



The Fresh Perspective

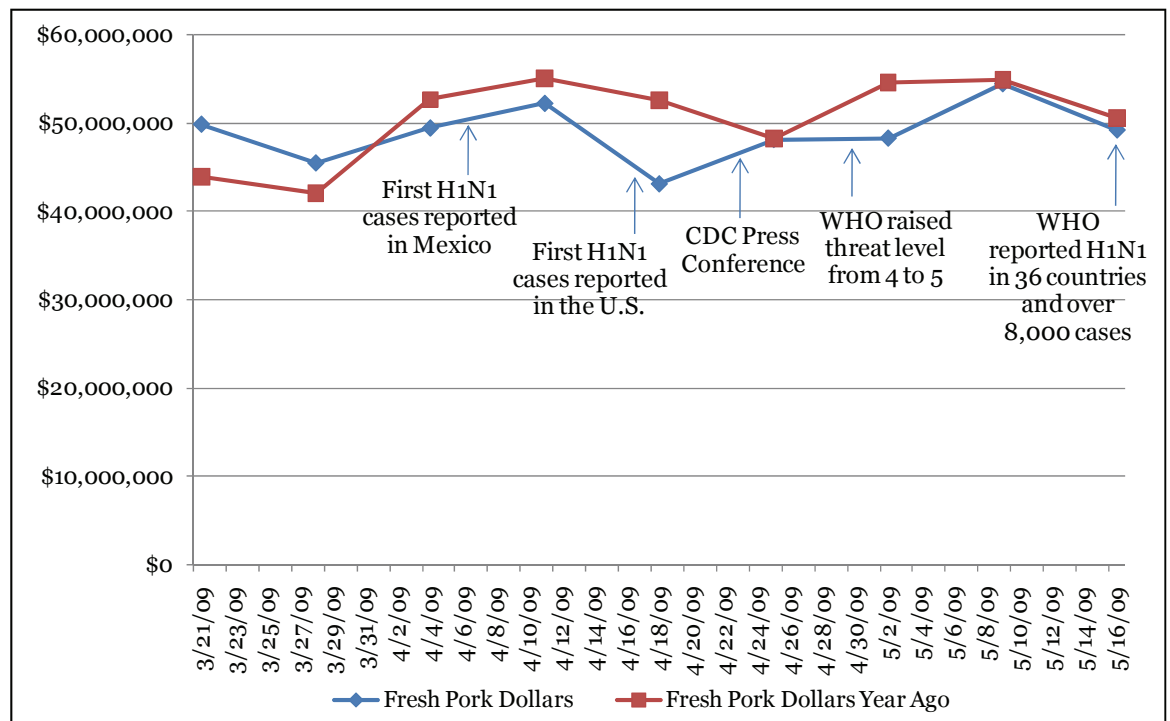
May 2009

Fresh pork staged to maintain growth despite H1N1

Pork, a long-time staple in households of all incomes and demographic groups, has garnered the media spotlight in recent weeks. The H1N1 influenza caused a stir in the pork industry, spurring the National Pork Board, American Meat Institute and others to entreat the government's and media's help in getting the message out that H1N1 cannot be acquired by exposure to or consumption of pork.

Even with the CDC reporting that the H1N1 flu cannot be acquired by eating pork products, consumers' immediate reaction impacted pork sales.

The week the first H1N1 cases were reported in Mexico (week ending April 11), fresh pork dollar sales decreased 5.6% compared to the previous year. Yet surprisingly, with the CDC press conference the week ending April 25 (which detailed the H1N1 outbreak in Mexico), fresh pork dollar sales rose 11.6% compared to the prior week – making 2009 sales on par with the same week in 2008. The next week was marked by the World Health Organization raising the threat level from 4 to 5 and numerous cases of H1N1 reported worldwide, yet pork sales remained flat, and then grew 11.3% the week of May 9. This may indicate that consumers' immediate reaction was to reduce pork consumption; but they quickly understood, even with the flu's misnomer, that there is not a correlation between H1N1 and pork consumption.



Source: Perishables Group FreshFacts® Powered by Nielsen

Pork sales have been on the rise in supermarkets throughout the U.S., likely due in part to consumers cooking more meals at home and pork serving as an economical protein choice. In the latest 52 weeks ending March 29, 2009, fresh pork dollar sales increased 3.8% compared to the prior

What do you think will be the biggest obstacle for supermarkets during the remainder of 2009?

Pressure to lower everyday prices: 44%

Competition from alternative channels: 8%

Continued consumer cut-backs: 46%

Consumer returning to restaurants: 3%



year. The top three pork subcategories – pork chops, pork ribs and pork roasts - all experienced dollar increases, with ribs and roasts gaining the most at approximately 6% growth across the board compared to the prior year.

While chicken and beef dominate the dinner plate for some shoppers, Nielsen's fresh pork consumer profile shows young families, consumers in low-income groups and Hispanic shoppers have higher tendencies to prepare pork.

For most Hispanic consumers, pork is an integral ingredient in a dish or meal. According to Nielsen Spectra's Hispanic Index Grid, fresh pork indexes higher with Hispanics than with the general population. Pork indexes highest for consumers originating from Cuba, followed by those with Puerto Rican and Mexican countries of origin. The index varies across different types and cuts of pork. For example, ground pork indexes higher for Hispanics with Puerto Rican country of origin, while pork cubes index higher for Hispanics with Cuban country of origin.

In the next issue of *The Fresh Perspective*, the Perishables Group will dive deeper into the shopping patterns of the rapidly growing U.S. Hispanic population. We will explore the latest trends in purchasing behaviors, as well as tactics that retailers are using to appeal to this influential group.