



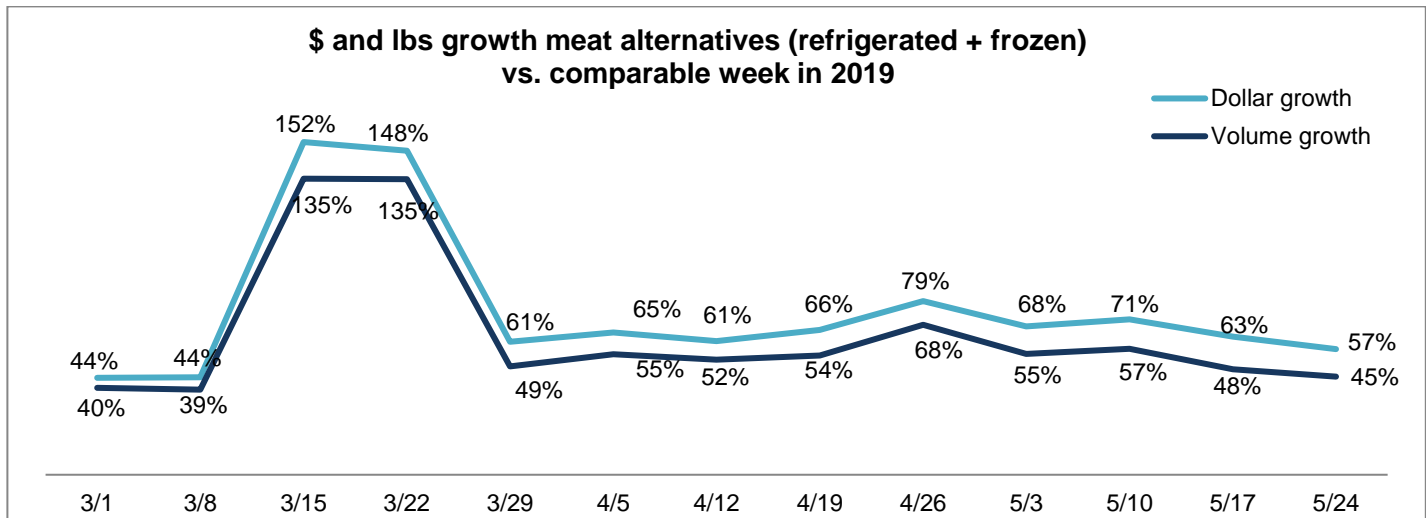
Refrigerated Plant-Based Meat Alternatives Outpaced Their Frozen Counterparts

By: Anne-Marie Roerink, President, 210 Analytics

Plant-based meat alternatives, both refrigerated and frozen, have experienced robust growth throughout the pandemic. At the same time, it is important to keep in mind that both dollar and volume sales are a fraction of total frozen and fresh meat sales. Growth rates are truly just one part of a bigger story in the red-hot protein market during this unprecedented time. 210 Analytics and IRI partnered to understand the total effect for frozen and fresh meat alternatives in dollars and volume since the onset of COVID-19 related grocery shopping patterns in early March.

Plant-Based Meat Alternatives Dollar and Volume Sales Growth

Meat alternative (fresh plus frozen) sales have seen tremendous gains throughout since early March when coronavirus upended many grocery shopping patterns. Dollar and volume sales gains versus the same week in 2019 have been in the double-digits for 13 weeks running. Year-over-year sales gains peaked during the first of the two panic buying weeks with an increase of 152% versus the same week in 2019. Since, there have been small fluctuations, but sales gains tapering off since the middle of May. Volume sales have had a strong performance as well with gains peaking during the panic-buying weeks, at +135% versus the same week in 2019. Volume sales gains have trailed dollar gains since the onset of COVID-19. The gap was at its widest during the week ending May 17, at 15 percentage points and narrowed slightly Memorial Day week, at 13 points — signaling continued inflationary pressure.

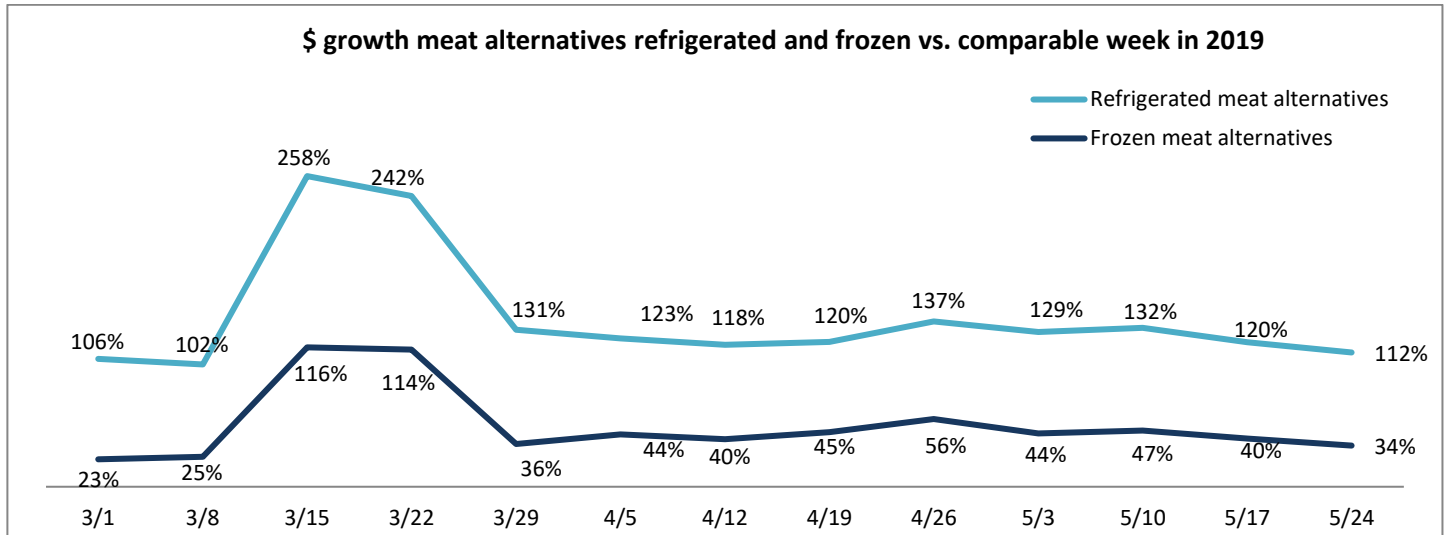


Source: IRI, MULO, 1 week % growth versus year ago

Frozen versus Refrigerated Plant-Based Meat Alternatives

Frozen plant-based meat alternatives represent the majority share of total sales. During the week ending May 24, frozen plant-based meat alternatives generated just shy of \$15 million in sales versus just over \$10 million for refrigerated plant-based meat alternatives. For comparative purposes, meat generated more than \$1.5 billion in sales this same week. To provide a frame of reference, refrigerated plant-based meat alternative sales are virtually equal to those of fresh lamb, each generating just over \$10 million in sales during the week of May 24.

Throughout the pandemic, refrigerated plant-based meat alternatives have consistently outpaced their frozen counterparts in dollar and volume growth. Refrigerated alternatives reached a high of +258% during the first of the two panic-buying weeks and gains have since averaged around +120% versus the same week year ago, with a slight drop during the most recent week. However, even pre-Pandemic in March, refrigerated meat alternatives were also posting triple-digit year-over-year increases.



Source: IRI, MULO, 1 week % growth versus year ago

Converting dollars to shares, 63.3% of plant-based meat alternative sales was generated by the frozen items, with the remaining 36.7% generated by refrigerated items, typically merchandised in or around the fresh meat case. Given the slightly higher growth rate throughout the pandemic, refrigerated plant-based meat alternatives gained several percentage points in share, reaching 40.3% in the most recent week.

\$ share	3/1	3/8	3/15	3/22	3/29	4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24
Frozen meat alternatives	63.3%	64.7%	64.1%	63.5%	62.0%	63.8%	63.2%	63.3%	62.7%	62.3%	61.6%	61.3%	59.7%
Refrigerated meat alternatives	36.7%	35.3%	35.9%	36.5%	38.0%	36.2%	36.8%	36.7%	37.3%	37.7%	38.4%	38.7%	40.3%

Source: IRI, MULO, share of frozen versus refrigerated plant-based meat alternatives as a percentage of the total

The volume share of frozen plant-based meat alternatives is slightly higher than their dollar share, given that frozen alternatives are typically sold at slightly lower price points than their refrigerated counterparts, at \$6.54 per pound versus \$7.89 per pound during the week of May 24. Compared to the same week in 2019, this reflects an increase of 6.5% for frozen plant-based meat alternatives and 7.0% for refrigerated items.

\$ share	3/1	3/8	3/15	3/22	3/29	4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24
Frozen meat alternatives	67.3%	69.0%	68.7%	67.7%	66.2%	68.1%	67.9%	67.6%	67.3%	67.0%	66.8%	66.2%	64.1%
Refrigerated meat alternatives	32.7%	31.0%	31.3%	32.3%	33.8%	31.9%	32.1%	32.4%	32.7%	33.0%	33.2%	33.8%	35.9%

Source: IRI, MULO, share of frozen versus refrigerated plant-based meat alternatives as a percentage of the total

Meat Versus Meat Alternative Sales Throughout the Pandemic

Despite robust sales gains each week, refrigerated meat alternative dollar sales are a fraction of meat department sales.

This means percentage gains are based on very different sales numbers and reflect

very different absolute dollar gains. For instance, during the month of March, that includes the two big panic-buying weeks, meat sales totaled \$6.6 billion versus \$112 million for plant-based meat alternatives.

\$ sales	March 2020	April 2020	May through 4/25
Meat department	\$6.638 billion	\$6.239 billion	\$6.226 billion
Refrigerated plant-based meat alternatives	\$112.4 million	\$98.7 million	\$98.9 million

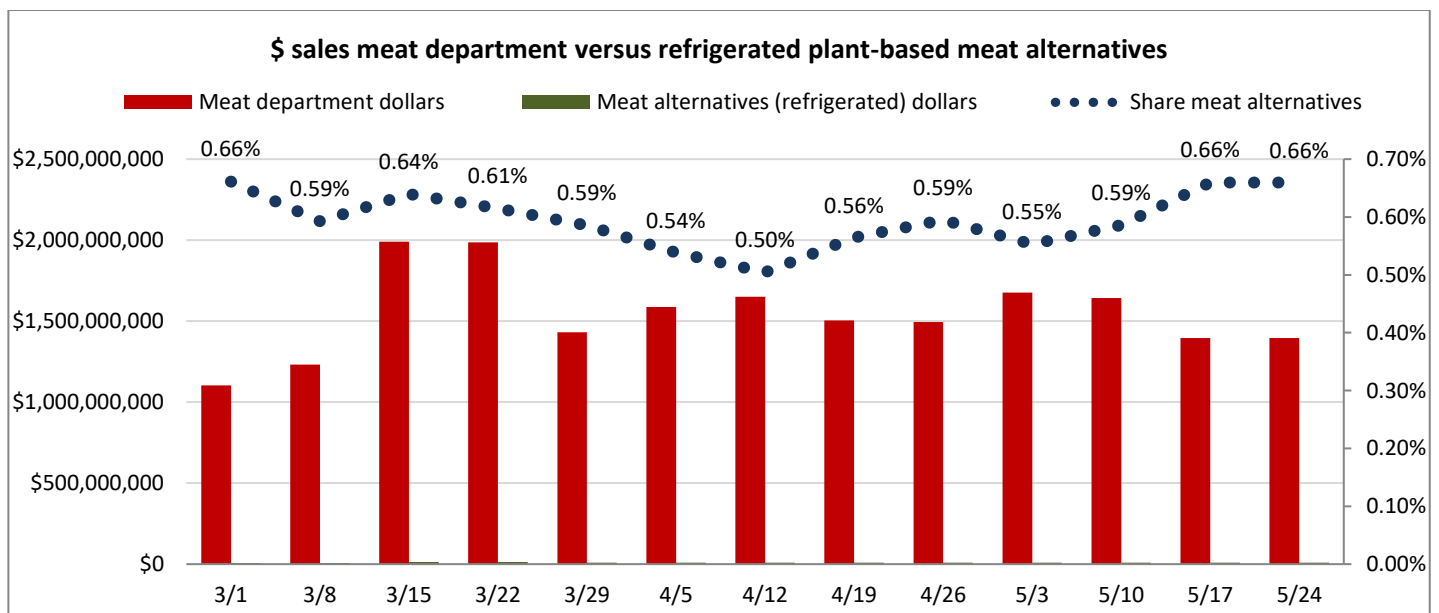


Since the onset of the pandemic-related changes in grocery patterns, the meat department has generated an additional \$5.7 billion in sales, versus an additional \$66.6 million for refrigerated plant-based meat alternatives. In volume, an additional 1.2 billion pounds of meat and poultry was sold between March 8 and May 24 versus 7.8 million pounds of refrigerated plant based meat alternatives.

Pandemic period (March 8-May 24)	Dollar growth %	Absolute dollar gains	Volume growth %	Absolute lbs gains
Meat department	+42.2%	\$5.7 billion	+31.3%	1.2 billion
Refrigerated plant-based meat alternatives	+141.6%	\$66.6 million	+118.6%	7.8 million

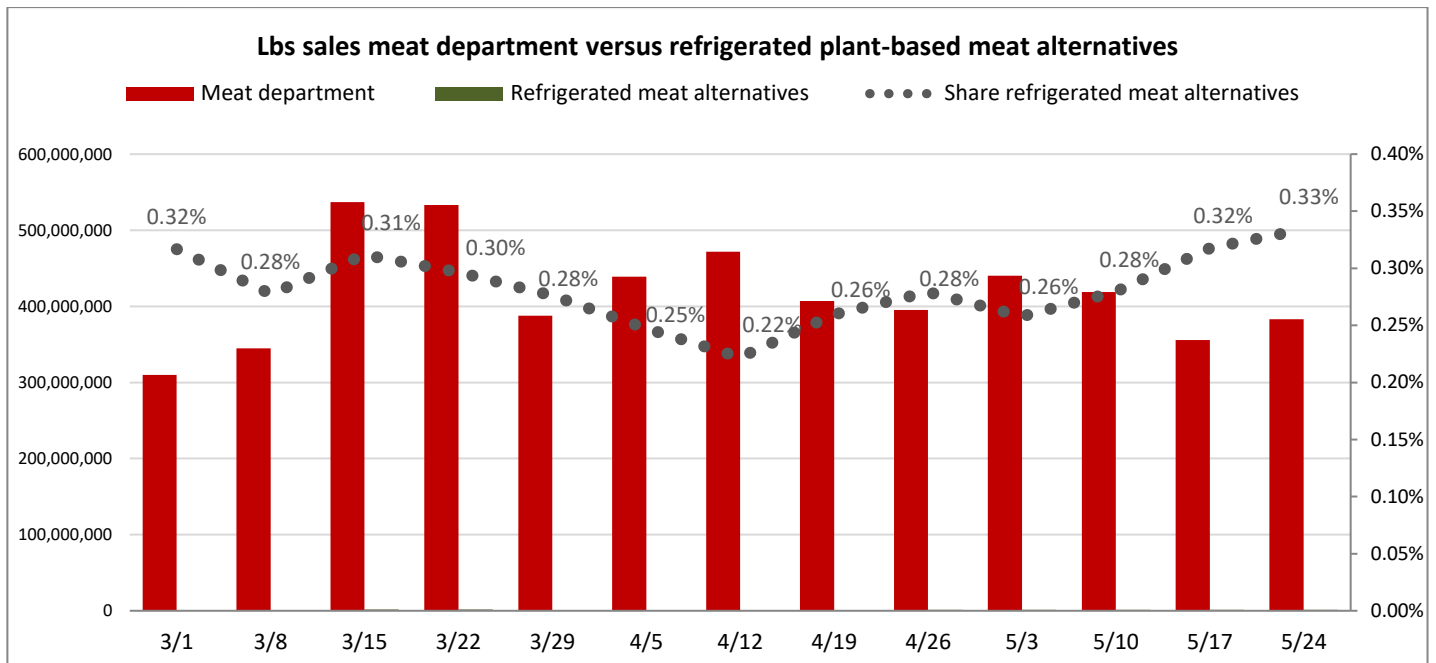
Source: IRI, MULO, dollar and pound growth March 8 through May 24, 2020 versus the comparable period in 2019

Because of these absolute dollar gain differences, the share of refrigerated plant-based meat alternatives actually dipped throughout the pandemic. As a percentage of the total (meat department sales plus refrigerated plant-based meat alternative sales), the share for plant-based alternatives stood at 0.66% during the week ending March 1. The share for plant-based meat alternatives has since dropped to a low of 0.50% during the week of April 12. As a tight meat supply pulled down meat dollar gains in the most recent two weeks, the share for refrigerated plant-based meat alternatives climbed back up to its pre-pandemic percentage of 0.66%.



Source: IRI, MULO, 1 week \$ sales and market share

The volume share for meat alternatives shows a similar pattern. During the week of March 1, the share of refrigerated plant-based meat alternatives to the total pounds sold for meat plus alternatives stood at 0.32%. Despite percentage gains being much higher for refrigerated plant-based alternatives, the absolute gains in pounds for meat versus meat alternatives caused the share to drop throughout the pandemic, to as low as 0.22% during the week of April 12. In the two most recent weeks, when tight meat supply prompted much lower pound gains for meat than seen in prior weeks, the share of refrigerated plant-based alternatives gained, ending at 0.33% in the most recent week.



Source: IRI, MULO, 1 week lbs sales and lbs share

Assortment

The tightness in the meat supply has caused a drop in the average number of items carried per store. Memorial Day week, the average number of items per store selling were down to 299 —48 fewer items than the same week in 2019. Refrigerated plant-based meat alternative assortment has stayed very stable throughout the pandemic.

During the first week of March, refrigerated plant-based meat alternatives represented 0.66% of total dollar sales, 0.32% of volume sales, and 4.2% of total items in the refrigerated case. During the week ending May 24, plant-based alternatives represented 5.1% of the total number of items, while representing 0.66% of sales. The share increased due to the drop in the average number of meat items per store while meat alternatives have remained constant, even gaining one item in recent weeks. While supply troubles and assortment consolidation has rocked the fresh meat department, refrigerated meat alternatives have remained consistent in distribution.

	Average items per store selling by week ending												
	3/1	3/8	3/15	3/22	3/29	4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24
Refr. meat alternatives	14	15	17	16	15	15	15	15	15	15	15	15	16
Meat	335	334	353	330	308	318	318	314	310	309	302	296	299
Alternatives share	4.0%	4.3%	4.6%	4.6%	4.6%	4.5%	4.5%	4.6%	4.6%	4.6%	4.7%	4.8%	5.1%

Source: IRI, Total US, MULO, average weekly items per store selling

What's next?

These past 13 weeks have shown tremendous strength for plant-based meat alternative sales, even if its overall share versus meat dropped slightly. The coming weeks are critical in the process of establishing what the next several months will look like. Nearly all U.S. states have started to partially re-open or have plans to do so. As states begin to enter their various re-opening phases, the economic and social readiness of consumers to re-engage with foodservice will become clearer. For the foreseeable future, it is likely that grocery retailing will continue to capture an above-average share of the food dollar.

Please recognize the continued dedication of the entire grocery supply chain.