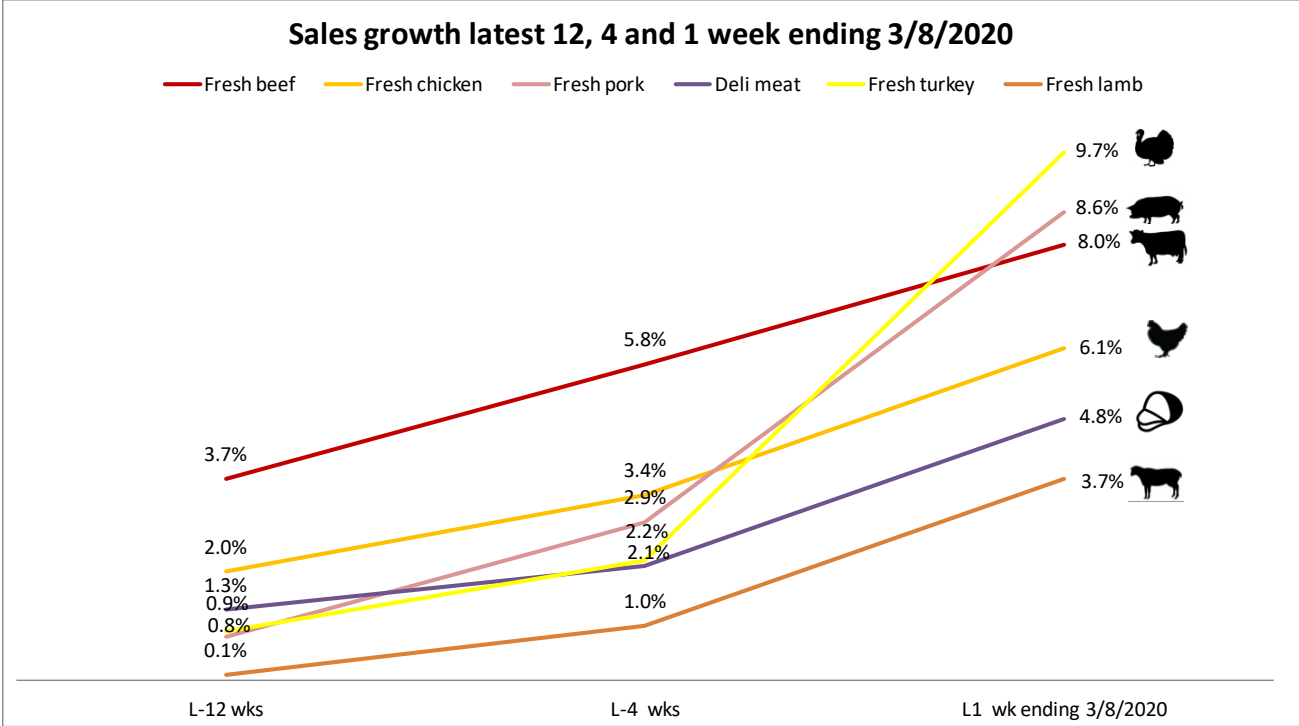


Meat Sales Are Accelerating Quickly at Onset of Coronavirus Retail Surge

Picked over or mostly empty meat cases are a sign of the times. Grocery retail is getting overwhelmed with an influx of shoppers wanting to stock up. A walk through the meat departments at Winn-Dixie, Publix and Walmart showed mostly empty shelves with just some sporadic items — often products with low household penetration like chicken hearts, beef tripas and plant-based meat alternatives. In the midst of these unprecedented times, shoppers are returning to the familiar — putting meat back at the center of plate. Retailers are working hard to keep their stores stocked, processing plants are ramping up capacity to attempt to keep up with the orders flooding their systems and distributors are trying to divert supply from foodservice to food retail.



Meat sales are accelerating quickly as is evidenced by comparing the results for the 12, four and one week ending March 8, 2020. Meat sales without deli meat increased 7.3% the week ending March 8, 2020 and deli meat sales advanced 4.8%.



In absolute dollars, the biggest winners for the week of March 8 are ground beef (+\$26.2 million), ribeyes (+\$13.5 million), chicken breasts (+\$6.2 million), chicken thighs (+\$3.7 million), pork ribs (+\$3.6 million) and ground turkey (+\$3.5 million). Ground is big and one of the first things that sells out. Whether beef, turkey,

chicken or pork, grind sales are gaining very quickly as versatile and easy-to-prepare items. But unusual times call for experimentation as well. At one of the Publix stores I met Melanie Johnson, a Millennial shopper who added a pork and beef roast to her cart. She said, “I don’t even know how to cook these, but now is the time for my family to eat nutritious foods and build our immune systems. My mom said to also look for dry beans as a backup in case the food supply gets low. Not that I know how to cook dry beans, but I guess I’m going to finally learn how to cook.”

Total US Multi-outlet channels	\$ gains latest 12 weeks ending 3/8/2020	\$ gains latest 4 weeks ending 3/8/2020	\$ gains latest week ending 03/08/2020	Size in \$ (weekly sales for 03/08/2020)
Fresh beef	+3.7%	+5.8%	+8.0%	\$531.9M
Fresh chicken	+2.0%	+3.4%	+6.1%	\$284.3M
Fresh pork	+0.8%	+2.9%	+8.6%	\$118.0M
Deli meat	+1.3%	+2.1%	+4.8%	\$117.1M
Fresh turkey	+0.9%	+2.2%	+9.7%	\$38.8M
Smoked ham	+5.1%	-1.8%	+4.4%	\$19.2M
Random weight other meat	-1.8%	-2.2%	-0.9%	\$19.1M
Fresh lamb	+0.1%	+1.0%	+3.7%	\$7.2M
Smoked pork	+2.2%	+0.2%	-1.1%	\$6.5M
Random weight sausage	-4.2%	-0.5%	+18.8%	\$6.0M
Smoked turkey	+4.1%	+6.1%	+4.8%	\$2.7M
Fresh exotic	+2.6%	+7.4%	+14.8%	\$1.7M

Fresh beef, the sales leader, gained nearly \$40 million, or +8.0%, the week of March 8, 2020 compared with last year. Sales had been ramping up from +3.7% over the longer 12-week view to +5.8% over the latest four weeks and unit and pound sales show similar acceleration. Ground beef, that makes up more than 40% of the beef category, gained big the week of March 8, at +13.6% — adding \$26.2 million in new dollars. Ribeyes are another big winner, up 36.9% or \$13.5 million over the week ending March 8. Smaller sellers with robust growth are flank/plate (+25.8%), tenderloin (+18.2%) and ribs (+15.2%).

Fresh chicken gained more than \$16 million, or +6.1% over the week of March 8 versus the comparable week in 2019. Dollar, units and volume sales are all accelerating. Generating more than half of total chicken sales, chicken breasts sold an extra \$6.2 million, or +4.5%. Consumers also flocked toward recipe-ready chicken that gained more than \$1.5 million in the one week, up 8.7%. Chicken thighs gained more than \$3.7 million (+12.5%) and chicken legs increased nearly \$1.2 million, up 6.5%.

Fresh pork sales are quickly accelerating as well, at +8.6% for the week ending March 8, 2020. Units and volume turned from losses in the longer-term view to increases in unit and volume in the one-week view, at +5.0% for units and +3.9% for volume. Making up nearly half of all sales, pork loin added nearly \$1.5 million in new dollars, or +2.7%. Pork ribs were the biggest winner in absolute dollars, up \$3.6 million or +21.2%, followed by pork shoulder blade, up \$2.5 million, or +21.1%. Smoked ham sales, too, increased significantly over the latest week, +4.4%.

Deli meat generated more than \$117 million in sales the week of March 8, 2020, which was up +4.8% over the comparable week in 2019. Deli ham and turkey each generated an additional \$2 million in sales, up 6.2% and 5.9%, respectively.

The number of school closures, social distancing guidelines and other COVID-19 related measures significantly sharpened the week of March 15, leading to further sales surges. Sales updates will be provided once available. Meanwhile, please thank our #SupermarketSuperHeroes, truckers, packer/processors and ranchers for all they do to keep the food coming. #MeatFeedsFamilies