

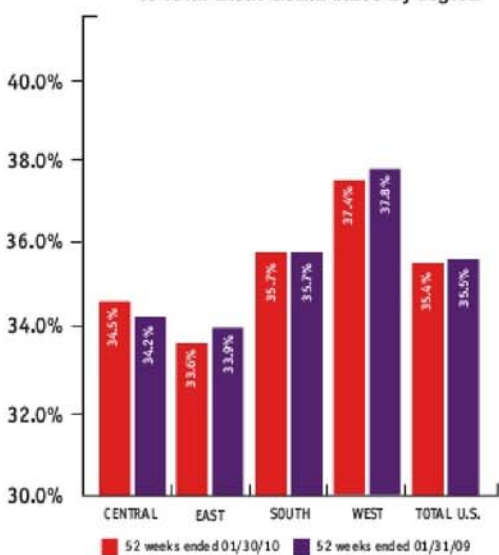


SALES ■ REVIEW

Fresh beef average weekly dollar sales per store by region



Fresh beef average weekly contribution to total meat dollar sales by region



Fresh Beef

Despite the challenges of the economy, volume growth of fresh meat remained consistent, but prices declined.

BY KELLY HANSON

Fresh beef sales experienced volume growth during the past year despite the current economic challenges. Dollar sales remained consistent in fresh beef, even though average retail prices declined throughout the year. Consumers continued to seek value and the trend of eating in restaurants less frequently and making more meals at home held strong.

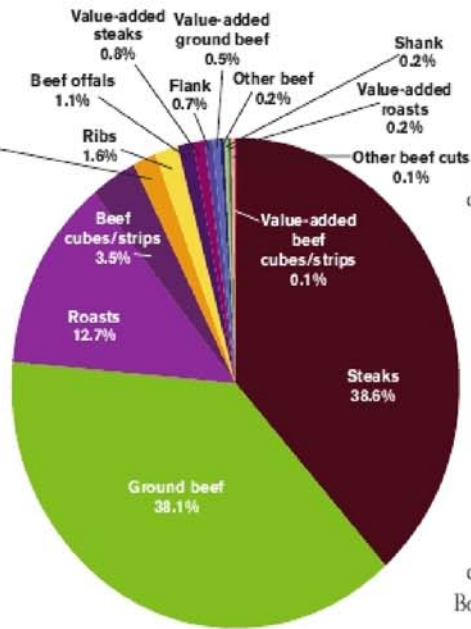
Fresh meat is the largest category in the meat department, accounting for 67% of department sales during the 52 weeks ended Jan. 30. Drilling down into fresh meat, fresh beef dominates the category with 53% of the dollar share, followed by chicken and pork, at 25.1% and 14.7% dollar share respectively.

Nationally, fresh beef averaged \$16,075 in sales per week per store for the tracked period, remaining consistent with the same time period the previous year. Fresh beef contributed 35.4% of dollar sales to total meat department sales, a decrease compared to a year ago.

As expected, fresh beef sales spike during major U.S. grilling holidays at various times throughout the year. The week containing the Fourth of July holiday registered the highest national fresh beef sales during the year, with \$19,362 per store per week, a 2.7% decline from the same time period the previous year. Fresh beef sales were at their lowest the week of Nov. 28, the week of Thanksgiving, when most consumers are purchasing turkey or ham; average weekly dollar sales at this time registered \$11,818, a decline of 4.8% from the same week the previous year.

Fresh beef weekly dollar sales per store increased in the Central and South regions, while the East and West regions decreased

sales compared to the previous period. While the East region had the highest weekly dollar sales per store at \$19,589, down 1.0% from the previous year, contribution to department ranked last among the regions at 33.6%. Conversely, the South region had the lowest weekly dollar sales at \$13,973, up 0.7% from the previous year, and contributed 35.7% to total meat department dollars, the second highest among the regions. The Central region contributed 34.5% to total meat dollars and registered average weekly sales of \$18,774, up 1.5% from the previous year. The West region reported \$15,671 in weekly dollar sales per store, down 0.6% from the previous year. While the West



Total U.S. fresh beef dollar share by subcategory

region reported the second lowest weekly dollar sales, its contribution to department was the highest at 37.4%.

Steaks make up an average of 38.6% of fresh beef dollar sales, which represents a weekly per-store average of \$6,200. Steaks declined slightly in dollar sales over the previous year by 0.6%. Ground beef averaged \$6,121 per week per store in the total U.S. during the timeframe, which represents 38% of fresh beef sales. Roasts is the third-largest fresh beef subcategory, averaging \$2,044 per week per store and comprising 12.7% of fresh beef dollar sales. Both ground beef and roasts increased dollar sales over the previous year, by 1.1% and 2.7% respectively. □

This sales review is provided by Chicago-based Perishables Group, Inc., an independent consulting firm focused on innovation and creating value for clients in the fresh food industry. Reported results are for Feb. 7, 2009 through Jan. 30, 2010, compiled from grocery stores nationwide, representing 63.2% of national supermarket ACV share. Sales data provided by Perishables Group FreshFacts powered by Nielsen. For more information contact Kelli Bechel at the Perishables Group: 773-929-7013; kelli@perishablesgroup.com.

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