



Retail Chicken Marketing for Independence Day 2018

Chicken parts are popular with consumers for summer time grilling and no more than during the big 3 summer holidays (Memorial, Independence, and Labor Days). Eager to please, grocers actively promote a variety of grillable chicken parts targeting the holidays with consumer-friendly sale prices. Independence Day typically sees the most active level of retail featuring of chicken parts of the summer holidays and this trend repeated in 2018.

Compared to Independence Day 2017, the level of chicken parts featuring during the 2018 holiday was unchanged. By category, featuring of fresh parts declined 5 percent from 2017 but this was offset by a 10 percent increase in featuring of prepared (8-piece fried/baked) chicken and in a 55 percent increase in feature activity of individually quick frozen (IQF) b/s breasts and tenders. Compared to Memorial Day 2018, the overall level of featuring at Independence Day saw a 2 percent increase, led by a 4 percent rise in features of fresh parts and an 8 percent increase in IQF part featuring. Features for prepared chicken were down 14 percent when compared to the 28 percent year-over-year rise in prepared chicken featuring seen during Memorial Day 2018. By production type, featuring of fresh chicken parts from conventional production systems was down 10 percent from 2017 while those from chickens raised organically increased one percent to 7 percent of featuring.

Supermarket promotions featuring fresh antibiotic-free (ABF) chicken parts were up 45 percent at July 4th, 2018 from 2017 with the ABF share of fresh chicken parts featuring at 27 percent of total fresh chicken featuring, up 8 percent from last year. The rapid growth of ABF chicken production over the past two years is increasingly reflected in supermarket feature campaigns. Barely 10 percent of young chicken production just three years ago, ABF production began to experience double-digit growth in 2016, reaching a nearly 45 percent share of young chicken production by the end of 2017 as major processors moved quickly to convert their branded product to ABF. This growth is continuing into 2018 and, as of July 1, is up 4-5 percent over the first half of 2017 when ABF production had not yet attained the level achieved by the end of the second half of 2017.

In 2017, featuring of ABF fresh chicken on the Fourth was dominated by offerings of b/s breasts in small packs. In 2018, as the production of ABF chicken has risen, featuring of fresh parts has diversified with increased offerings of parts in value packs and a significant increase in features of fresh bone-in drums and thighs in both small and value pack sizes. In general, the weighted average advertised price for small packs of fresh ABF chicken parts declined 18 percent from 2017 while that for value packs had a 28 percent decline. With increased production, consumers are finding ABF chicken increasingly more mainstream and affordable at their local supermarket. Consumers in the Northeast were more likely to find ads for ABF fresh chicken parts in their store circulars at Independence Day 2018 with a 59 percent share of national of retail featuring occurring in that region.

Contrast this with an overall weighted average ad price decline of 3 percent on small packs of fresh conventional chicken parts and 13 percent on value packs during the 2018 July 4th holiday compared to 2017. In fact, during Independence Day

Fresh ABF Chicken Parts Feature Comparison - Independence Day
(weighted average advertised prices; \$ per pound)

Part	2018				2017			
	small pack		value pack		small pack		value pack	
	\$	ad share	\$	ad share	\$	ad share	\$	ad share
B/S Breast	4.29	27%	2.49	6%	4.68	58%	2.94	6%
B/S Thighs	3.68	6%	1.93	1%	3.04	10%	--	--
Tenders	4.16	9%	--	--	--	--	--	--
Split Breast, bone-in	1.60	4%	1.37	3%	2.91	3%	1.53	3%
Drumstick, bone-in	1.48	10%	1.22	5%	1.72	7%	1.18	2%
Thighs, bone-in	1.63	15%	1.30	4%	1.86	6%	1.19	2%
Leg Quarter	1.08	4%	0.67	1%	0.73	0.2%	0.49	0.1%
Wings	2.95	1%	2.36	5%	3.37	2%	2.34	1%

based on a survey of ad circulars from U.S. supermarkets.

Source: USDA AMS L&P Agricultural Analytics

2018, featuring of conventional fresh chicken parts saw a 3 percent shift from small to value packs from 2017. Overall, features of fresh conventional and ABF chicken parts by pack size during the holiday were reversed with ABF 75/25 percent small to value pack and conventional 25/75 percent small to value packs.

Information for this report is derived from data reported in the [Feature Advertising by U.S. Supermarkets Meat and Poultry](#) report series.

