WAKING UP TO A NEW REALITY

As Amazonization proceeds, grocery retailers step up efforts to be their own disruptors.

By Jim Dudlicek, Bridget Goldschmidt, Randy Hofbauer and Kat Martin

A year ago, when this report was about to go to press, the industry was quaking in its boots. Amazon had announced its plans to acquire Whole Foods Market, which, according to the din of punditry, spelled doom for supermarkets.

Well, here we are a year later, still waiting for the Armageddon that's never going to come, because the Amazon-Whole Foods deal surely signaled the end of traditional retailing, not necessarily traditional retailers.

In fact, the union of ecommerce giant with organic grocer was a wake-up call for mainstream players — at least that's how most of the analysts we spoke to described it — that if they haven't already started changing the way they do business, they'd better start pronto or face extinction.

"For most of the past year, the impact of Amazon's acquisition of Whole Foods has been more psychological than physical," Ken Fenyo, head of consumer markets at McKinsey Fast Growth, tells *Progressive Grocer*. "The deal has served as a pointed wake-up call to brick-and-mortar grocers that they could no longer ignore the threat of ecommerce generally, and Amazon specifically, to their businesses."

The focus continues to be on *how* consumers want to shop more than on *what* they're shopping for; traditional grocers are working to create a seamless experience that's consistent across brick-and-mortar, online, click-and-collect, and delivery. Consumer feedback reliably confirms that folks still embrace a physical store but want it on their terms. Amazon knows this, or it wouldn't have acquired a grocery chain or launched its own physical stores — Amazon Go — that will be expanding beyond the Seattle prototype to other U.S. cities.

"It seems like the big idea is to use the physical Whole Foods stores as a distribution depot for Amazon Prime," analyst David Diamond, president of David Diamond Associates, tells *PG*. "One year in, it seems more and more that the reason for the acquisition was not the Whole Foods business or its consumers, but the real estate footprint. The value of a store, with storage and refrigeration, very near many Amazon Prime customers, seems to be the driver of the acquisition."

Bill Bishop, co-founder and chief architect of Brick Meets Click, adds, "We now see that Amazon considers grocery to be only a stepping stone in their larger effort to build themselves into the lifestyle of more American households."

Fresh Frenzy

Grocers seem to be heeding the call, and players from large chains to regionals to independents are waking up to the fact that they need to become their own disruptors and operate in continuous-innovation mode.

Is it paying off? Total supermarket dollar sales in 2017 reached $408 billion, a decrease of about 1.3 percent from the prior year, according to data from Nielsen. The pressures of deflation have subsided, replaced by heightened price competition driven by big boxes like Walmart; hard discounters like Aldi (and its nemesis Lidl, now rising, amid setbacks in its original ambitious expansion plans in the eastern United States); and Amazon, keeping traditional grocers from returning to pre-deflationary price levels.

Yet grocers remain confident in the future, expressing record-high levels of optimism in *PG*'s survey for its latest Annual Report, published in April.

And after a decade of decline, the supermarket's role as the consumer's primary store has stabilized, according to the Food Marketing Institute's U.S. Grocery Shopper Trends 2018 Report. While down from 67 percent in 2005, the primary designation has leveled off around 50 percent since 2015.

Methodology

For the 2018 Consumer Expenditures Study, data has been provided via Nielsen's Total Food View, an inclusive data universe of UPC and non-UPC products (which includes fresh random-weight retailer-assigned PLU [price lookup code] and system 2 sales volume). This reflects the total U.S. food market, which encompasses all grocery stores with $2 million or more in annual all commodity value (ACV), and includes natural food retailers and discount grocers. References to "fresh" or "perishable" foods encompass the inclusive view of UPC-coded and non-UPC products found throughout the store, but most predominantly in the produce, bakery, deli, meat and seafood departments. Due to changes in reporting, there may not be direct comparisons to last year's Consumer Expenditures Study.

Fresh Factors

Nielsen reveals more key points in its latest Total Consumer Report, released this past June:

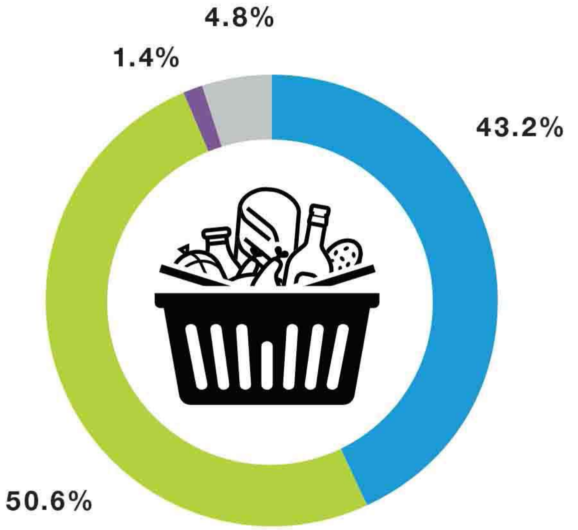
Ecommerce is still maturing within food and beverage, but fresh perishables are an opportunity in stores today. In the past year, online food and beverage sales represented 13 percent of the overall dollar volume seen online. "Marketers looking for growth opportunities today shouldn't be blind to the opportunities living in the perimeter of the store," Nielsen advises. "Fresh and perishable foods generated sales nearly 14 times as high as all online food and beverage sales this year."

On-the-go fresh produce fails to keep pace with clean snacking. Although Americans would rank eating more fruits and vegetables as the top factor for healthy eating, shoppers aren't flocking to on-the-go fresh produce offerings as much as they are to other snack options. Pre-cut produce declined by nearly 2 percent in dollars and 6 percent in unit volume over the past year, but sales of salty snacks grew nearly $1 billion year over year. Indulgences can still be seen as "clean" to health-conscious consumers, however: "Clean-label products represented over one-third (35 percent) of salty snack dollars in the past year. Retailers and manufacturers that can demonstrate transparency through their labeling can capitalize on the wave of consumer interest around 'responsible' snacking. Consumers do have a sweet tooth, but the best way to capitalize on it is through the sweet spot of appealing to the smart snackers of today."

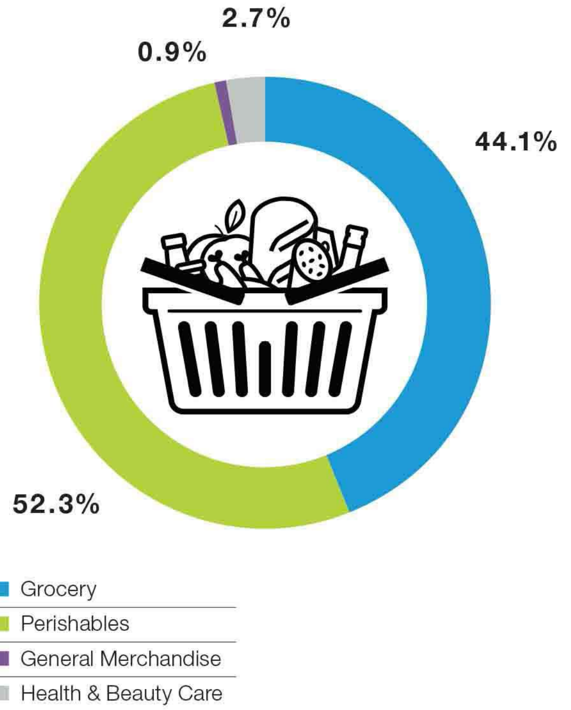
Frozen burgers are still winning, but fresh is catching up and alternative protein growth remains strong. Frozen meat-based burgers have seen 2 percent dollar growth from last year, but this dynamic may be shifting. Fresh patties (up 8 percent) and prepared burgers from the deli section (up 15 percent) are both growing and asserting their importance to the future of the category. Growth opportunities are prominent within the alternative-protein sector, and this could be a new area of focus to reinvigorate the frozen-burger space. Within the past year, alternative-protein burgers have experienced dollar sales growth of nearly 21 percent. Although representing just 6 percent of the overall burger category, frozen alternative-protein burgers grew 17 percent year over year, which highlights an area for potential expansion.

Supermarket Category Share of Sales

Dollar Sales



Unit Sales



Source: Nielsen

Fresh and prepared foods still present the biggest opportunity for supermarkets, as Amazon continues to wrestle with the last-mile formula for perishables, which represent more than half of all supermarket sales, followed by grocery, at more than 40 percent, and nonfoods, in the single digits.

To be sure, prepared foods showed the strongest growth for supermarkets last year, according to Nielsen, with a boost in dollar sales of nearly 140 percent. The latest Total Consumer Report from Nielsen, which leverages the company's new Total Food View, shows that fresh categories within the United States are driving nearly 49 percent of all dollar growth across the fast-moving consumer goods (FMCG) brick-and-mortar landscape. In fact, within the past year, fresh and perishable foods generated more than $177 billion in sales.

"Fresh plays a crucial role in driving consumer traffic and loyalty," asserts John Tavolieri, Nielsen's president of U.S. FMCG and retail, and chief technology and operations officer. "To win shoppers over, fresh has to be integral to a broader, more connected total-store approach that goes beyond category management."

Marketers must capitalize on adjacencies, reveal unseen competition and make cross-category connections to uncover business blind spots, Tavolieri says, thereby "enabling the ability to better meet the demands of today's highly selective and savvy consumers who are looking to lead healthier lives."

Department Snapshot

Total supermarket sales across all grocery, perishable, general merchandise, and health and beauty categories topped $408 billion, according to Nielsen data.

Among the categories showing strongest sales growth, in addition to the aforementioned prepared foods and combo meals: diet and nutrition products, up nearly 65 percent; wraps and tortilla shells, up 45 percent; packaged coffee, up 33 percent; and yogurt, up 16 percent.

Among the laggards were frozen yogurt, down nearly 38 percent; toaster pastries, down 12 percent; and cheese, down more than 10 percent, along with a host of general merchandise categories.

This further supports the conventional wisdom that fresh is grocery's strength, and that continued investment in perimeter departments to better deliver need-state solutions, along with experiential marketing to make store trips less of a chore, is crucial to the future of traditional supermarkets.

In other words, be less traditional and more disruptive.

Top Categories by Percent Change in Dollar Sales

	DOLLAR SALES ($ IN MILLIONS)	DOLLAR PERCENT CHANGE YEAR AGO	UNIT VOLUME (IN MILLIONS)	UNIT PERCENT CHANGE FROM YEAR AGO
Prepared Foods	$36.32	139.5%	10.15	93.9%
Meal Combos	153.44	68.9	56.84	81.6
Diet and Nutrition	12.93	64.8	5.05	85.3
Wraps and Tortilla Shells	55.94	45.5	31.51	38.5
Packaged Coffee	11.98	33.0	1.45	25.9
Yogurt	11.54	16.0	6.19	3.5
Sweet Goods	10.89	13.8	5.63	18.6
Water Treatment	77.29	10.2	12.48	4.2
Snack and Variety Packs	343.82	10.0	85.66	8.1
Fully Cooked Meat	962.95	8.8	188.82	7.8

Bottom Categories by Percent Change in Dollar Sales

	DOLLAR SALES ($ IN MILLIONS)	DOLLAR PERCENT CHANGE YEAR AGO	UNIT VOLUME (IN MILLIONS)	UNIT PERCENT CHANGE FROM YEAR AGO
Yogurt (frozen)	$14.68	-37.8%	5.41	-46.4%
Computer/Printer Accessories	82.56	-22.1	3.36	-20.7
Nuts and Seeds	136.96	-18.4	30.28	-14.6
Candles and Candle Accessories	69.98	-15.8	40.92	-7.5
Baby Treatments	11.78	-15.4	1.72	-18.1
Ice Melt	29.93	-15.1	5.84	-15.5
Electronics	184.73	-15.0	15.04	-13.7
Combination Packs	12.51	-11.9	1.40	-7.6
Toaster Pastries	105.12	-11.9	45.14	-12.9
Cheese	142.56	-10.9	38.38	-14.8

Ranked by percent change in dollar sales.
Misc. categories and those with sales of less than $10 million are not included.

Penetration of Categories by Retail Channel

CATEGORY	ALL OUTLETS	SUPERMARKET	DOLLAR STORES	DRUG STORES	MASS EXCLUDING SUPERCENTERS	SUPERCENTERS	WAREHOUSE CLUBS	CONVENIENCE / GAS	ALL OTHER OUTLETS
Alcohol	62.7	46.3	1.9	5.6	5.3	19.9	12.5	4.3	24.0
Baby Care	52.1	24.8	9.8	7.9	11.2	24.5	6.3	0.2	8.2
Bakery	72.9	53.5	2.1	0.9	4.2	30.8	12.8	1.1	4.3
Dairy	99.7	95.9	17.2	13.5	24.1	60.8	37.9	8.6	21.3
Deli	90.0	76.9	3.6	1.2	7.8	36.4	23.4	2.6	7.1
Frozen Foods	99.1	93.9	16.8	8.2	18.6	55.4	35.6	4.2	15.3
General Merchandise	98.9	69.4	46.9	25.6	39.1	65.7	27.9	2.3	69.9
Grocery	100.0	97.7	53.5	50.1	45.0	71.1	49.2	23.0	63.3
Health & Beauty Care	99.7	79.9	44.3	58.7	40.9	67.0	35.8	2.5	53.1
Household Care	99.7	85.4	48.5	28.8	36.2	63.9	39.8	1.7	54.1
Meat	96.6	88.9	7.5	2.6	12.4	48.0	25.5	1.1	11.5
Pet Care	71.1	45.9	16.0	5.8	17.4	39.6	14.4	0.9	39.9
Produce	97.5	91.9	5.0	1.3	12.9	50.9	35.5	1.7	14.4
Tobacco and Tobacco Alternatives	32.2	11.8	8.5	4.0	2.4	10.3	1.1	8.4	7.7

Includes all buyers for 52 weeks ending Dec. 30, 2017
Source: Nielsen

2017 Supermarket Dollar Sales & Unit Volume

Flavored malt beverages, tequila and whiskey are among key growth segments in the spirits category.

Hard-boiled eggs are emerging as a snacking item as consumers seek more protein-rich options.

CATEGORY	DOLLAR SALES ($ IN MILLIONS)	DOLLAR PERCENT CHANGE FROM YEAR AGO	UNIT VOLUME (IN MILLIONS)	UNIT PERCENT CHANGE FROM YEAR AGO
TOTAL GROCERY	**$176,191.54**	**-1.3%**	**65,089.26**	**-2.8%**
ALCOHOL	**$23,594.65**	**0.5%**	**2,385.74**	**-1.0%**
Alcoholic Beverage Mixers	215.58	1.2	48.70	-0.5
Beer, Flavored Malt Beverages, Cider	11,052.18	-0.7	1,215.56	-2.6
Spirits	4,010.23	0.8	273.44	2.7
Wine	8,316.66	2.0	848.04	0.1
GROCERY-FOOD	**$124,936.86**	**-1.6%**	**55,406.28**	**-2.7%**
Bagels	584.42	0.0	196.60	-0.5
Baking Mixes	1,412.05	-3.9	907.80	-6.1
Baking Staples	2,698.37	-3.7	1,043.12	-4.0
Baking Supplies	218.58	0.9	78.38	-3.3
Beans	651.00	-2.7	635.47	-2.5
Beverage Enhancers	1,154.07	-5.0	711.54	-8.1
Beverages	24,357.85	-0.7	11,436.99	-1.7
Bread	5,626.93	-2.7	2,308.49	-3.9
Candy, Gum, Mints	6,066.86	0.7	3,096.00	0.4
Cereal and Granola	6,722.57	-4.6	2,248.74	-4.5
Cheese	142.56	-10.9	38.38	-14.8
Coating Mixes and Crumbs	263.02	-2.2	125.71	-4.4
Combination Packs	7.05	-9.7	0.61	-24.4
Condiments	2,646.57	-2.6	1,050.09	-3.2
Cookies and Crackers	6,705.36	-2.9	2,566.70	-3.4
Cooking Wine and Vinegar	443.84	8.3	151.14	2.9
Creams and Nondairy Creamers	366.76	-1.1	117.79	0.4
Dessert Toppings	128.82	-7.2	52.13	-7.8
Desserts	438.42	-4.6	269.10	-5.3
Diet and Nutrition	1,743.82	-0.2	535.20	-2.0
Dips/Spreads	1,268.02	-1.9	448.39	-2.6
Dough and Batter Products	2.34	-11.3	0.58	-14.7
Dry Salad and Potato Toppings	360.97	-1.9	181.29	-2.7
Eggs	1.28	55.4	0.19	73.3
Extracts, Herbs, Spices and Seasonings	2,414.67	3.0	879.97	-1.0
Fruit	2,099.73	-2.2	972.92	-3.1
Fruit Snacks	438.69	-2.6	190.02	-5.1
Fully Cooked Meat	334.51	-3.2	167.05	-4.1
Marshmallows	128.44	-3.9	86.70	-4.3
Meal Combos	129.10	-3.1	69.61	-2.3
Milk Products	209.00	-1.7	86.47	-4.2
Milk/Dairy Alternatives	149.86	-1.3	58.29	-3.3
Nut Butters, Jam, Jellies	1,988.26	-1.9	595.82	-4.0

2017 Supermarket Dollar Sales & Unit Volume

Nuts are among the traditional snack items being enhanced with probiotics to boost their wellness value.

CATEGORY	DOLLAR SALES ($ IN MILLIONS)	DOLLAR PERCENT CHANGE FROM YEAR AGO	UNIT VOLUME (IN MILLIONS)	UNIT PERCENT CHANGE FROM YEAR AGO
Nuts and Seeds	1,953.32	2.7	494.51	1.4
Oils, Butter, Margarine Spreads, Substitutes	2,264.36	-2.5	555.40	-6.1
Olives, Capers, Pickled and Marinated Vegetables	1,145.37	-2.1	497.93	-2.7
Packaged Coffee	5,009.14	-1.1	763.45	-2.5
Packaged Tea	805.25	-4.1	241.10	-4.1
Pancake, Waffle, French Toast Toppings	450.72	-3.3	123.27	-5.1
Pasta, Rice, Dry Beans and Grains	2,648.63	-3.6	1,516.40	-3.2
Performance Nutrition	650.62	1.6	244.01	-1.3
Pizza	95.74	-7.0	24.01	-6.7
Prepared Foods	7,980.07	-2.1	5,306.37	-3.2
Processed Meat	92.86	0.2	119.90	-1.6
Rolls and Buns	2,403.93	-1.5	1,075.91	-2.8
Salad Dressing	1,332.82	-4.0	545.94	-4.9
Salty Snacks	11,722.49	0.2	4,494.87	-1.0
Sauce and Seasoning Mixes	616.14	-0.9	606.19	-1.7

CATEGORY	DOLLAR SALES ($ IN MILLIONS)	DOLLAR PERCENT CHANGE FROM YEAR AGO	UNIT VOLUME (IN MILLIONS)	UNIT PERCENT CHANGE FROM YEAR AGO
Sauces, Gravies, Marinades	3,689.94	-1.1	1,973.81	-2.9
Seafood	1,277.68	-0.6	787.13	-3.0
Snack and Variety Packs	343.82	10.0	85.66	8.1
Sugar and Sweeteners	1,618.78	-4.7	561.21	-5.9
Sweet Goods	315.11	-0.7	96.06	-4.5
Sweet Snacks	2,266.43	-1.9	1,023.40	-2.4
Toaster Patries	358.15	-7.9	153.81	-10.3
Vegetables	2,372.54	-4.3	2,114.03	-4.7
Wraps and Tortilla Shells	1,607.62	0.4	688.44	-0.8
Yogurt	11.54	16.0	6.19	3.5
GROCERY-NONFOOD	**$27,660.03**	**-1.9%**	**7,297.24**	**-4.2%**
Baking Supplies	48.16	6.8	13.54	6.0
Bathroom Accessories	32.29	-6.0	5.92	-3.2
Dish Care	1,007.86	-1.9	287.63	-5.7
Food Storage	1,207.58	-3.7	435.77	-3.9

While Greek-style yogurts have been dominating the dairy case, plant-based alternatives are coming on strong.

2017 Supermarket Dollar Sales & Unit Volume

Pet supply sales mirror human trends with a focus on health and wellness, especially items with natural claims.

Emphasis on clean labels is driving the increase in creams and nondairy coffee creamers.

CATEGORY	DOLLAR SALES ($ IN MILLIONS)	DOLLAR PERCENT CHANGE FROM YEAR AGO	UNIT VOLUME (IN MILLIONS)	UNIT PERCENT CHANGE FROM YEAR AGO
Home Air Fresheners	765.28	1.4	254.39	-1.4
Household Cleaners and Supplies	2,035.15	-0.7	538.50	-2.4
Laundry Care	3,377.58	-1.0	648.65	-1.6
Paper and Plastics	8,045.89	-2.2	2,091.23	-4.4
Pest Control	217.77	-5.8	43.36	-5.7
Pet Food	5,488.79	-1.9	2,189.95	-5.7
Pet Supplies	1,003.28	0.0	143.75	-2.4
Pet Treatments	71.21	-2.8	8.58	-2.2
Tobacco Alternatives	91.44	3.3	5.07	4.8
Smoking Accessories	108.42	-2.2	40.76	-4.7
Tobacco	4,159.33	-2.9	590.14	-3.7
PERISHABLES	**206,677.82**	**-1.3%**	**77,235.58**	**-1.8%**
BAKERY	**$9,231.02**	**-1.1%**	**3,423.57**	**0.0%**
Bagels	185.10	-0.8	203.26	0.6
Bread	1,345.42	-4.6	556.80	-4.6
Cereal and Granola	1.42	-2.8	0.34	2.3
Coating Mixes and Crumbs	1.06	8.4	0.54	4.6
Cookies and Crackers	1,163.60	0.3	307.75	0.3
Desserts	3,617.79	-1.6	640.37	-0.3
Doughnuts	698.68	2.4	515.26	2.4
Meal Combos	16.61	-8.3	8.28	-37.3
Misc. Bakery	17.49	614.3	8.88	1193.0
Muffins	526.14	1.9	195.25	0.2
Prepared Foods	1.13	7.8	0.63	4.2
Rolls and Buns	788.28	-3.5	650.62	1.4
Sweet Goods	812.36	-1.5	304.08	-2.4
Wraps and Tortilla Shells	55.94	45.5	31.51	38.5
DAIRY	**$44,380.80**	**-2.4%**	**17,119.50**	**-4.6%**
Bagels	48.31	-8.6	27.80	-9.1
Baking Staples	15.75	-7.4	6.80	-4.1
Beverages	4,924.65	-1.5	1,719.55	-2.2
Bread	58.89	3.8	21.63	0.5
Cheese	11,310.81	-2.2	3,657.05	-3.6
Creams and Nondairy Creamers	2,621.13	3.1	844.22	0.0
Dessert Toppings	314.06	2.2	110.92	1.2
Desserts	460.76	1.8	211.71	-1.1
Dough and Batter Products	1,213.89	-3.6	560.65	-5.5
Eggs	3,511.33	-8.2	1,526.02	-3.4

2017 Supermarket Dollar Sales & Unit Volume

At-home brewing is the dominant method for coffee consumption in the United States.

The majority (60 percent) of U.S. consumers purchase prepared foods that are intended to be eaten cold, according to a *PG* consumer survey.

CATEGORY	DOLLAR SALES ($ IN MILLIONS)	DOLLAR PERCENT CHANGE FROM YEAR AGO	UNIT VOLUME (IN MILLIONS)	UNIT PERCENT CHANGE FROM YEAR AGO
Milk Products	8,003.89	-4.6	2,867.44	-5.5
Milk/Dairy Alternatives	1,007.26	2.5	308.58	1.9
Oils, Butter, Margarine Spreads,-Substitutes	2,749.28	-1.0	857.71	-4.9
Olives, Capers, Pickled and Marinated Vegetables	178.91	1.8	21.19	-0.5
Packaged Coffee	11.98	33.0	1.45	25.9
Pasta, Rice, Dry Beans and Grains	325.10	7.8	78.98	4.4
Prepared Foods	1,448.03	5.3	392.63	3.0
Processed Meat	1.02	-22.1	0.15	-3.5
Rolls and Buns	5.95	17.6	2.10	11.6
Sour Cream Products	854.02	-1.7	437.63	-2.6
Sweet Goods	10.89	13.8	5.63	18.6
Wraps and Tortilla Shells	145.40	-5.2	65.97	-6.5
Yogurt	5,159.49	-3.2	3,393.69	-9.6
DELI	**$25,069.01**	**0.5%**	**5,331.89**	**1.7%**
Beverages	51.21	-7.3	11.00	-9.9
Cheese	3,541.31	-3.7	634.22	-2.2
Combination Packs	158.00	6.4	17.28	6.8
Condiments	62.28	-0.4	20.06	-2.6
Desserts	96.48	-6.5	32.60	-5.4
Dips/Spreads	1,864.02	2.7	522.47	-0.2
Fully Cooked Meat	4,471.06	-1.8	908.32	-0.7
Lunchmeat	4,394.95	-1.1	633.08	3.3
Meal Combos	1,122.81	8.0	579.58	8.0
Misc. Deli	63.15	61.1	9.87	56.5
Oils, Butter, Margarine Spreads, Substitutes	3.92	26.1	1.91	20.6
Olives, Capers, Pickled and Marinated Vegetables	191.27	1.9	53.42	1.2
Pizza	311.34	-6.1	63.29	-3.9
Prepared Foods	8,600.97	3.0	1,807.77	2.7
Processed Meat	5.83	25.0	1.92	9.8
Sauces, Gravies, Marinades	126.82	6.2	33.81	3.0
Sour Cream Products	3.59	54.7	1.29	63.8
FROZEN FOODS	**30,972.46**	**-0.6%**	**9,206.40**	**-2.9%**
Bagels	13.18	-10.8	6.11	-13.8
Baking Staples	69.81	-4.4	27.12	-5.4
Beans	110.97	-6.9	53.89	-8.3
Beverages	151.87	-10.0	85.48	-11.4
Bread	377.35	-3.0	153.89	-6.6
Condiments	1.08	-29.7	0.16	-15.5
Cookies and Crackers	1.25	-45.9	0.27	-43.1

2017 Supermarket Dollar Sales & Unit Volume

High-quality meat is among the top reasons that consumers cite when selecting a primary grocery store.

CATEGORY	DOLLAR SALES ($ IN MILLIONS)	DOLLAR PERCENT CHANGE FROM YEAR AGO	UNIT VOLUME (IN MILLIONS)	UNIT PERCENT CHANGE FROM YEAR AGO
Creams and Nondairy Creamers	1.20	-14.5	0.51	-16.1
Dessert Toppings	204.80	-4.6	121.74	-9.1
Desserts	7,719.35	0.4	2,087.17	-1.7
Dips/Spreads	10.68	-1.0	3.01	3.6
Dough and Batter Products	210.70	-6.4	59.42	-7.2
Doughnuts	7.17	22.0	1.27	27.4
Extracts, Herbs, Spices and Seasonings	1.82	-12.5	0.64	-25.1
Fresh Meat	1,205.54	-6.8	184.24	-5.1
Fruit	648.18	-3.9	140.15	-7.2
Fully Cooked Meat	1,717.31	0.0	304.17	-0.5
Ice	543.76	-3.3	205.82	-5.1
Meal Combos	1.47	-15.1	0.43	-15.4
Pasta, Rice, Dry Beans & Grains	191.20	-2.4	58.56	-3.0
Pizza	2,735.47	-0.5	795.34	-1.9
Prepared Foods	9,764.81	-0.1	3,217.60	-2.9
Processed Meat	454.81	0.3	167.70	-1.7
Rolls and Buns	108.43	0.8	33.45	-0.6
Sauces, Gravies, Marinades	6.47	-5.4	1.78	-7.2
Seafood	2,575.22	-0.1	330.05	-3.3
Sweet Goods	38.18	-5.8	10.19	-6.7
Sweet Snacks	7.03	33.4	1.73	39.9
Toaster Pastries	105.12	-11.9	45.14	-12.9
Vegetables	1,971.08	1.2	1,103.01	-1.7
Wraps and Tortilla Shells	2.47	0.3	0.95	0.3
Yogurt	14.68	-37.8	5.41	-46.4
MEAT	**$51,609.87**	**-2.4%**	**14,357.62**	**-0.3%**
Fresh Meat	32,764.71	-2.9	9,592.23	1.2
Fully Cooked Meat	962.95	8.8	188.82	7.8
Ham	1,227.48	-6.3	508.86	-0.2
Lunchmeat	3,744.79	-4.0	1,099.89	-4.5
Misc. Meat	71.91	14.6	12.95	7.0
Processed Meat	8,486.63	-0.4	2,340.81	-3.4
Seafood	4,351.40	-2.1%	614.06	-5.2
PRODUCE	**$45,414.66**	**-0.4%**	**27,796.60**	**-1.4%**
Dry Salad and Potato Toppings	2.66	-6.6	0.79	-0.4
Misc. Produce	6.52	118.3	4.33	206.6
Baking Staples	7.42	-0.5	2.07	5.4
Diet and Nutrition	12.93	64.8	5.05	85.3
Prepared Foods	36.32	139.5	10.15	93.9
Nuts and Seeds	136.96	-18.4	30.28	-14.6

CATEGORY	DOLLAR SALES ($ IN MILLIONS)	DOLLAR PERCENT CHANGE FROM YEAR AGO	UNIT VOLUME (IN MILLIONS)	UNIT PERCENT CHANGE FROM YEAR AGO
Meal Combos	153.44	68.9	56.84	81.6
Salad Dressing	311.06	0.5	89.89	0.1
Extracts, Herbs, Spices and Seasonings	864.33	2.1	581.10	-0.7
Vegetables	21,881.86	-0.7	12,732.53	-1.3
Fruits	22,001.16	-0.4	14,283.57	-1.6
GENERAL MERCHANDISE	**$5,579.33**	**-3.3%**	**1,287.62**	**-5.0%**
Appliances	349.61	-0.8	22.73	-2.3
Automotive Addititves	111.37	-3.3	22.83	-5.4
Automotive Air Fresheners	50.05	3.8	15.51	-0.4
Automotive Cleaners and Supplies	28.57	-0.1	6.39	1.0
Baking Supplies	121.98	0.5	55.51	0.4
Batteries and Accessories	570.64	3.4	91.91	-3.0
Candles and Candle Accessories	69.98	-15.8	40.92	-7.5
Combination Packs	3.15	16.0	0.71	10.7
Computer/Printer Accessories	82.56	-22.1	3.36	-20.7
Electronics	184.73	-15.0	15.04	-13.7
Food and Beverage Containers	389.46	-3.5	84.28	-3.3
Hair Removal	39.45	3.4	2.02	3.2
Home, School, Office Supplies	353.45	1.6	162.36	-0.7
Household Maintenance	119.46	-1.5	37.49	-5.9
Ice Melt	29.93	-15.1	5.84	-15.5
Kitchen Accessories	1,077.57	-1.5	276.50	-1.7
Lawn Care	58.88	-5.4	10.26	-6.1
Lighting	324.17	-6.5	62.59	-8.8
Outdoor Cleaners and Supplies	2.26	-5.2	0.31	-10.1
Outdoor Recreation	611.73	-2.5	100.15	-4.1
Paper and Plastics	30.30	-8.3	22.01	-14.7
Party Supplies	122.56	-4.0	52.85	-8.3
Pest Control	26.26	-1.7	7.43	-3.6
Reading and Hobby	388.00	-10.4	78.69	-19.1
Shoe Care	22.74	-9.6	6.05	-11.0
Storage and Space Management	110.63	-3.3	22.73	-2.3
Trash and Recycling	16.03	5.0	1.83	2.0
Water Filtration Products	53.46	-6.8	3.61	-8.5
Water Treatment	77.29	10.2	12.48	4.2
Writing Tools and Supplies	153.06	-6.6	63.23	-6.9

Just 13 percent of consumers said they did their back-to-school shopping at supermarkets in 2017, down 8 percent from the prior year, a Deloitte survey found.