

Where's the Growth in Frozen Foods?

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March finds much of the United States unthawing from a harsh winter, but the chill lingers with Frozen Foods Month, according to the [National Frozen and Refrigerated Foods Association](#) [1].

In 1984, Pres. Ronald Reagan declared March 6 National Frozen Food Day. Thirty years later, the descendents of the once-revolutionary TV dinner, frozen prepared foods, are leading the charge in the frozen foods category. Yet consumers seeking freshness and convenience don't turn first to the frozen aisle, leaving overall category growth with modest gains.

"[Frozen foods] hasn't been a big category to this point, in terms of volume," Laurie Demeritt, CEO of the Hartman Group, told *Food Manufacturing*.

The latest data show minimal year-on-year sales gains for frozen foods. Sales of prepackaged, UPC-coded frozen foods — more than 3,700 SKUs of frozen fruits, vegetables, juices, meats, snacks and prepared foods — totaled \$50.2 billion in the 52 weeks ending November 3, according to Nielsen data for all retail outlets. That's up just 0.9 percent from the prior 52 weeks. Prepared foods were the top-selling frozen item: nearly \$14 billion was spent on frozen prepared foods in the same timeframe. Nonetheless, that was down 0.4 percent from the year-earlier period. Frozen pizza and snacks sales rose 1.5 percent to \$6.2 billion in that 52-week period.

Demeritt said frozen foods are stuck in the middle ground of consumer perceptions

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of freshness. Refrigerated foods are in the top spot, while shelf-stable products are in last place.

“The good thing for frozen is that it’s occupying a space in between,” Demeritt said. “From a consumer standpoint, the jury’s still out. What we’ve seen is that there is some resurgence of interest in these products.”

The most growth potential for frozen foods in the U.S. lies in specialty prepared foods, according to Demeritt. Brands like [Amy’s Kitchen](#) [2] and [Saffron Road](#) [3] market meals with global flavor profiles. Smaller brands like [Evol Foods](#) [4] sell burritos and bowls that tout higher-quality sourcing and sustainability. Gourmet frozen pizza is also of high interest to consumers, she said.

“There are some products and brands out there that could make a mark if they can seize on the opportunity,” Demeritt said.

In a National Frozen and Refrigerated Foods Association poll, 54 percent of survey respondents said frozen pizza was a go-to item in the freezer aisle at the grocery store. Forty-two percent named frozen meals, though vegetables were the top choice at 63 percent. Fifty-six percent of respondents said they were most likely to prepare frozen food for dinner, according to the poll.

Worldwide frozen prepared foods sales are forecast to grow steadily through the remainder of the decade.

Globally, more than 35 percent of the frozen foods market is occupied by frozen ready meals, due to its wide ranging product portfolio, according to Transparency Market Research. The frozen ready meals market is forecast to grow at a 3.9 percent CAGR from 2013 to 2019, according to a Research and Markets projection. In addition, private label products occupied more than 10 percent of the market share in 2012.

Demeritt said unique packaging and preparation methods could also interest consumers and set frozen prepared food brands apart.

Frozen foods sales are mixed across the board, with the meal-time standby of frozen vegetables unchanged from the year-earlier period at \$5.2 billion in the 52 weeks ending November 3, Nielsen data show. The largest year-on-year sales gains were seen in frozen dessert, fruit and toppings, up 7.6 percent to total \$1.75 billion. Frozen juice drinks sales dropped the most of total frozen segments, by 10.8 percent, to \$406 million in the 52 weeks ending November 3, compared to the year-earlier period.

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