

2024 Q4 Fresh & Protein Overview

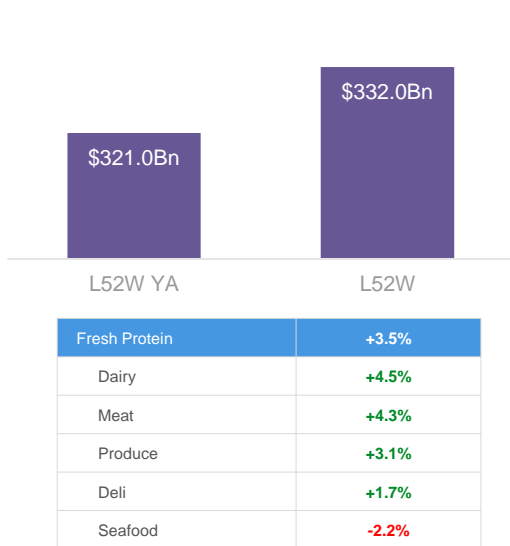


“As Fresh & Protein sales continue to climb, driven by consumer demand for balanced nutrition, manufacturers must strategically maximize availability in high-growth channels and prioritize impactful innovations to stay ahead in 2025. Despite potential market disruptions this year, this sector is poised for growth, but manufacturers need to balance their prices with the value they offer in order to win.”

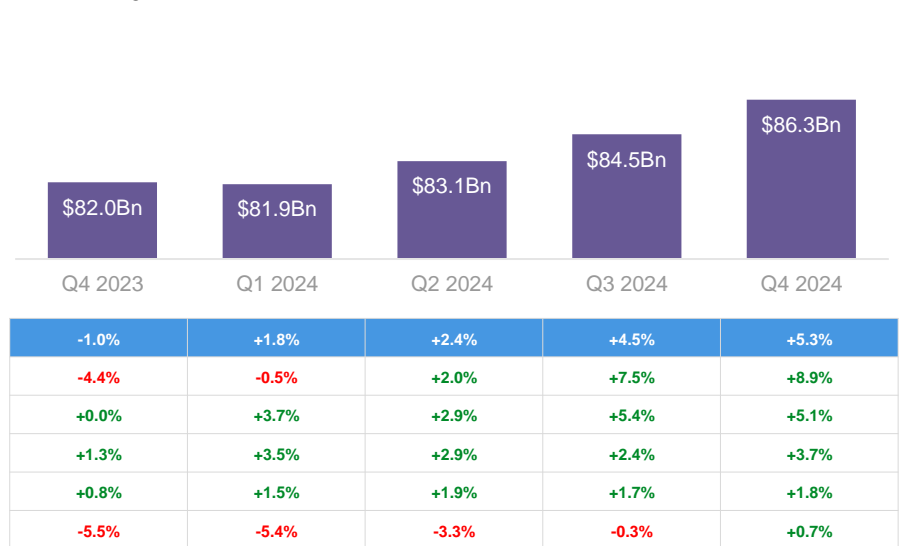
- Chris Costagli, VP – Food Insights Lead, NIQ

Fresh & Protein Sales Performance

52 Week Dollar Sales Trend



Quarterly Dollar Sales Trend

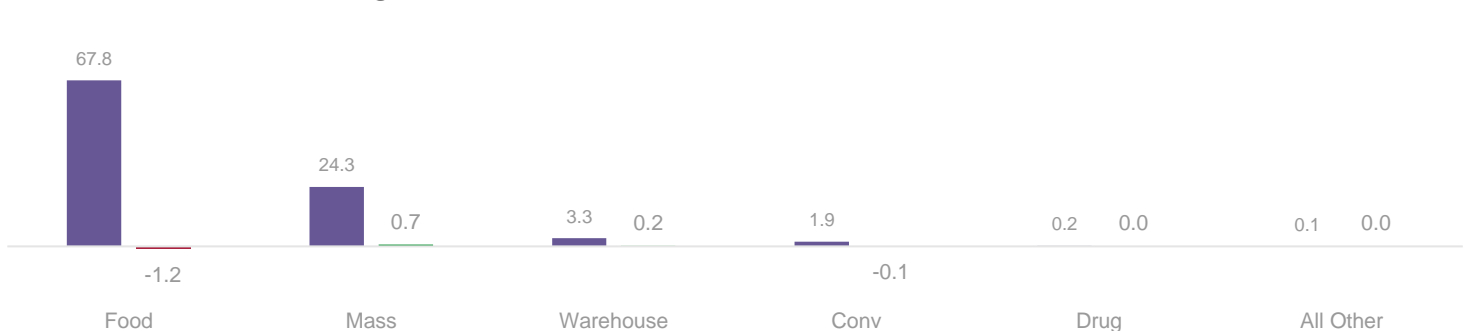


Source: NIQ Retail Measurement, Total Full View, Meat, Frozen Fresh Meat, Seafood, Deli, Dairy, Produce, data through w.e 12/28/24

Key Takeaway: Fresh and Protein sales are rising due to both price increases and higher unit demand. Shoppers are seeking nutritious foods that support balanced diets. Interest in fresh foods is strong, and we expect this growth to continue through 2025. High-fiber and high-protein products are particularly popular, especially among those taking GLP-1 medications for weight loss. As more shoppers use these medications, the demand for fiber, protein, and balanced nutrition will grow.

Fresh & Protein Channel Share

Q4 Dollar Sales Share & Change



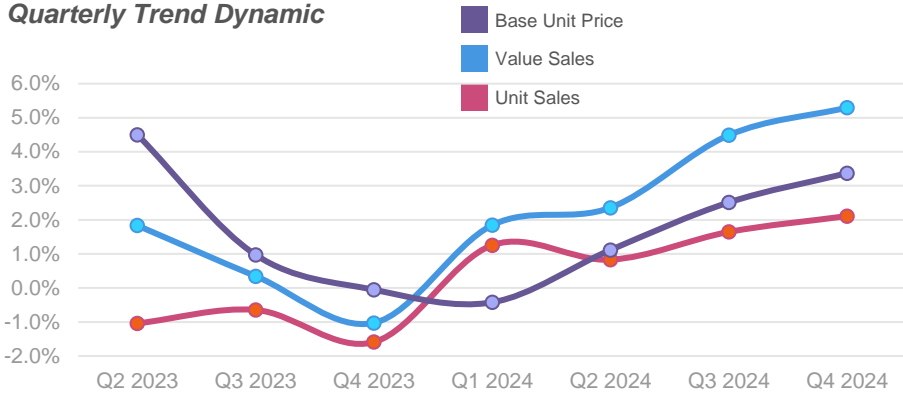
Source: NIQ Retail Measurement, Total Full View, Frozen Fresh Meat, Seafood, Deli, Dairy, Produce, data through w.e 12/28/24

Key Takeaway: With rising prices of Fresh Protein consumers continue to look for opportunities to save, as the Food channel has lost more than a point of share. Manufacturers should maximize availability in the growing Mass and Club channels while finding opportunities to discount Food channel offerings or promote the added value of premium products.

2024 Q4 Fresh & Protein Overview

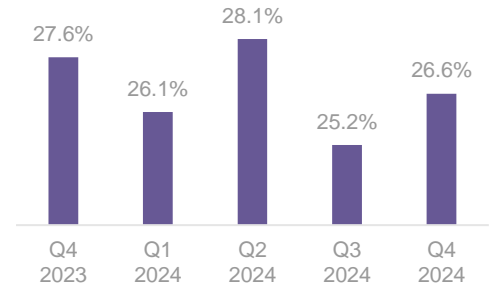
Fresh & Protein Omnichannel Sales Vs. Pricing & Promo Dynamics

Quarterly Trend Dynamic



Source: NIQ Retail Measurement, Total Full View, Meat, Frozen Fresh Meat, Seafood, Deli, Dairy, Produce, data through w.e 12/28/24

Dollar Sales On Promotion

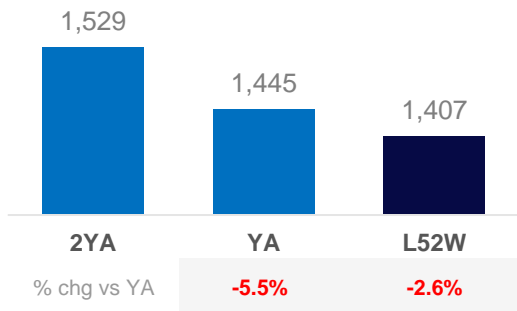


Fact: % \$ Any Price Decrease

Key Takeaway: Since early 2023, Fresh and Protein saw its lowest price growth in Q1 2024, but prices have risen steadily since. By the end of Q4 2024, price growth nearly matched early 2023 levels. Despite higher prices, consumer demand remains strong and growing, with positive unit sales growth throughout 2024. We expect prices to rise further in 2025 due to increased input costs, avian flu, and potential tariffs. Strong consumer demand for nutritious food offers opportunities for manufacturers to support shoppers with nutrition, fiber, and protein.

Innovation

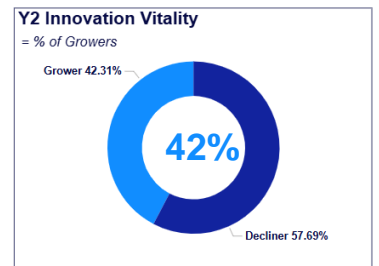
Private Label SKUs YoY



Category Snapshot

| | |
|-------------------------|-----------------|
| Innovation Sales | +9.4% |
| Innovation Contribution | 3.1% (+0.2 pts) |
| Innovation Items | -5.9% |

Category 2-Year Innovation Vitality



42% of SKUs in the category are growing in Y2 vs Y1, outperforming the total US (37%).

Key Takeaway: Innovation driving growth of Fresh Protein as innovation growth (9.4%) outpaces category growth, despite a 5.9% decline in the quantity of innovations. Fresh Protein manufacturers prioritize quality innovation over quantity of innovation. 42% of innovation SKUs in the Fresh Protein show growth in their second year versus the first, outperforming the total US CPG average of 37%. This indicates that innovation items are more likely to drive growth within this category than broader CPG.

Fresh & Protein In The News

As bird flu spreads it is causing havoc on the industry and driving egg prices up for consumers across the country. [Read more here](#)

Plant-based meat is facing pushback after a recent study in the U.K. linked it with higher risk of depression. [Read more here](#)

Raw milk has made headlines in the U.S. as some calling out the health benefits of unpasteurized milk, but the FDA says it can pose a serious health risk. [Read more here](#)

Potential SNAP benefit cuts in 2025 may impact shoppers' ability to fresh produce as part of a balanced meal. [Read more here](#)

Key Takeaway: The Fresh and Protein Industry is currently navigating several challenges. The avian flu has significantly impacted chicken populations, leading to an egg shortage and soaring prices. Additionally, there is ongoing debate about the health benefits and risks of raw milk and plant-based meat alternatives. These issues are compounded by uncertainties with the new U.S. Administration, particularly regarding SNAP benefits. The key takeaway for manufacturers is to remain agile and ready to adapt as the industry continues to evolve.

2023 Q4 Fresh & Protein Overview

Fresh & Protein Winners & Losers

Quarterly Value Sales Change

| Value Sales Growth | | Value Sales Decline | |
|--------------------|------|---------------------|------|
| Chicken Eggs | +58% | Bulk Lunchmeat | -10% |
| Avocados | +18% | Turkey | -4% |
| Greek Yogurt | +15% | Potatoes | -3% |
| Blueberries | +15% | Grapes | -2% |
| Strawberries | +12% | Salads | -2% |

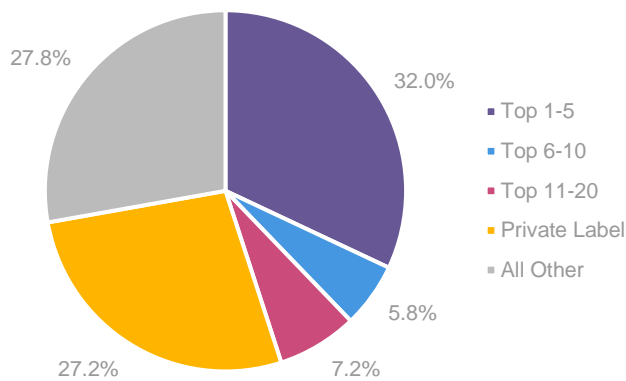


Key Takeaway: The avian flu led to a 58% growth in chicken egg dollar sales in Q4 2024 due to an egg shortage driving up prices. Other successful categories like avocados, Greek yogurt, and berries highlight a focus on gut health, while bulk lunchmeat declines as consumers avoid ultra-processed foods. We expect disruptions from potential tariffs on products from Mexico or Canada in the coming months.

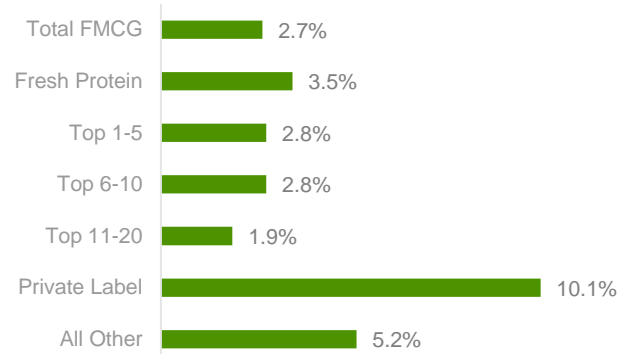
Source: NIQ Retail Measurement, Total Full View, Meat, Seafood, Deli, Frozen Fresh Meat (Protein Type); Dairy, Produce (Super Category) data through w.e 12/28/24

Fresh & Protein Manufacturer Performance

Quarterly Share Of Value Sales



Quarterly Value Sales Change



Source: NIQ Retail Measurement, Total Full View, Meat, Frozen Fresh Meat, Seafood, Deli, Dairy, Produce, Frozen (Manufacturer) data through w.e 12/28/24



Key Takeaway: Recent growth in Fresh and Protein was driven by both price increases and unit growth. Private Label emerged as the standout performer in Q4 2024, achieving a 10% increase in dollar sales. Looking ahead to 2025, we expect consumers to prioritize value. Products that meet expectations for benefits, transparency, and sustainability at a fair price will be the winners. While brand name and reputation are important, shoppers need to see alignment between price and benefits. The focus for 2025 should be on highlighting the overall value of the brand.

Fresh & Protein sales are booming due to price increases and higher unit demand. Consumers are increasingly seeking nutritious foods that support balanced diets, with a focus on fiber and protein. This is especially true among those taking GLP-1 medications, driving further demand for nutrient-rich options.

In 2025, we anticipate continued growth in Fresh & Protein sales, fueled by strong consumer demand for nutritious foods. Despite rising prices and potential market disruptions from tariffs and avian flu, the desire for balanced nutrition will remain a key driver. Manufacturers must be prepared to navigate these challenges while capitalizing on the growing interest in health-focused products.

Manufacturers should strategically increase presence in the Mass and Club channels to capture shifting consumer demand. This involves optimizing distribution networks, ensuring product availability, and tailoring offerings to meet the preferences of shoppers in these channels.

Prioritize quality innovation over quantity to drive growth. This means investing in R&D to create products that meet evolving consumer needs and performance expectations.

Emphasize the overall value and benefits of products to align with consumer expectations for transparency, sustainability, and health benefits. This involves clear labeling, marketing campaigns, and educating consumers about the advantages of their products.



Manufacturers Should Be Asking...

- 1 Is our Mass and Club assortment strategy meeting the specific needs and preferences of shoppers in these channels?
- 2 Are there untapped innovation opportunities that we can leverage to support the evolving needs of health-conscious consumers?
- 3 How can we strengthen the communication of our product total value while balancing price increases?