

Cookie Sales Climb

America's sweet tooth continued to drive cookie sales upward in early 2010. Consumers spent \$940 per store per week nationally on cookies in the 52 weeks ending February 27, 2010. This was an increase of 6.3% compared to the previous 52-week period. Cookies accounted for 9.9% of total bakery department dollar sales.

Everyday cookies and iced cookies were the two largest segments of the cookies category. Together, everyday cookies and iced cookies combined to represent more than 73% of dollar sales. Specialty cookies were third with 6.9% of sales. The remaining 19.2% sold through a variety of other forms: cookie platters, message cookies and mini cookies, among others.

Nationally, assorted/variety bulk cookies sales increased the most when comparing the latest 52 weeks to the prior year, up 126.4%, followed by mini cookies and cookie dough/mixes, up 18.4% and 15.7% respectively. Filled cookies and iced cookies recorded the largest declines versus a year ago.

Cookies' dollar sales spiked during Christmas and Valentine's Day, which are both prominent indulgent occasions. The highest sales from the 52-week period were reported during the week before Christmas (\$1,567 per store per week). The week of Christmas ranked second, generating \$1,505 per store per week. The category sold \$1,240 per store per week the week of Valentine's Day.

Cookie platters recorded the largest increase over the annual average during the week before Christmas. Cookie platter sales reached \$297 per store during the week before Christmas, an increase of 534.2% over the annual average per-store weekly during the 52-week period. During the week of Valentine's Day, iced cookies drove category spikes selling 103.9% more in dollar sales than the annual

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Figure 1

Cookies Dollar Sales per Store per Week by Region

(52 Weeks Ending 2/27/10)

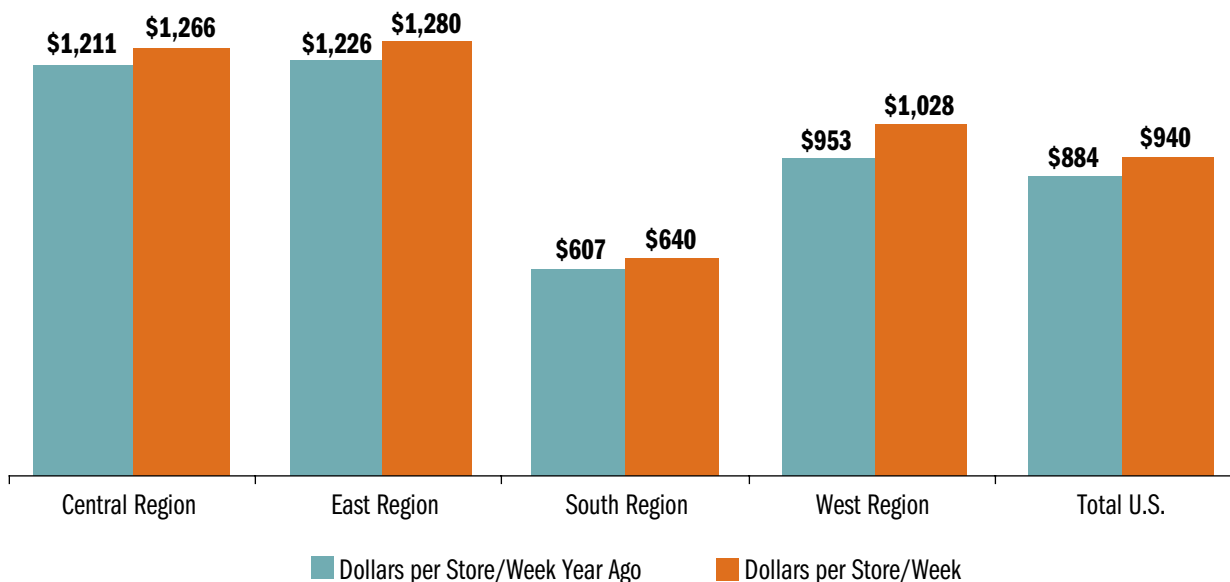
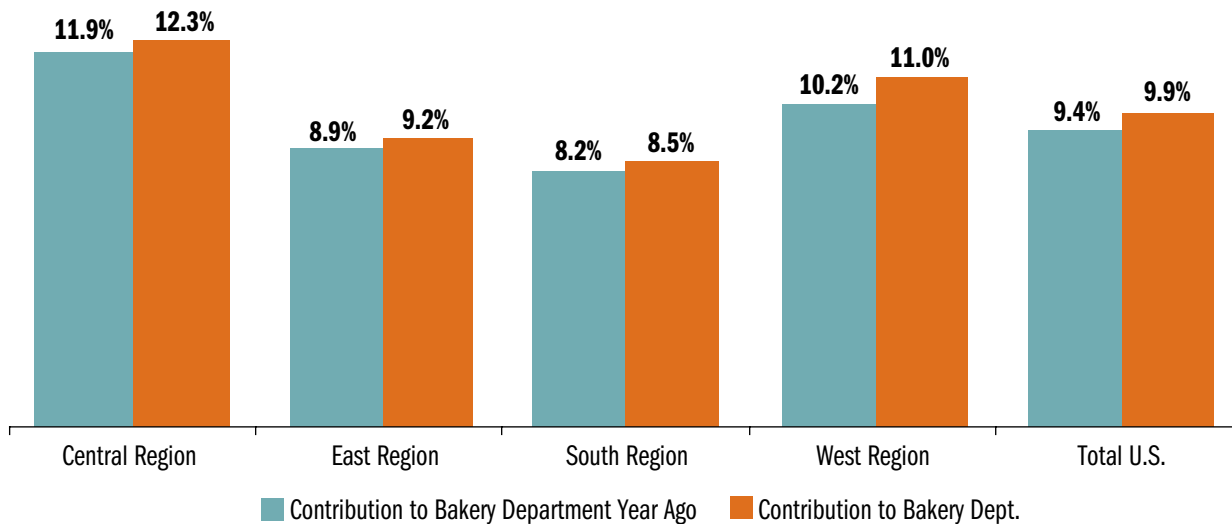


Figure 2

Cookies Contribution to Total Bakery by Region

(52 Weeks Ending 2/27/10)



per store weekly average, at \$288 per store.

At \$1,280, the East region had the highest sales per store per week, up 4.4% versus the previous 52-week period. Despite having a higher dollar velocity in cookies, dollar contribution to department in the East was second lowest compared to the other three regions, representing 9.2% of total bakery dollar sales. Assorted/variety bulk cookies demonstrated the strongest growth in the East, up 46.2% in per store per week dollar sales versus the previous 52-week period.

The Central region had the second-highest sales velocity, with \$1,266 per store per week, up 4.5% compared to the previous period. Cookies contributed 12.3% to overall bakery dollar sales in the Central region, the highest for

any region. Assorted/variety bulk cookies recorded the largest dollar velocity increases in the Central region, up 145.5%.

The West region demonstrated the largest growth in cookie sales, up 10% compared to previous year. However, at \$1,028 per store per week, the West region remains the second-lowest cookie selling region. Cookies represented 11% of total bakery sales in the West. The largest growth was again recorded in assorted/variety bulk cookies, up 200.6% compared to previous year.

The South region had the lowest cookie dollar velocity with \$640 per store per week, up 5.4% compared to the previous period. Overall, cookies had the lowest contribution in the South, accounting for 8.5% of all bakery department sales. The South region has a

strong dessert preference for cakes, which likely takes sales away from cookies. Similar to the other three regions, the largest gains in the South occurred in assorted/variety bulk cookies, up 60.7%.

This sales review is provided by the Perishables Group, Inc., Chicago, Illinois, an independent consulting firm focused on innovation and creating value for clients in the fresh food industry. Reported results are for March 7, 2009, through February 27, 2010, representing approximately 63% of national supermarket ACV share. Sales data provided by Perishables Group FreshFacts® powered by Nielsen.

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