nielsen

THE WHOLE BIRD

Understanding the drivers of chicken across the store

2018 CHICKEN MARKETING SUMMIT

Presented by

NATIONAL CHICKEN COUNCIL

WATT GLOBAL MEDIA

Meagan Nelson

Nielsen Fresh Growth & Strategy

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FORMER CHICKEN CHAMPION

Wayne County, Illinois

Circa ….a while ago

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TOTAL FMCG MARKET TIPS ONE TRILLION

TOTAL FMCG DOLLAR PERFORMANCE

$ SALES	CURRENT (TRILLIONS)	YEAR-AGO (TRILLIONS)	GROWTH
TOTAL FMCG MARKET Nielsen All Outlets Combined (xAOC) including grocery stores, drug stores, mass merchandisers, select dollar stores, select warehouse clubs and Nielsen-covered measures of Convenience, Pet, Military, BevAl & E-commerce	**$1.054T**	**$1.019T**	**+3.47%**

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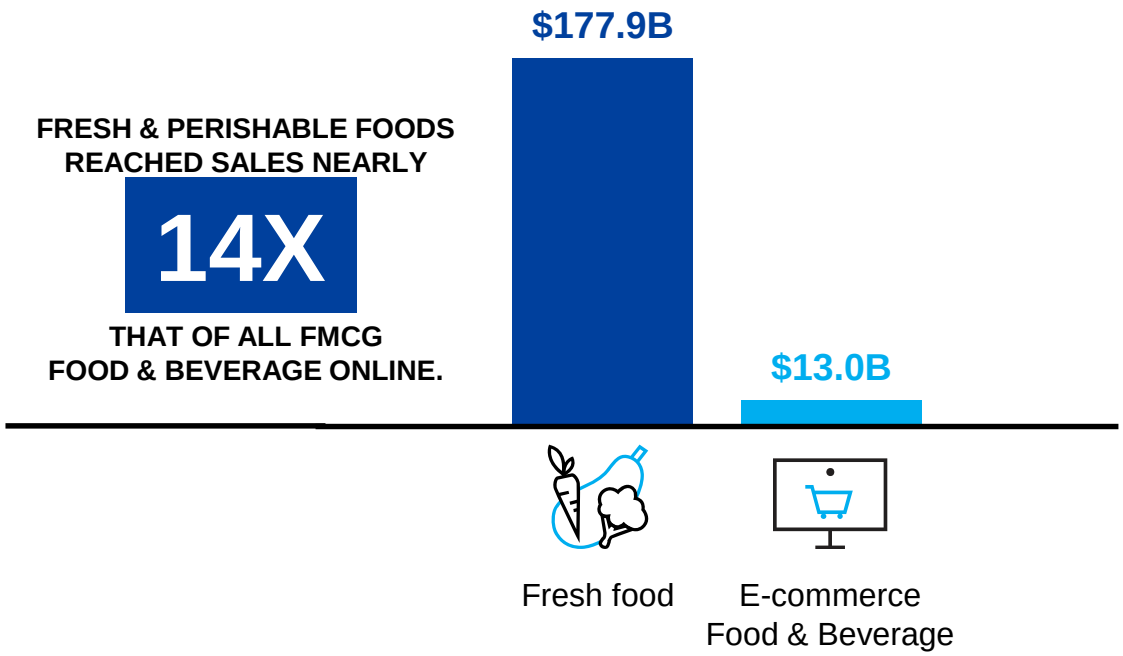
Source: Nielsen Retail Measurement Services via Nielsen Total Food View, 52 weeks ended May 5, 2018, and Nielsen BevAl Suite, 52 weeks ended April 21, 2018, and Nielsen Total Store Report on e-commerce measurement, 52 weeks ended Mar. 31, 2018

E-COM GROWING, FRESH AN OPPORTUNITY IN STORES TODAY

SIZING THE OPPORTUNITIES



Source: Nielsen Retail Measurement Services via Nielsen Total Food View, Total US xAOC, 52 weeks ended May 5, 2018, and Nielsen Total Store Report on e-commerce measurement, 52 weeks ended Mar. 31, 2018

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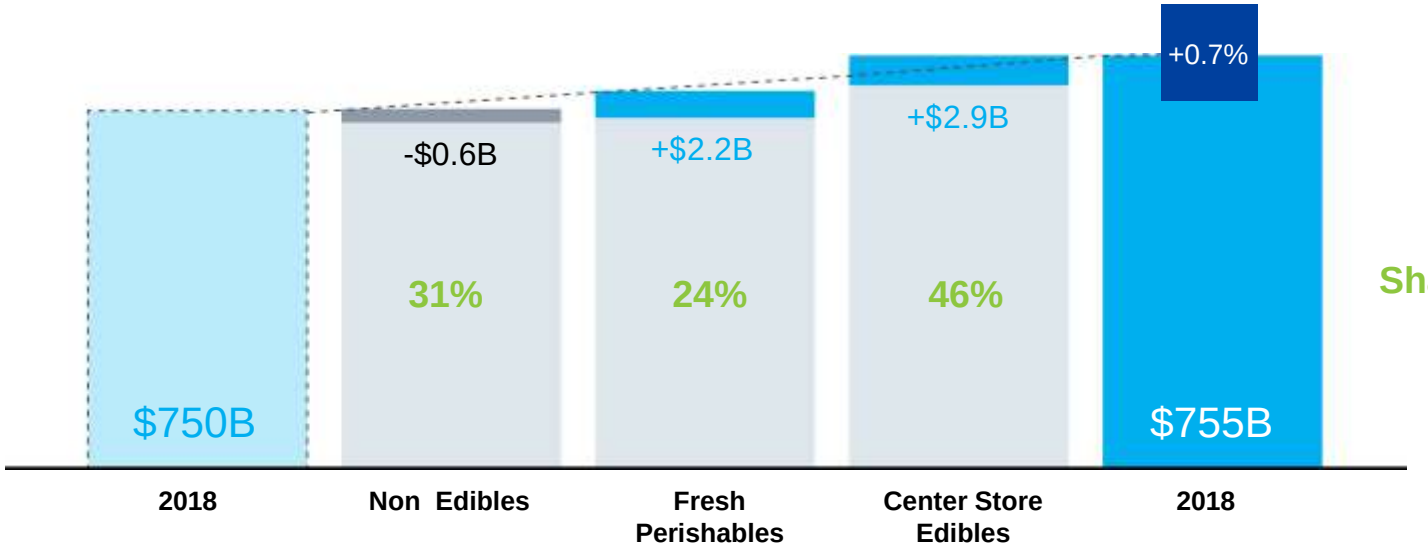
CENTER STORE GREW, BUT FRESH FOODS HAVE THRIVED

DRIVERS OF GROWTH - FMCG BRICK & MORTAR



Share of Total $ Sales

Source: Nielsen Retail Measurement Services, Total Food View, Total U.S. xAOC, 52 weeks ended May 5, 2018, UPC-coded and random-weight/Non-UPC data, excludes Alcohol

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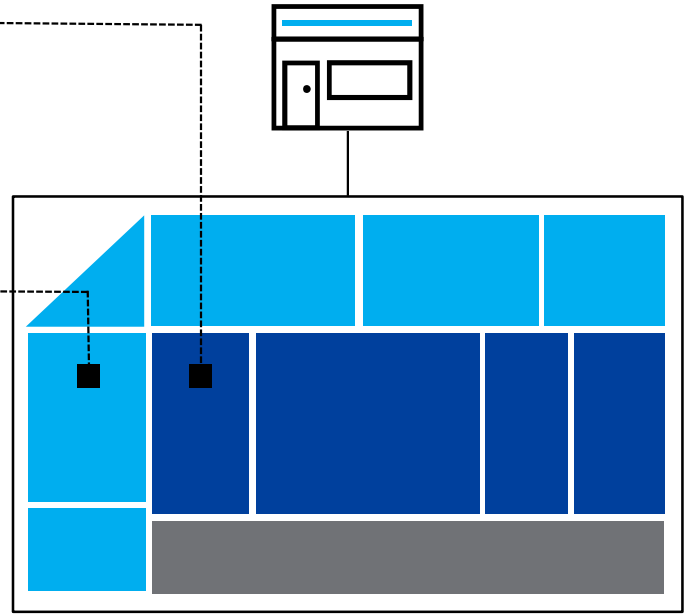
MEAT AND DELI DRIVE GROWTH FROM THE PERIMETER

PERIMETER AND CENTER OF STORE EDIBLES - DEPARTMENT PERFORMANCE

CENTER OF STORE: $344B	$ Vol (Billions)	$ % Growth	Unit Vol (Billions)	Unit % Growth
GROCERY	227.0	0.8	96.2	-0.6
DAIRY	66.2	0.5	24.8	-1.6
FROZEN	51.2	1.8	14.2	0.2

PERIMETER OF STORE: $178B	$ Vol (Billions)	$ % Growth	Unit Vol (Billions)	Unit % Growth
MEAT	66.8	1.5	19.0	0.1
PRODUCE	60.4	0.3	35.7	-2.9
DELI	32.7	2.8	7.3	3.4
BAKERY	12.9	1.2	4.7	2.4
SEAFOOD	5.1	1.5	0.7	-1.3



Source: Nielsen Retail Measurement Services, Total Food View, Total U.S. xAOC, 52 weeks ended May 5, 2018, UPC-coded and random-weight/Non-UPC data

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ONE LITTLE BIRD, VERY BIG BUSINESS

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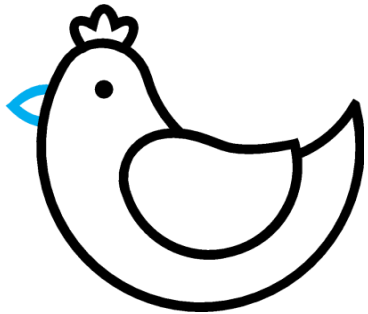
ONE LITTLE BIRD



$10.6B

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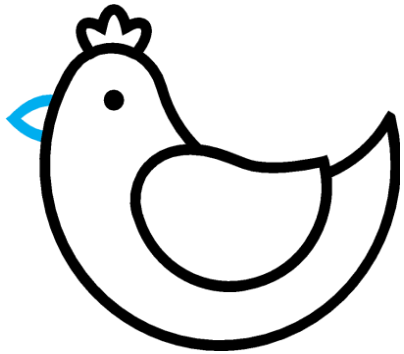
Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

ONE LITTLE BIRD

Meat



$11.9B

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Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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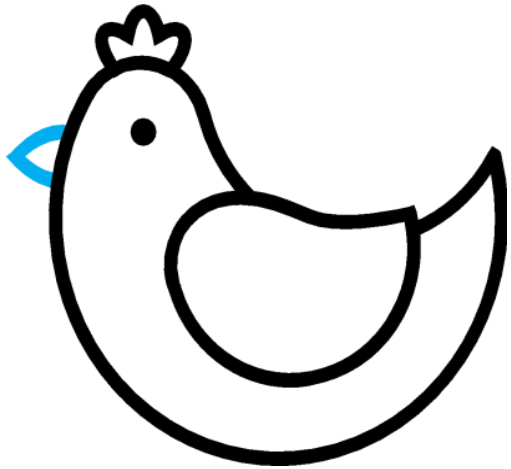
ONE LITTLE BIRD

Meat, Frozen



$18.9B

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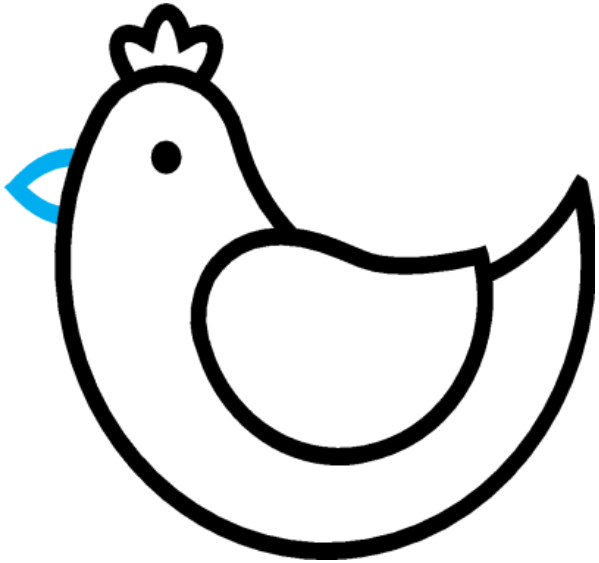
ONE LITTLE BIRD

Meat, Frozen, Deli



$25.5B

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Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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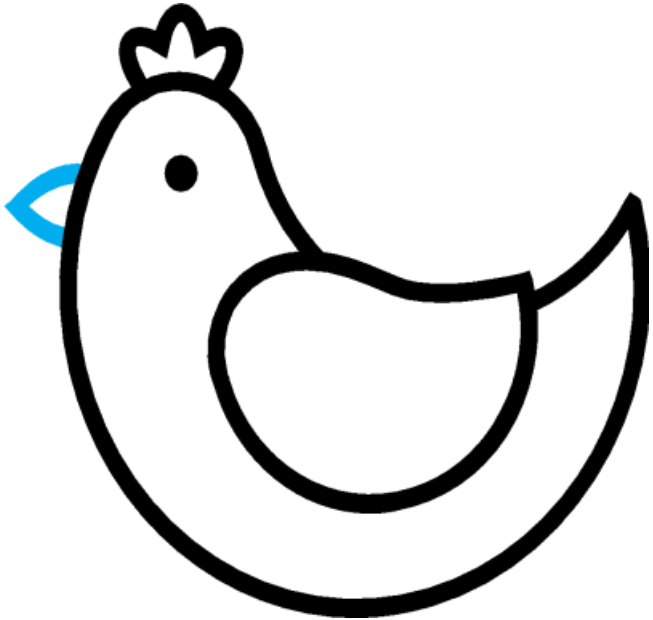
ONE LITTLE BIRD

Meat, Frozen, Deli, Grocery, and Dairy



$26.2B

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Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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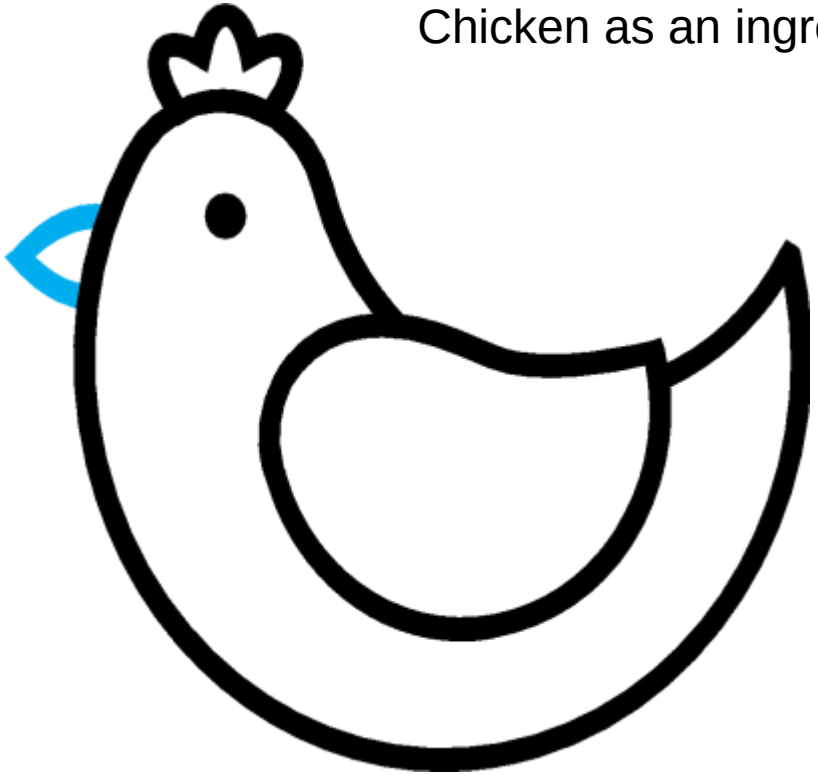
ONE LITTLE BIRD

Meat, Frozen, Deli, Grocery, and Dairy

Chicken as an ingredient



$35.5B

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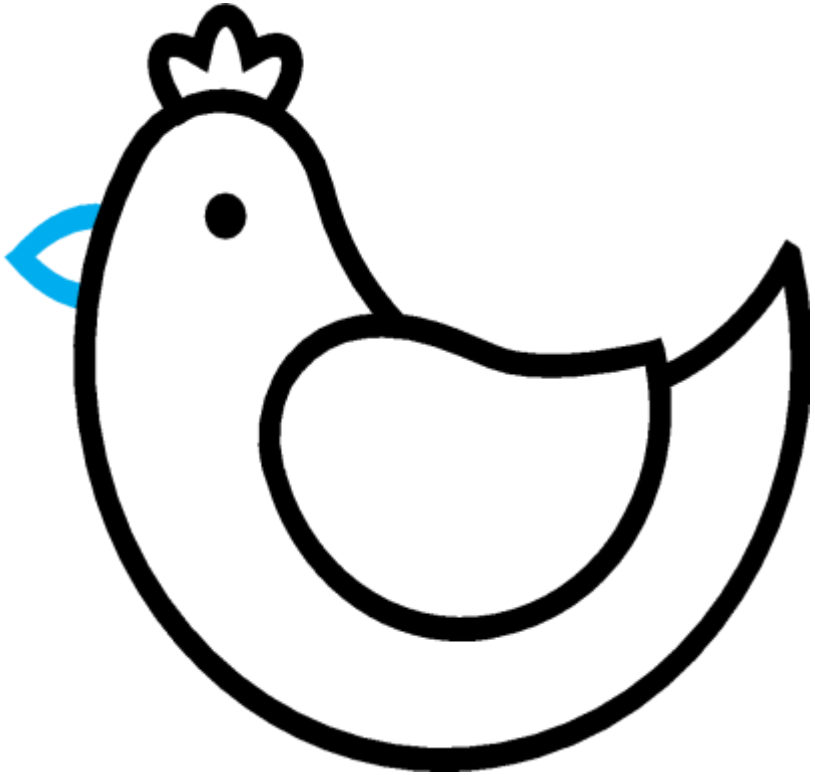
ONE LITTLE BIRD, VERY BIG BUSINESS



$35.5B

Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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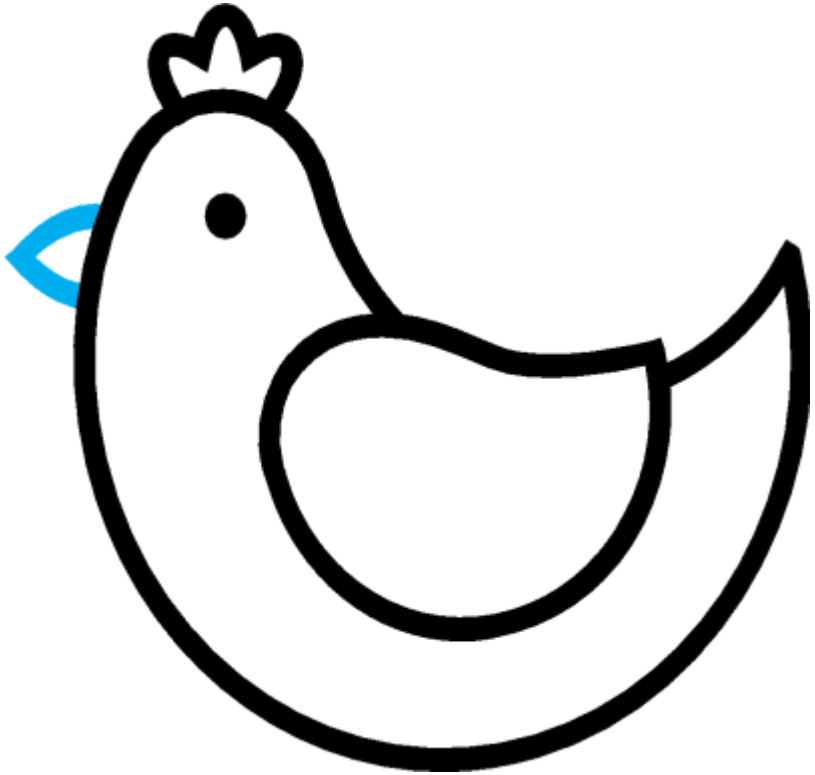
ONE LITTLE BIRD + LOTS OF LITTLE EGGS



$35.5B

$5.3B

Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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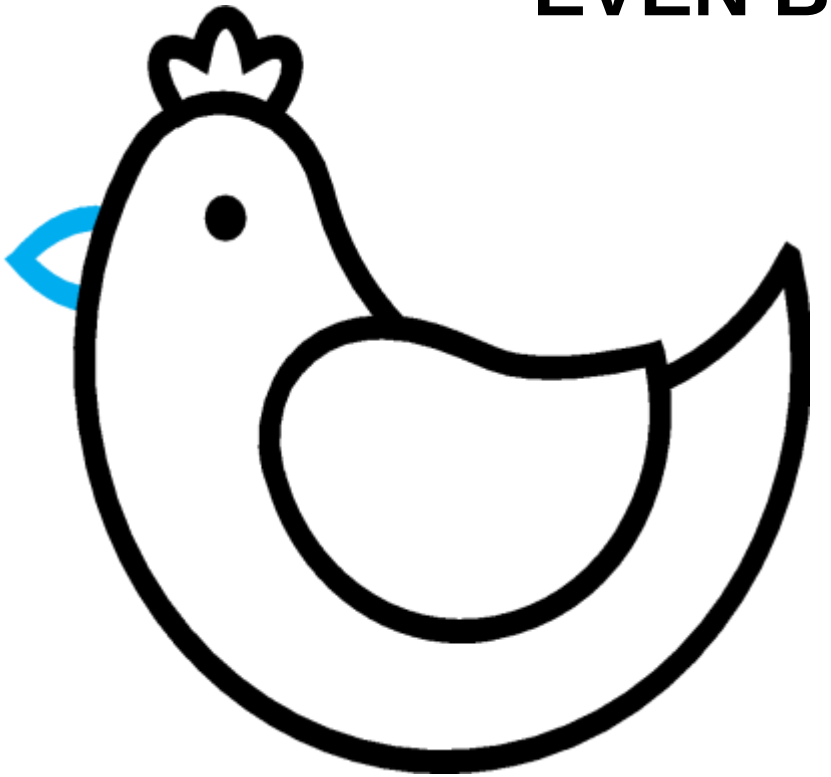
ONE LITTLE BIRD + LOTS OF LITTLE EGGS EVEN BIGGER BUSINESS



$35.5B

$32.6B

Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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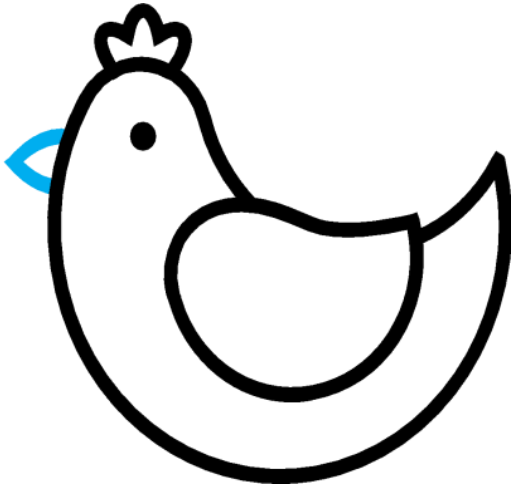
ONE LITTLE BIRD + LOTS OF LITTLE EGGS = EVEN BIGGER BUSINESS



$35.5B

Dollars +1.5%

Units -0.6%

Department	Chicken Product	Chicken Ingredient
Meat	**$11.9B**	**$1.8B**
Frozen	**$7.0B**	**$3.9B**
Deli	**$6.6B**	$916M
Grocery	$560M	**$2.4B**
Dairy	$129M	$80M
Baby Care		$86M
Produce		$72M
Total	**$26.2B**	**$9.3B**
Dollar Growth	+1.7%	+1.2%
Unit Growth	-0.4%	-1.0%

$32.6B

Dollars +3.3%

Units +0.4%

Chicken Eggs	Contains Eggs
$5.3B	**$27.3B**
+13.2%	+1.6%
+1.3%	+0.2%

Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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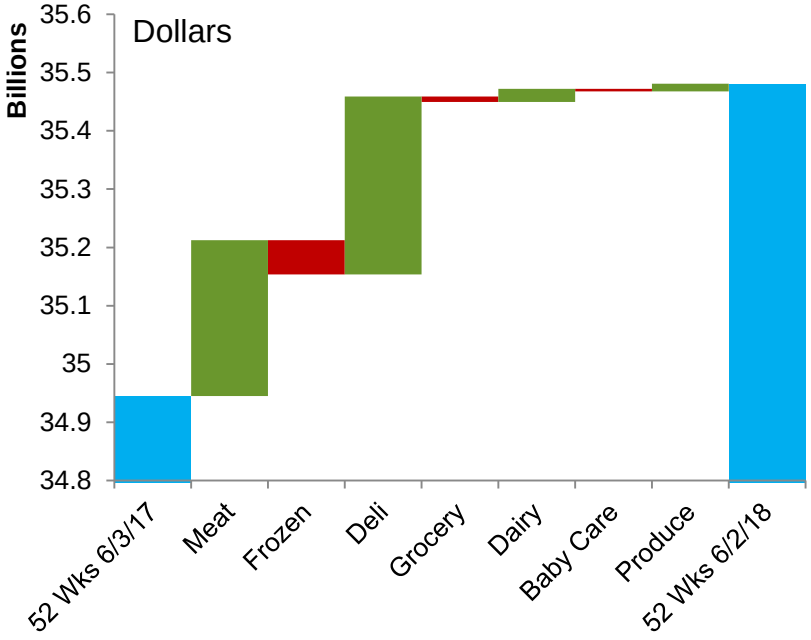
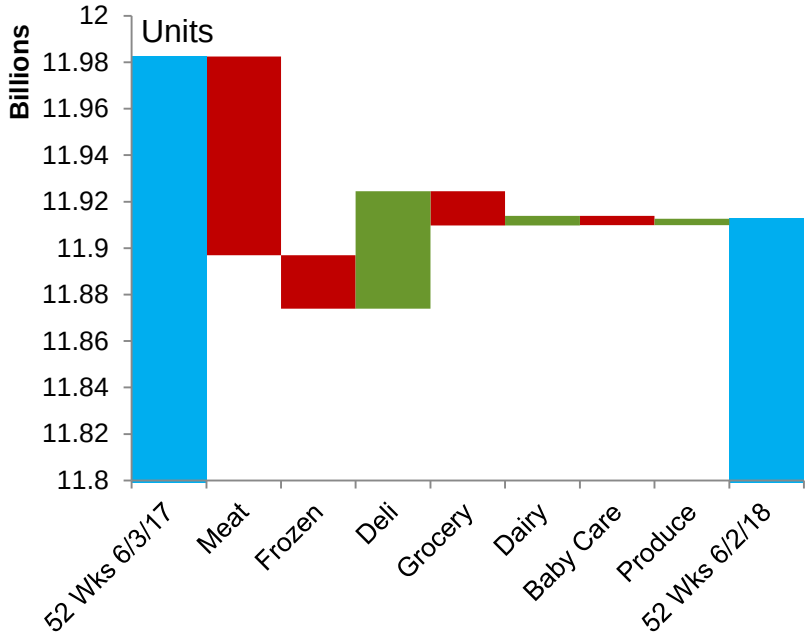
DELI CHICKEN DRIVING GROWTH

Chicken products in dairy/refrigerated case and produce also see development





Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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DELI GROWTH IN MULTIPLE AREAS

		Fully Cooked Meat	$138M	14M Units
$122M	24M Units	Prepared Foods		
		Lunchmeat	$38M	8M Units
$12M	6M Units	Meal Combos		

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Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

“CHICKEN AS INGREDIENT” GROWTH

Location matters – growth isn’t consistent across the store

Frozen

Growing

Prepared Foods

Pizza

Declining

Fully Cooked Meat

Deli

Growing

Prepared Foods

Declining

Pizza

Grocery

Growing

Processed Meat

Sauces/Gravies

Declining

Prepared Foods

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Source: Nielsen Total Food View & Nielsen Product Insider, powered by Label Insight, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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CHICKEN A DRIVER IN MEAL KITS

Meal kits save time and curate an experience for the consumer

$154.7M

in-store sales

+26% growth

4%

growth of in-store meal kits featuring meat

Beef	*+2%*
Chicken	*+19%*
Pork	*-2%*

Source: Nielsen 52 Weeks Ending 12.30.2017, UPC data xAOC, Non-UPC data FCA

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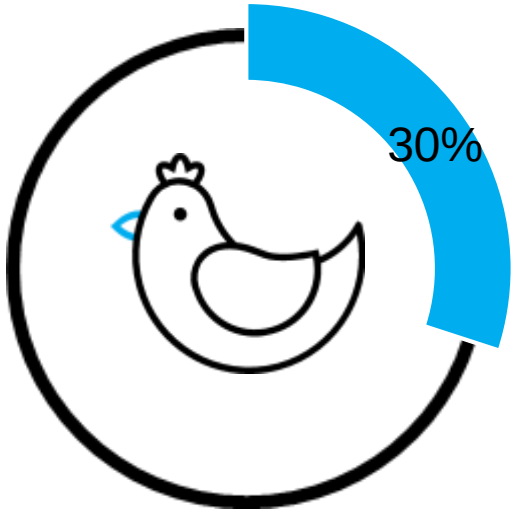
FRESH CHICKEN STILL KING

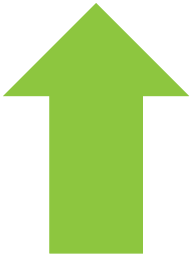
At $10.6B, fresh raw chicken a primary driver in chicken performance

Fresh Chicken Category in Meat
Share of Total Chicken Sales



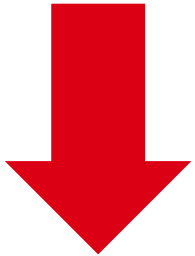
Dollar Growth	+2.5%
Pounds Growth	-0.8%

Top Drivers of Tonnage Shift



Thighs

Breast



Legs/Drumsticks

Whole Chicken

Source: Nielsen Total Food View, Total U.S. xAOC 52 Weeks Ending 6/2/18, UPC-coded and random-weight/Non-UPC data

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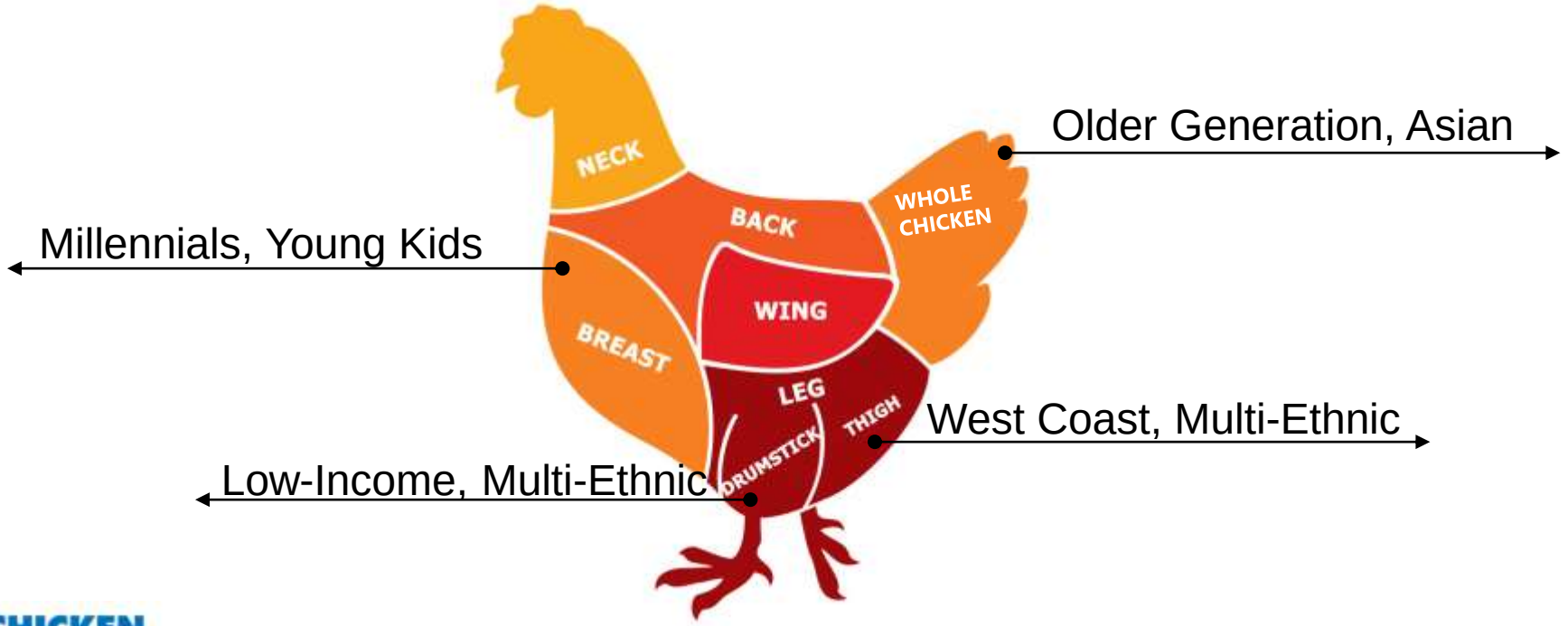
MASS APPEAL, BUT VARIES BY CUT

Familiarly and usage of cuts resonate with different demographic groups



Source: Nielsen Homescan Total Shopper View Panel, 52 Weeks Ending 3/31/18
Picture: http://aggelakis.gr/en/chicken-anatomy/

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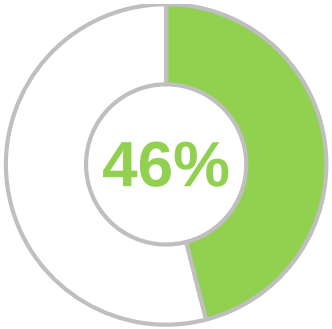
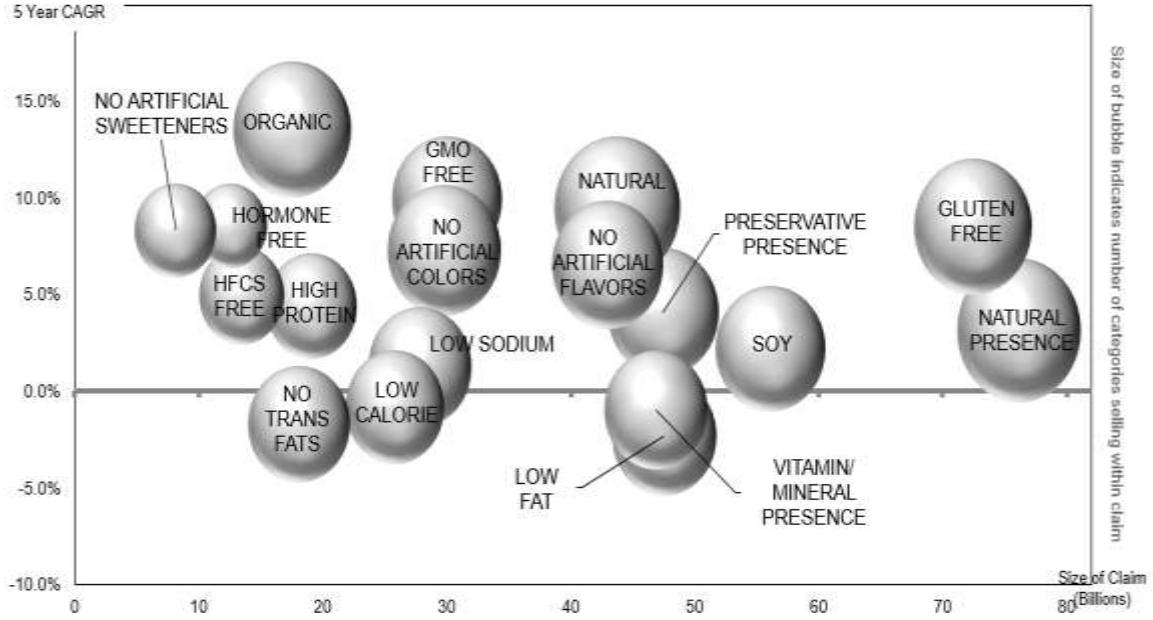
MANY CLAIMS CONTINUE SUSTAINED GROWTH AT RETAIL



Of Americans said that **claims on food products influence their purchase**



Source: Nielsen WellnessTrack, xAOC, Data Ending 12/30/2018
Source: Nielsen Global Sustainability Survey 2018

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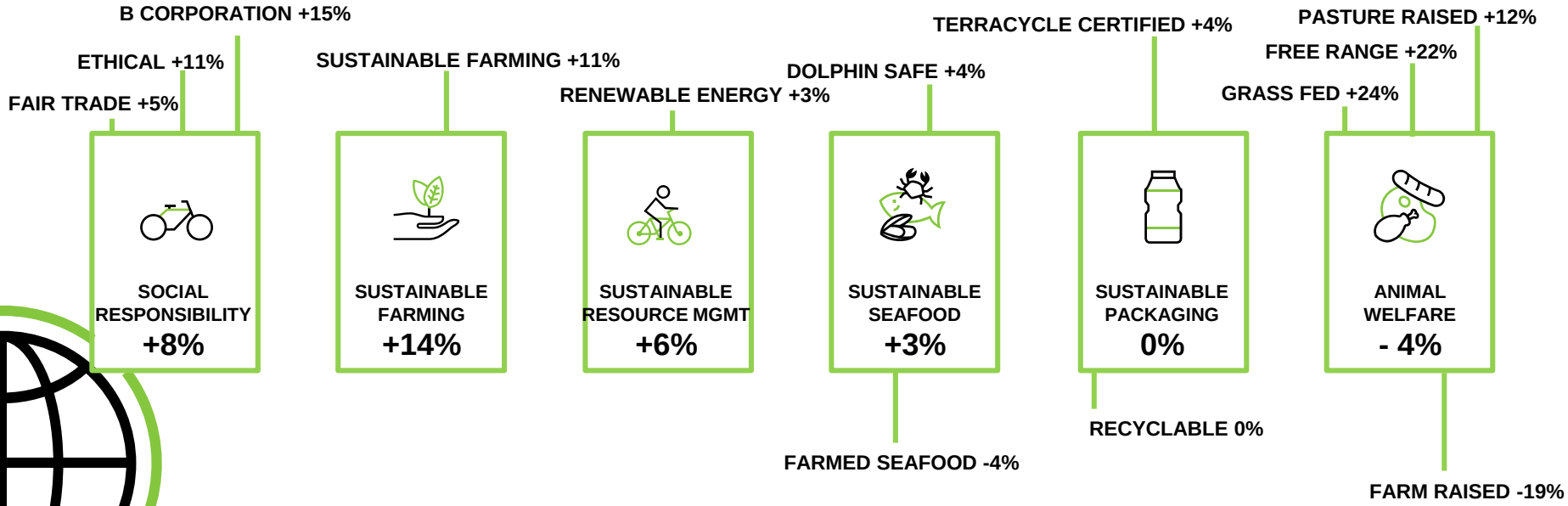
FROM CLEAN LABEL TO SUSTAINABILITY

Claims continue to proliferate and segment across many value statements



Source: Nielsen Product Insider, powered by Label Insight, Latest 52 weeks ended 3/31/2018

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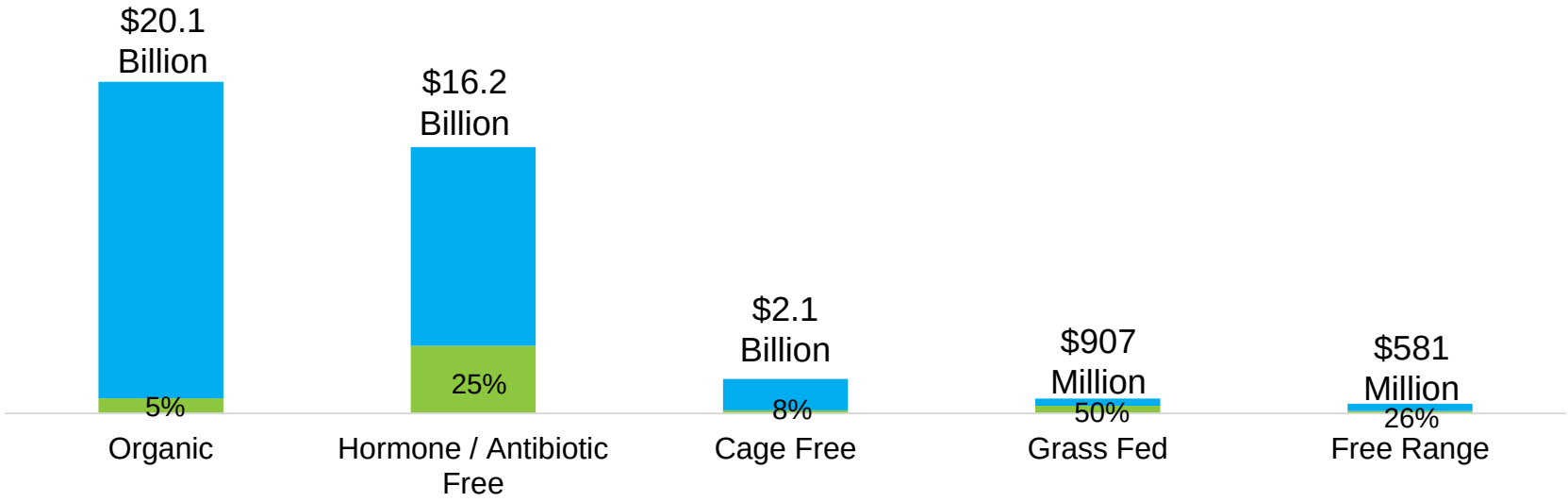
PRODUCTION CLAIMS CONTINUE TO GROW

Healthy growth seen across the store in a wide variety of claims



Total Dollar % Change vs. Prior Year	+8%	+7%	+4%	+22%	+17%

Source: Nielsen Total Food View, Total U.S. xAOC 52 Weeks Ending 6/23/18, UPC-coded and random-weight/Non-UPC data
Claims are not mutually exclusive

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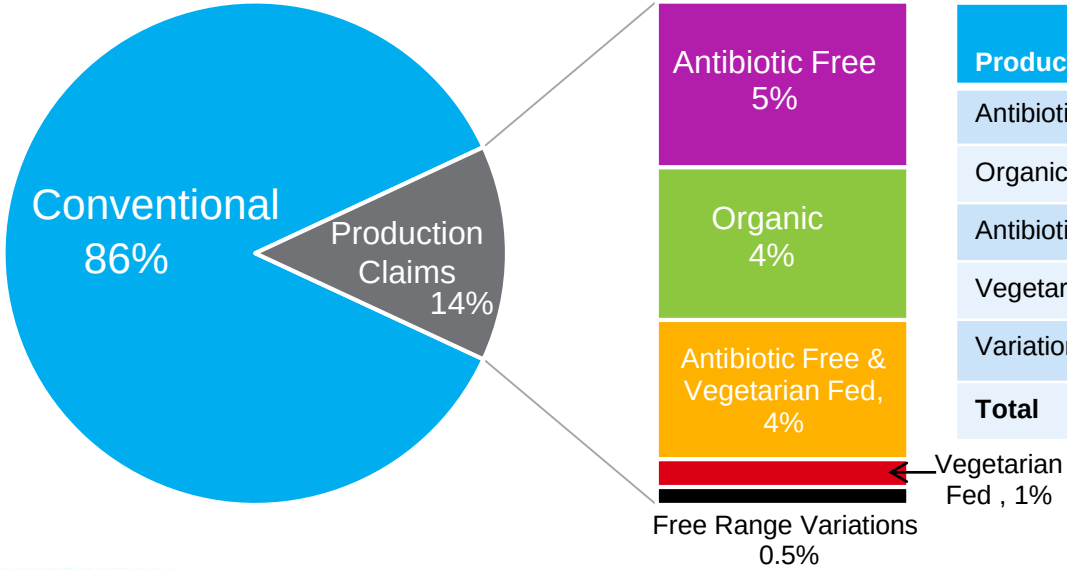
14% OF CHICKEN HAS PRODUCTION CLAIMS

Growth in true volume is mixed as Organic and Vegetarian Fed decline



Production Claims	$ Growth	Lbs. Growth	Abs. Lbs. Change
Antibiotic Free	9.4%	4.4%	+5.5M
Organic	5.6%	-4.5%	-6.1M
Antibiotic Free & Veg Fed	4.3%	3.7%	3.5M
Vegetarian Fed	-7.9%	-10.7%	-2.1M
Variations of Free Range	11.1%	21.4%	+2.2M
Total	**5.8%**	**0.8%**	**+3.1M**

Source: Nielsen Total Food View, Total U.S. xAOC 52 Weeks Ending 6/23/18, UPC-coded and random-weight/Non-UPC data
Claims are mutually exclusive

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THE PROTEIN STORY

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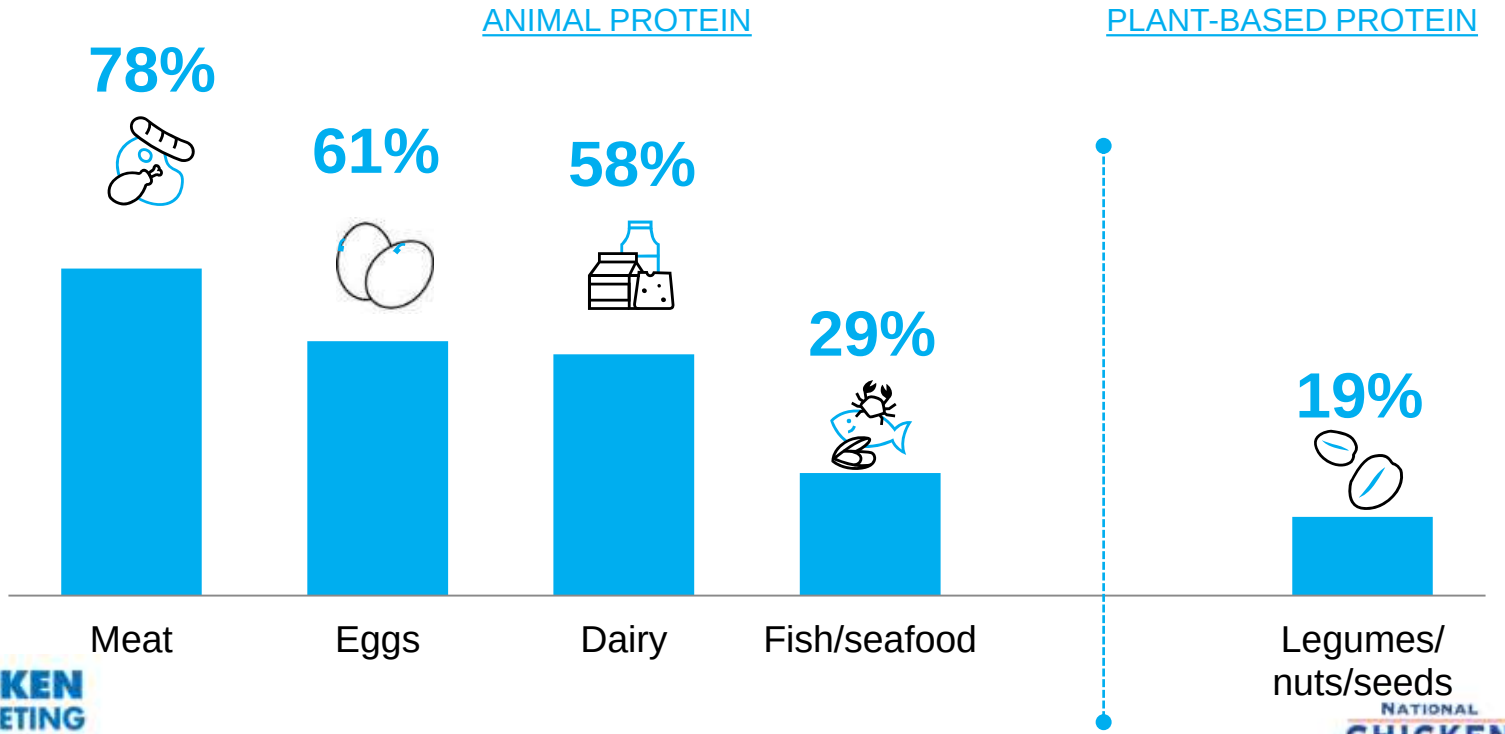
MEAT, EGGS AND DAIRY ARE THE PRIMARY SOURCES OF PROTEIN

Top 5 protein sources – consumer survey



Source: Nielsen, US Homescan Panel Protein survey, April 2017

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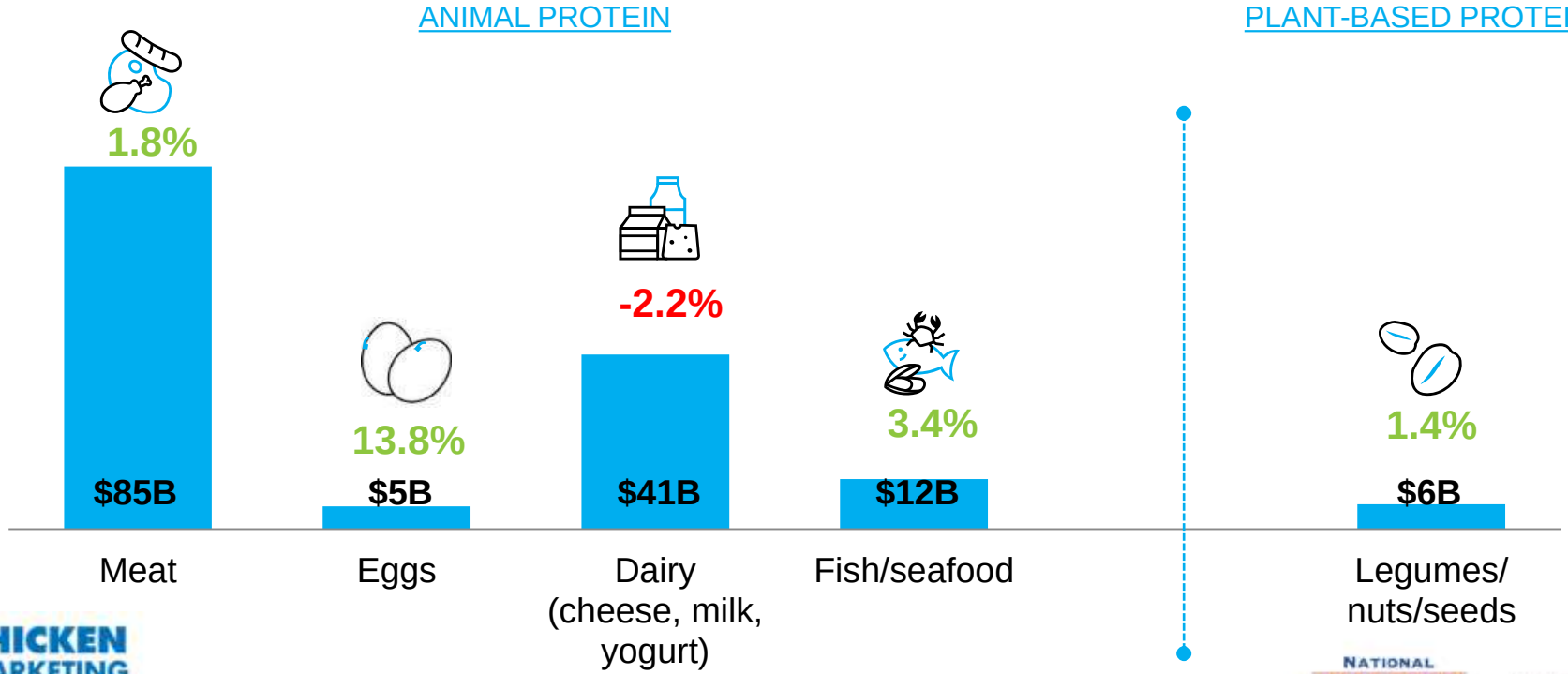
SPENDING ON THESE PROTEINS LOOKS VERY DIFFERENT

Total $ Sales and $ Growth



Source: Nielsen Total Food View 52 Wks Ending 6/9/18 xAOC, UPC-coded and random-weight/Non-UPC data

Ranked top 5 protein sources from consumer survey

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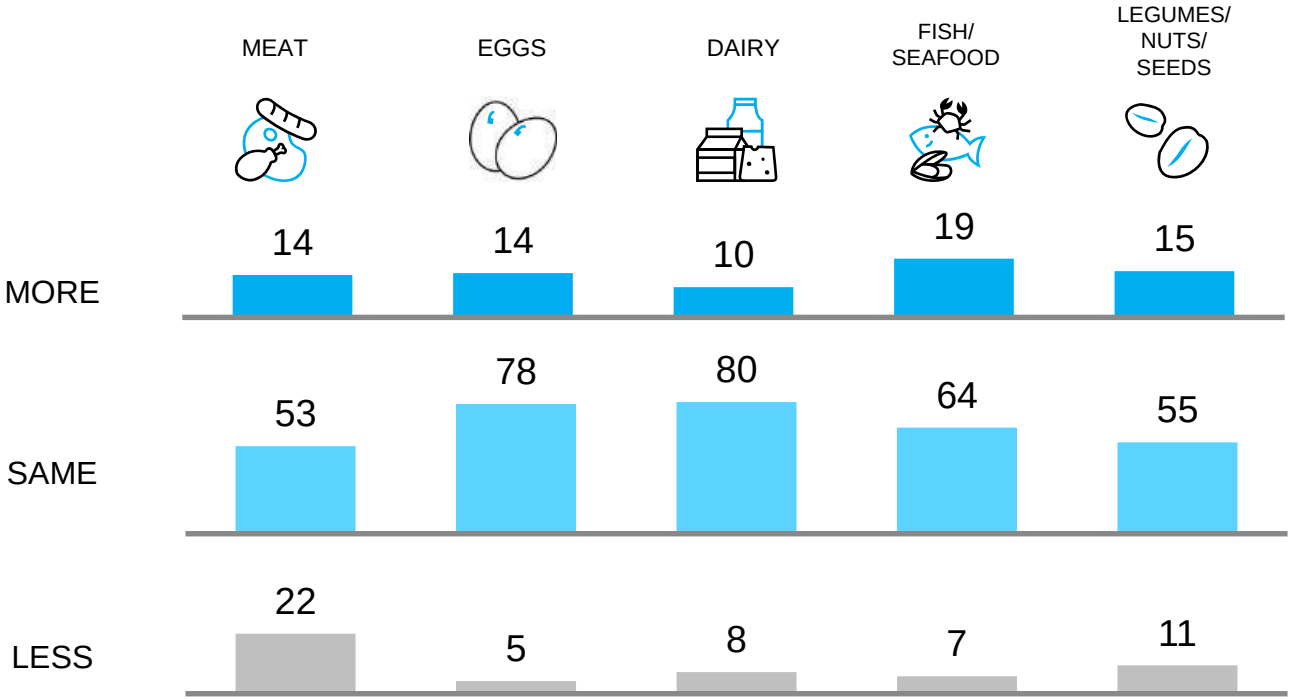
CONSUMERS INTEND TO EAT MORE FISH AND LEGUMES, LESS MEAT

% who are planning to consume more, about the same amount, or less*



Source: Nielsen, US Homescan Panel Protein survey, April 2017

* Difference to a total of 100: Do not consume

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POP QUIZ!

What percentage of consumers ***correctly*** identified chicken as a high protein content food?

18%
28%
38%
48%
58%

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POP QUIZ!

What percentage of consumers ***correctly*** identified chicken as a high protein content food?

18%
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48%
58%

What percentage of consumers ***incorrectly*** identified peanut butter as a high protein content food?

12%
22%
32%
42%
52%

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22%
32%
42%
52%

Source: Nielsen Omnibus Survey December 2015

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SHOPPERS FAILED PROTEIN KNOWLEDGE

45%-63% of consumers do not consider beef, chicken or pork high protein

Percent of consumers assigning protein content

Product	*Low Protein(<10 grams)*	*Medium Protein(10-20 grams)*	*High Protein(>20 grams)*
Peanut Butter (2 tbsp)	**21%**	47%	32%
Jerky (1 oz)	37%	**41%**	22%
Greek Yogurt (5.3 oz)	36%	**49%**	15%
Protein Bar (1 bar / 1.76 oz)	20%	**48%**	32%
Cottage Cheese (1 cup)	38%	49%	**13%**
Chicken Breast (3oz)	11%	51%	**38%**
Ribeye Steak (3 oz)	7%	38%	**55%**
Pork Loin (3 oz)	13%	50%	**37%**

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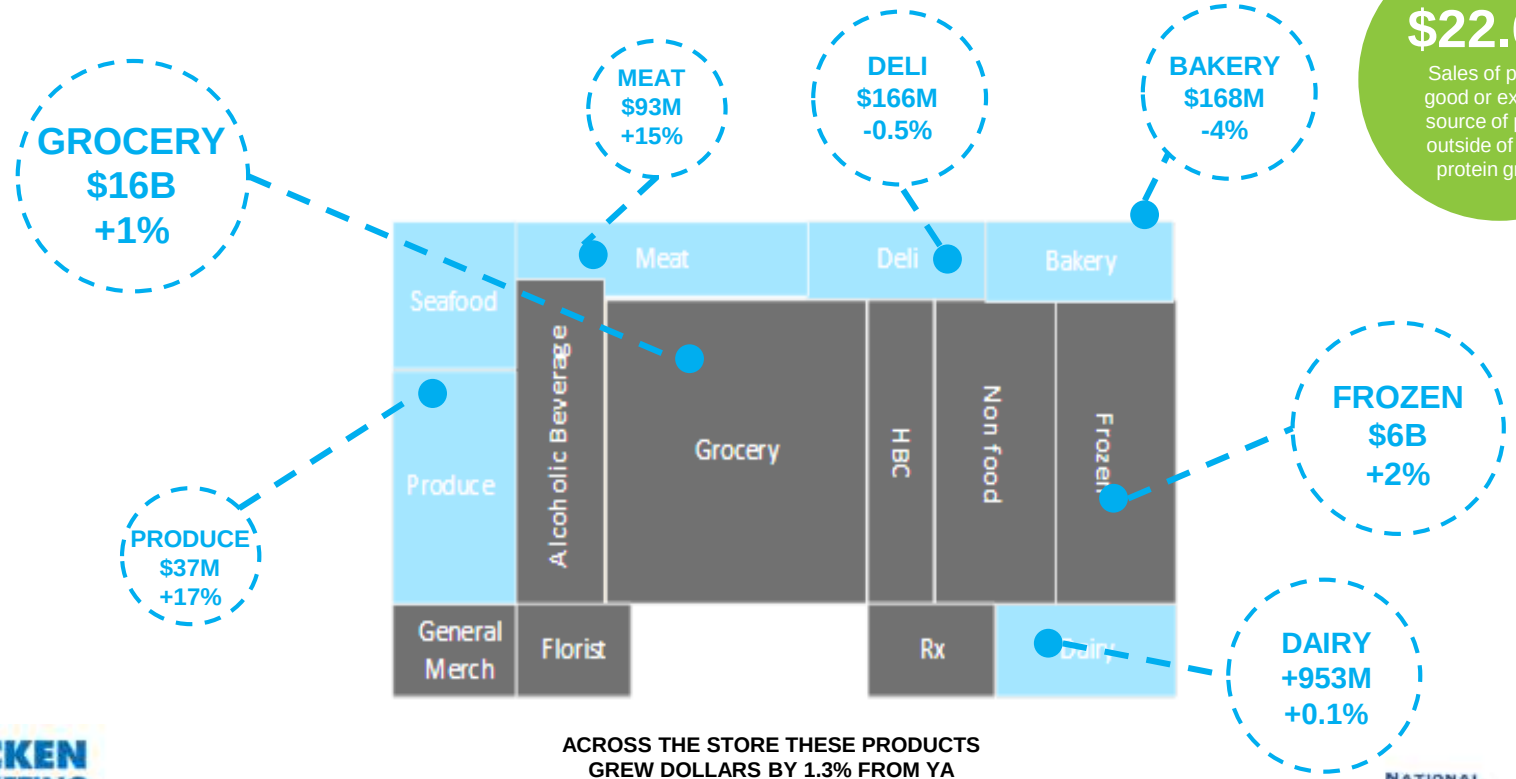
Source: Nielsen Omnibus Survey December 2015

PROTEIN IS BIG BUSINESS

TOTAL DOLLAR SALES OF PRODUCTS THAT FDA CLASSIFIES AS GOOD OR EXCELLENT SOURCE OF PROTEIN*

$22.6B
Sales of product good or excellent source of protein outside of 5 core protein groups



ACROSS THE STORE THESE PRODUCTS GREW DOLLARS BY 1.3% FROM YA

Source: Nielsen Product Insider, powered by Label Insight, 52 weeks ending 06/9/2018
Meat department items are meat alternatives/vegetarian meat products

*Excludes top 5 protein sources from consumer survey

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THE PLANT-BASED BOOM!

TRADITIONAL PLANT-BASED OPTIONS
DECLINING: -1.3% VS YA

TOFU	-13%
BROWN RICE	-4%
GRANOLA	-3%
RICE CAKES	+5%

INNOVATIVE PLANT-BASED OPTIONS
GROWING: +18.1% VS YA

PLANT-BASED CREAM	+25%
PLANT-BASED NUTRITION & DIET	+15%
PLANT-BASED YOGURT	+31%
PLANT-BASED PIZZA	+21%
VEGGIE NOODLES	+115%
NON DIARY MILKS	+4%
ALTERNATIVE CHEESE	+45%
MEAT ALTERNATIVES	+30%

Source: Nielsen Product Insider, powered by Label Insight, Latest 52 weeks ended 4/07/2018
Innovative Plant Based: Plant Based Products (Creamers, Diet and Nutrition, Marshmallows, Oils/Butters, Pizza, Sour Cream, Yogurt), Vegetable Noodles, Chickpeas, Non-Dairy Milk, Alternative Cheese, Meat Alternatives, Meat Substitutes, Vegetarian
Images: Thrive.com, HEB.com

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MEAT ALTERNATIVES NEXT DOOR

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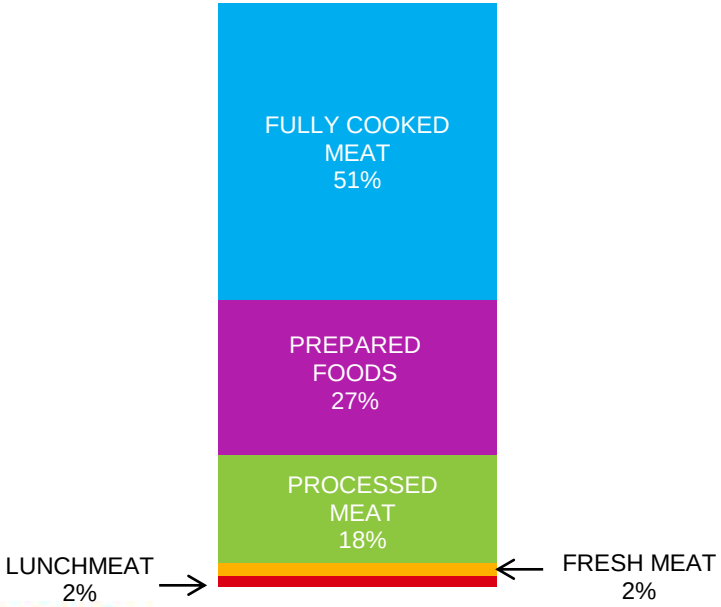
ALTERNATIVE MEAT OVER $800M

Less than 1/10th the size of fresh meat chicken, but growing fast!



	$ Growth	Unit Growth
Fully Cooked Meat	22%	19%
Prepared Foods	54%	59%
Processed Meat	18%	15%
Fresh Meat	23%	19%
Lunchmeat	12%	9%

Source: Nielsen Total Food View, Total U.S. xAOC 52 Weeks Ending 6/23/18, UPC-coded and random-weight/Non-UPC data

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SEE THE TOTAL PICTURE TO FIND GROWTH

TELL YOUR STORY

COMPETITION IN UNLIKELY PLACES

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