Industry News - PM Meal preparation trend a boon to fresh meat sales: expert   By Tom Johnston on 9/30/2009

As the "Great Recession" enters its 21st month, already making it 10 months longer than the average U.S. economic recession, fresh meat sales have benefited more than most other consumables as American consumers cook more at home.

"When it comes to meal preparation, what's a meal without meat?" Todd Hale, senior vice president of consumer and shopper insights at The Nielsen Company said Tuesday while presenting his latest research on U.S. retailing and consumer trends at the company's Schaumburg, Ill., offices.

In the 52-week period ending Sept. 5, 2009, fresh meats saw 9 percent dollar growth over the prior year in major retail channels, making it the leader in that regard among edible departments. The second leading category, at nearly 6 percent, was packaged meats, driven, Hale said, by strong innovations in convenience such as microwaveable bacon products. Overall, there was a 2.2 percent increase in dollar growth in edible departments in the period.

The increase in percentage of the number of units sold in fresh and packaged meats during the same 52-week period respectively was 7.2 percent and 1.2 percent. Meanwhile, overall unit growth in major retail channels declined 1 percent in the period, as consumers continue to make trade-offs or buy less, which especially has been the case in non-edible categories.

While price cuts have been beneficial to consumers, they've curbed sales growth for retailers and manufacturers, Hale said.

"We're seeing unit increases, but people aren't buying enough to offset price cuts to generate more dollar sales," he said.

In fact, according to Hale, savings rates as a percent of income are now at the 5 percent to 6 percent range as opposed to zero to negative savings from recent years, which means people are being more judicious in their spending.