WHAT'S IN STORE LIVE!

Through the Eyes of the Consumer: Trends that Matter in Dairy, Deli and Bakery in Retail, Food Service and Beyond

IDDBA

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Agenda

01 What's new with Fresh?

02 Morning Occasions – What's Driving on-the go

03 Lunch and Dinner Occasions – Saving Time

04 Everyday Special Occasions continue to trend

About Circana's Integrated Fresh – Total Food & Beverage by Department

Scan here to learn more about Circana & IDDBA

Utilized Our Industry Partnerships, Including IDDBA, With Retailers and Suppliers to Research Majority-Rules, Agnostic, Fact-Based View of Perishables Definitions

Research Retailer, Supplier Placements

Use retailers and suppliers own systems to analyze which items they consider meat, dairy, deli and bakery

Let Numbers Guide

Let numbers guide the definition–majority rules and can be defended – a representative "industry" view

Engage Industry as "Tie Breakers"

Where the data is not definitive, leverage a governance board of unbiased suppliers, retailers & industry leaders **including IDDBA**

Integrate fixed and random weight in a syndicated Fresh Unify database

Build this industry standard in an easily accessible, ongoing data set for sales and shopper

Source: Circana proprietary process in partnership with industry associations such as IDDBA, Circana Integrated Fresh syndicated solution.

Total Food & Bev Update

Total Edible

Total food and beverages (including fresh) is up +3.5% in dollar sales and up +1.5% in volume for L52.

Across Edibles, basket size continued to decline; but increased trip frequency as shoppers seek to buy what they need, when they need it.

Perishables

The Perishables department is up +3.9% in trip frequency vs last year, while basket size is up 1%.

The Bakery department's share of Total Perishables has continued to decline due to flat sales and higher than average price increases continue in Perimeter Baked Goods.

A New Year & New Opportunities

Shoppers are purchasing fewer items per trip while also keeping food-on-hand at the lowest level in 5 years.

Consumer Sentiment has decreased again and continues to be 20-25 pts below 2019 levels.

Demand Signals

Affordability is the top concern for U.S. Consumers in 2025.

However, consumers are most hopeful for improvements to affordability of food/groceries under the new administration.

Retail F&B has gained share consistently across meal occasions, except for in-between meals

Retail (vs. foodservice) Share of Total F&B Dollars by Occasion




	All Occasions	Breakfast	Lunch	Dinner	In-Between Meals
% of F&B $ Sourced from Retail	60.5%	61.2%	51.8%	53.1%	78.0%
2024 YTD ppt. chg. vs. YA	0.3	0.3	0.5	0.3	-0.1
Occasion % of All F&B Dollar Sales	*100%*	*18%*	*24%*	*33%*	*25%*

Note: Consumer data analysis to be used directionally. Based on a combination of household panel data (retail) and individual purchase diaries (foodservice). Excludes non-commercial foodservice (e.g., school, office). Gen Z and Seniors not shown. In-between meals includes snacks and beverages. Source: Circana, Complete Consumer 52 WE 12/29/2024 & CREST, through December 2024 Circana Executive CPG & Foodservice Advisory.

RFG/Dairy is outperforming total edible, deli is on par, and bakery is underperforming but has remained flat

Department	Sales (Dollars)	Sales (Units)	$ Sales % Chg	Vol/Unit Sales % Chg	Price Per Vol/Unit	Price Per Vol/Unit % Chg
TOTAL EDIBLE	$930.4B	218.1B	3.4%	1.3%	$4.27	2.1%
DEPT-GENERAL FOOD	$252.8B	71.5B	2.2%	0.3%	$3.53	1.8%
DEPT-BEVERAGES	$119.1B	27.4B	4.6%	1.8%	$4.35	2.7%
DEPT-MEAT*	$106.3B	14.7B	5.7%	2.5%	$4.63	3.1%
DEPT-REFRIGERATED	$103.8B	27B	9.3%	2.3%	$3.84	6.8%
DEPT-PRODUCE*	$93.5B	33.9B	3.7%	3.6%	$1.85	0.1%
DEPT-FROZEN	$85.9B	16.3B	1.5%	1.3%	$5.26	0.2%
DEPT-DELI	$56.5B	9.3B	3.1%	2.9%	$6.05	0.2%
DEPT-BAKERY	$48.5B	12.7B	0.1%	-0.3%	$3.82	0.4%
DEPT-LIQUOR	$46.1B	3.6B	-1.3%	-2.6%	$12.73	1.3%
DEPT-FLORAL	$9.5B	903.7M	2.2%	-1.2%	$10.54	3.4%
DEPT-SEAFOOD*	$8.5B	820.6M	-1.0%	-1.6%	$9.62	0.7%

*Vol/LBs
Exceeding TOTAL EDIBLE Trends highlighted

Source: Circana Integrated Fresh, US MULO+, 52 Weeks Ending 3/23/25.

In shopper behavior, smaller, more frequent retail food/bev trips continue

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Department	HH Penetration		$ Per Buyer		Product Trips/Buyer		Unit Sales/Trip	
TOTAL EDIBLE	100	+0.0	$7,978.19	+4.0%	220.3	+4.2%	9.0	-2.0%
DEPT-GENERAL FOOD	100	+0.0	$2,098.96	+2.8%	127.4	+3.5%	5.1	-2.3%
DEPT-BEVERAGES	99.9	-0.0	$1,011.46	+5.4%	87.1	+4.1%	3.0	+0.4%
DEPT-MEAT	98.3	+0.0	$887.34	+6.6%	54.6	+4.6%	2.2	-1.7%
DEPT-REFRIGERATED	99.5	+0.2	$839.56	+9.5%	77.4	+5.1%	3.1	-1.8%
DEPT-PRODUCE	99	-0.0	$769.23	+3.7%	84.8	+3.3%	3.1	-0.5%
DEPT-FROZEN	98.8	-0.0	$703.63	+2.4%	50.3	+4.0%	2.9	-1.6%
DEPT-DELI	98.6	-0.1	$677.28	+3.5%	57.9	+2.6%	1.7	-0.3%
DEPT-BAKERY	99.6	+0.1	$422.54	+0.7%	64.3	+0.2%	1.8	-0.8%
DEPT-SEAFOOD	55	+0.1	$133.18	-0.4%	8.7	+2.2%	1.3	-0.3%

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Exceeding TOTAL EDIBLE Trends highlighted

Source: Circana Integrated Fresh Panel, Total US All Outlets, 52 Weeks Ending 3/23/25.

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Fresh Foods Top 15 categories by dollar change

Eggs moved up to #1 with 1% unit growth due to high price increases

Avocados and RFG juice/drinks are the only items in the top 15 with declining volume

Of the top categories so far in 2025, 6 are from the dairy department

- Abs $ Sales Change vs. YA
- Volume or Unit* Sales | % Change vs. YA















	Abs $ Sales Change vs. YA	Volume or Unit* Sales % Change vs. YA
Eggs	$2.0B	+1.0%*
Beef	$1.3B	+7.6%
Yogurt	$348.9M	+10.2%
Chicken	$302.1M	+4.0%
Milk	$219.3M	+0.3%
Fresh Berries	$168.3M	+8.5%
Fresh Avocados	$138.9M	-0.7%
Dairy Natural Cheese	$118.5M	+1.9%
Deli Specialty Cheese	$100.9M	+7.3%
RFG Juice/Drinks	$100.0M	-3.4%
Fresh Mangoes	$94.7M	+161.1%
Cottage Cheese	$89.7M	+17.0%
Pork	$83.1M	+2.1%
Deli Prepared Meats	$80.5M	+6.6%*
Bacon	$78.3M	+2.5%

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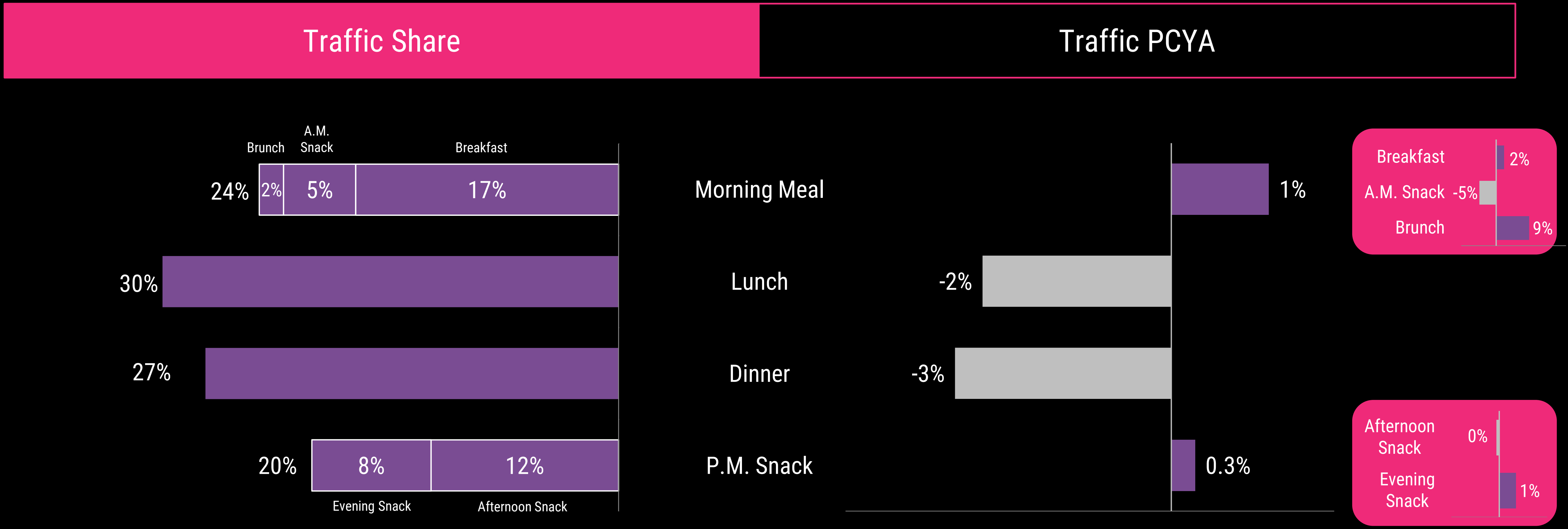
Source: Circana Integrated Fresh, MULO+, BCY WE 3-23-25, note Units used when volume is not equivalized at the dept level. Meat, Produce and Seafood are in volume.*

Total foodservice daypart

Morning meal and p.m. snack were positive in Q1, while lunch and dinner declined compared to a year ago.



Source: Circana CREST® U.S., 3 ME Mar 2025; shares may not equal 100 due to rounding

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Morning Occasions – What's Driving On-the-go

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Breakfast continues to start earlier

Breakfast Start Time

% Occasion | Pt. Change 2024 vs. 2020

39%
+5 pts

Prior to 8AM

57%
-6 pts

8AM – 11AM

Source: Circana, National Eating Trends®, YE March
Filtered to in-home consumed and sourced from home/retail occasions

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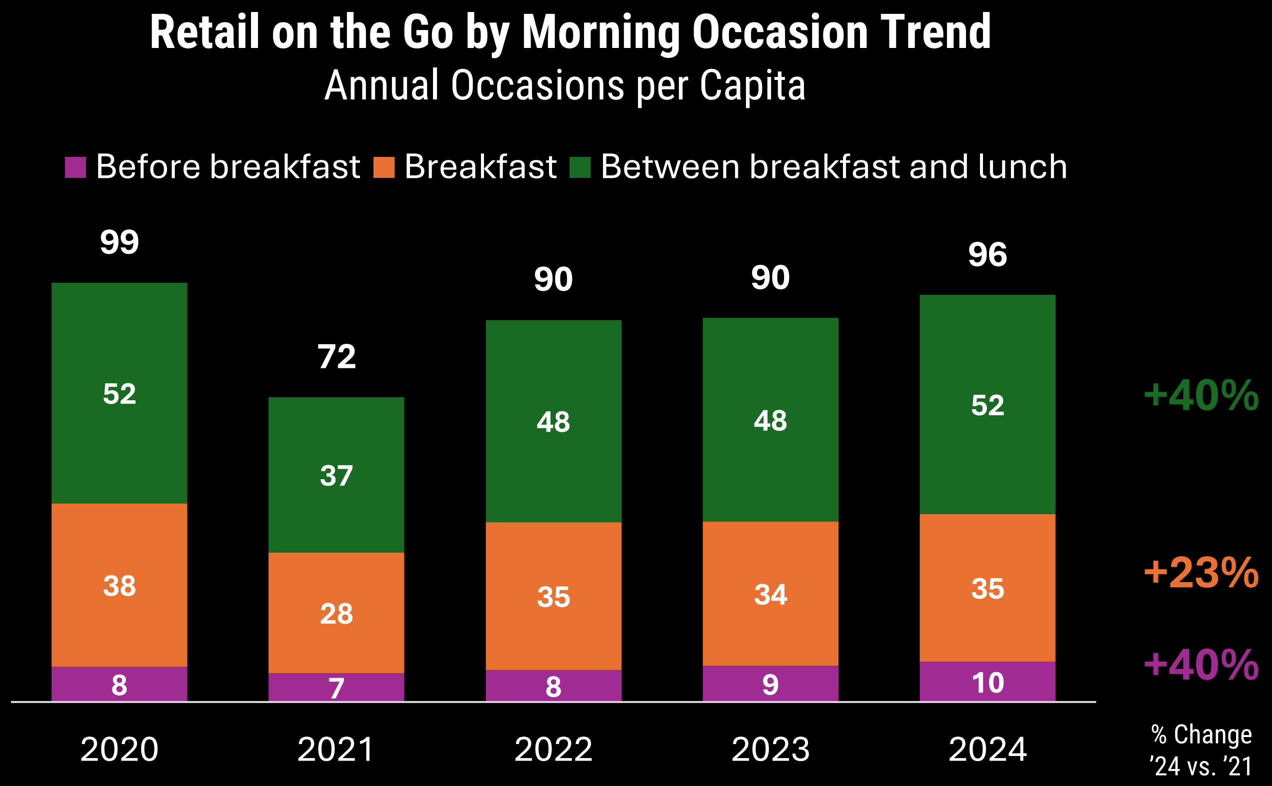
Mornings on-the-go return

Retail on-the-go occasions continue to rebound throughout the morning as consumers commute to work or school. Breakfast occasions on the go still lag behind pre-pandemic levels.



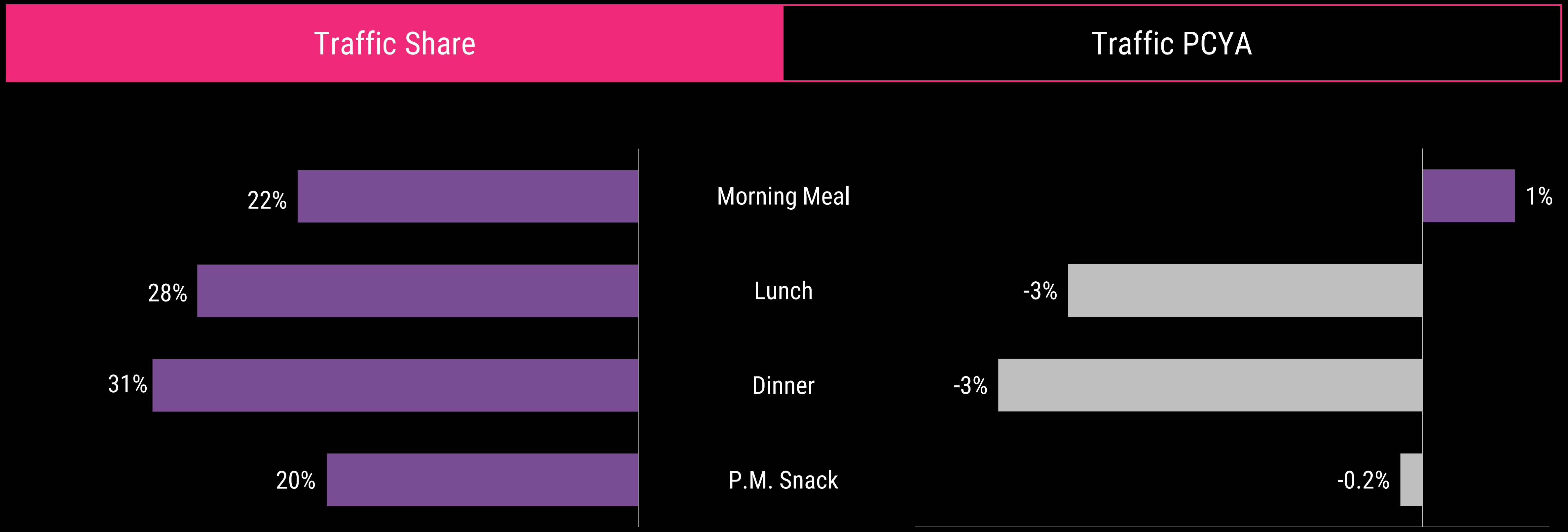
Retail on the Go Where Consumed

	% Occ.	Per Capita Pt. Change '24 vs. '21
Work	39%	+6
In Transit	19%	+3
School or College	17%	+10
Someone Else's Home	16%	+1
Someplace Else	10%	+3

Source: Circana, National Eating Trends®, YE June

Commercial foodservice daypart

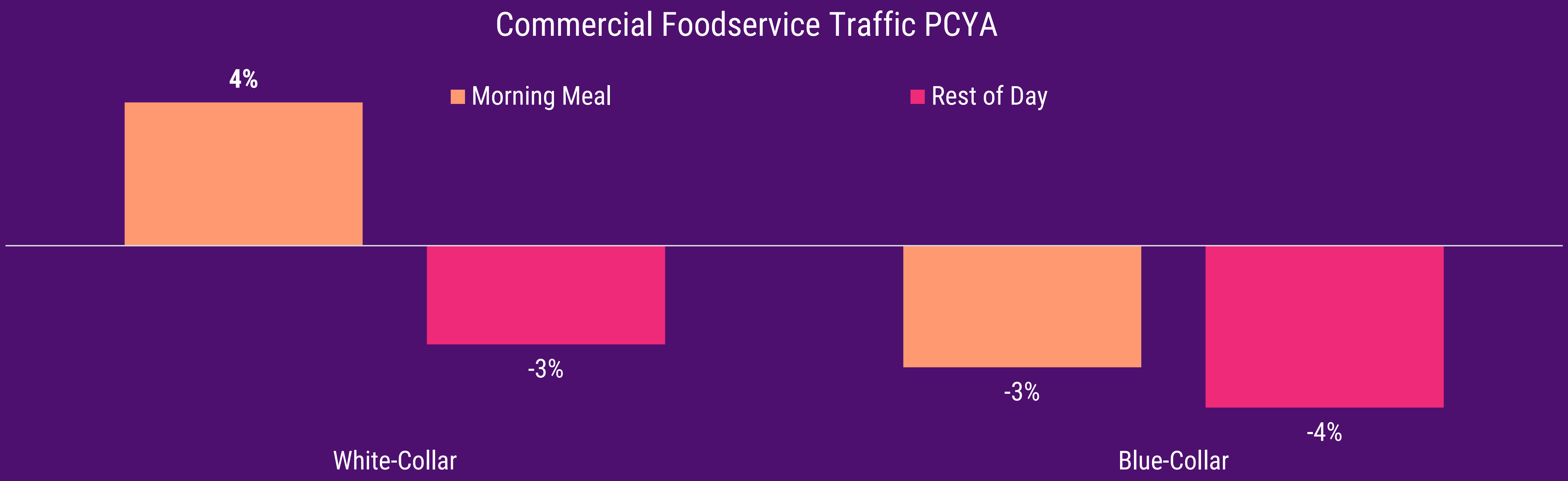
Morning meal traffic grew by 1% in Q1, while all other dayparts declined.



Source: Circana CREST® U.S., 3 ME Mar 2025; shares may not equal 100 due to rounding

Return to office impact on morning meal

As more white-collar workers return to the office, they are also resuming their morning coffee and bagel run. Blue-collar workers declined visits similarly throughout the day.



Source: Circana, CREST® 3 ME Mar'25


In office workers buy from commercial foodservice
8%
more than remote workers
Source: Circana, Checkout analytics, large chain raw purchase frequency, 12 ME December 2024
On-site = mostly & always on-site; remote = mostly & always remote
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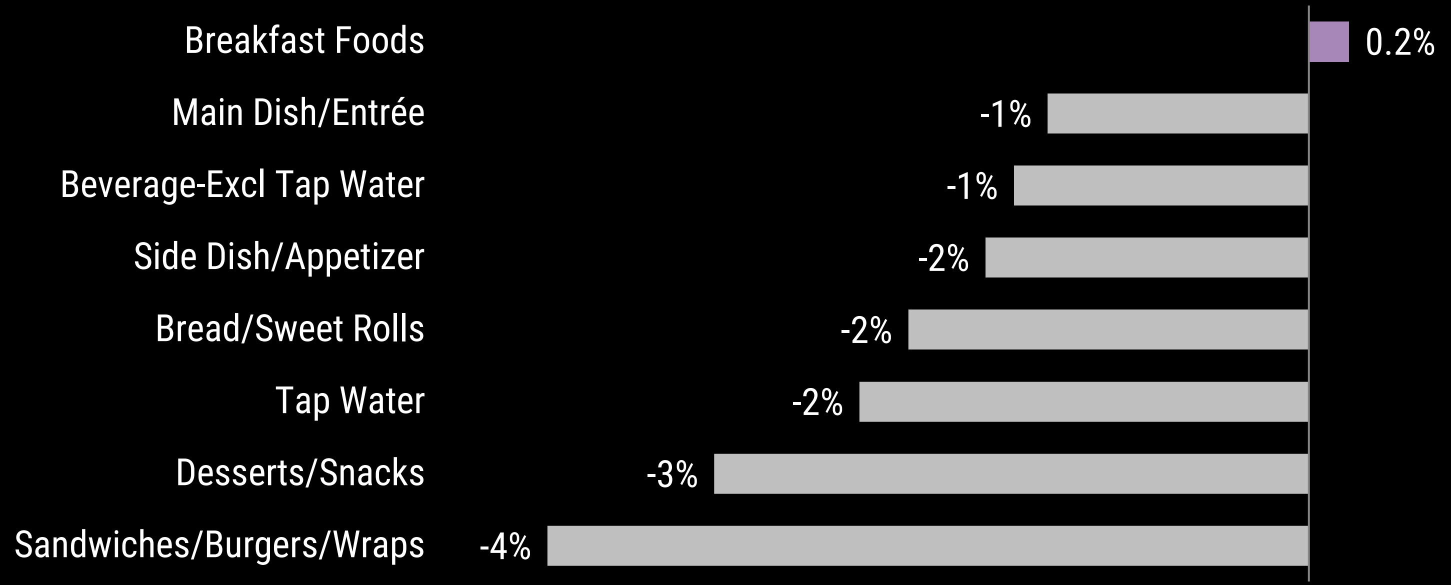
Commercial foodservice product class

Breakfast foods were the only product class to grow in servings in Q1; sandwiches, burgers, and wraps decreased the most.

Servings PCYA – Q1 2025 vs. YA

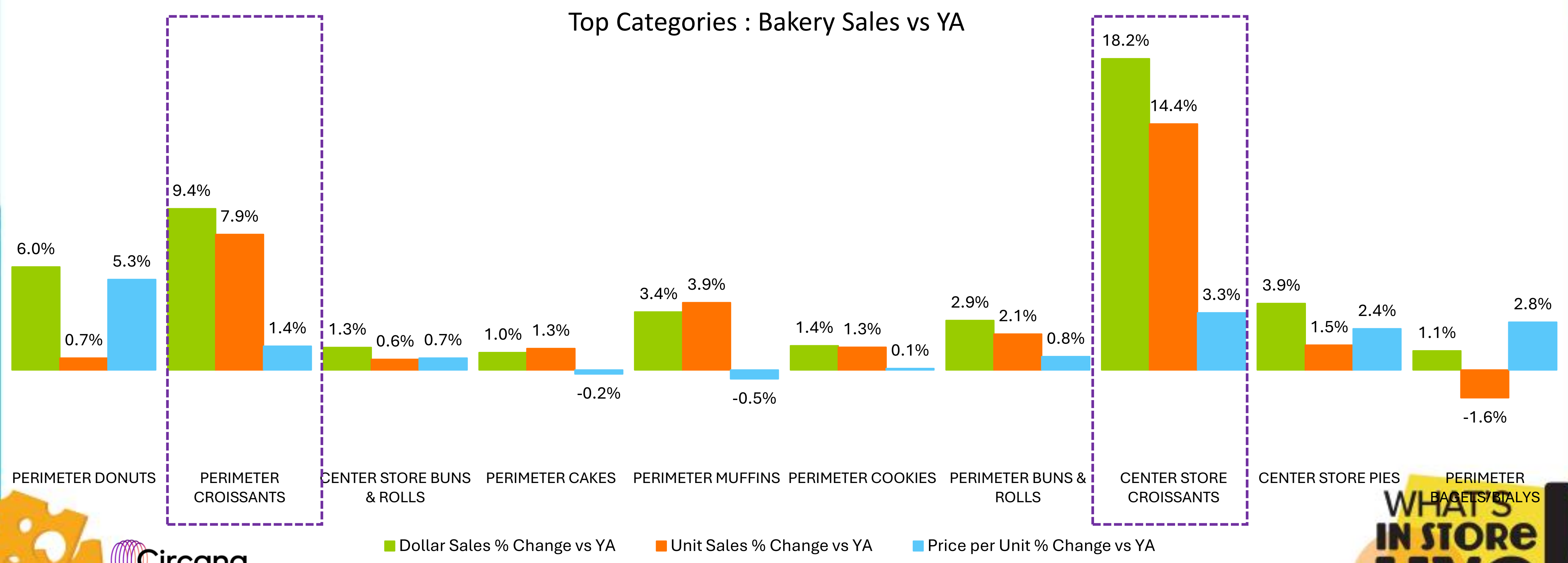


Menu Importance

	Menu Importance	M.I. Change
Breakfast Foods	13.3	+0.3
Main Dish/Entrée	39.8	+0.2
Beverage-Excl Tap Water	83.8	+0.3
Side Dish/Appetizer	41.7	+0.1
Bread/Sweet Rolls	10.4	0.0
Tap Water	4.3	0.0
Desserts/Snacks	9.4	-0.1
Sandwiches/Burgers/Wraps	24.4	-0.4

Menu Importance (M.I.) = % of orders that include an item; PCYA = % Change vs. Year Ago
Source: Circana CREST® U.S., 3 ME Mar 2025

Croissants led the growth in bakery in both center store and perimeter



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Source: Circana Integrated Fresh Market Advantage, MULO+, L52 WE 3-23-2025

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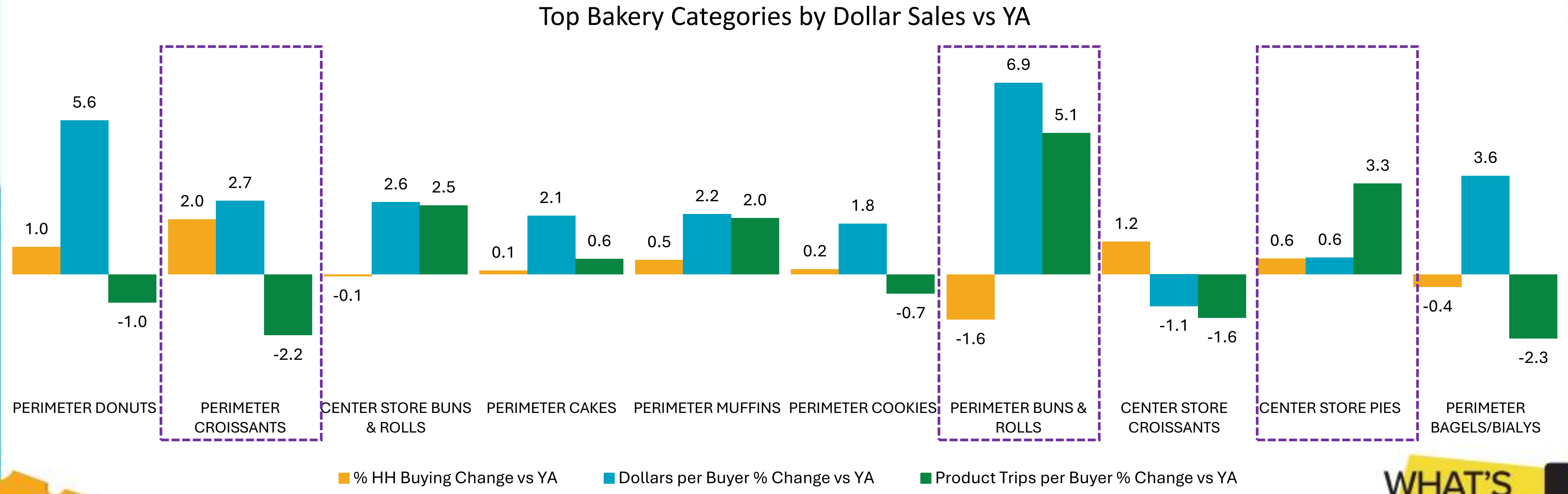
Perimeter croissants enjoyed HH Pen & elevated spend per/buyer. Perimeter buns & center store pies saw sharp increases in trips.

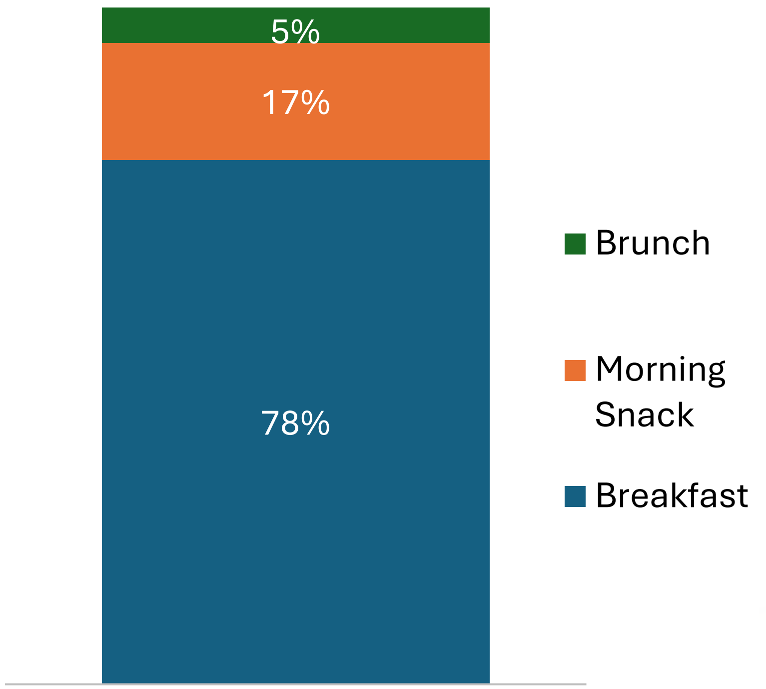


Source: Circana Integrated Fresh Panel, Total US – All Outlets, L52 WE 3-23-2025

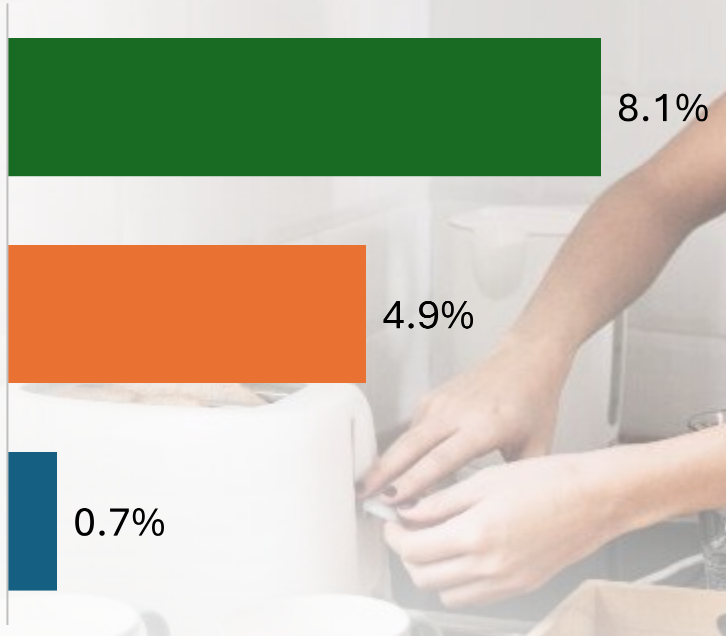
QSR morning meal detail

"Breakfast" still describes most occasions at quick-service restaurants, but growth is coming from a "snack" or "brunch."

Morning Meal Traffic Distribution



Traffic % Change 2024 vs. 2022

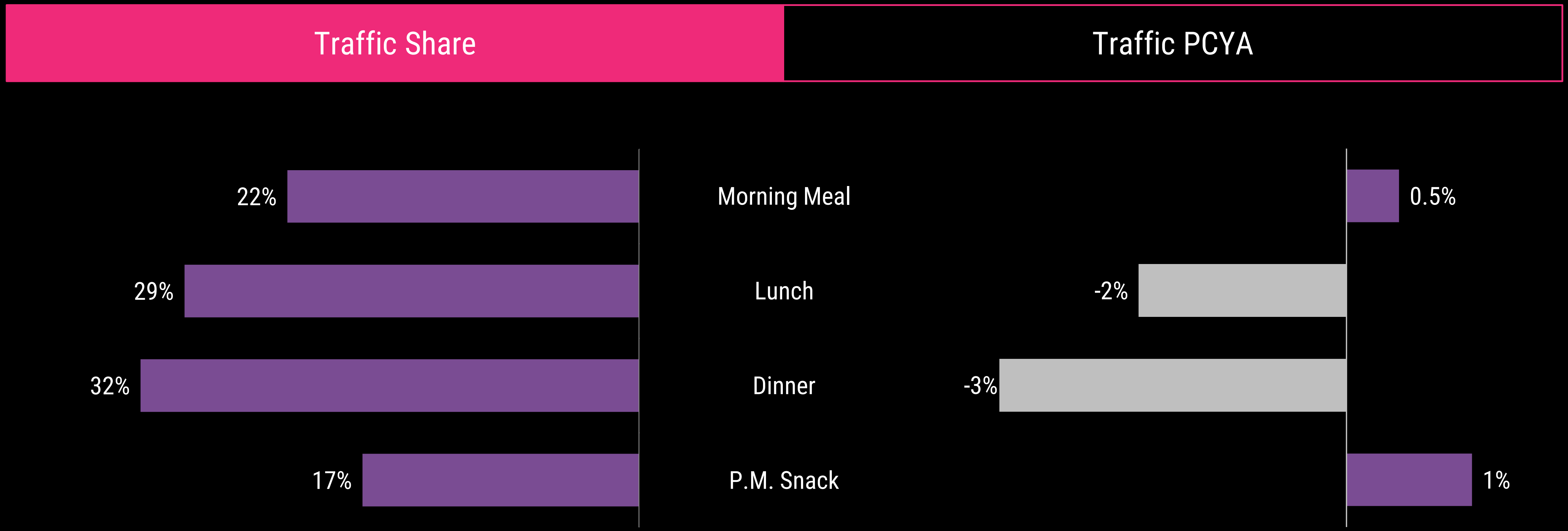


Source: Circana, CREST®, commercial foodservice YTD September 2024

Morning meal = breakfast/a.m. snack/brunch

QSR daypart

Morning meal and p.m. snack both grew traffic in Q1 at quick-service restaurants.

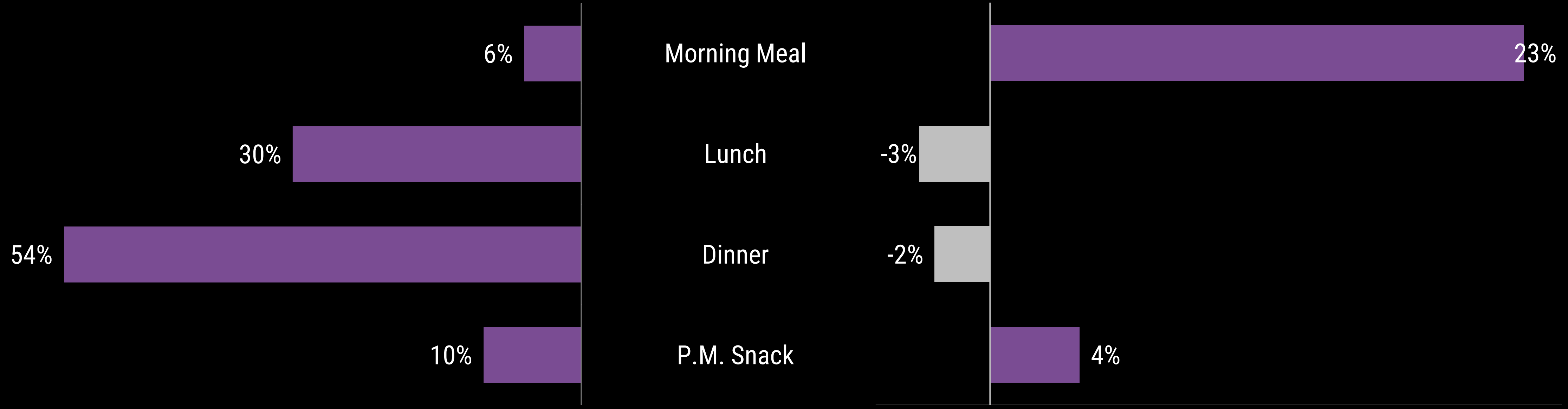


Source: Circana CREST® U.S., 3 ME Mar 2025

Casual dining daypart

Morning meal and p.m. snack both grew at casual dining restaurants in Q1, signaling future opportunities; however, both dayparts are relatively small compared to lunch and dinner, which declined in Q1.

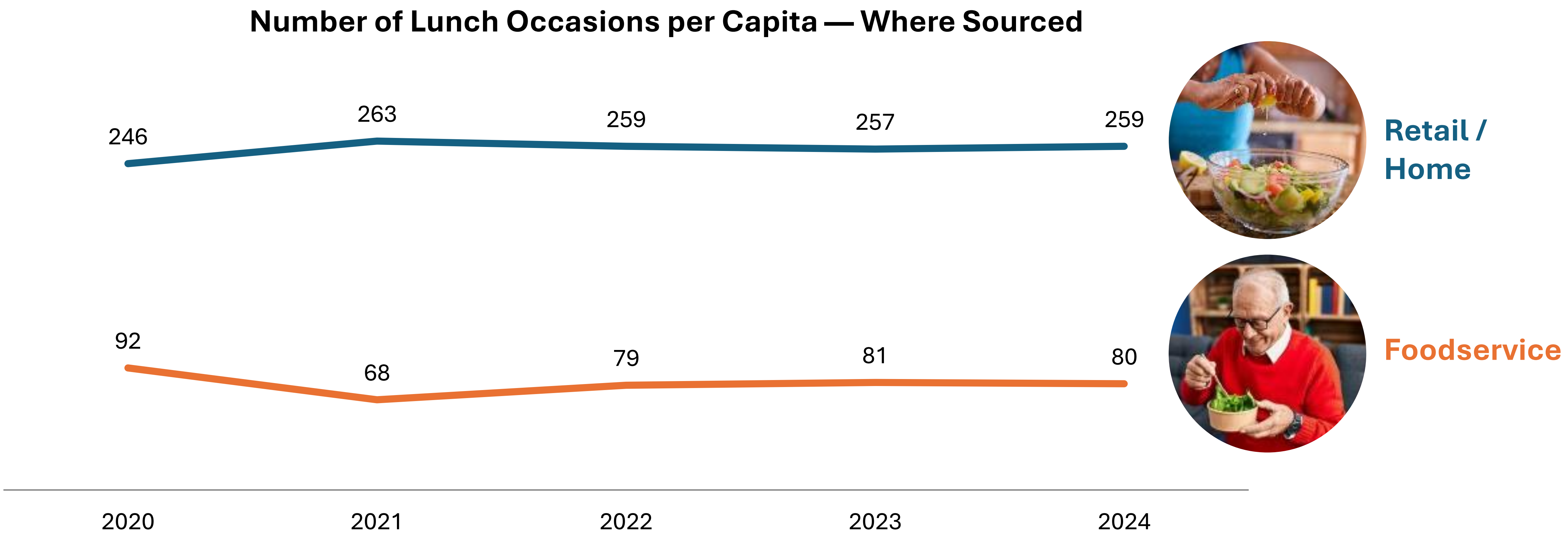
Traffic Share | Traffic PCYA



Source: Circana CREST® U.S., 3 ME Mar 2025

Lunch & Dinner Occasions – Saving Time

Retail / home-sourced lunches are still slightly elevated compared to pre-pandemic



Retail/home excludes retail foodservice

Source: Circana, National Eating Trends® and CREST®, 12ME March 2024

Low-prep and quick homemade forms are popular at lunch

Food & Beverage Forms at In-home Lunch

Occasion Share

Ready to Eat / Drink From Retail

85%

Completely / Partly Homemade

42%

Driven by homemade sandwiches

Heat and Eat

32%

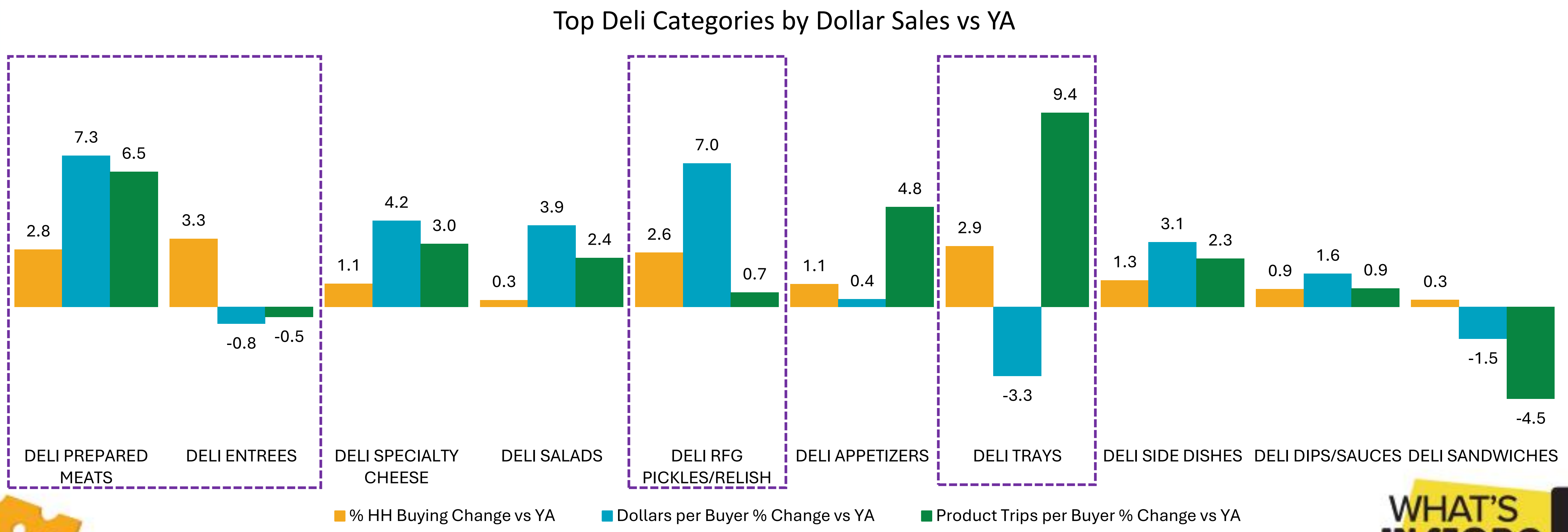
Fresh / Deli Prepared

10%

Source: Circana, National Eating Trends®, 12ME March 2024

Sourced from home/retail and consumed in home

Deli Household Penetration is up across the board with Entrees, Trays, Prepared Meats & Pickles/Relish leading the way. Trips are also up for all but sandwiches.



Source: Circana Integrated Fresh Panel, Total US – All Outlets, L52 WE 3-23-2025

Half of all dinners are ready in 15 minutes or less

Fresh offerings must meet the moment – how people make meals is vital for relevancy, experience **and growth.**

Millennials are driving growth in occasional time-required meals

In-home Dinner Continuum: Percent of In-home Sourced Dinner Occasions

No Prep	Fast Meal Fix	Simple Everyday Meal	One Dish	Invested Meal	Time Intensive
14	39	16	15	11	5
Quick in-home occasion, ready-to-eat foods	Under 15 min. prep/cook time	Simple dishes, fewer ingredients, 15–59 min. prep/cook	One dish, 15–59 min. prep/cook	More dishes, ingredients, and cooking aids, 15–59 min. prep/cook	60+ min. prep/cook

Sourced from retail/home; Source: Circana, National Eating Trends®, YE Sept. 2024.

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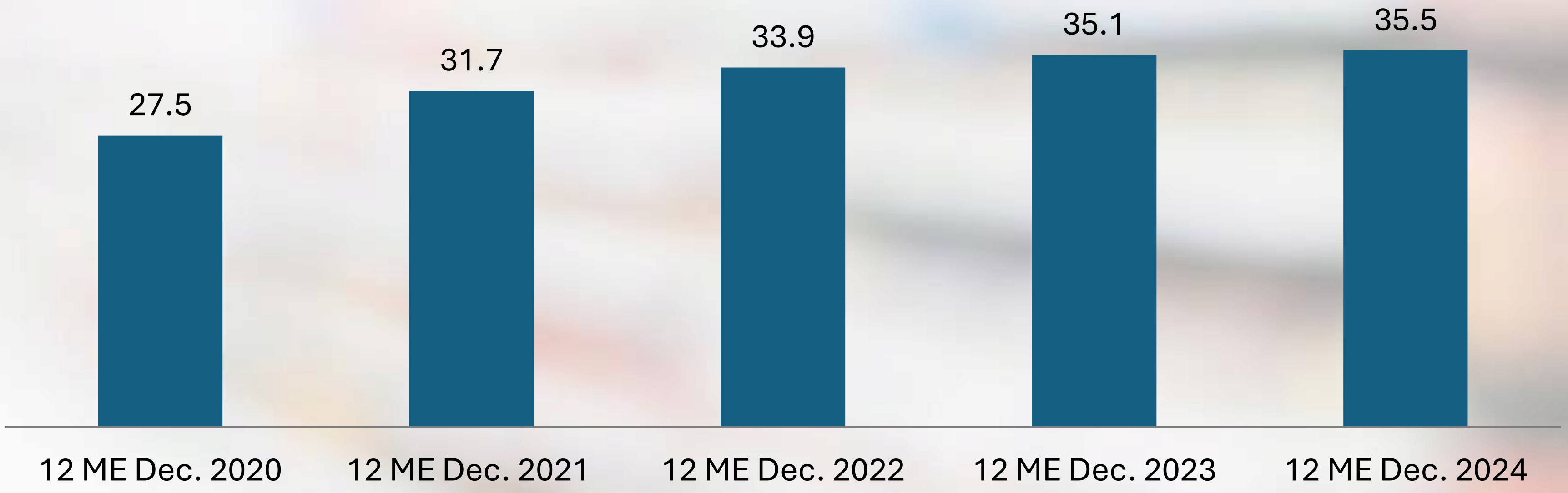
Consumption tracking shows more consumers seek heat-and-eat options at retail

Heat-and-Eat % of Dinner Occasions



Source: Circana, National Eating Trends®.

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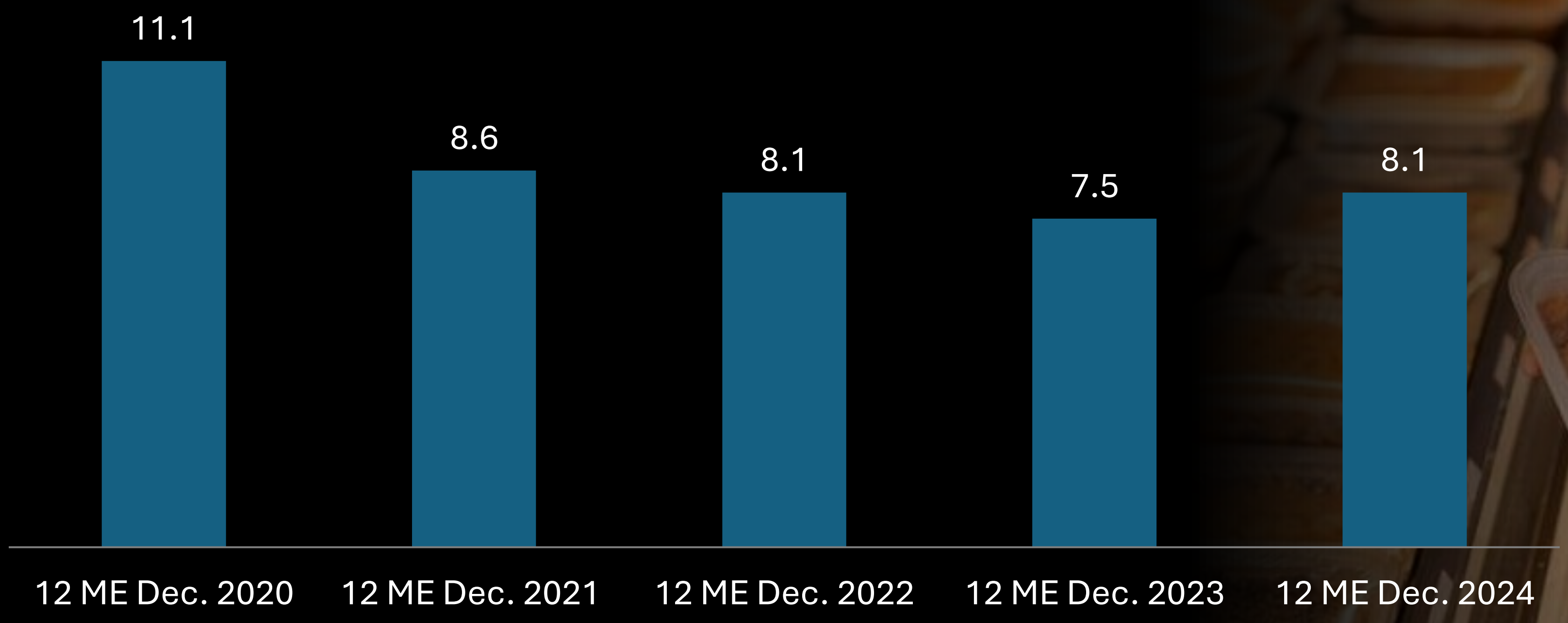
And they rely more on prepared foods at retail at dinner

Retail Fresh/Deli Prepared % of Dinner Occasion



Source: Circana, National Eating Trends®.

Special Occasion

Everyday Special Occasions

At **5%** of occasions **something out of the ordinary is happening**

We're hosting guests in our homes

Celebrating a special life moment or a holiday

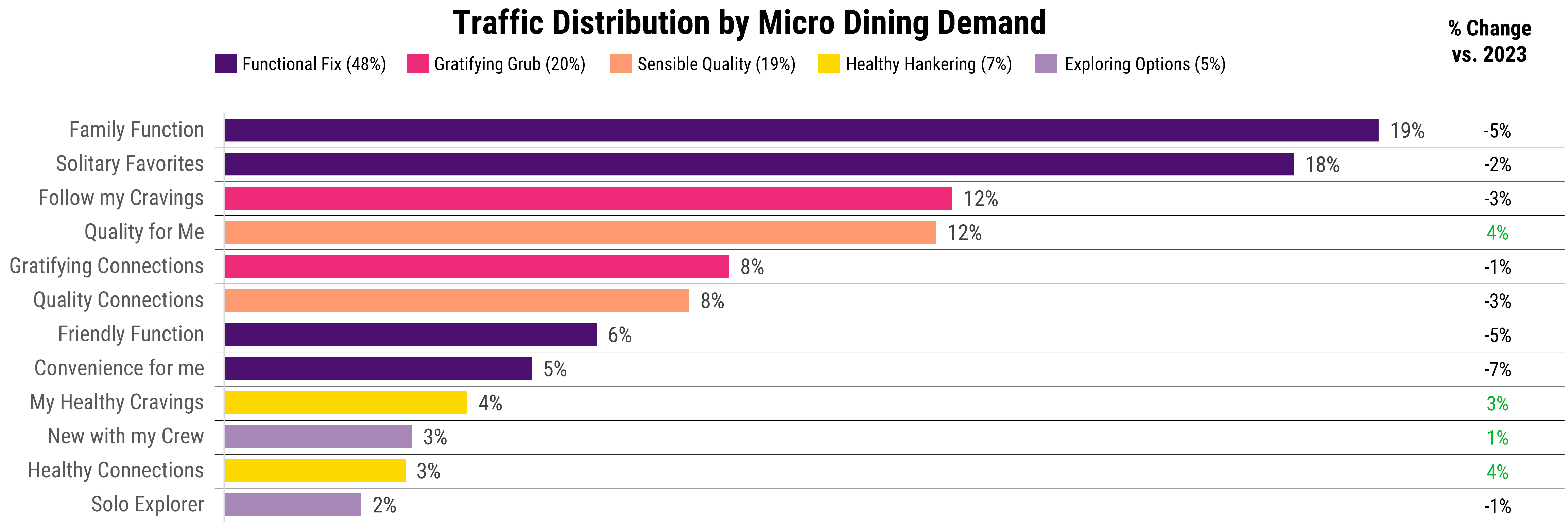
Having a special meal "just because"

Source: Circana, National Eating Trends®, year ending Dec. 2024

All special occasions sourced both in and away from home.

Quality, health, and exploration over cost

Nearly one in five restaurant visits is a "family function" occasion; however, traffic growth came from functions focused on solo quality and health.

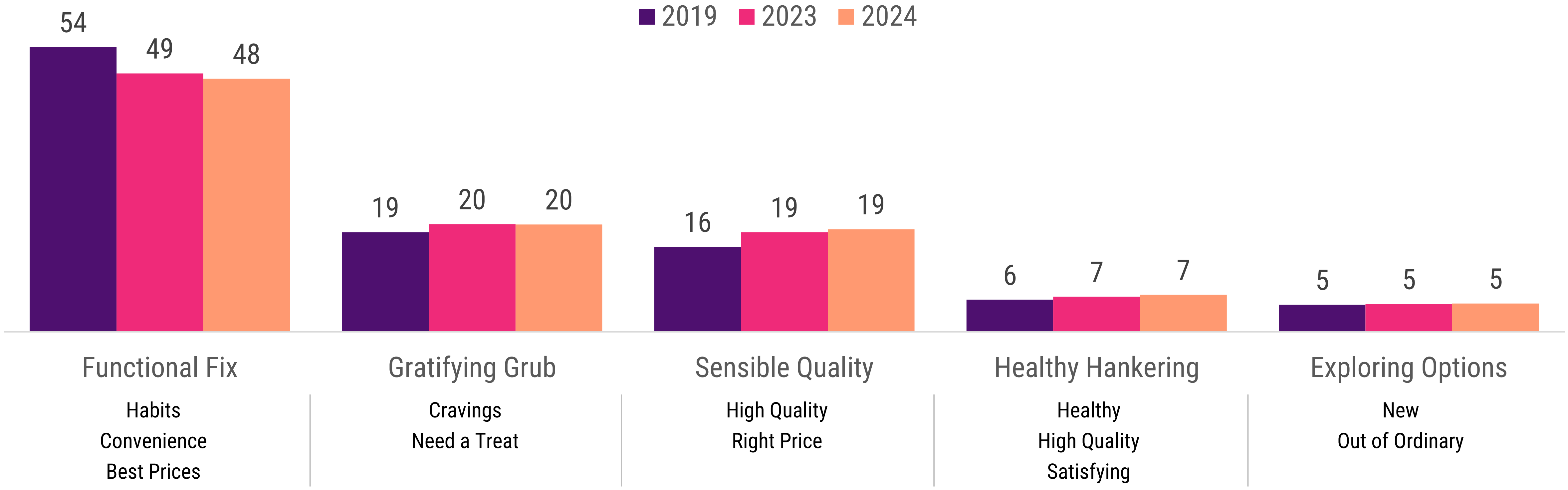


Excludes beverage only
Source: Circana, CREST®, Dining Demands, commercial foodservice, 12ME December 2024

Consumers increase focus on quality and health

Functional fix, the largest dining demand, declined again in 2024, as consumers shift their attention to quality, health, and trying new menu items.

Traffic Distribution by Macro Dining Demand



Excludes beverage only
Source: Circana, CREST®, Dining Demands, commercial foodservice, 12ME December

Do you have your fair share?

There are 32B special occasions annually

25B source foods/ beverages from retail

Consumers spend 1.6X more per occasion

These are Primarily Everyday Occasions

Share of Special Occasions

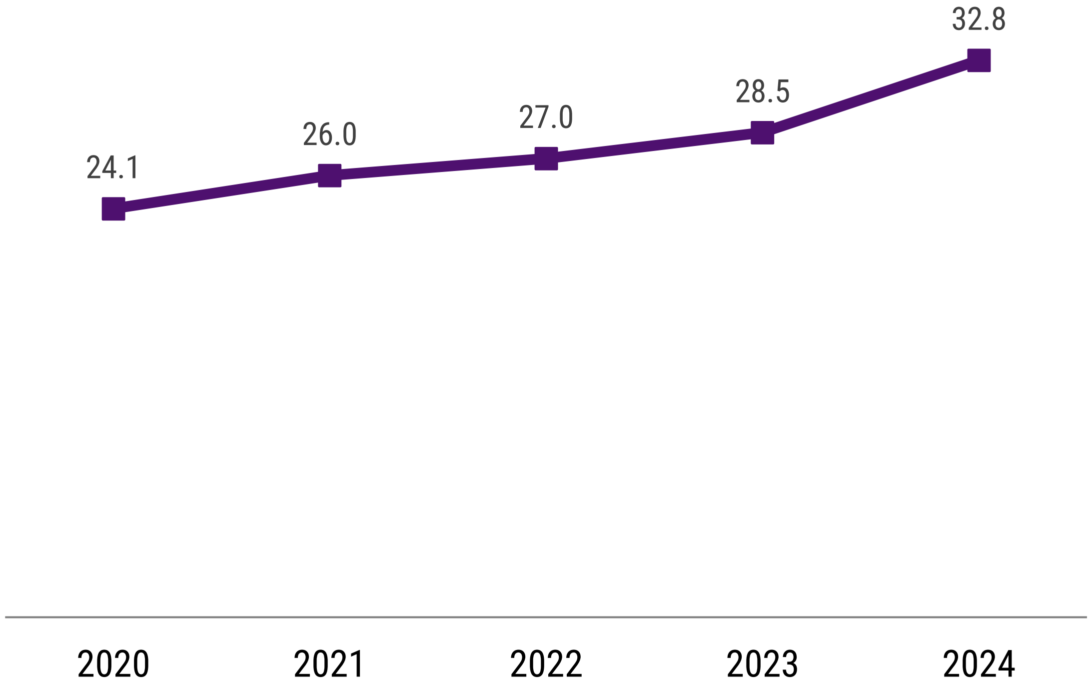
Source: Circana, Purchase to Consumption, 6 ME Dec. 2024 and National Eating Trends®, year ending Dec. 2024

All special occasions sourced both in and away from home

Special occasions count individual eaters and drinkers at those occasions

Special occasions are a growing behavior

In & Away from Home Special Occasions
Projected Annual Occasions (Billions)



+15 vs. YA

+36% vs. 2020

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Source: Circana, National Eating Trends®, years ending Dec.
All special occasions sourced both in and away from home

Donuts and cookies are among the top sweet snack across generations

Chewy candy and fruit snacks are more popular among the younger generations

In Top 5 Sweet Snack Foods by Generation

Total Individuals	Gen Alpha	Gen Z	Millennials	Gen X	Boomers
Chocolate Candy	Chocolate Candy	Chocolate Candy	Chocolate Candy	Chocolate Candy	Chocolate Candy
Cookies	**Cookies**	**Cookies**	**Cookies**	**Cookies**	**Cookies**
Donuts	Chewy Candy	Chewy Candy	**Donuts**	**Donuts**	**Donuts**
Etc…	Etc…	Etc…	Etc…	Etc…	Etc…

Bold Indicates Overdeveloped vs. Total Individuals
Source: Circana, SnackTrack®, YE December 2024

consumers are

3X

more likely to choose foods and beverages because they wanted to try something new / different while at a special occasion

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OPPORTUNITY

normal habits are being disrupted – consumers are open to new solutions

Source: Circana, National Eating Trends®, year ending Dec. 2024
All special occasions sourced both in and away from home

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Food and beverage choices reflect a desire to have something outside of the normal

More Likely to Serve / Have at Home Special Occasions

Main Dish / Entrée Oriented

- Red Meat
- Pork
- Poultry
- Combination Dishes
- Pancakes, Waffles, French Toast

Side Dish Oriented

- Potatoes
- Dips & Salsa
- Stuffing
- Vegetables & Legumes
- Salted Snacks

Dessert Oriented

- Cakes, Cupcakes
- Pies & Tarts
- Ice Cream & Frozen Desserts
- Candy
- Cookies & Brownies
- Coffee Cake & Quick Bread

Source: Circana, National Eating Trends®, year ending Nov. 2024,
Special occasions consumed in the home, sourced from home/retail, all uses List based on special occasion indexed to total: % of occasions; indices 120+ considered high development.
** = excludes water*

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Strategies for growth

01 Recognize new emerging moments for consumption throughout the day

02 Reimagine category usage occasions beyond traditional day parts

03 Rethink foods and meal composition around the “3 Ps”

- Portion sizes
- Portability
- Price points

Thank you!

Interested in insights from this session?

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