

Food Processing Industry: COVID-19 Trends

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The beginning of the pandemic saw an extreme level of public uncertainty and fear. As governments began to enact stay-at-home orders and business closures, many began to worry about possible food shortages or grocery unavailability. This alarm caused a significant shift in consumer behavior in the food industry. Shelves were often wiped out as panicked shoppers stocked up on groceries to prepare for any change in the emergency protocols enforced in their area, and many started to rely on alternative online grocery delivery solutions to shop from the safety of their homes.

But the changes didn't stop there, and the resulting behavior drastically impacted food processors and distributors—and vice versa, with shifts in the food processing industry impacting consumer behaviors. Here we take a look at some of the most prominent food consumer trends spurred by the COVID-19 pandemic that food processing companies should consider. Analyzing these consumer trends can prepare your organization for upcoming challenges as the pandemic continues, and allow you to create proper mitigation and continuity strategies to handle future obstacles.

1. Stocking Up on Essentials

During the initial scare and the “panic buying” phase that many states saw, consumers stocked up on non-perishable, low-cost, packaged items (such as soups, rice, peanut butter, and pasta) to mitigate the risk of food scarcity in the future or limit the amount of grocery trips to reduce potential COVID-19 exposure.

Grocery trips were faster, more money was spent during each visit, and less variety was purchased as consumers were focusing on the essentials.

The country also experienced a meat shortage due to many meat manufacturing plants shutting down. This led to a lack of raw materials for processors, and consumers began to stockpile meat products. Many grocery stores even limited the number of certain products that customers could buy during this period (such as enforcing a policy that consumers could only get two packages of chicken breasts per visit).

Many food processing companies struggled to keep up with this demand, and many had to cut down their stock keeping units (SKUs) to the essential products that consumers were purchasing. This cutback limited the amount of production lines in their warehouses as they had to ensure adequate separate of workers for their safety.

2. Online Shopping

Through the various stages of quarantine, many consumers wanted to limit their time spent in public places to avoid possibly contracting COVID-19. Because of this, the popularity of online grocery shopping services (such as Amazon Whole Foods, Walmart, Fresh Direct, and Instacart) skyrocketed—and this specific trend is likely to continue long after the pandemic fades.

Consumers are realizing the many benefits of grocery shopping online: ease of use, the ability to price hunt, time saving opportunities, and more. Food processing companies should be prepared for this online shift. While this creates an opportunity for food processors to reach more customers and expand geographically through third-party online distributors, the shift to more online sales through sources like Amazon comes with additional challenges (such as margin deterioration). Consideration should be given to investment in their own e-commerce systems, costs (or cost savings) associated with advertising, slotting fees, etc.

Packaging

As consumers navigated an unfamiliar method of shopping, they also encountered many new brands they didn't have the opportunity to see before in a physical store. In this case, packaging stood out as a deciding factor among consumers when purchasing an item. According to [a recent study](#) conducted by Shorr Packaging Corporation, 62% of respondents that used third-party grocery apps to buy food purchased new or unfamiliar brands based on the item's packaging or appearance. The most commonly purchased items were labeled with *fresh, no sugar added, all natural, whole grain or multigrain, organic, and sustainable packaging*.

Also, early concerns of COVID-19 transmission on food surfaces prompted consumers to buy more products that had additional packaging (i.e. items with an outer container to throw away, instead of products with no packaging such as fresh fruits and vegetables).

3. Eating & Cooking Meals at Home

With restaurant closures and stay-at-home orders, consumers were cooking and baking more. The survey found that over the last few months, products that were labeled as *pre-cooked, ready-made, or stovetop-ready* gained popularity—with 42% of Americans buying more food products with these labels.

In many areas, children are participating in school from their homes, meaning more parents and guardians have to prepare kid-friendly meals at home for lunch rather than relying on the option to buy food at a school cafeteria. Prepackaged meals were viewed as a good option for working parents during this time.

Conclusion

As some food companies struggled to keep their doors open during this turbulent time, others struggled to keep up with the panicked demand of consumers. While these findings may be startling, it's important for food processors to pay close attention to create impactful procedures and protocols to ensure the success, continuity, and viability of their business—and ensure that they're able to get their consumers what they need, when they need it.