Gets a Fillip from Covid-19!



Home is the Hub! It's for Living and Working.
More Home Cooking?:

- More about “Meal Component Assembly” than Cooking Like Mum!
- Convenience Trend Continues: Convenient to Buy, Prepare, Consume & Dispose



Meal Delivery Platforms and Meal Kit Providers

Some Struggled Pre-Covid BUT Now Booming!



Meal kit sales are cooking amid the pandemic May 4th, 2020



World-Wide Shoppers Seek Meal Solutions Not Meal Problems. Buy “Meal Components” and Assemble Them (“Cooking”) at Home!



Here's a Salmon Starter, Steak & Fries, Profiteroles, and a Bottle of Wine: \$18 – Is that a Deal?



**Imperial College
London**

Belgium Moves Processed Meats Off Its Food Pyramid



Chicken and Eggs are on the Side of the Angels on Most Countries Healthy Eating Maps



Will the coronavirus pandemic make you a germaphobe? Probably not, but it may bring new habits



Concerns About Food Safety Will be Elevated Increasing Interest in **Local Food**. Certainly, Contactless Payment will become Pervasive. And Food Cultures Where Meals are Shared (e.g. Asia) may see Changes.

The Notion of “Climate-Friendly and Planet-Friendly Diets” are Gaining Substantial Traction. Just Ask Your Children/Grandchildren!
This is Good for Plant-Based Food.



Global “Climate Change Strikes”
Friday, September 20th, 2019

Student Climate Strikes Across Asia: “There Is No Planet B”



February 14th, 2020



Youth climate strikes sweep Asia ahead of UN Climate Action Summit



September 2019



Greta at a Mass Rally of School Children In Bristol, UK
February 28th, 2020

Plant-based diets key in tackling climate change: UN report warns food systems must undergo significant change

The report also notes that food loss and wastage add up to US\$1 trillion each year

August 9th, 2019



Davos 2020 urges dietary changes, sustainable supply chains and agri-food system transformation

January 21st, 2020

Cut meat and dairy intake 'by a fifth'

January 23rd, 2020



Sustainability charge for meat debated in European Parliament as new report urges price hikes by 2022

January 31st, 2020

31 Jan 2020 --- The European Parliament will next week be presented with a plan to increase the price of meat across the EU to reflect its environmental costs, including CO2 emissions and biodiversity loss. The "sustainability charge" or fair-meat price



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London

Nestle to adopt Nutri-Score labelling scheme in five European countries

November 26th, 2019



Nestlé's aims to boost the proportion of breakfast cereals rated A or B from 16 to 50 percent.



Tesco trialing Eco-Labels With WWF. Quorn Already There!

What Impact Would Your Product Have on the Nutri-Score?

Nestlé and Danone push for Nutri-Score roll out as COVID-19 deepens nutritional rifts April 28th, 2020

And What About the Impact on the Upcoming Enviro-Score?

Consumers support product carbon labeling as climate change concerns heat up April 27th, 2020

Relative Greenhouse Gas Emission Impact of Selected Protein Foods*



10

Beef**



36

Farmed Prawns



22

Chee



15

se
Pork



12

Chicken



12

Farmed Fish



8

Eggs



5

Wild Fish



<2

Peas, Beans, Nuts



Source: Adapted from Poore and Nemececk, Science 01, June 2018 * Beef index 100 ** Dairy Beef 34

Impossible Foods raises \$500M to invest in the future and expand

March 16th 2020



Lead Investor



Investments in Plant-Based Meats



- 2019 \$747m of which \$290m
- 2020 1st Q \$741m of which \$500m



May 2019

Beyond Meat goes public with a bang



Markets

Beyond Meat Maintains Rapid Growth Amid Restaurant Closures

May 5th, 2020



Kroger brings the Impossible Burger to 1,700 stores

May 5th, 2020



Water, Soy Protein Concentrate, Coconut Oil, Sunflower Oil, Natural Flavors, 2% or less of: Potato Protein, Methylcellulose, Yeast Extract, Cultured Dextrose, Food Starch Modified, Soy Leghemoglobin, Salt, Soy Protein Isolate, Mixed Tocopherols (Vitamin E), Zinc Gluconate, Thiamine Hydrochloride (Vitamin B1), Sodium Ascorbate (Vitamin C), Niacin, Pyridoxine Hydrochloride (Vitamin B6), Riboflavin (Vitamin B2), Vitamin B12.

Made with mung beans: JUST Egg hits Kroger shelves in US

August 21st, 2019



Just partners with Post Holdings for massive foodservice expansion

Plant-based Just Egg will be made and distributed by the cereal and frozen products company's Michael Foods division starting this fall.



JBS enters crowded plant-based segment with Ozo brand

March 4th, 2020



Smithfield Foods launching plant-based brand



Smithfield
Good food. Responsibly.®

August 12th, 2019

The New Makers of Plant-Based Meat? Big Meat Companies



June 12th, 2019

Cargill enters plant-based meat with burgers and ground products

February 24th, 2020



Imperial College
London



Starbucks deal and plant-based launches give Nestlé sales boost

February 13th, 2020



Nestlé releases vegan mince and updates Incredible Burger recipe

August 26th, 2019

Nestlé has expanded its plant-based product portfolio in Europe with new Garden of Eatin' Incredible Mince, alongside the introduction of a "meatier" Incredible Burger.



Nestlé-owned Sweet Earth Foods releases new plant-based burger

September 30th, 2019

Nestlé-owned Sweet Earth Foods has announced the launch of its latest plant-based products, the Sweet Earth Awesome Burger and Sweet Earth Awesome Grounds.

Nestlé brings plant-based meat to iconic brands

November 2019

After launching its first beef-like offering under its Sweet Earth banner in October, the food giant is introducing DiGiorno Rising Crust Meatless Supreme and Stouffer's Meatless Lasagna.



January 17th, 2020

Plant-based focus: Nestlé unveils vegan sausages in Europe and US



Starbucks China launches plant-based menu with Beyond Meat, Oatly, Omnipork April 21st, 2020

Asia pivots towards plants for protein as coronavirus stirs meat safety fears



May 20th, 2020



Nestlé to build its first plant-based food facility in China

Growing Interest in Plant-Based Meats in China



KFC Will Be Selling Plant-Based Chicken Nuggets In China Next Week April 21st, 2020

Cargill planning plant-based expansion in China after KFC trial April 30th, 2020



Social Pressures Dictating Choice

Remind Me Again What We Can't Eat?:

- Anything with palm oil as an ingredient
- Chicken that's been fed soy from Brazil
- Fish that is unsustainably sourced
- Any meat with hormones/antibiotics
- Shrimps caught by slave labor in Asia
- Eggs from chicken in cages
- Beef that has destroyed the Amazon
- Pork from pigs contained in stalls
- Anything with GMOs
- Anything in a non-recyclable pack
- etc.



Post-Covid, What are the Major Social Issues which will Disturb Growth in the Global Chicken & Egg Industry?



April 15th, 2020



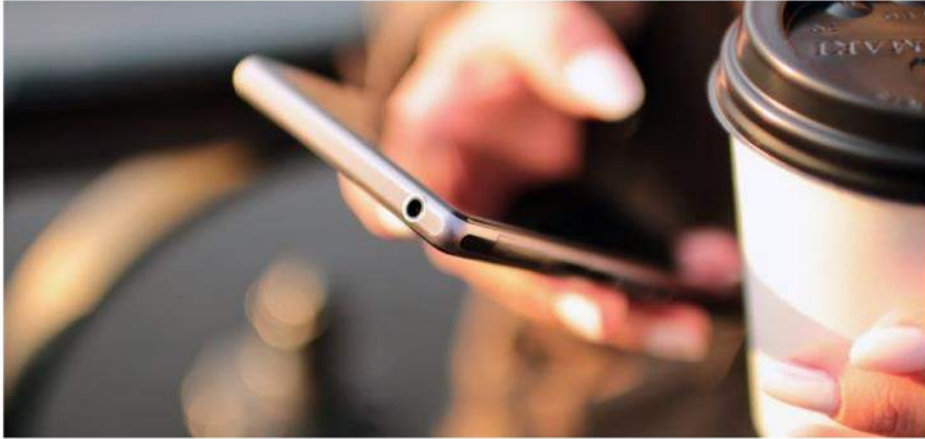
Cargill, Agroc corp and Rabobank join forces for intercontinental trade using blockchain platform

Global agriculture supply chain partners have completed a cross-continent commodity trade transaction of wheat from North America to Southeast Asia using a blockchain technology platform.

Cargill and Agroc corp, in partnership with Rabobank and other logistic partners, settled the shipment using a common blockchain platform provided by Singapore-based Dltledgers.

Consumers can trace coffee beans through new blockchain app

January 6th, 2020



Credit: [Coffee cup to go](#)



LEADING BRANDS
IMMERSE PEOPLE IN
THE STORY



ORIGIN GIVES
REASSURANCE OF
QUALITY AND SAFETY

Tech Giant IBM Unveils 'Thank My Farmer' App for Coffee Drinkers



Mars teams with NSIP for 100% sustainable cacao supply chain
January 9th, 2020



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London

Activist Consumers Asking “Big Food” Whose Side are You On?. What Do You Stand For? What’s Your Purpose?

Brands with purpose grow – and here’s the proof



Brands taking action for people and the planet grew 69% faster than the rest of our business last year. Now we’re committing that in the future, every Unilever brand will be a brand with purpose.

Unilever Chief Says Some Of Its Brands Without 'Purpose' May Have To Go

July 26th, 2019

Consumers still care about sustainability amid pandemic

AT Kearney

KEARNEY

April 24th, 2020

Danone sets out stall to become better corporate citizen

May 20th, 2020



Danone announces it's to become “enterprise company whose purpose & objectives in the environmental fields set out in its articles of Annually, Danone’s performance will be measured by an Independent auditor on:

- Consumer health & nutrition
- Water
- Agriculture
- Biodiversity
- Packaging
- Social innovation





We're on a mission to end childhood malnutrition.



PLANET-SAVING
Brewing

Raise a toast.
SAVE THE WORLD.
CHEERS.



What's The **Social** Mission of Your Chicken & Egg Companies?

People Want Cheap Chicken
BUT, Also, They Want Companies
They Buy Food From to Understand
And Share Their Values

Casademont Value Meat Products.
1% Revenue to Food Banks
in Spain



Does Your Mission/Purpose Strike A Bell with Your Customers & Consumers?

Imperial College
London



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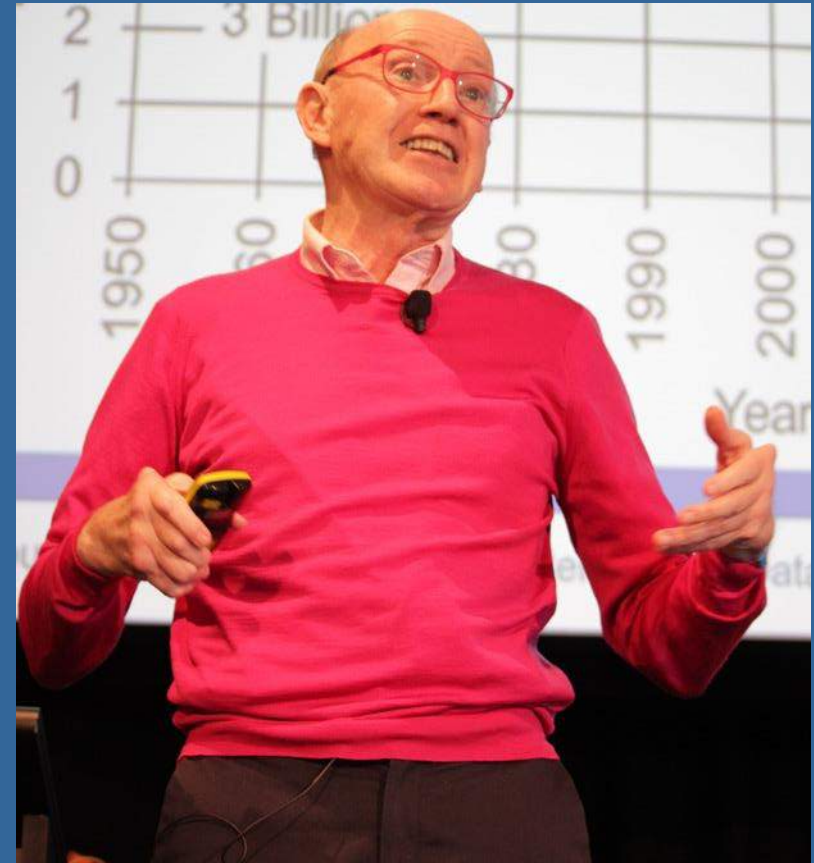
Telephone contact:

Mobile/Cell +44(0)7798 558276

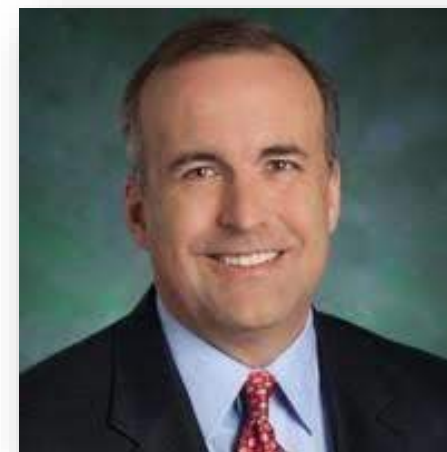



@ProfDavidHughes

Retail Blog: www.supermarketsinyourpocket.com



Chris DuBois joined IRI in 2011 and is the senior vice president and principal who leads sales and marketing efforts for its services that serve fresh food retailers and processors. He also leads IRI relationships with some of IRI's largest fresh food clients as well as its relationships with industry associations. IRI is a provider of big data, predictive analytics and forward-looking insights that help retailers and media companies to grow their businesses. With the largest repository of purchase, media, social, causal and loyalty data, all integrated on an on-demand cloud-based technology platform, IRI helps to guide its clients around the world in their quests to capture market share, connect with consumers and deliver market-leading growth.





**Tracking the Dramatic Pivot of
Consumer and Shopper Behavior**

COVID-19 Impact: Global Poultry and Egg purchase behaviors

May 28, 2020

Chris DuBois, SVP Protein Practice

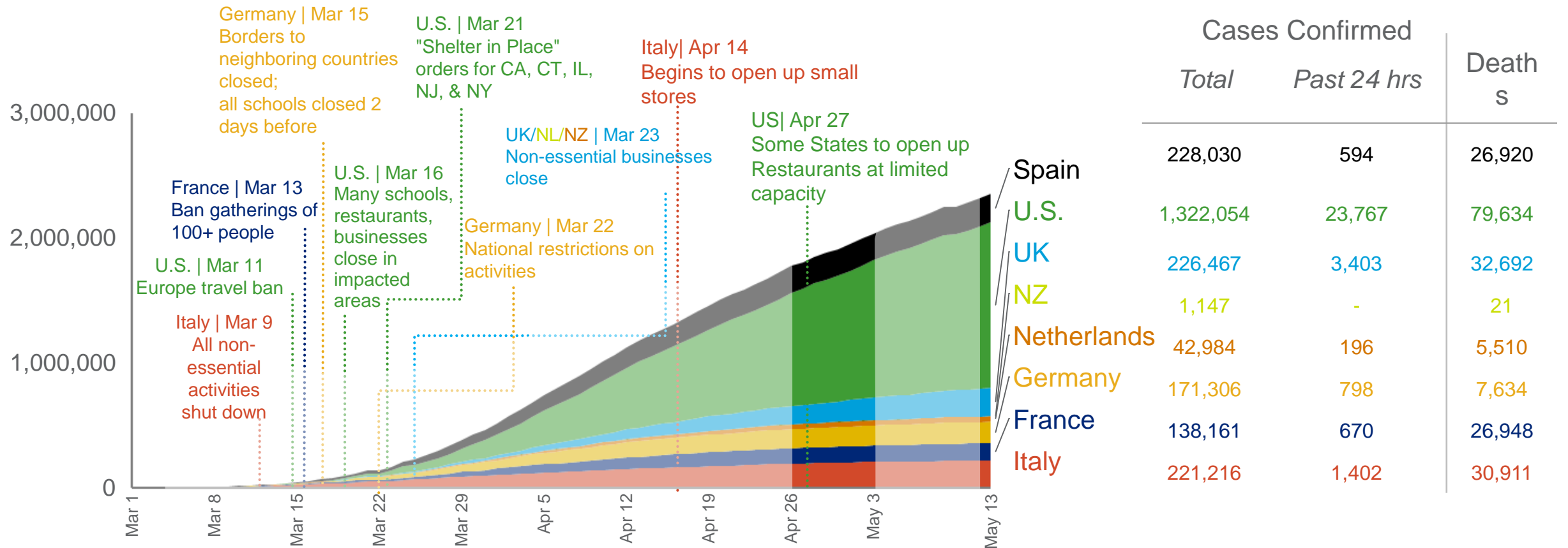


IRi

Growth delivered.

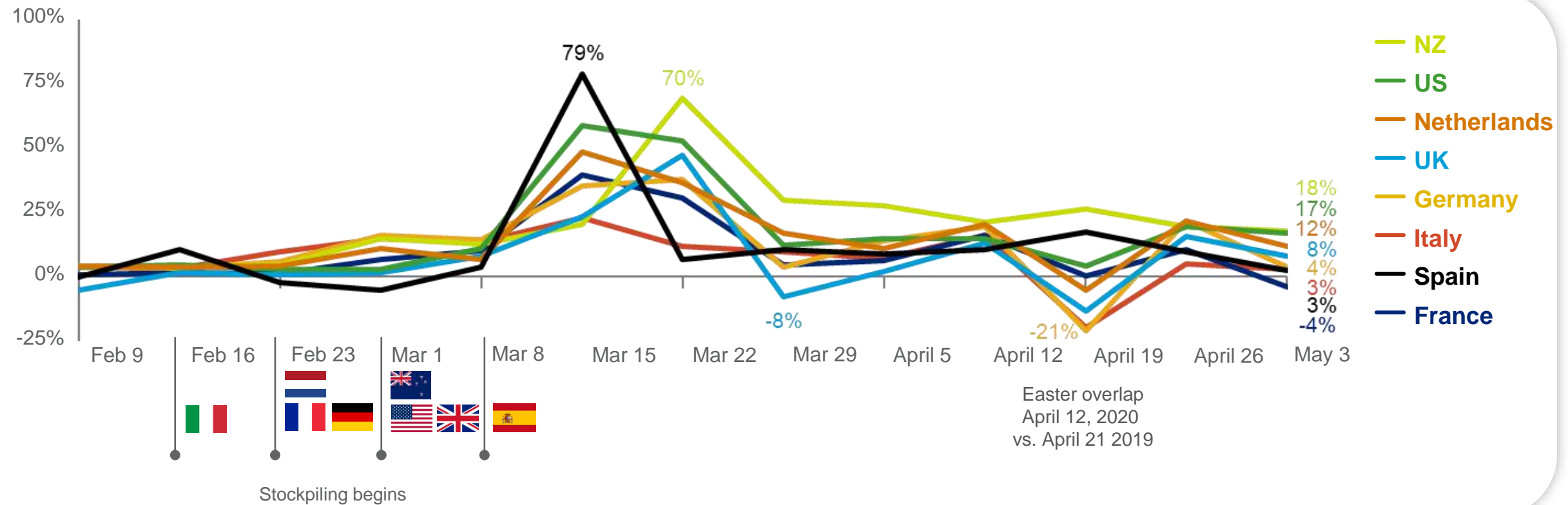
Countries Are at Different Points in the Crisis and Are Dealing With Different Levels of Infection During This Analysis Period

Cumulative # of Confirmed Cases as of 5.13.2020



Markets Continue to Trend at an Elevated State; Future Shifts Will Likely Be Driven by Changing Regulations

Week Ending February 9 – May 3, 2020
Value Sales % Change vs. Year Ago

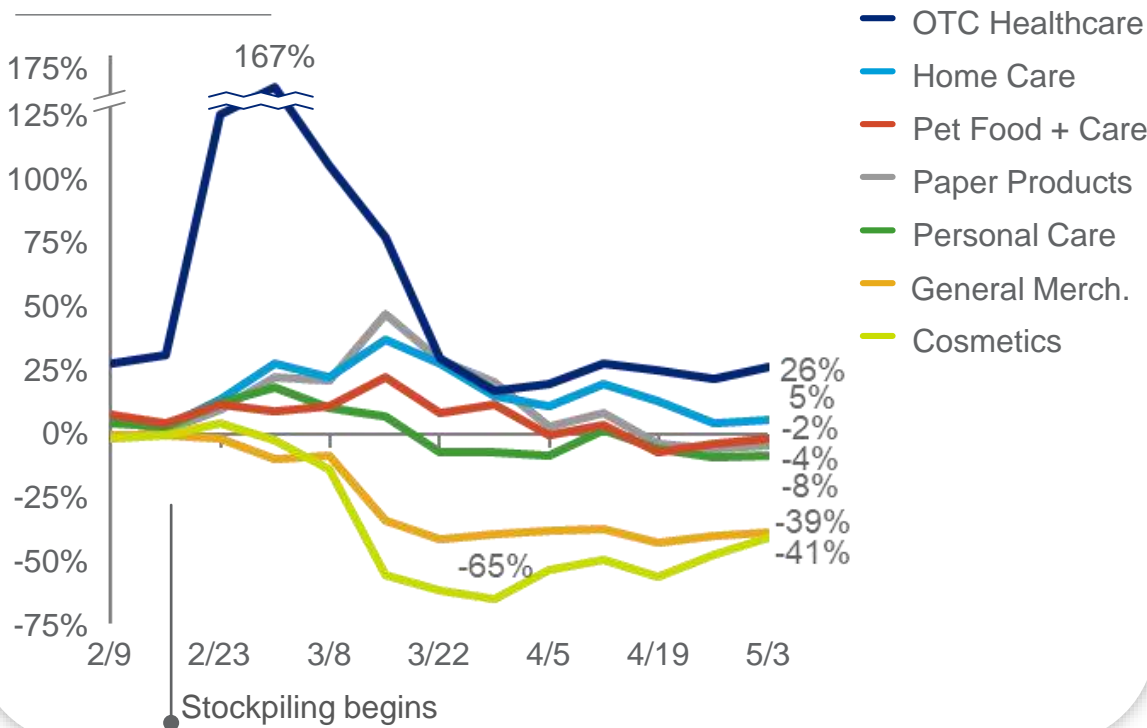


OTC Healthcare, Frozen Foods and Dairy Remain Fastest-Growing Segments

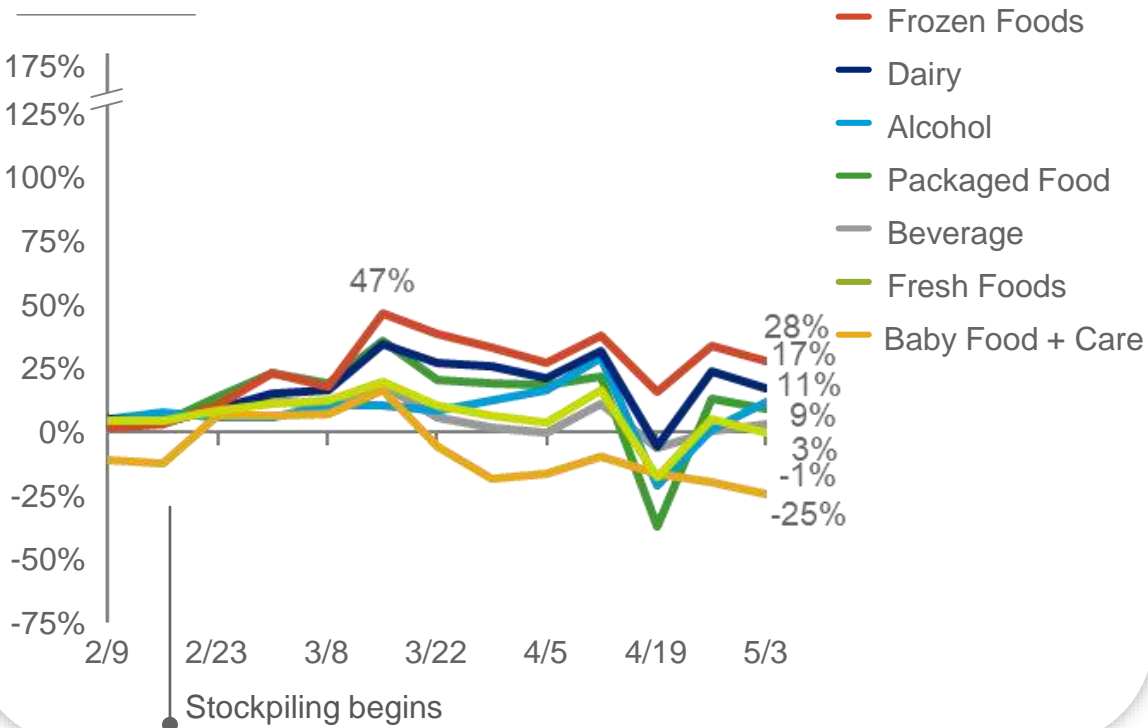


Week Ending February 9 – May 3, 2020
€ Sales % Change vs. Year Ago

Nonedible



Edible



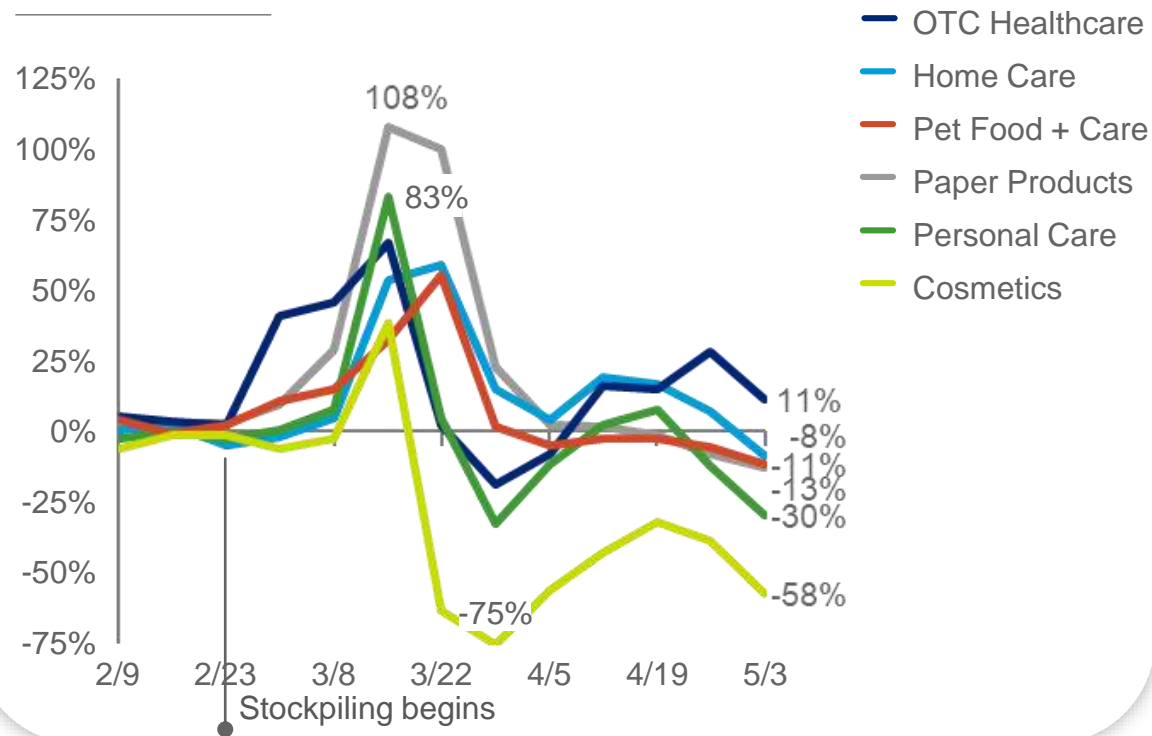
OTC Healthcare Is Growing Fastest While Frozen Foods Continues to Outpace Other Segments



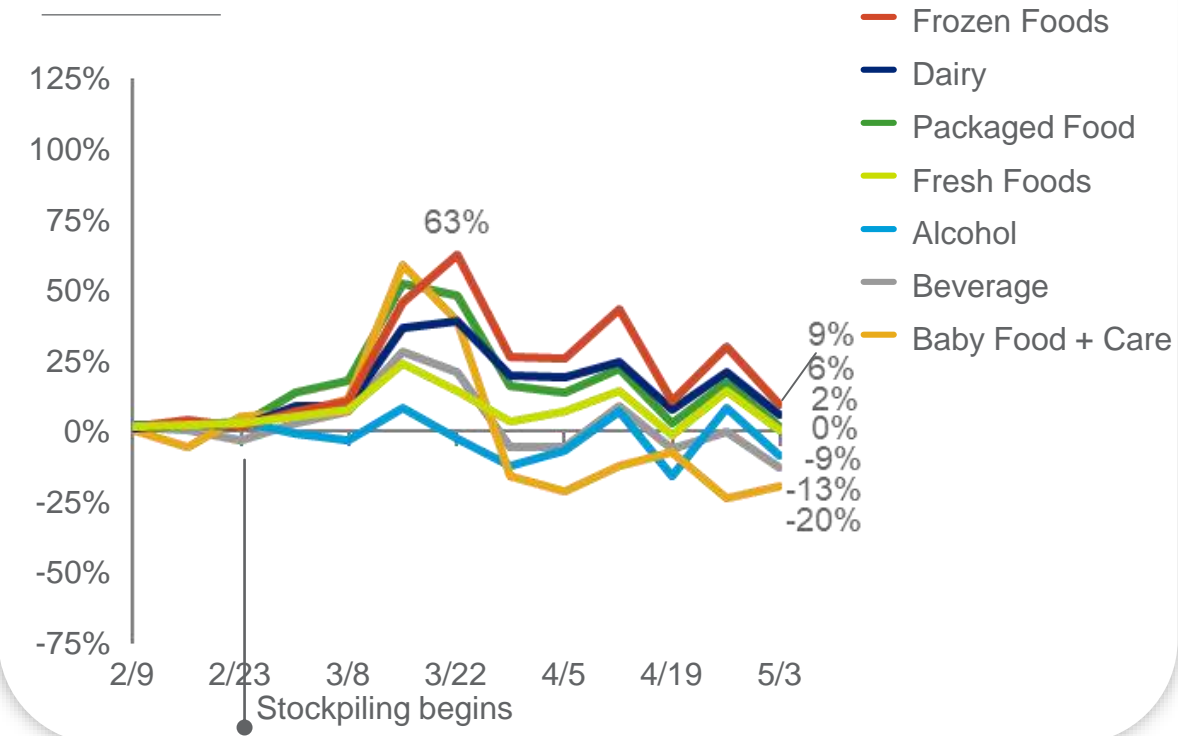
France

Week Ending February 9 – May 3, 2020
€ Sales % Change vs. Year Ago

Nonedible



Edible



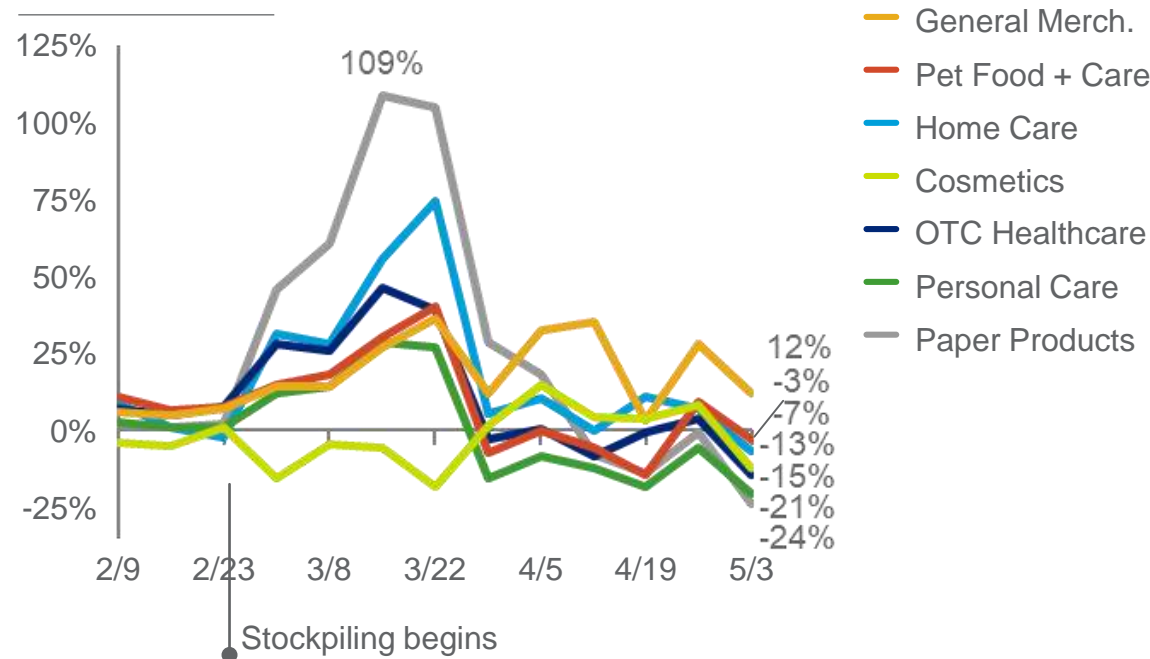
General Merchandise Accelerated in Recent Weeks While Fresh and Frozen Food Grew 20% vs. YA



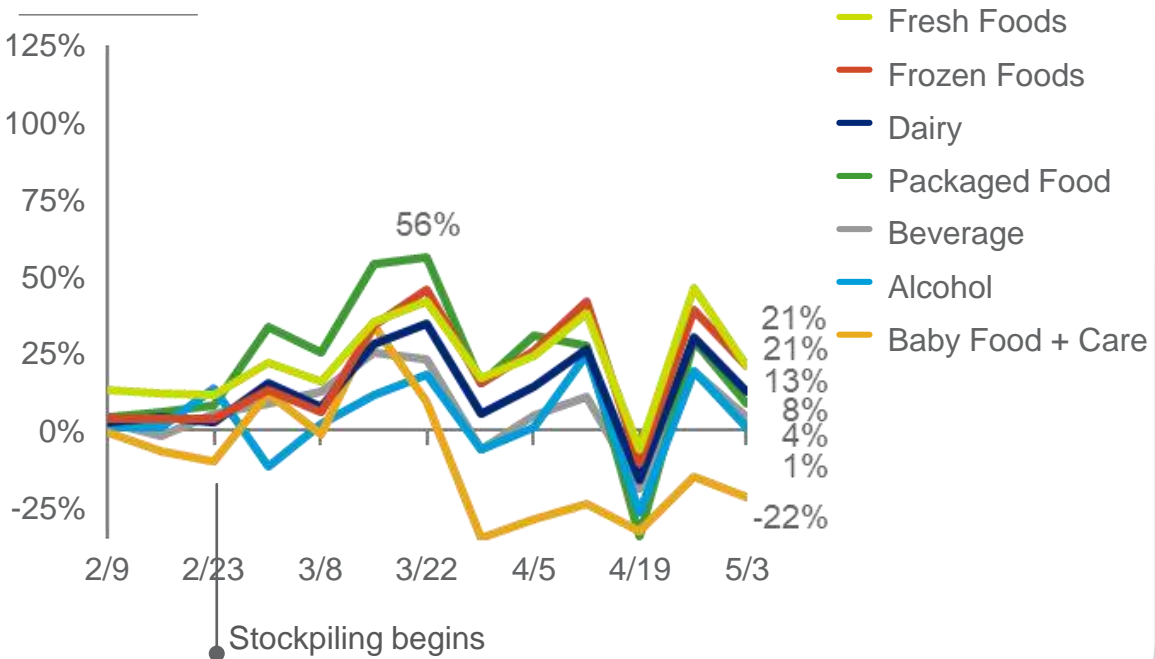
Germany

Week Ending February 9 – May 3, 2020
€ Sales % Change vs. Year Ago

Nonedible



Edible

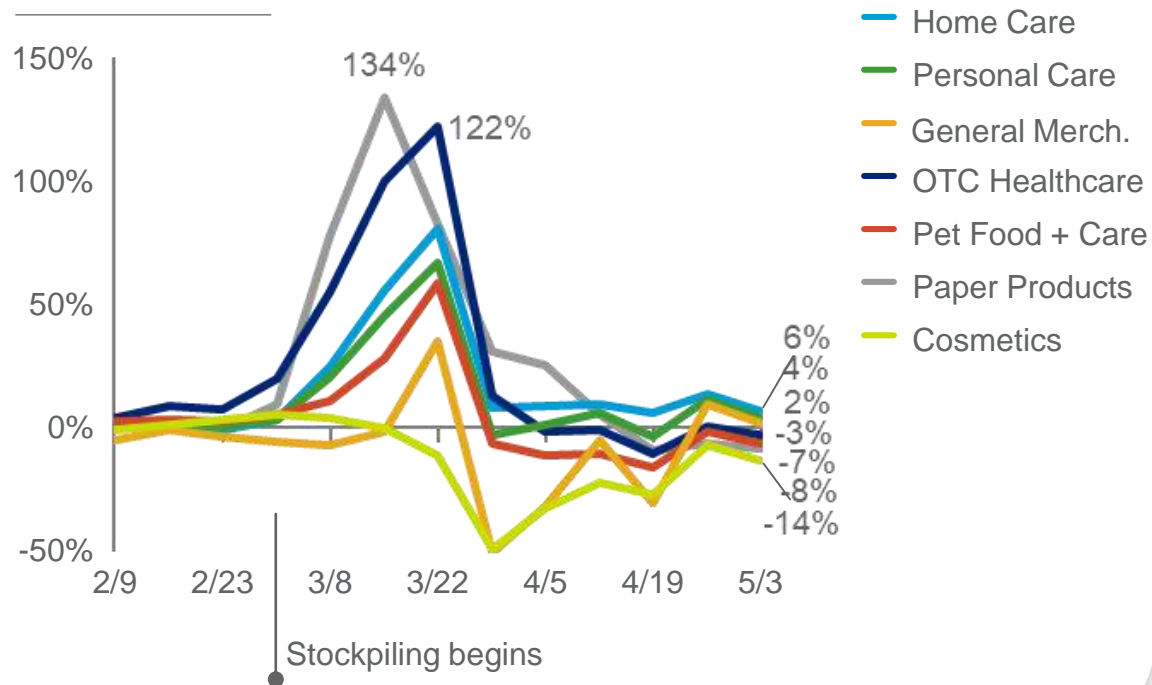


Edible Sales Remain High With Swings Due to Easter; Nonedible Sales Have Levelled Out to Mostly Flat Across Segments

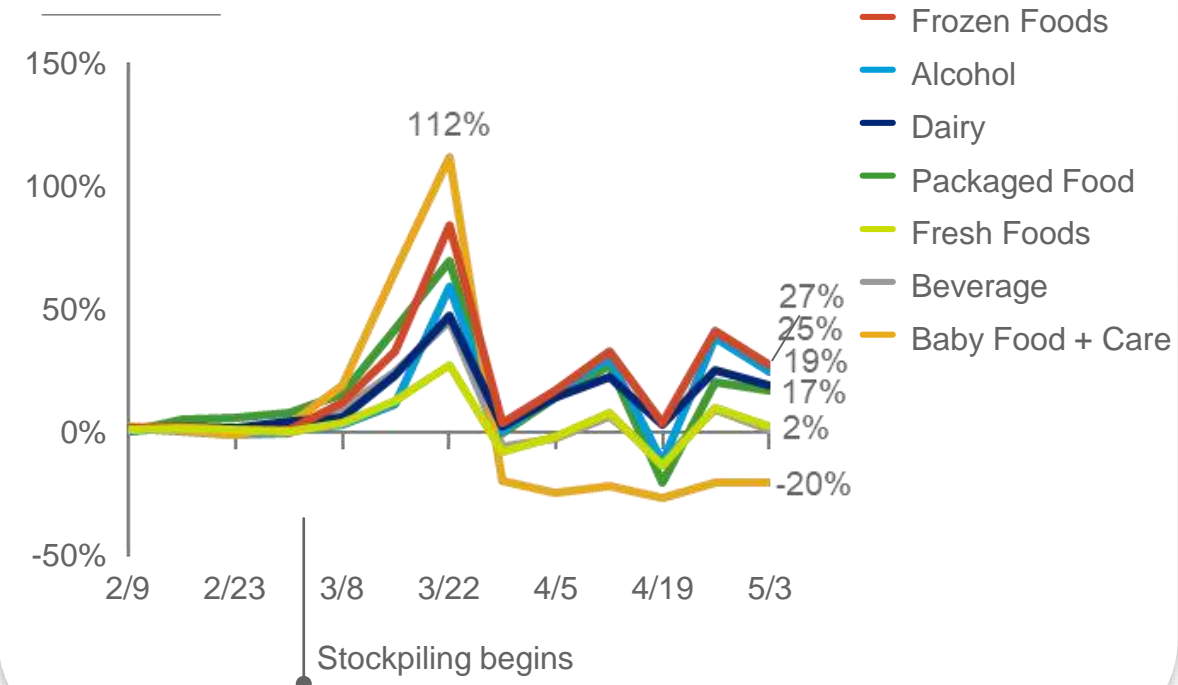


Week Ending February 9 – May 3, 2020
£ Sales % Change vs. Year Ago

Nonedible



Edible

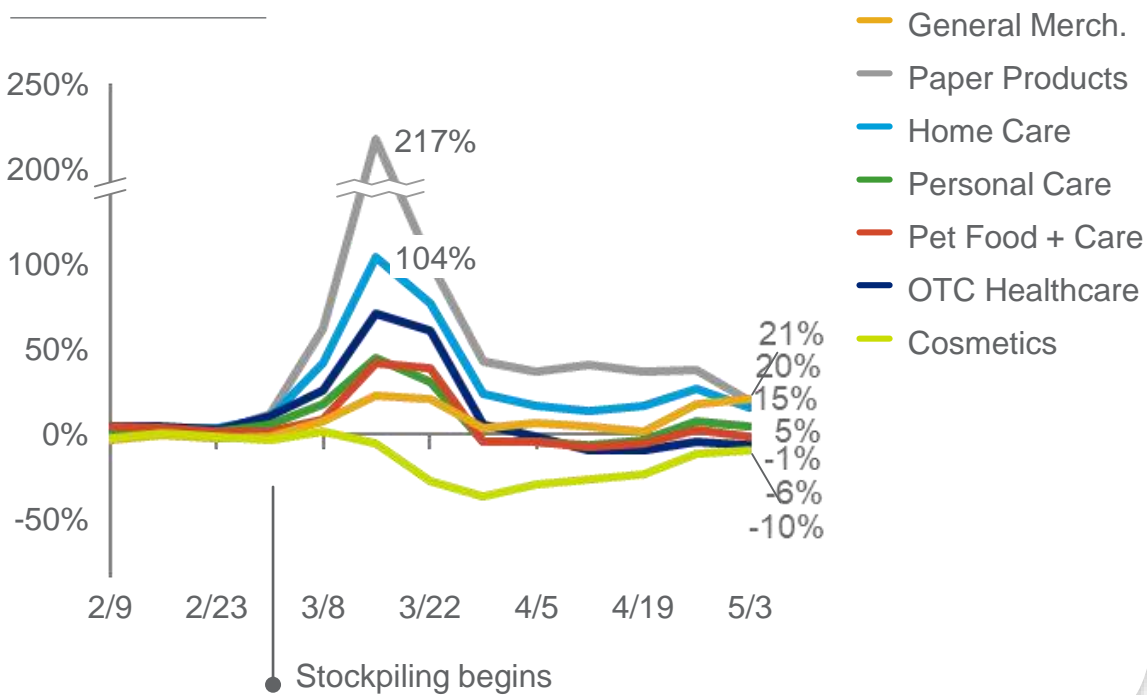


Sales Growth Remained Stable Over Last Week Across Segments in Both Edible and Nonedible

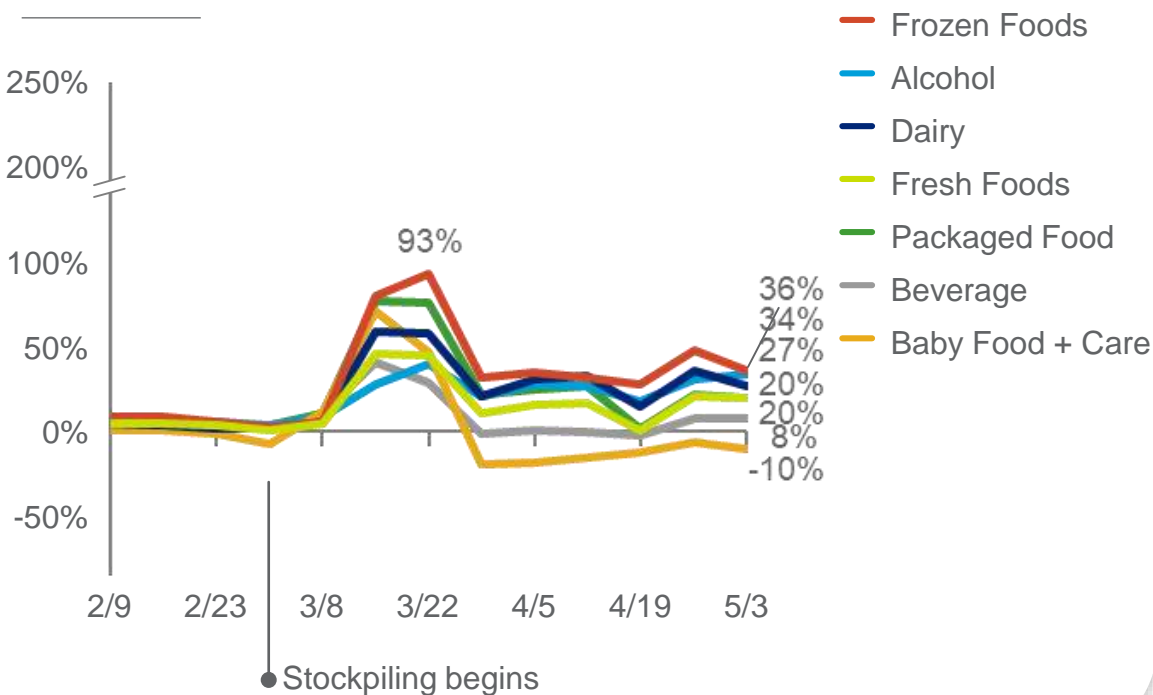


Week Ending February 9 – May 3, 2020
\$ Sales % Change vs. Year Ago

Nonedible



Edible

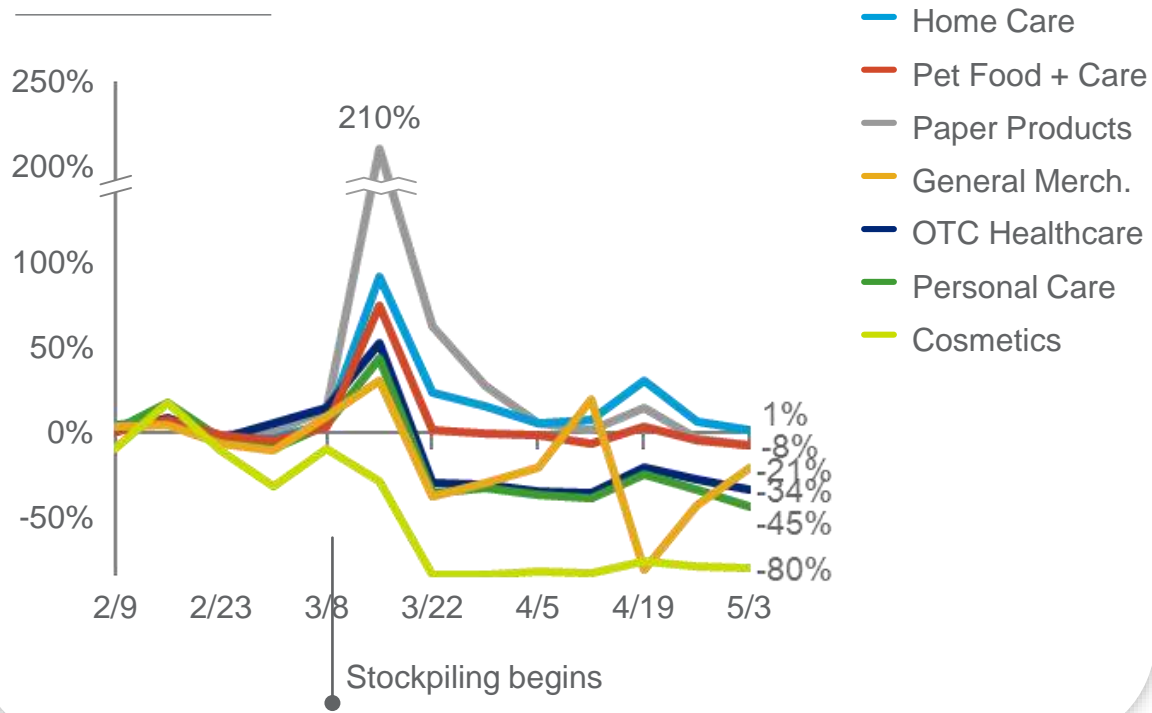


Sales Across Categories Stabilize; Alcohol Remains a Top Stable

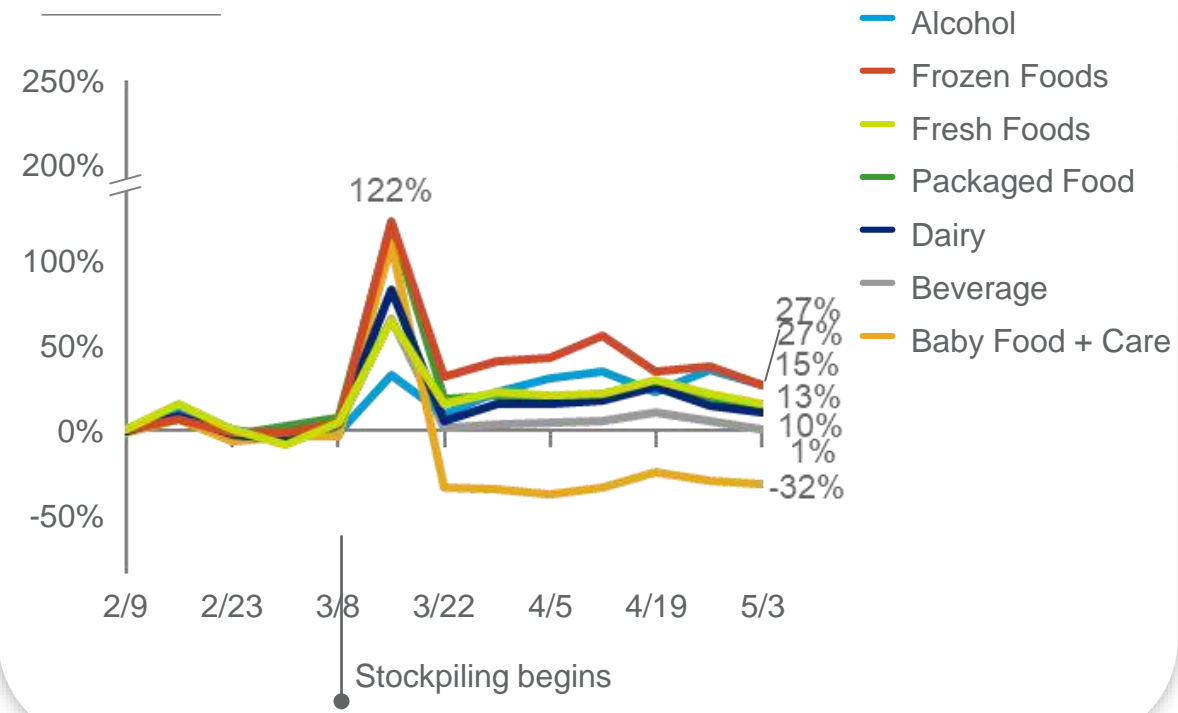


Week Ending February 9 – May 3, 2020
€ Sales % Change vs. Year Ago

Nonedible



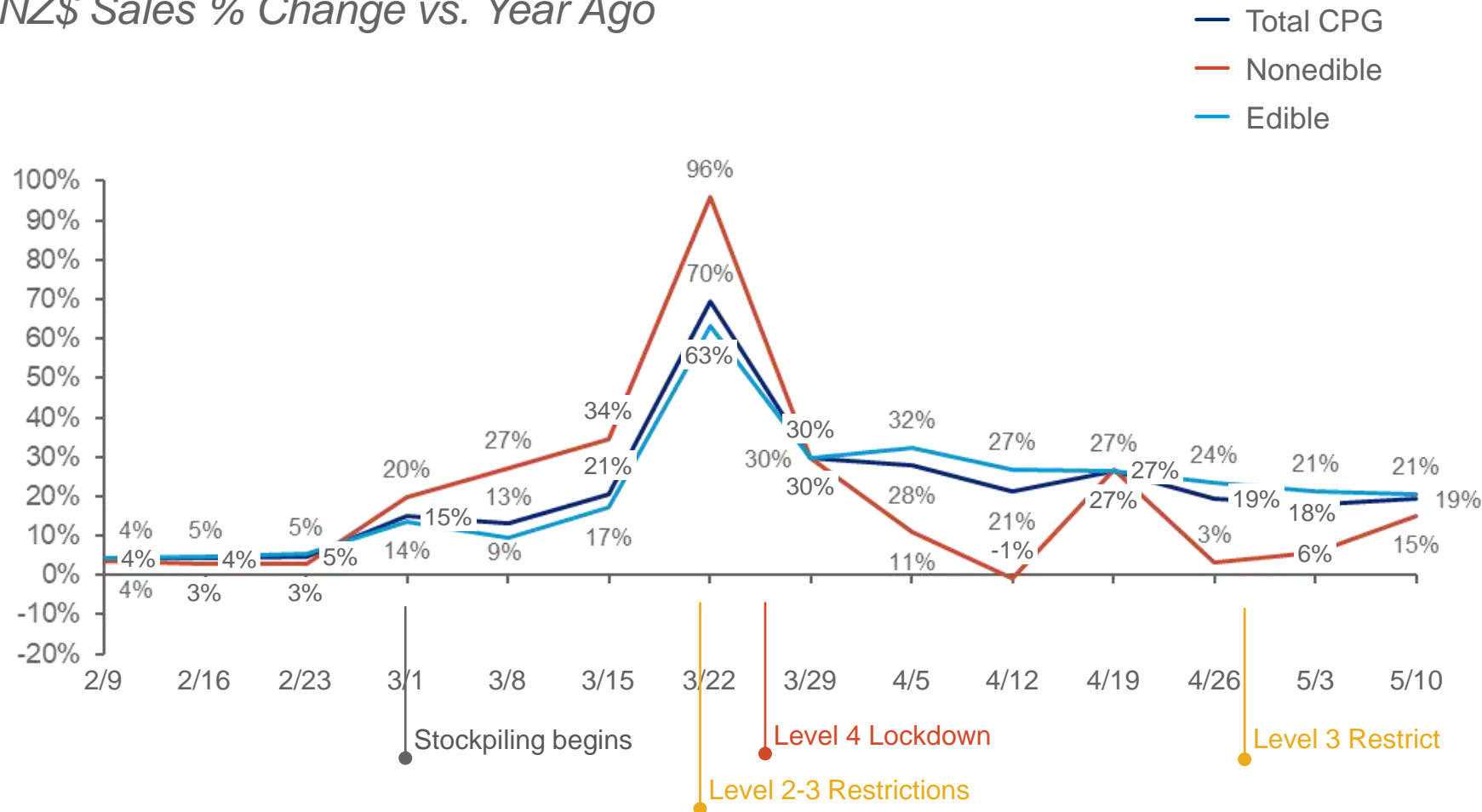
Edible



In New Zealand, CPG Sales Trends Continue So Far, Despite First Phase of Loosened Restrictions



Week Ending February 9 – May 10, 2020
NZ\$ Sales % Change vs. Year Ago



Level 4 Lockdown from March 26

- Strict lockdown

Level 3 Restrict from April 28

- Can reconnect with close family
- Schools and workplaces reopened, but people should stay at home unless not possible
- Businesses can open but not interact with customers

Level 2 Reduce from May 14

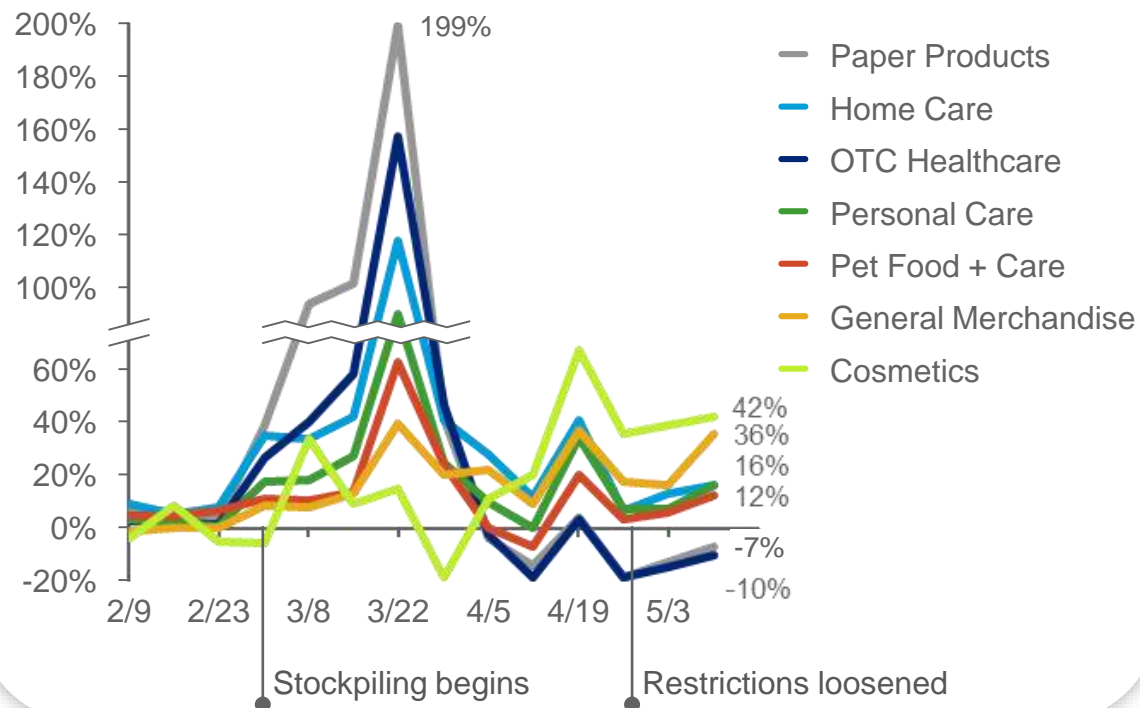
- Can socialize in groups up to 10
- Businesses can open with safe distancing practices
- Public venues open
- Safe to send kids to school

Most Product Segments Continue Trends in New Zealand, While Cosmetics is Recovering From Lockdown

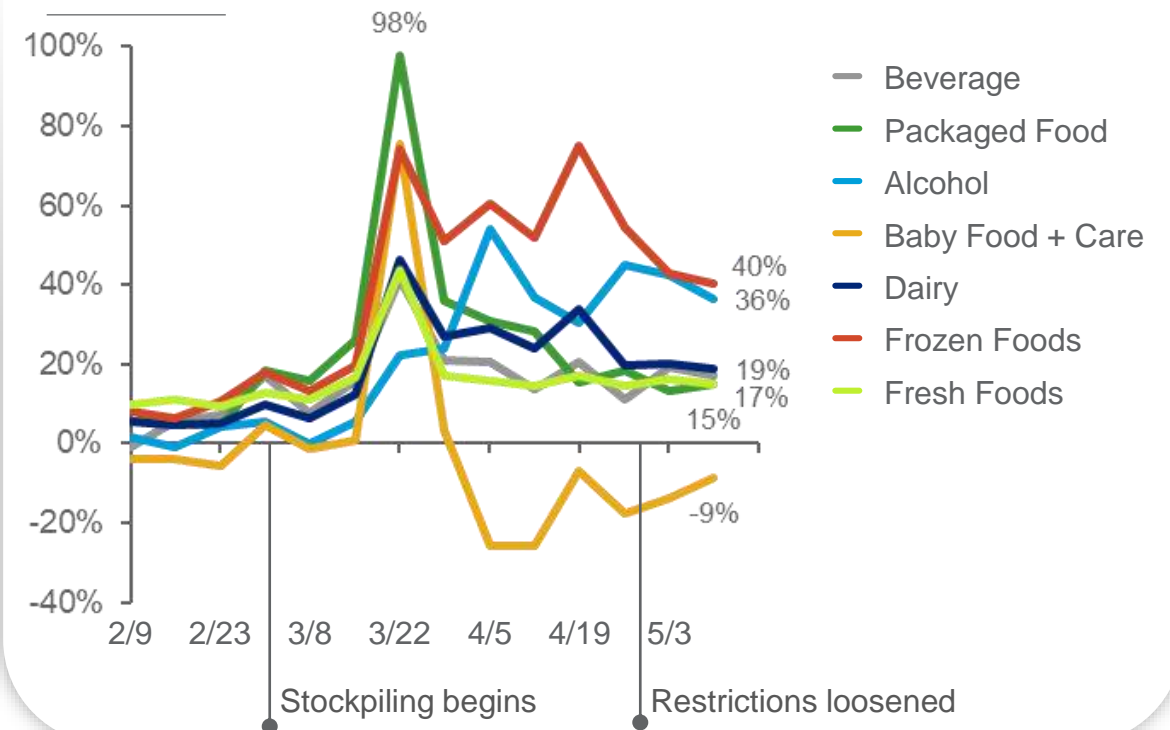


Week Ending February 9 – May 10, 2020
NZ\$ Sales % Change vs. Year Ago

Nonedible



Edible



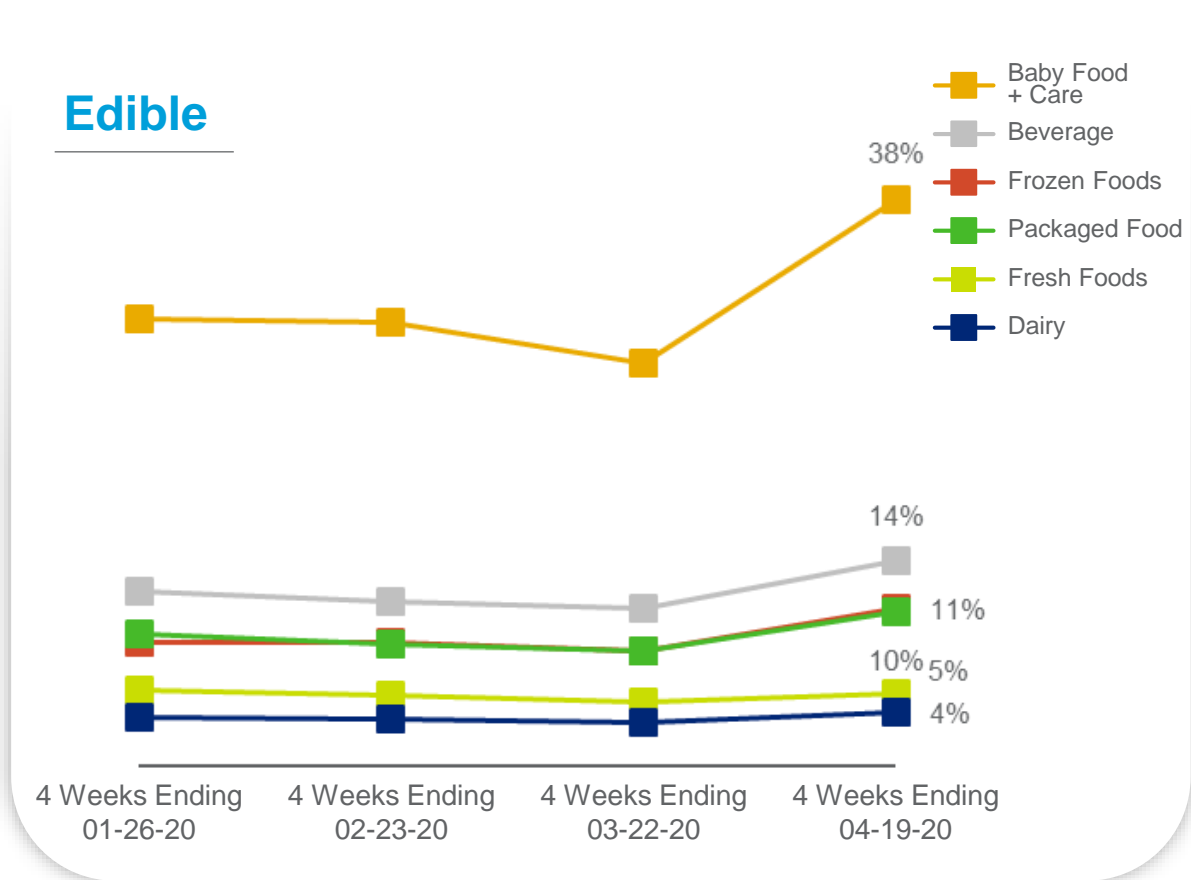
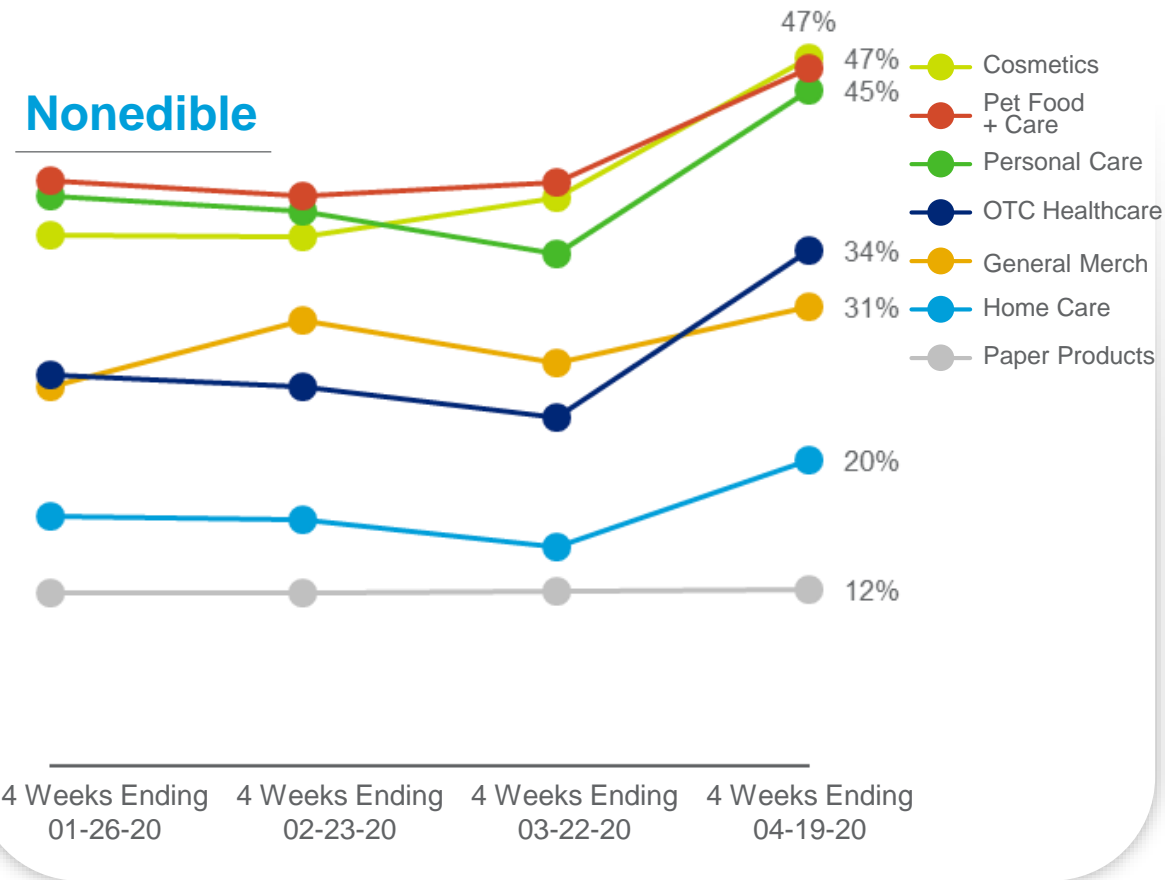
deep dive
**e-commerce
trends**
in U.S., Italy, France and
Spain



E-Commerce Share Has Increased in Most CPG Areas Except in Minimally Low Share Areas Such as Paper Products, Fresh Foods



E-Commerce Share of Omni-Channel

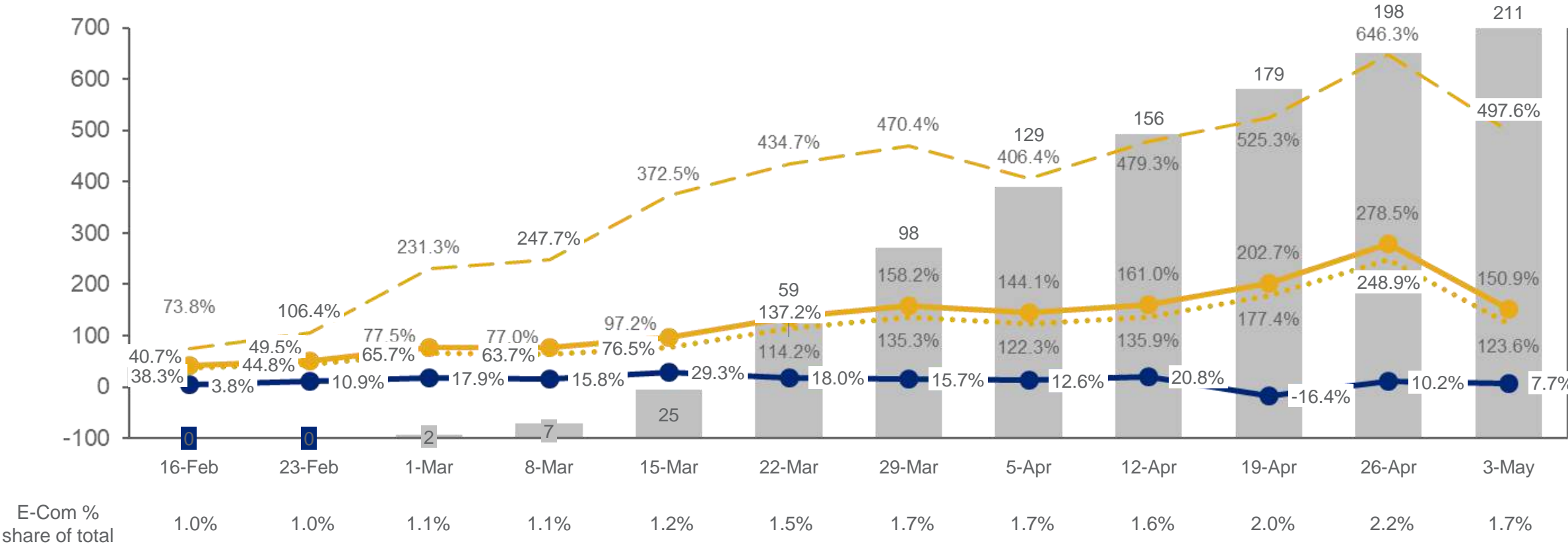


Italy E-Commerce Has Seen Constant Growth With Click & Collect Being the Largest Factor



CPG E-Commerce Sales % Change vs. Year Ago

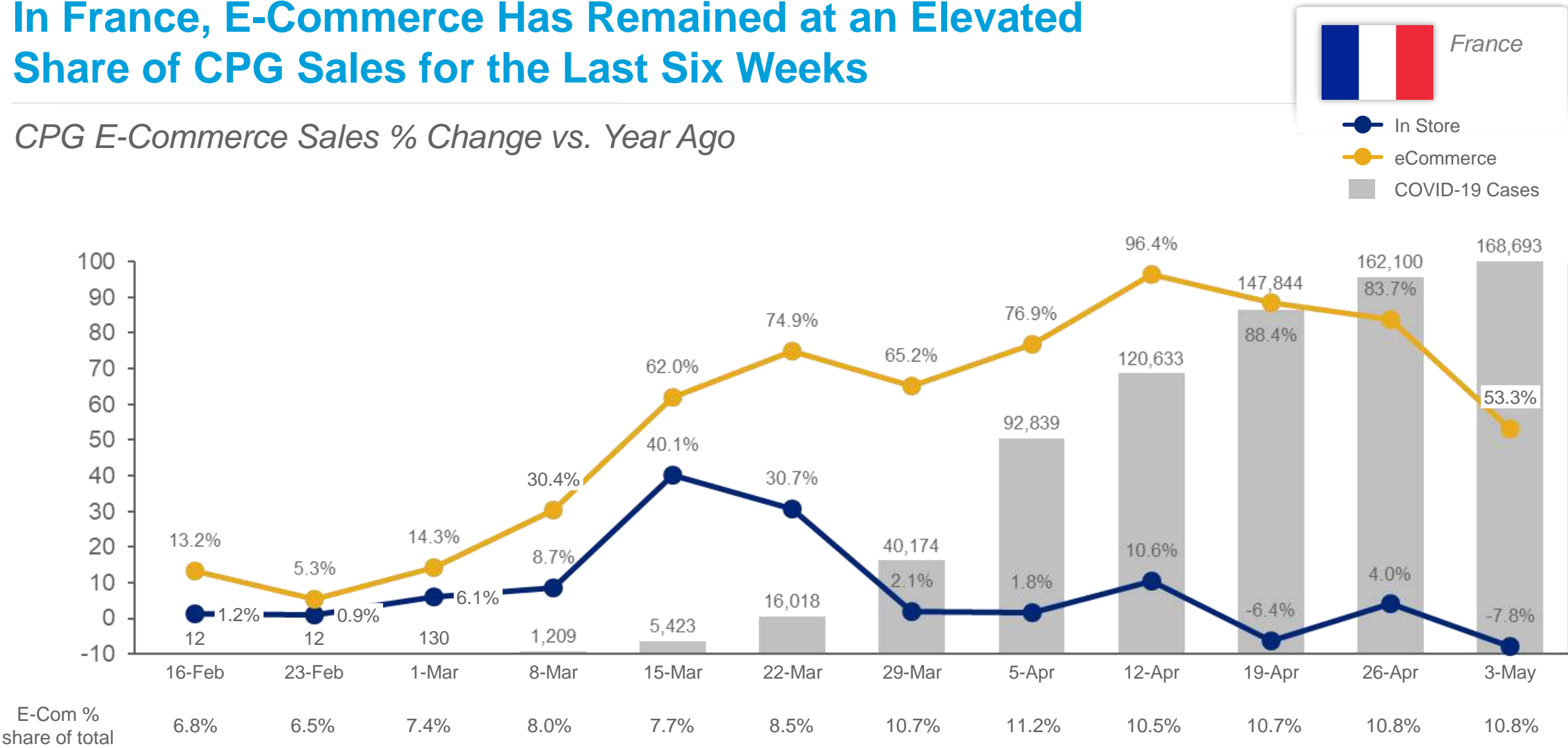
- In Store
- eCommerce
- Click & Collect
- Home Delivery / Shipment
- COVID-19 Cases (k)



Note: Includes select E-Commerce retailers including Amazon, other local eRetailers and the E-Commerce operations of traditional Brick & Mortar retailers.
 Home delivery / shipment: goods delivered at doorstep of purchaser. Click & Collect: purchaser submit order online and collects in store.
 Total store excludes random weight and general merchandise for comparison to E-Commerce.

In France, E-Commerce Has Remained at an Elevated Share of CPG Sales for the Last Six Weeks

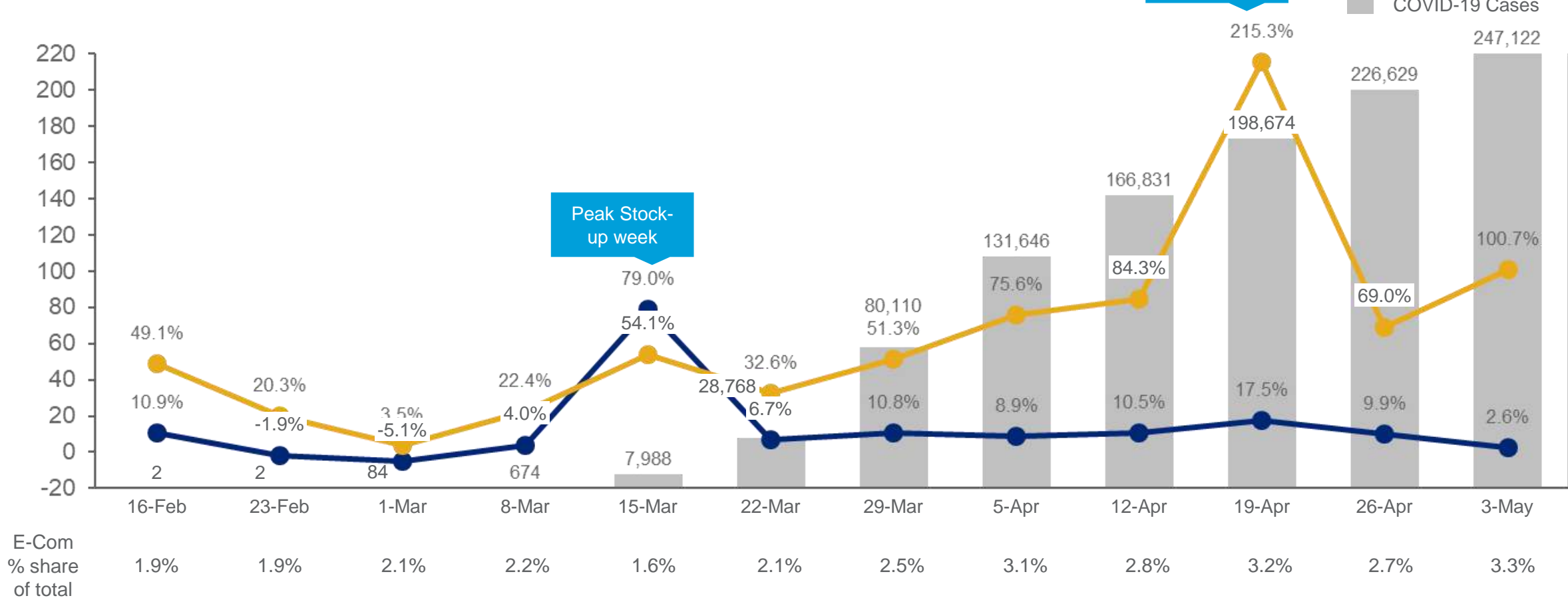
CPG E-Commerce Sales % Change vs. Year Ago



Note: Includes Click & Collect and some Home Delivery providers (Home Delivery represents a small portion of sales. Excludes Amazon)

In Spain, Consumers Shopped In-Store More in Peak Stock-Up Weeks, but Continue to Spend More Online After

CPG E-Commerce Sales % Change vs. Year Ago

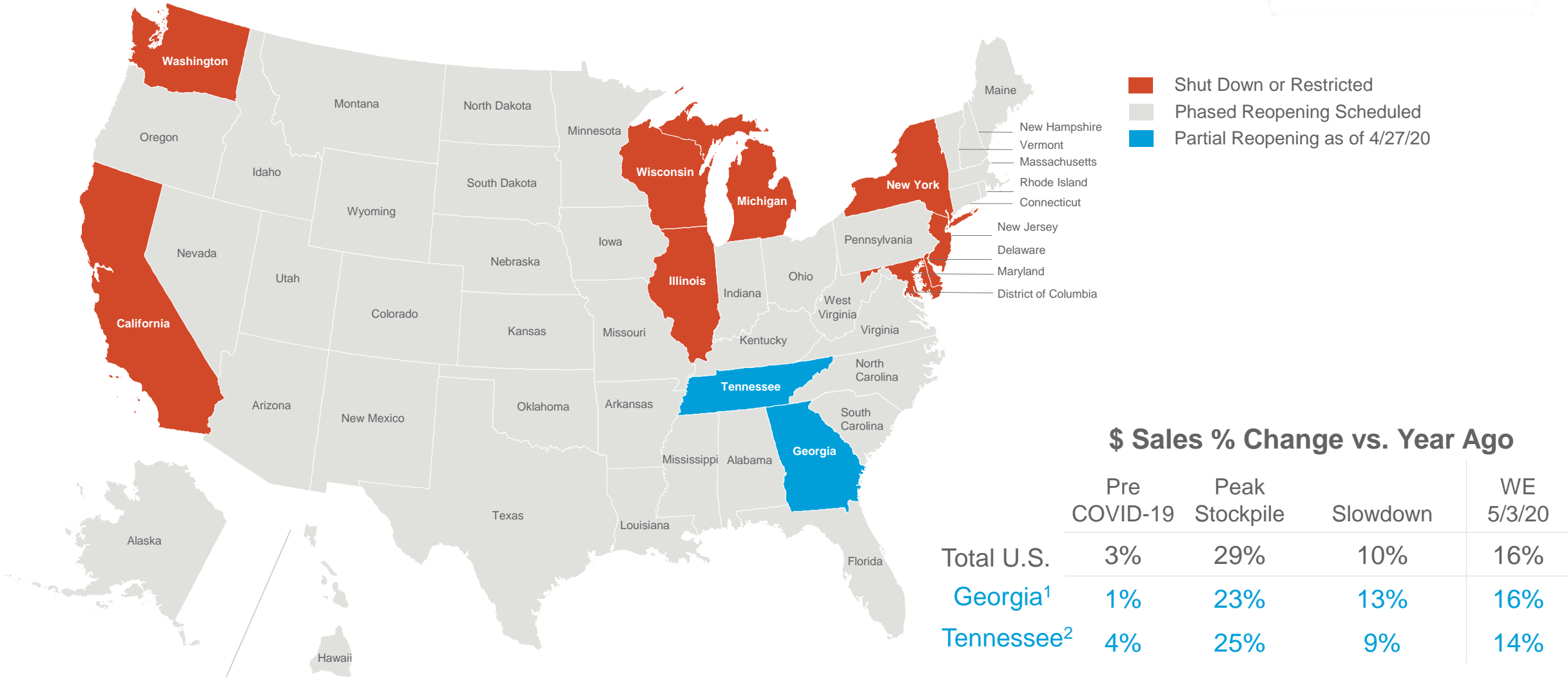


Note: E-Commerce includes Brick & mortar retailers that deliver online orders to customer homes and Amazon

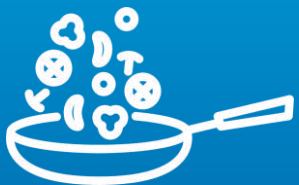
Three Trends To Watch



Purchasing Behavior Tends to Remain the Same Across the U.S. Even as States Begin to Loosen Restrictions and Open Restaurants



Note: 1. Georgia opened restaurants to dine-in on 4/27/20 2. Tennessee opened restaurants to dine-in in all but 5 counties Source: IRI POS data, IRI & BCG Analysis
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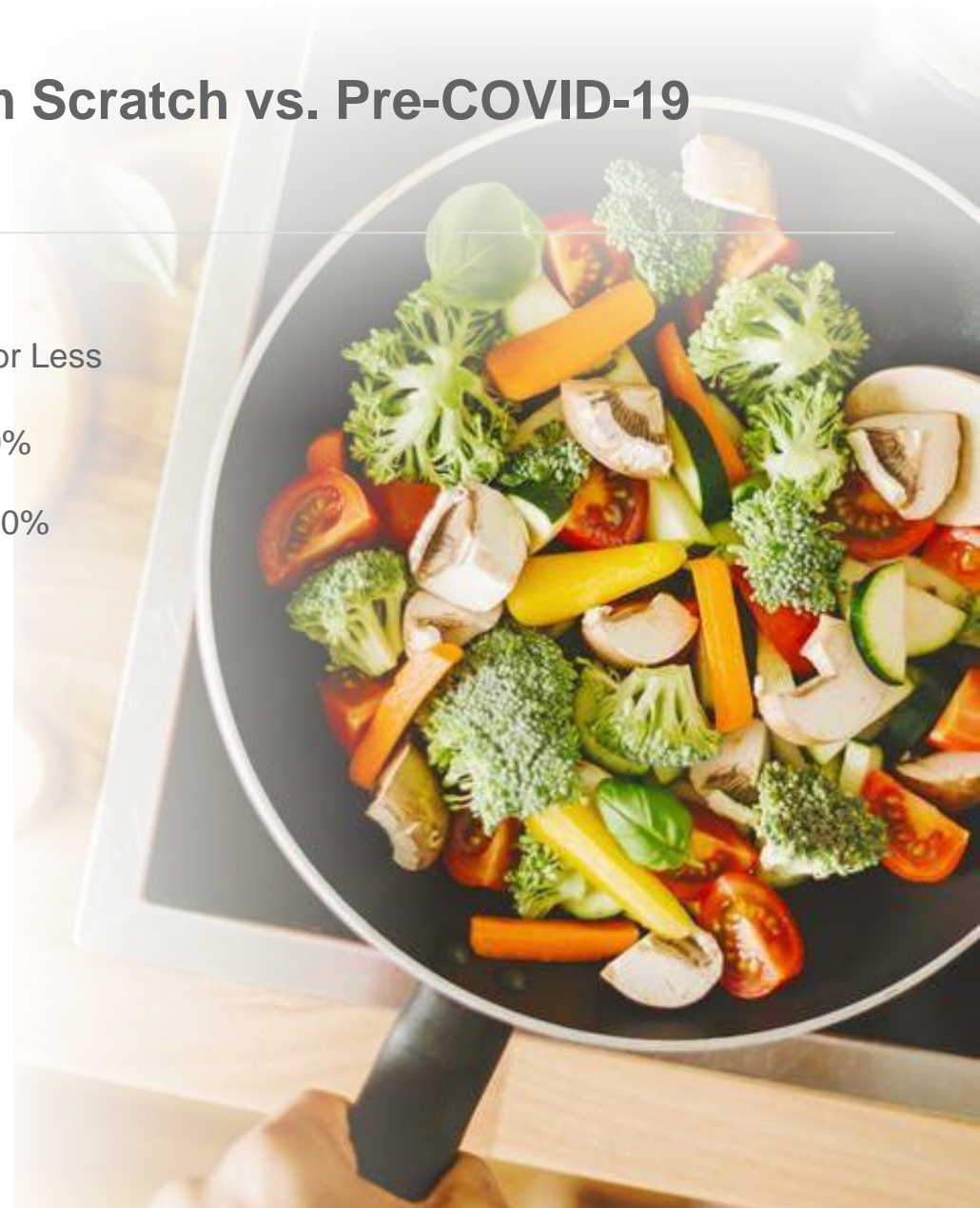
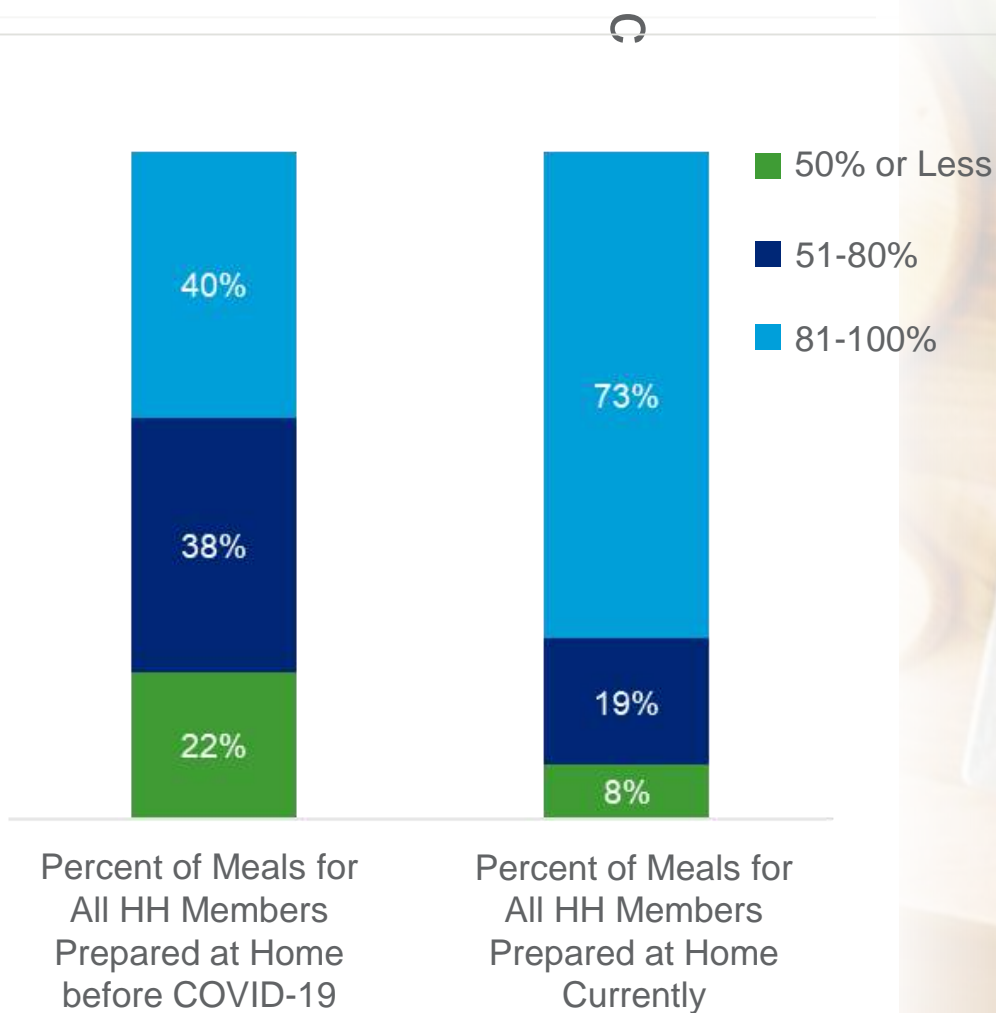
35%

Creating more meals
from scratch

53%

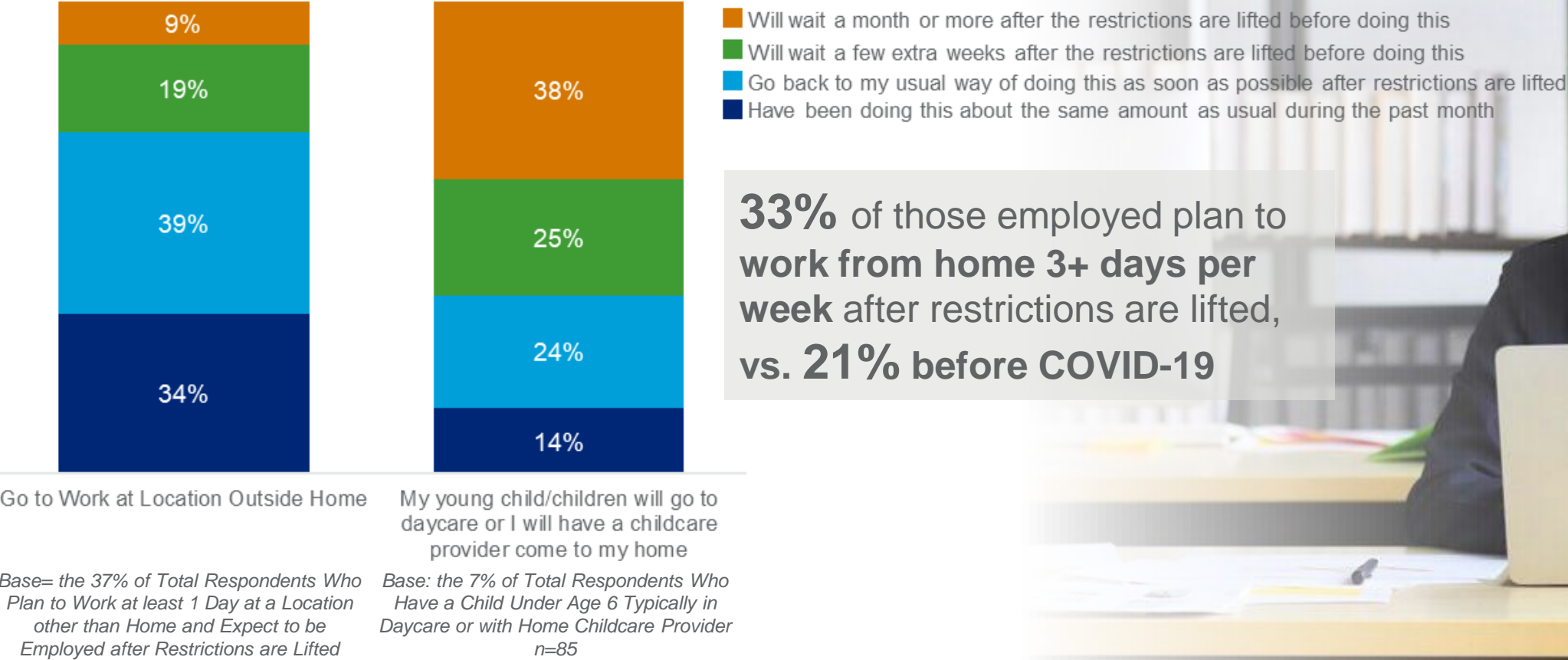
Will continue to create
meals from scratch
more than I did before
coronavirus.*

Consumers are Cooking More from Scratch vs. Pre-COVID-19



Work-from-Home Days will Likely Increase Long-Term

Changes to Work Habits: When there are not any government stay-at-home mandates that impact you, when will you do each of the following?



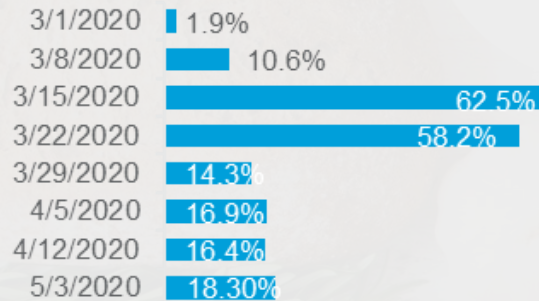


United States

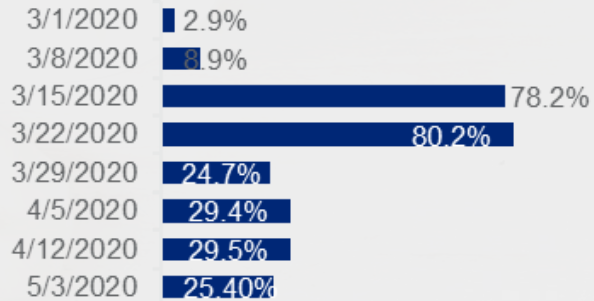
Total meat and poultry trends

Wider View on Fresh Foods Performance – Meat was Consistently King

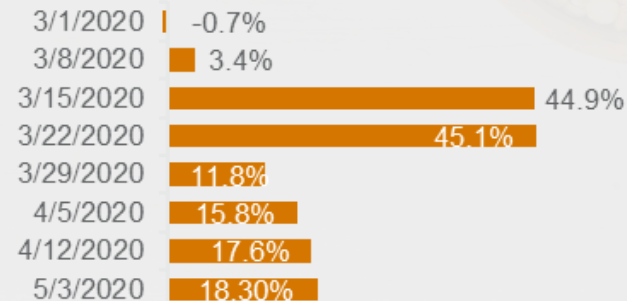
Total Store with Fresh



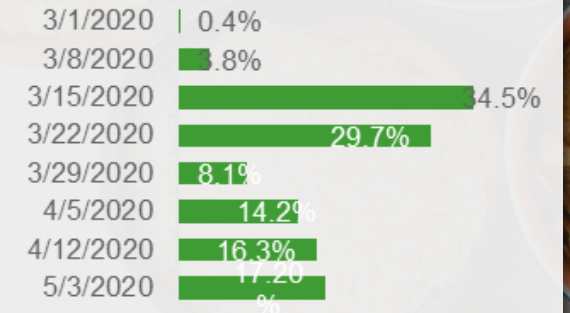
Total Edibles Excl. Fresh



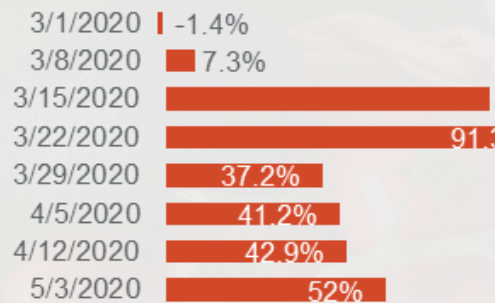
Fresh Perimeter



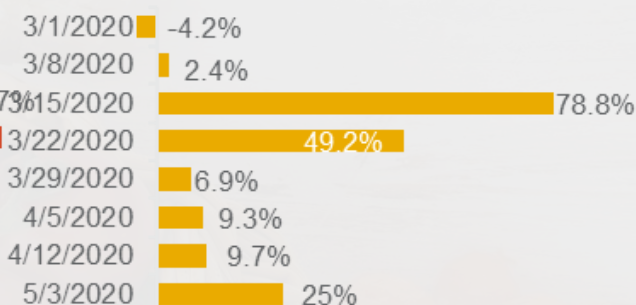
Produce Department



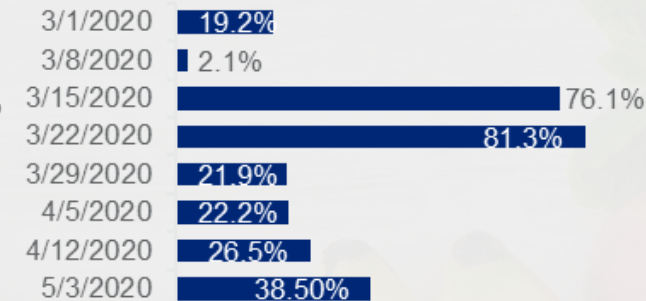
Meat Department



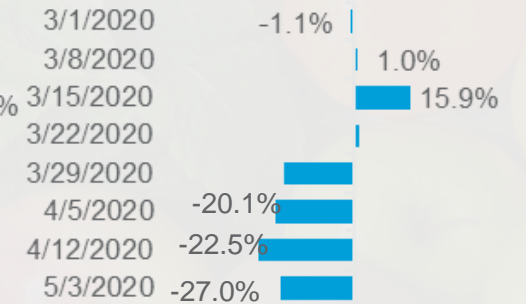
Total Bakery



Total Seafood



Deli Department

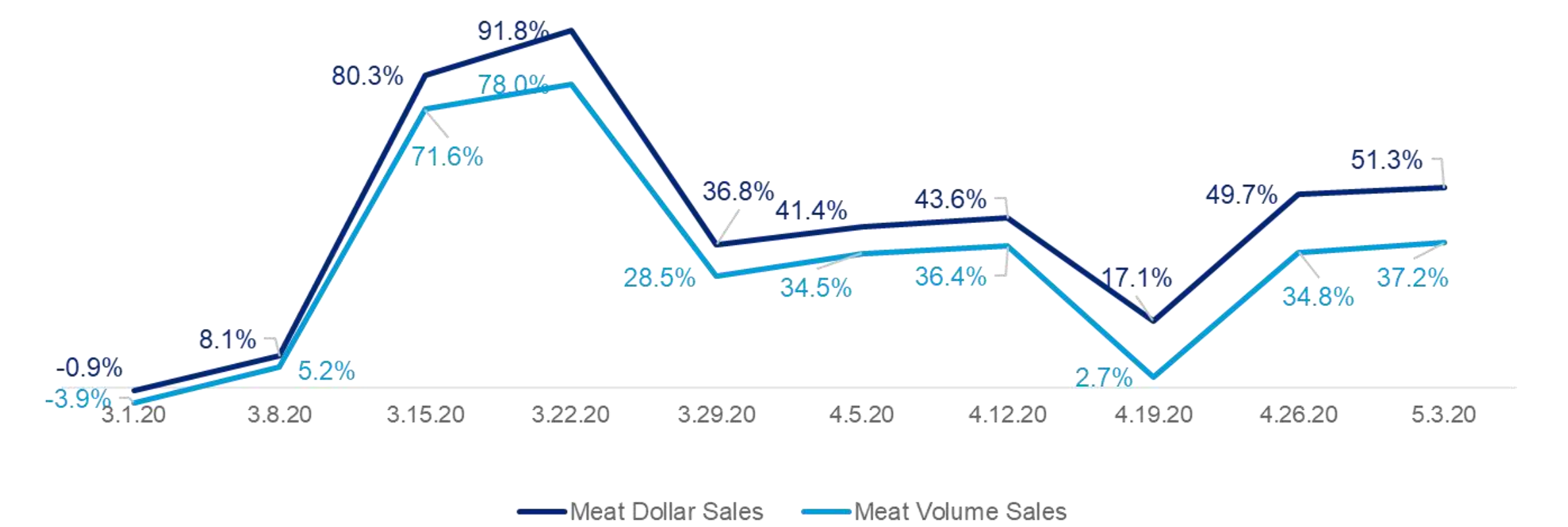


Meat Dollar Sales Continue to Outpace Volume Sales, With Gap Growing

Price per Volume is up 13% versus Year Ago in the last 4 weeks

Consumer fear of potential product shortages fueled extreme demand, even in light of implied price pressure

Fresh Meat Sales by Week During COVID-19 Crisis



Meat Sales in All Outlets

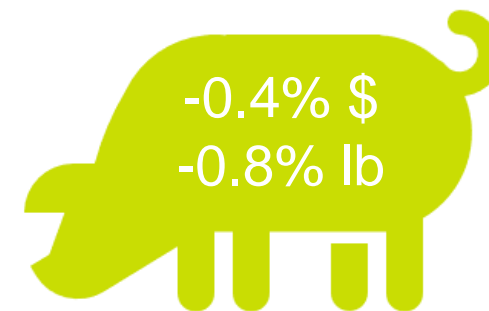
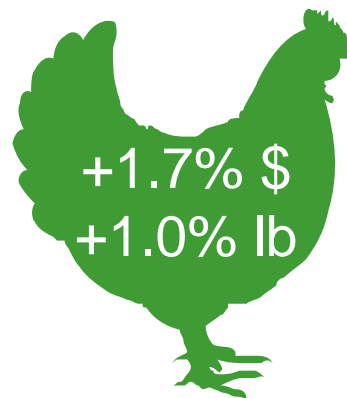
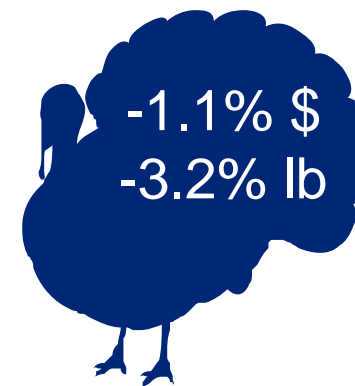
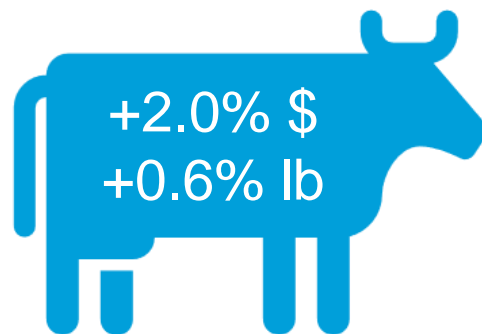
+1.4%

\$ Growth 52 w/e 2-23-20
Pre-Pandemic

-0.1%

lbs Growth 52 w/e 2-23-20
Pre-Pandemic

Fresh Meat is **\$45.2B**
Processed Rfg Meat is **\$14.3B**



Processed Rfg Meat +1.5% \$ / -0.8% lbs

Meat Sales
in All Outlets

+45%

\$ Growth Latest
10 w/e 5/10/20

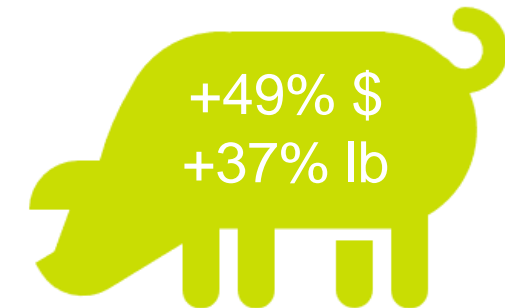
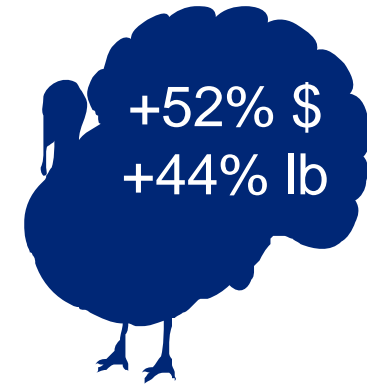
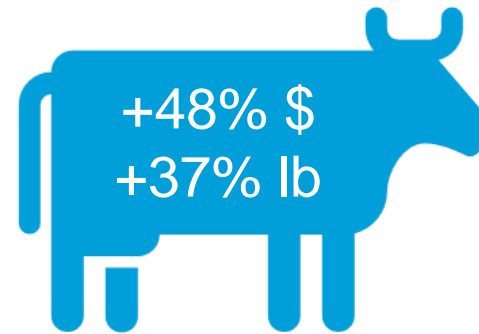
+35%

lbs Growth Latest
10 w/e 5/10/20

Since Pandemic Declared:

Fresh Meat is **\$12.1B**

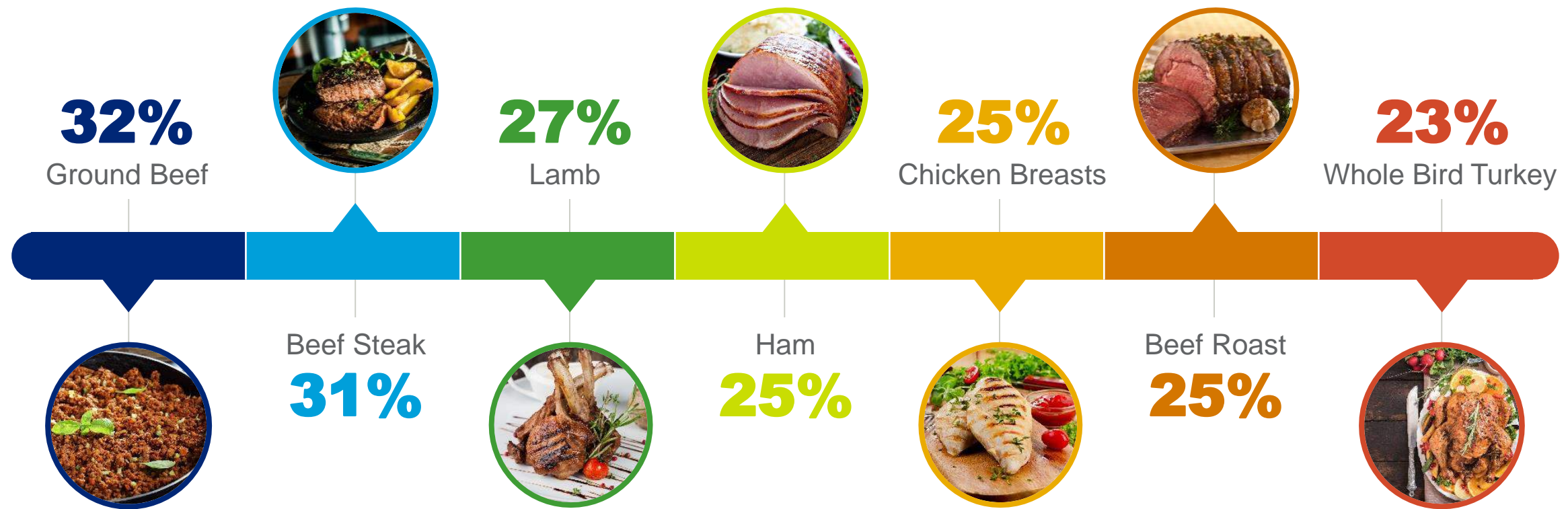
Processed Rfg Meat is **\$4.0B**



Processed Rfg Meat +49% \$ / +38% lbs

With Deeper Engagement in Meat, Many Cuts Split the Consumer's Wallet

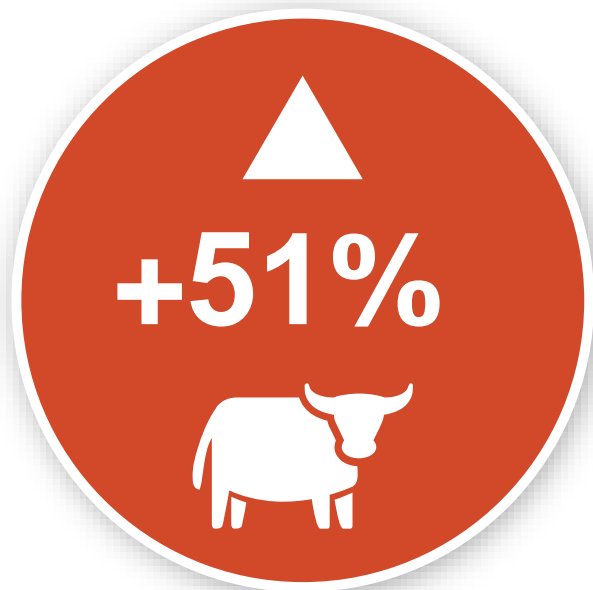
No One Protein or Cut Had More Than 1/3 of All Dollars Spent by Their Buyers in Fresh Meat



Note: Ham and Lamb saw high share of wallet in this period in both years due to Easter falling within these 4 weeks

Ground has been doing extremely well as a versatile, easy-to-prepare cut; smaller proteins stepped in when ground beef started running low

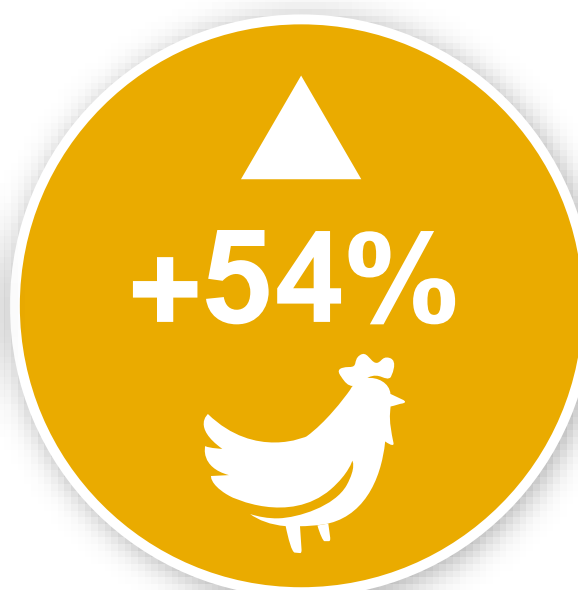
Over the week ending May 3 versus the comparable week in 2019:



**GROUND
BEEF**



**GROUND
TURKEY**

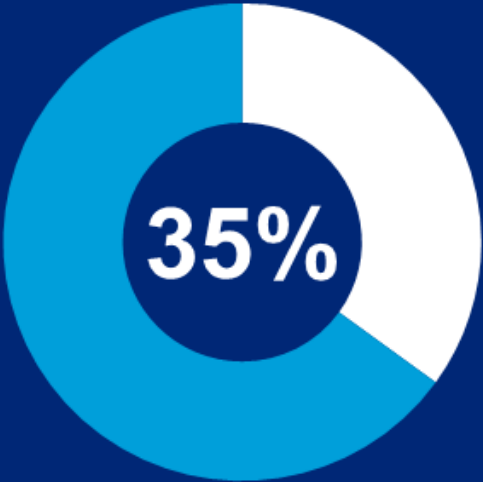


**GROUND
CHICKEN**



**GROUND
PORK**

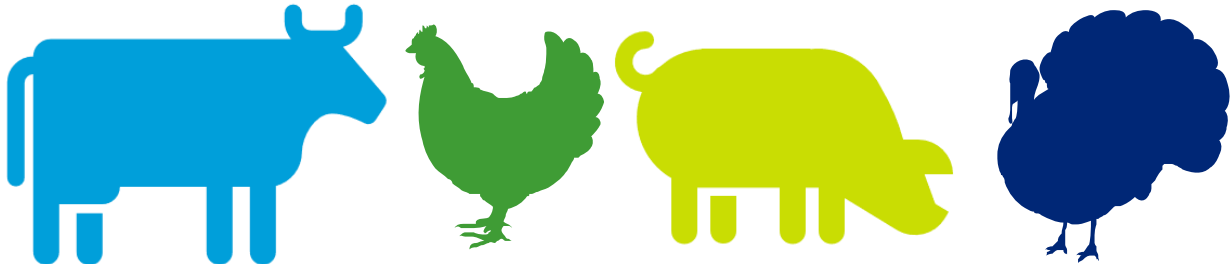
NAE Continues Growth Across All Major Proteins



of consumers said that **free of antibiotics** is important when fresh food shopping

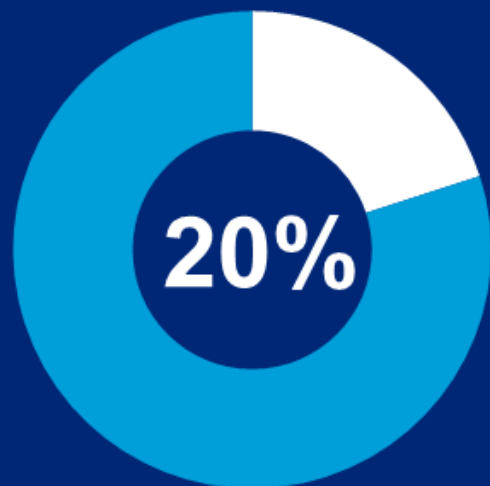
No Antibiotics Ever

\$ % Growth and \$ Share



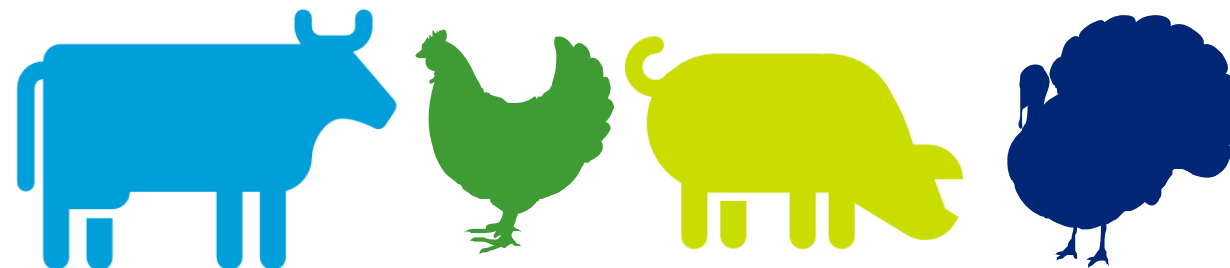
52 Wk (Pre) Growth	+0.6%	+3.7%	+0.2%	+7.8%
Pandemic Growth	+62%	+32%	+49%	+66%
(Pre) SHARE	4.1	37.2	4.1	11.7
Pandemic SHARE	4.6	36.6	4.1	14.3

Organic Growth is Strong in Beef and Turkey



of consumers said
that **organic is important**
when fresh food shopping

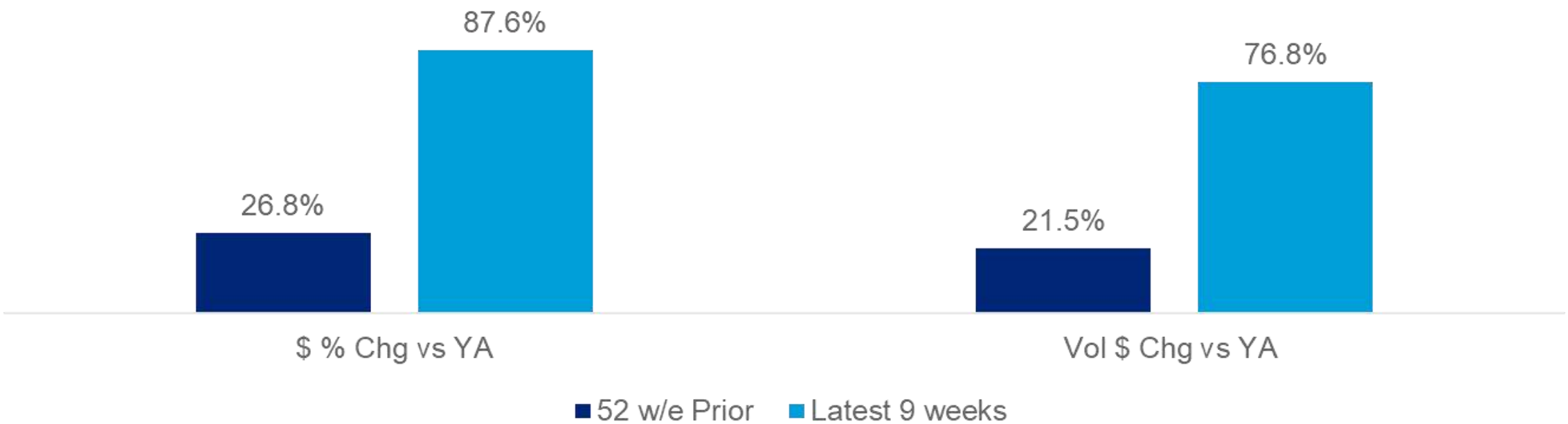
Organic Claims \$ % Growth and \$ Share



52 Wk (Pre) Growth	+9.8%	+4.6%	-25%	+8.9%
Pandemic Growth	+57%	+26%	-9.7%	+39%
(Pre) SHARE	1.3	5.3	0.1	2.1
Pandemic SHARE	1.4	5.2	0.1	2.2

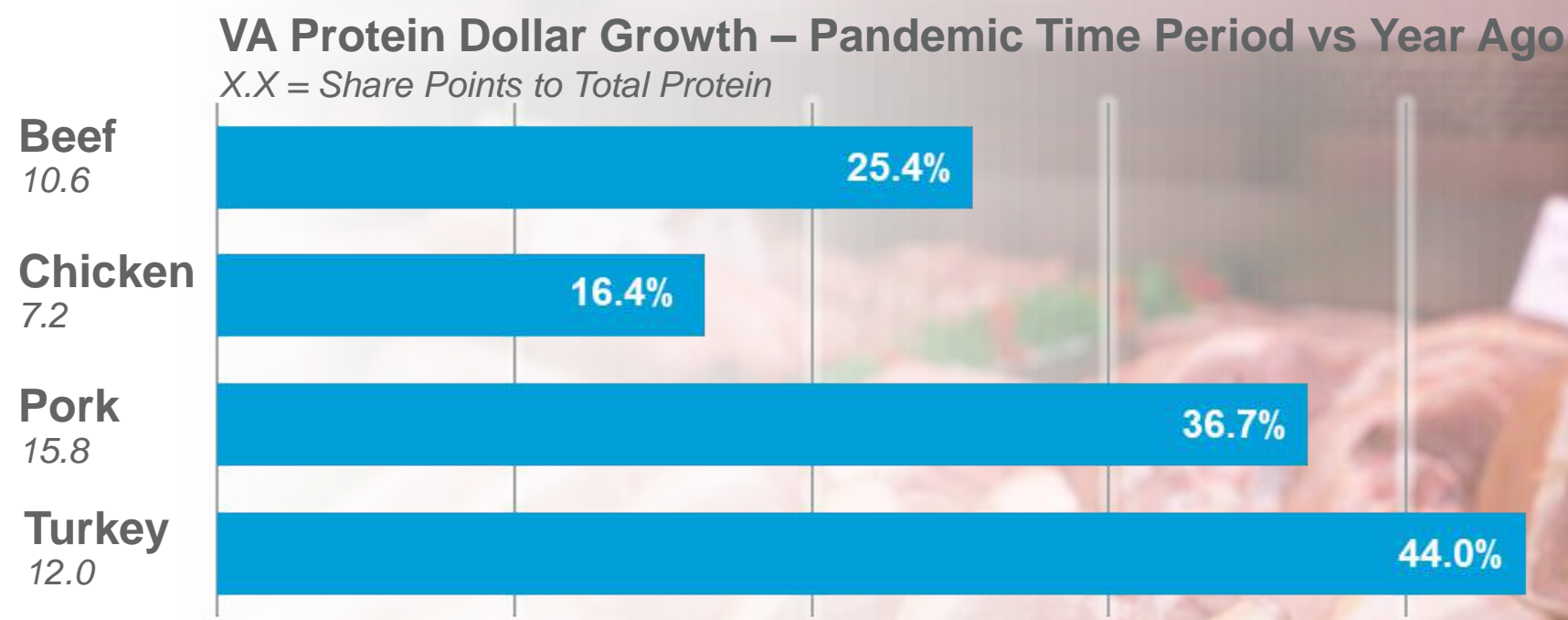
Plant-Based Growth Was Strong Prior to the Pandemic; Similar to Traditional Meat, Meat Alternatives Have Experienced Immense Weekly Growth During the Pandemic

Fresh Meat Alternatives Total U.S. MULO Ending 5-3-20

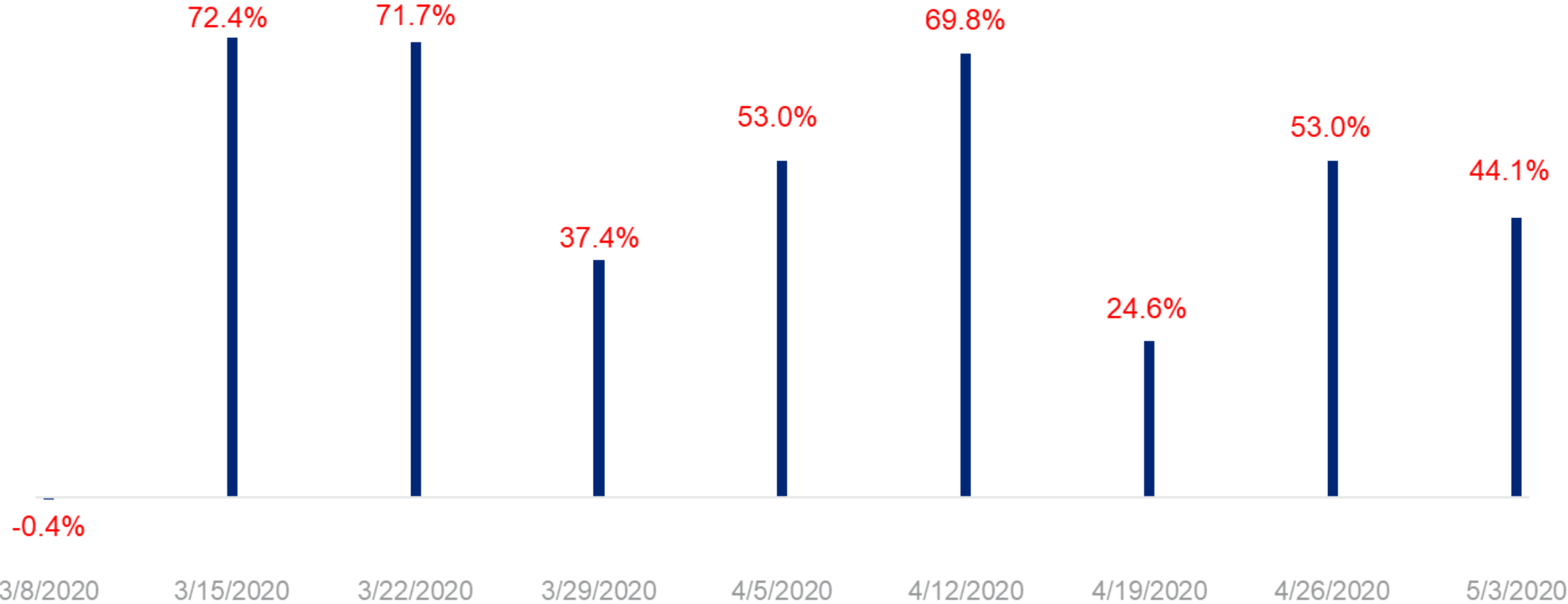


Value-Added Meat products growth during Pandemic are unprecedented. Share to total protein has actually declined across all proteins from year prior

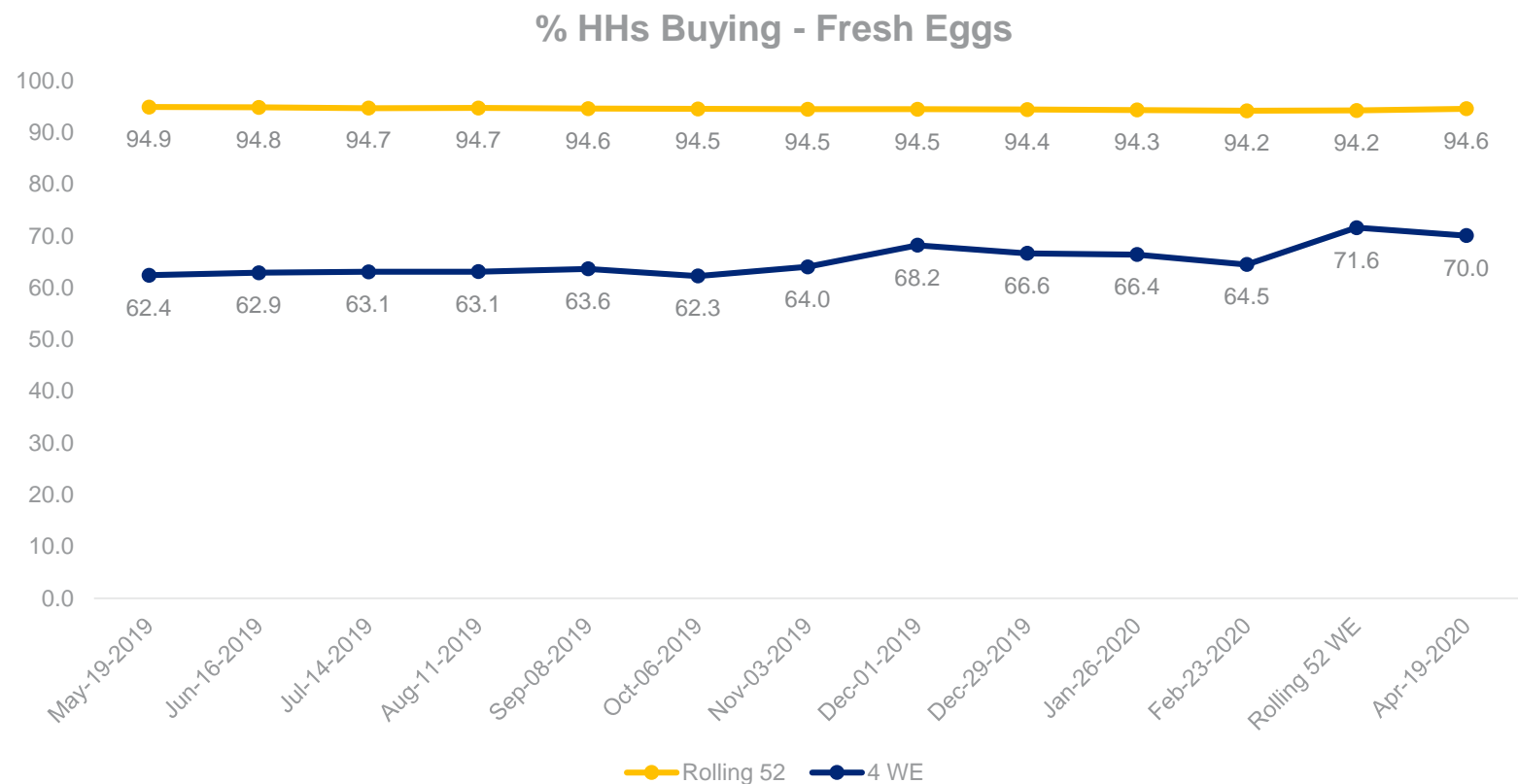
Total Meat Department Value-Add Latest 10 weeks:
Dollar Growth 26.5% Dollar Share 10.1 % of sales (10 weeks a year ago: 11.1%)



U.S. Egg Dollar Sales Continue Their Strong Growth vs. Last Year



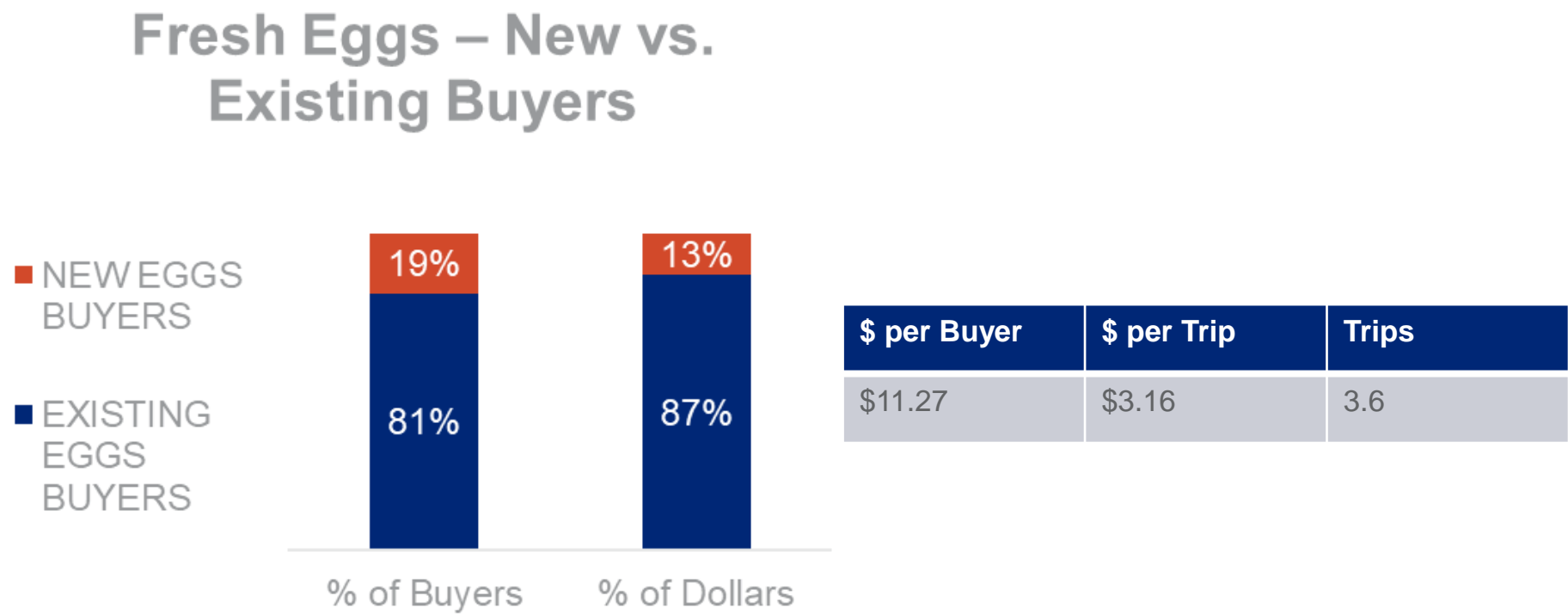
Fresh Eggs experienced a +7.1pt increase in HH penetration in March



**Fresh Eggs excludes Egg Whites and Egg Substitutes

Source: *Italicized Text (8 point)*

In the last 8 weeks, 19% (17MM) of Total Fresh Eggs buyers were new buyers to the category – spending about the same as existing buyers per trip



road ahead



Takeaways and Key Considerations

- COVID-19 turned consumers' attention to Meat in an unprecedented way with **more at-home cooking from scratch** driving experimentation and interest
- Recent media, supply constraints and price pressures brought about **unprecedented U.S. demand, and changed behaviors** expected to stay for the near-term
- Shoppers are **deeply engaged** with meat more than ever before

Recommendations:

- New buyers and behaviors are **valuable to reinforce** – this summer is a prime time to market especially via targeted digital and online ordering engagement
- Proactively plan for the new economic reality – **strategic pricing and promotional** engagement is overdue and now table-stakes in the meat department
- Consider new competitive and departmental realities – now is the time for **solutions, not silos**, to capture and keep concentrated market share

Insights and Strategic Guidance for Better Decisions

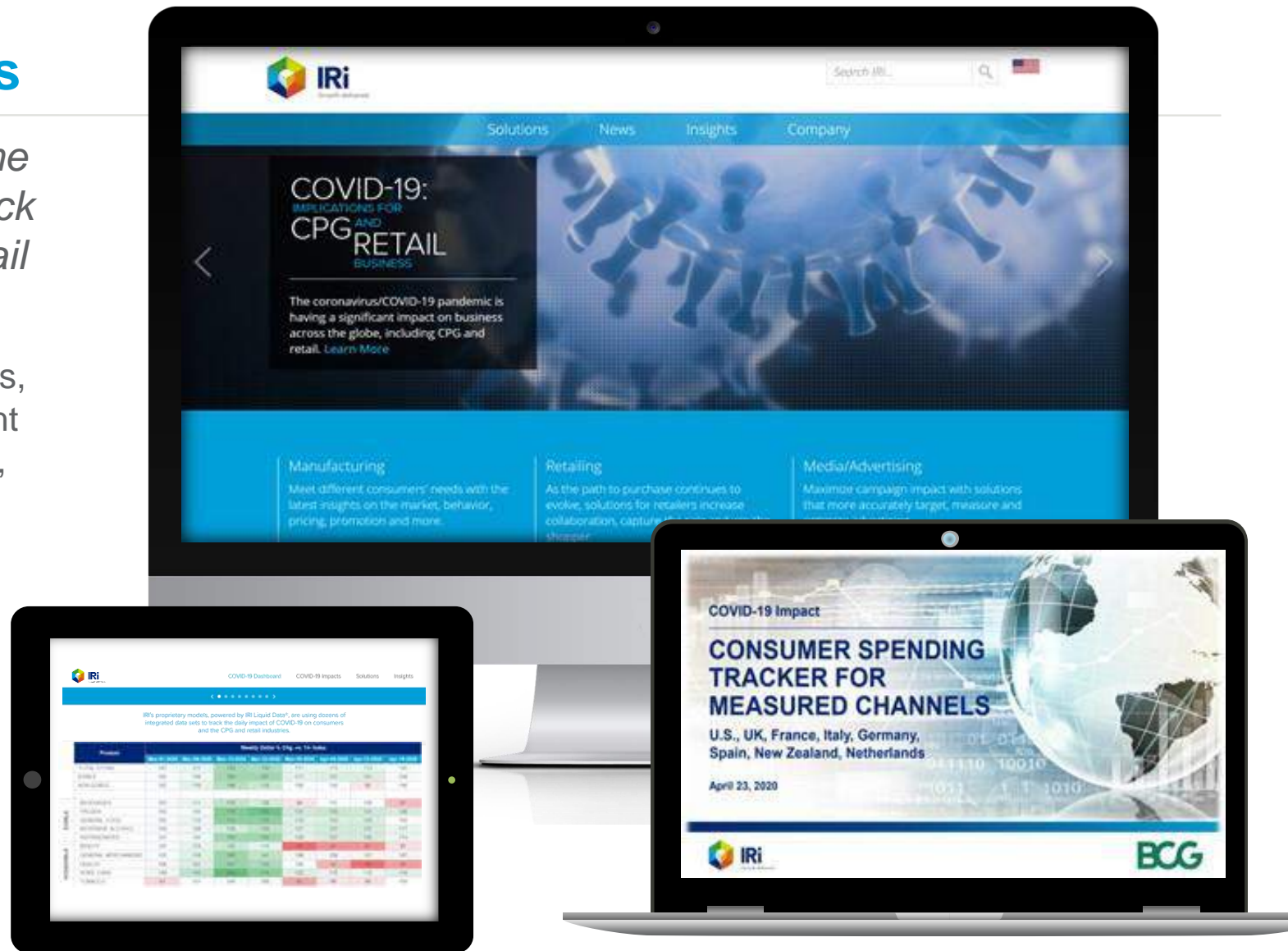
IRI's Online Resources Include Real-Time Updates and Weekly Reports Which Track the Impact of the Virus on CPG and Retail

The IRI COVID-19 Info Portal

Includes COVID-19 impact analyses and reports, webinar replays, podcasts and the latest thought leadership on supply chain, consumer behavior, channel shifts for the U.S. and international markets

The IRI COVID-19 Data Dashboard and CPG Economic Indicators

Tracks the daily impact of COVID-19 via the IRI CPG Demand Index™, IRI CPG Supply Index™, IRI CPG Inflation Tracker™ and data on top-selling and out-of-stock categories and consumer sentiment on social media





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