

Ready-to-eat Food Sales Pick up Pace

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Kolkata | Mumbai: Consumption of packaged food outside homes has bounced back sharply since August, helped by increased mobility, reopening of offices, hotels and restaurants

Sales of packs of salty snacks, ice-cream & other ready-to-eat products expanded 10-30% in Aug compared with Aug 2019

Sales to hotels, restaurants & caterers (HoReCa) have reached almost 80% of pre-Covid levels

Ready-to-eat growing faster than ready-to-cook indicating recovery of out of home consumption



and the rise in travel and social events. The recovery after the second wave has been faster than the first one, which saw a gradual revival in such products.

Companies said sales of consumer packs of salty snacks, ice-cream and other ready-to-eat products expanded 10-30% in August compared with the same month in 2019, while institutional sales to hotels, restaurants and caterers (HoReCa) have reached almost 80% of pre-Covid levels. Marketers are confident the latter will return to 100% levels this month.

As per Bizom, which tracks the sales of 7.5 million retail stores across the country, sales of ready-to-eat products surged 9.1% in August from July. Ready-to-cook grew 6.7%, indicating higher out-of-home consumption.

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Faster Recovery Post Second Covid Wave

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During Covid waves, the firm said the contribution of the ready-to-cook segment rose by 4% as people remained indoors.

“However, as mobility and travel increases, we see a spike in sales of ready-to-eat products as snacking on the go is the key behaviour driving sales. Going forward, we could see the shares of such products continue to go up on the back of festival consumption,” said Akshay D’Souza, chief of growth and insights at Mobisy Technologies, which owns Bizom.

Sales of ice-creams, snacks and food products in the HoReCa segment started growing in January, nearly six months after the first wave last year but tapered off at the end of March due to second-wave lockdowns.

The recovery this time around has been faster as vaccinations were not available last year and both the trade and consumers were gripped by uncertainty, Sandeep Sule, ITC chief executive officer, trade marketing and distribution. “This has changed greatly in the second wave. Also, with more and more people getting vaccinated and incre-

ased general awareness about Covid protocols, people are less paranoid, and there is positive consumer and trade sentiment,” Sule said.

Sales of ITC packaged snacks have risen 12-15% over pre-Covid levels, that of Parle Products is up 10-12%. India’s largest dairy products brand Amul has seen ice-cream sales grow over 30% in August from the same month in 2019. Adani’s sales grew nearly 40% for the food service segment that caters to HoReCa.

“Sales of chips, western snacks, and chocolates have all grown over pre-Covid. Lots more people are stepping out now than ever since Covid, and shops too have opened completely,” said Krishnarao Buddha, senior category head at Parle Products, India’s largest biscuit manufacturer.

Wholesaler Metro Cash and Carry India said there has been up to 60% recovery in the HoReCa segment from pre-Covid levels. “However, there has been an exponential growth of over 400% in the cloud kitchen business in the last one year,” said managing director Arvind Mediratta, adding demand is robust for institutional ready-to-cook products such as sauces and curries.