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Pandemic Pumps Up Frozen Food Sales



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The Earth may be facing global warming, but we're in a new ice age – at least when it comes to frozen foods. While the pandemic put a chill on many products, frozen foods have heated up, growing sales even as many people look for fresh and healthy foods. Companies like Amazon [AMZN -0.1%](#) are rolling out private label frozen foods and CVS is expanding its frozen food section as it seeks to grow its grocery business, while consumers fill freezers to bursting.

Fewer trips to shop means bigger trips – leading to more frozen food at home. American Frozen Food Institute (FFI) CEO Alison Bodor may be partial to frozen foods when she calls them a “pandemic powerhouse,” but the numbers back her up. U.S. frozen food sales dollars rose 21 percent from a year ago to \$65.1 billion, while unit sales shot up 13.3 percent. That's in part because of more eating at home – and a hunger for variety, including meal ingredients. The cold, hard truth is the Covid-19 pandemic boosted

frozen food sales, as consumer shopping patterns changed and CPGs embraced healthier and more nutritious frozen products.

Acosta, a sales and marketing provider focusing on the consumer packaged goods (CPG) industry, says more home cooking is fueling a frozen food surge, and frozen produce, pizza, snacks and entrees were the biggest sellers during the pandemic. Frozen seafood sales dollars shot up 35.3 percent, while poultry soared 34.7 percent and appetizers increased 28.9 percent, according to IRI, which collects and analyzes data for the CPG and other industries. Americans increasingly have been taking their food on ice.

The frozen food business also has diversified: While frozen food may summon up images of TV dinners, it has been reaching far beyond dinners into lunch, snacks and breakfast. Dinner is still the big meal for frozen foods, with 59 percent of consumers choosing frozen for their final meal of the day, but 41 percent eat frozen food for lunch and 38 percent eat it for breakfast often or nearly all the time, according to Acosta. Frozen foods for breakfast include waffles, pancakes, breakfast burritos, smoothies and more. According to FFI, the share of Americans who consume frozen food daily or every few days rose from 35 percent in 2018 to 39 percent in 2020.

The other big reason for the rise was a migration from brick-and-mortar to online. Nearly half, or 42 percent, of households that buy frozen foods bought them online over the past year. That's almost double the 23 percent who purchased frozen items online in 2018. Online frozen food sales increased a whopping 75 percent in 2020, led by dinners, meat, poultry and seafood. The internet has been good for this industry.

You might think people would prefer fresh to frozen, but the industry crossed that bridge, touting trends and terms like "fresh frozen" and decisions not to use artificial colors. Daily Harvest markets itself as delivering "farm-frozen food" to your doorstep, telling consumers "the freshest food in your kitchen just so happens to be in your

freezer.” It delivers weekly, essentially providing a subscription service online – rather than filling one order at a time.

Rather than fight the trend, retailers are joining in. CVS in April said it’s growing its frozen food offerings, adding products such as Bird’s Eye Steamfresh Frozen Broccoli Florets. Amazon, which already sells frozen vegetables under its Happy Belly brand, recently launched Aplenty, a brand expected to include frozen foods. And alternatives to milk are growing in the ice cream category. Chloe’s has been expanding its oatmilk pop line, providing dairy-free, plant-based alternatives as frozen foods cater to specific health requests and requirements.

Although the sky may seem the limit, freezer space is actually the big barrier right now. If you’re like many Americans, there’s a good chance your freezer is full. Freezer sales rose 45 percent in 2020, according to Acosta. Despite that, 27 percent of consumers said they occasionally ran out of freezer space during the pandemic.

As vaccinations send the pandemic into retreat and possibly thaw or melt frozen food sales, some of the surge is likely to remain, as companies launch new products and retailers make space and rack up online sales. Delivery might be convenient, but it’s not as fast as opening a freezer door. Domino’s, for instance, may thrive on pizza delivery, but when time matters, the microwave is faster. The global frozen pizza market, about \$16.2 billion in 2020, is projected to grow to \$23.3 billion by 2027, according to Statista.

And that’s just a small slice of a growing sector. Keeping up with the frozen food craze is enough to make food manufacturers and grocery executives break out in a sweat.