

August 2022 Price Check

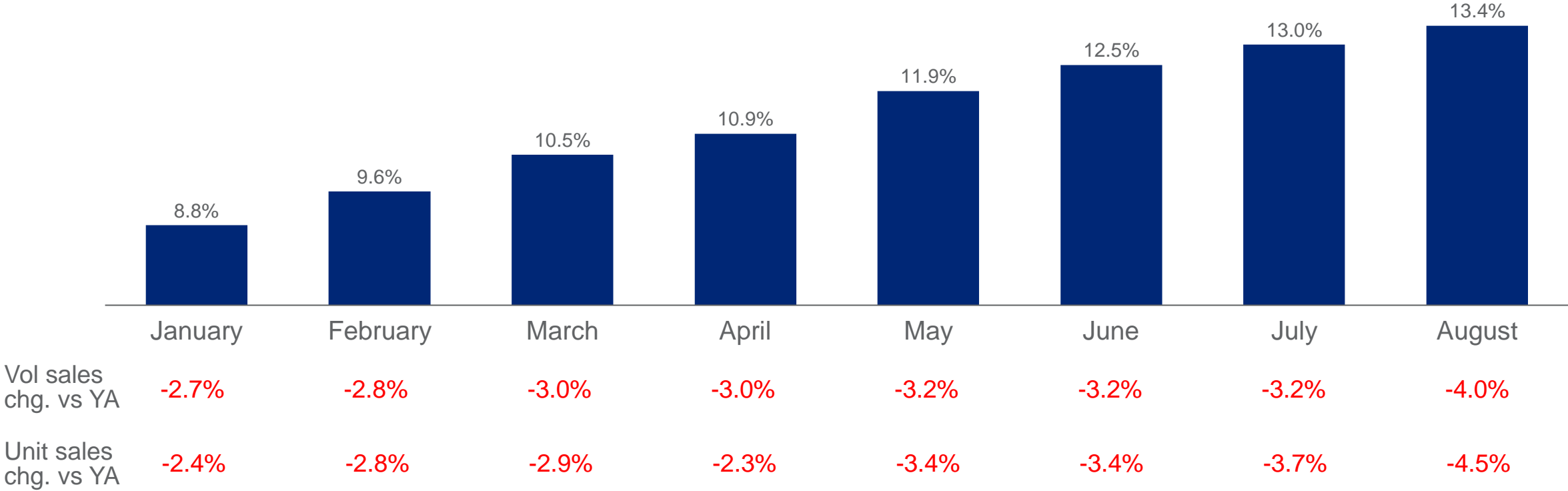
# Tracking Retail Food and Beverage Inflation

September 12, 2022



# At-home food and beverage prices have risen every month in 2022, with August seeing prices up 13.4% versus the same month a year ago

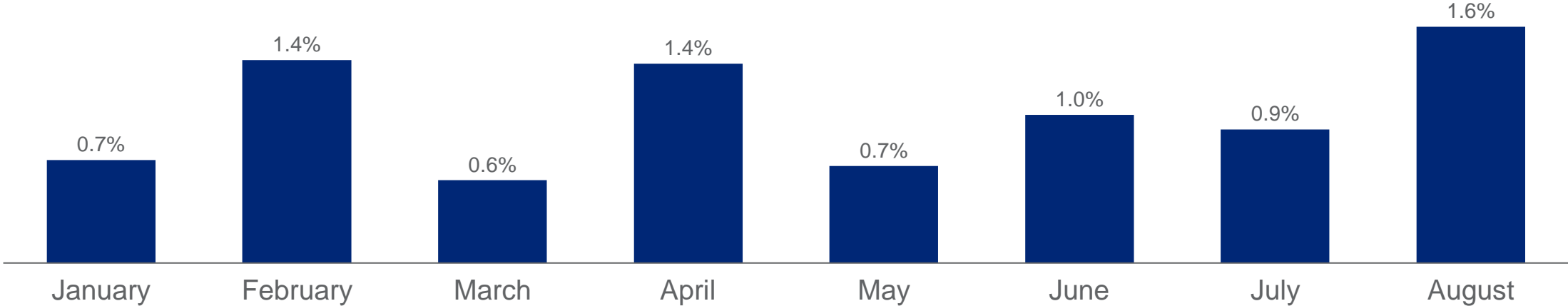
2022 F&B (Including Fresh) Price Inflation by Month, % Change vs. Year Ago / MULOC



Note: Dollar-weighted price change across categories (excludes any mix effects and based on releasable UPCs. Source: IRI MULOC POS data ending 8/28/22. IRI Client Engagement

# At 1.6%, August saw the highest month-over-month price increase so far in 2022

2022 F&B (Including Fresh) Price Inflation by Month, % Change vs. Prior Month / MULOC



Note: Dollar-weighted price change across categories (excludes any mix effects and based on releasable UPCs. Source: IRI MULOC POS data ending 8/28/22. IRI Client Engagement

# There's been limited relief from inflation as prices continue to rise across all but a handful of categories

Large Retail Food & Beverage Categories Where August Prices are Up or Down the Most in August 2022 vs. July 2022

August price up the most vs. July		
Category	August price chg. vs July	August Price chg. vs YA
Carbonated Beverages	5.3%	15.0%
Fresh Common Fruit	5.3%	8.3%
Ice Cream / Sherbet	3.7%	14.1%
Fresh Vegetables	3.4%	17.1%
Beef	3.3%	1.5%
Butter & Margarine	3.2%	30.0%

August down or close to flat vs. July		
Category	August price chg. vs July	August Price chg. vs YA
Tropical Fruit	-4.4%	16.6%
Citrus Fruit	-2.6%	12.3%
Frozen Breakfast Food	-0.5%	13.1%
Frozen Dinners & Entrees	0.0%	20.7%
Frozen Pizza	0.0%	17.7%
Coffee	0.3%	18.6%



Note: Excludes any mix effects; Based on releasable UPCs. Source: IRI MULOC POS data ending 8/28/22. IRI Client Engagement

# In response to food inflation, volume is declining across most categories

Large Retail Food & Beverage Categories Where Volume is Up or Down the Most in August 2022 vs. Year Ago

Categories Seeing Large Volume Declines in August		
Category	August Vol. chg. vs YA	August Price chg. vs YA
Frozen Dinners/Entrées	-11.1%	+20.7%
Cookies (center store)	-8.9%	+18.0%
Refrigerated Juices/Drinks	-8.0%	+7.1%
Coffee	-6.0%	+17.7%
Breakfast Sausage	-4.5%	+6.3%

Categories Seeing Less Volume Declines in August		
Category	August Vol. chg. vs YA	August Price chg. vs YA
Energy Drinks	+5.0%	+4.0%
Sports Drinks	-1.3%	+9.6%
Cold Cereal	-1.7%	+15.8%
Non-chocolate Candy	-1.7%	+14.1%
Salty Snacks	-1.9%	+20.2%



Note: Excludes any mix effects; Based on releasable UPCs. Source: IRI MULOC POS data ending 8/28/22. IRI Client Engagement

# Low-Income households, which drove a greater percentage of retail food and beverage growth in 2021, are pulling back on purchases as inflation increases

Income Cohort Contribution to Retail F&B (Including Fresh) Dollar Growth

Greater than Fair Share    Less than Fair Share

	% of F&B Sales, L26W	2020			2021			L26W 2022		
		\$ % Cont. to Growth	Fair Share Index	\$ % Change vs. YA	\$ % Cont. to Growth	Fair Share Index	\$ % Change vs. YA	\$ % Cont. to Growth	Fair Share Index	\$ % Change vs. YA
<b>LOW</b>	24%	22	89	12%	55	232	8%	25	103	8%
<b>MIDDLE</b>	38%	35	95	12%	29	76	2%	44	114	9%
<b>HIGH</b>	38%	43	112	15%	16	42	1%	31	83	7%
<b>TOTAL</b>	100%	100	-	13%	100	-	3%	100	-	8%

Stores in **low-income** areas see greater deceleration than stores in higher income areas in **fresh seafood, pricier meat and snacks**, and the strongest trends in **fresh produce, dairy, shelf-stable ingredients and alcohol**.



Note: Income cohorts defined by household income per capita: Low (<\$30k 1P + \$5k per additional person), Middle (\$30-70k 1P + \$5k per additional person), High (>=\$70k 1P + \$30k all others)  
Source: IRI consumer panel, data ending 8/7/22. All retail outlets.

# Low-income shoppers are disproportionately trading out more in indulgence and splurge categories

Large Retail F&B Categories Where Low-Income Shoppers Are Trading Out More than All Shoppers, 12 Weeks Ending 8/7/22

Category	L12 wks Volume Sales Change vs YA	
	Low-Income Stores	Differential vs All Stores (ppts)
<b>Total Edible</b>	<b>-3.4%</b>	<b>-0.7</b>
Non-Chocolate Candy	-8.2%	-3.4
Energy Drinks	5.4%	-2.3
Chocolate Candy	-8.2%	-2.2
Salty Snacks	-4.3%	-1.8
Seafood - Frozen	-14.7%	-1.8
Sports Drinks	0.7%	-1.5
Carbonated Beverages	-3.7%	-1.2
Novelties – Frozen	-2.0%	-1.2
Snack Bars/Granola Bars/Clusters	-6.4%	-1.2
Bottled Juices – shelf stable	-5.6%	-1.2

# Pockets of premiumization remain as consumers splurge occasionally

Large retail F&B categories where premium brands are gaining volume share of the category, 12 weeks ending 8/7/22

▲ Acceleration in Trends vs. P12W YA Rate ▼ Deceleration in Trends vs. P12W YA Rate

Consumers Trading Up (Premium Brands Gaining Volume Share)			
Category	L12 wks Vol. Share	Chg vs. YA (ppts)	Trend
Nut Butter	13.2%	2.7	▲
Butter & Blends	15.9%	2.4	▼
Sports Drinks	12.0%	2.3	▼
Spaghetti & Italian Sauce	14.4%	1.8	▼
Fresh Eggs	17.1%	1.8	▼
Canned & Bottled Fruit	18.5%	1.7	▼
Frozen Entrées	18.1%	1.6	▼
Snack Nuts & Seeds	28.5%	1.4	▼
Bakery Snacks	16.4%	1.2	▼
Pasta	11.8%	1.1	▼

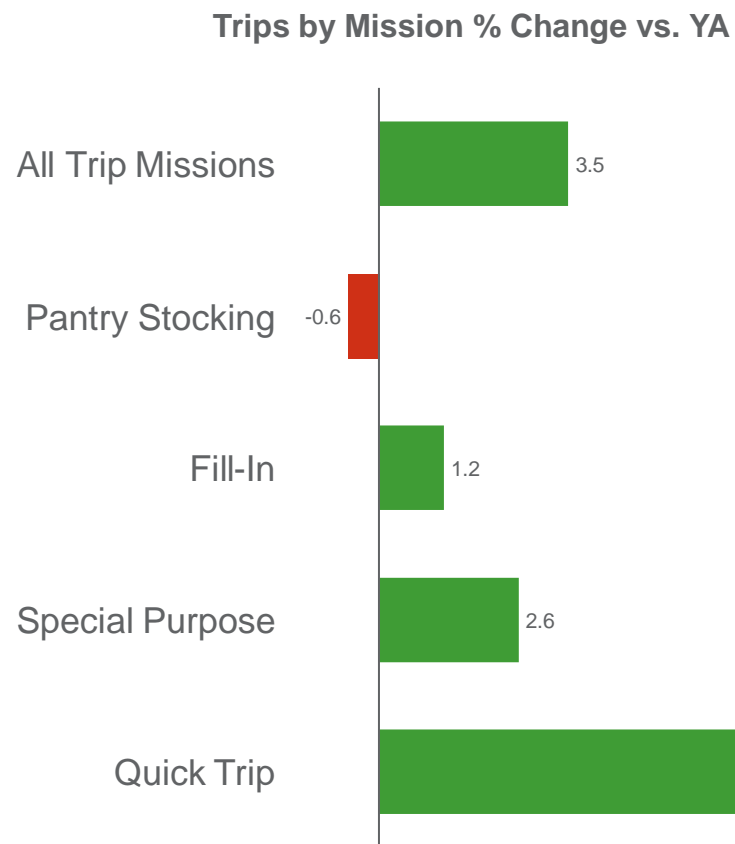
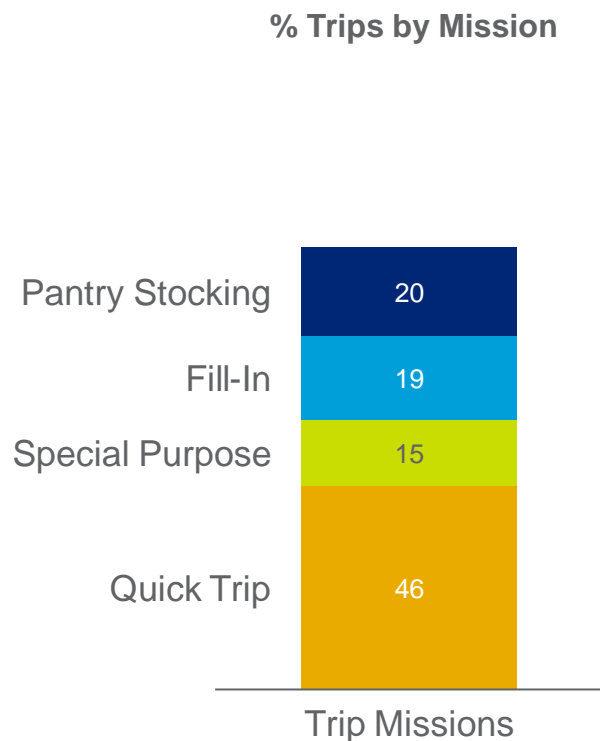


Note: Price tiers determined by line extension avg. price per volume vs. corresponding subcategory avg. price per volume. Premium > 1.25\* avg based on MULO. Excludes PL among top 75 edible categories. Source: IRI POS data ending 8/7/22, MULO.



# Quick trips are on the upswing, suggesting “cherry picking,” deal seeking shopper behavior

F&B Trip Mission – % Trips by Mission for Latest 12 weeks & % Change vs. Year Ago



Pantry-stocking trips are down for both lower-income (-2%) and middle-income (-1%) cohorts. Mass and club channels are gaining pantry-stocking trips (+3%).

All income cohorts are driving quick trips

Pantry Stocking (15+ items, \$50+, Wide Product Variety), Fill-In (5-15 items, \$30-\$80, Less Product Variety), Special Purpose (2-10 items, \$20-\$50, Narrow Mix of Product Varieties Directed to Specific Occasion), Quick Trip (1-5 items, < \$20)

Source: Source: IRI OmniConsumer™ Scan Panel data ending 8/21/22 Total US MULO. IRI Client Engagement

# THANK YOU!

**For More Information, Contact Us...**

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