Category Review

Honey

National Honey Board Association
December 2024

Executive Summary

& Recommended Actions

Focus on Organic & Raw honey segments

Organic and Raw honey segments are outpacing the growth of Non-Organic and Processed honey, signaling consumer interest in sustainable and lower sugar products. Capitalize on this growth with packaging claims for qualifying Organic and Raw attributes.

Dive deeper into Private Label and National Brand dynamics in honey

Unlike other categories, branded honey is gaining share from Private Label. Honey producers need to continue to demonstrate the value of premium offerings through differentiation, such as added benefits like raw and organic honey. Keep in mind that as financial pressures continue into 2025, manufacturers will also need to find a balance in delivering premium options to consumers, such as organic and raw honey, while retaining consumers who are lowering discretionary spending.

Drive increased velocity for honey through incremental occasions

Though honey velocity is increasing, it is lagging the velocities of benchmark categories. Consider the levers Honey producers could pull to match that growth, such as through encouraging incremental occasions. It is also advisable to consider assortments and identify the strongest items within Honey for increased distribution.

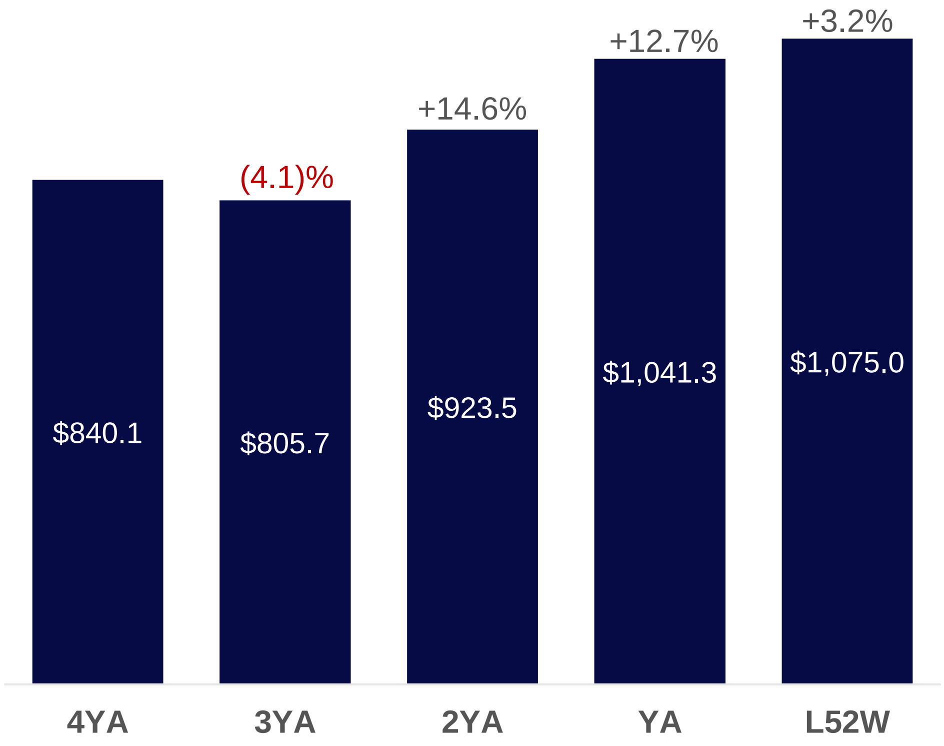
Increase omnichannel penetration through increased distribution and displays

Honey omnichannel penetration grew 2.3 points reaching 35.7%. To capitalize on this momentum, honey manufacturers can encourage higher penetration through displays and increased distribution in online channels to reach new buyers. Further, aggressive pricing is an effective marketing tool for honey manufacturers to consider.

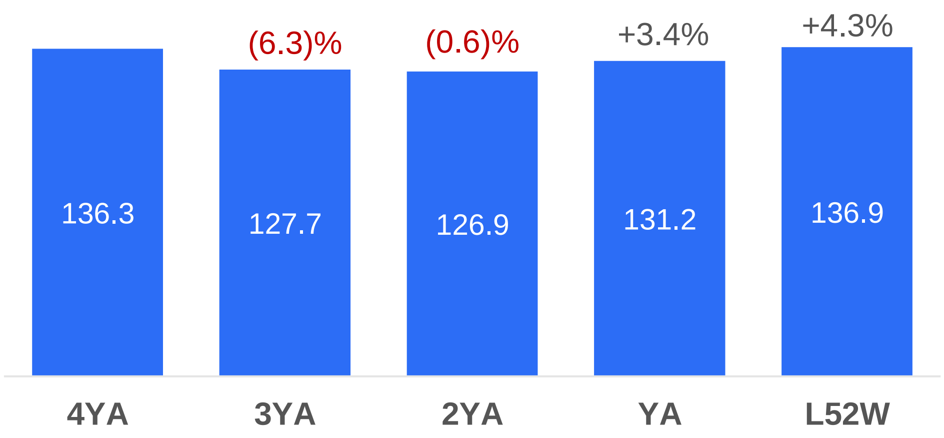
Honey reaches $1.1 Billion

The category sees steady growth in the latest two years

Dollar sales
Millions



Unit sales
Millions



Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

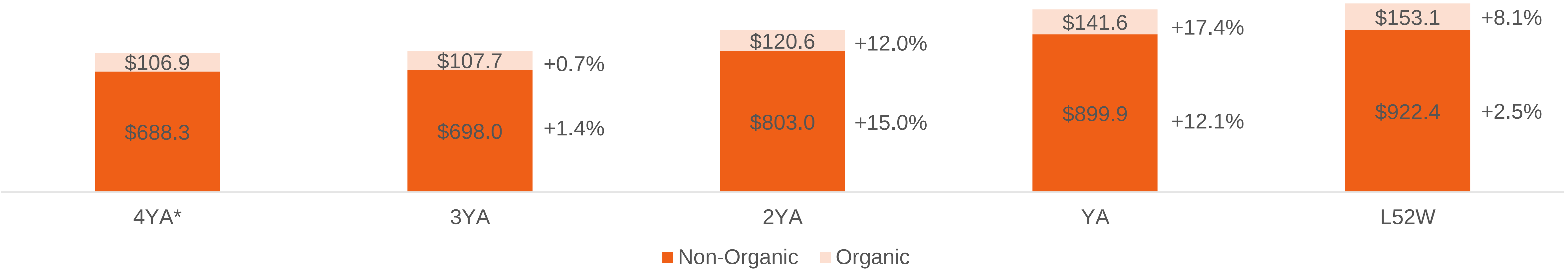
*Note: “L52W” is Latest 52 Weeks of scanning sales

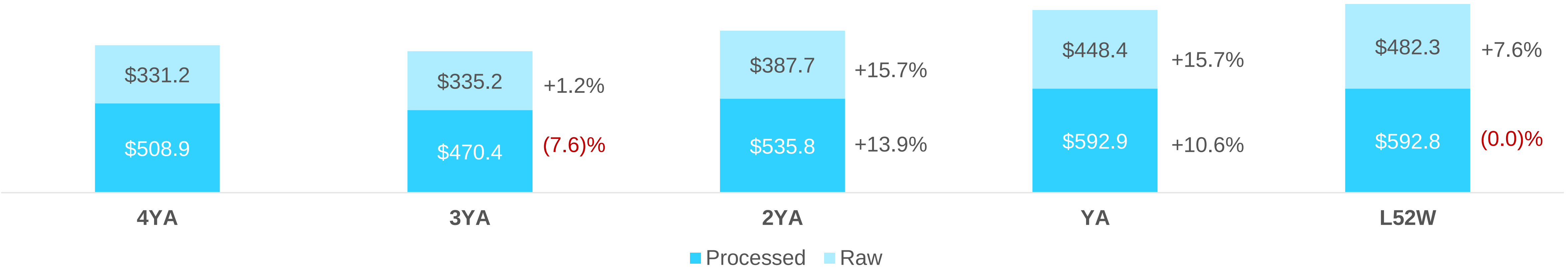
Focus on Organic and Raw honey segments

Non-Organic and Raw honey drive category absolute dollar growth

Dollar sales

Millions





Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

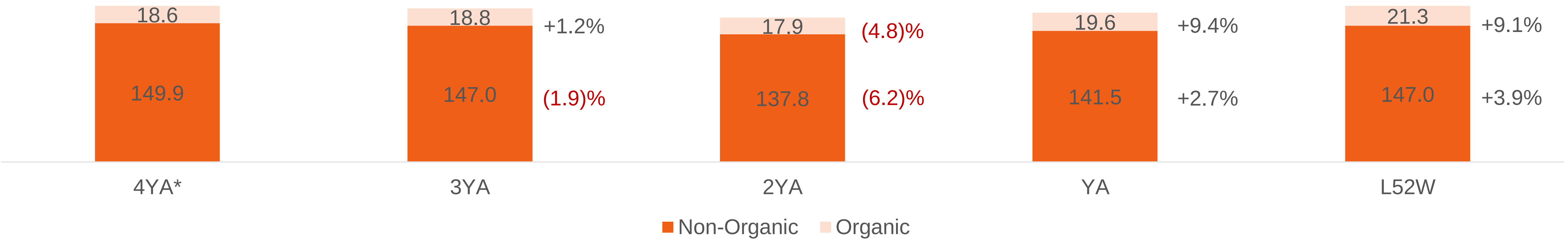
*49 weeks of data

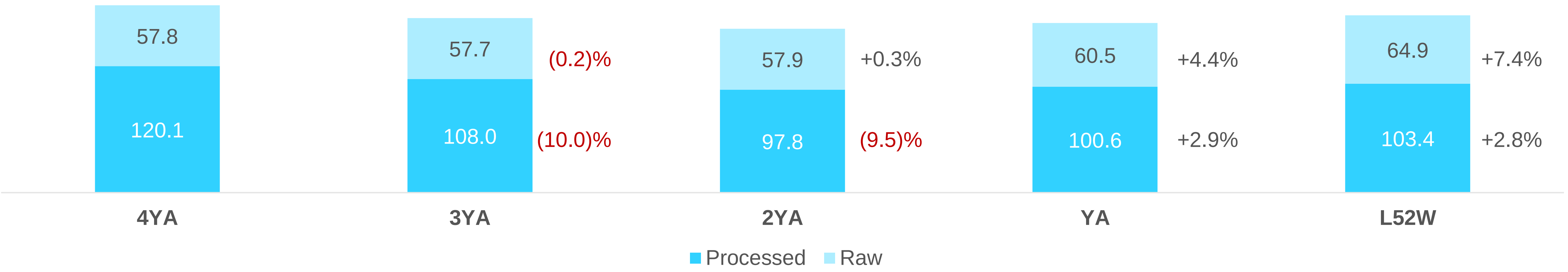
Use packaging to ensure awareness of attributes like Organic and Raw

Health and sustainability will likely continue to drive growth in these segments

Volume sales (16oz)

Millions





Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

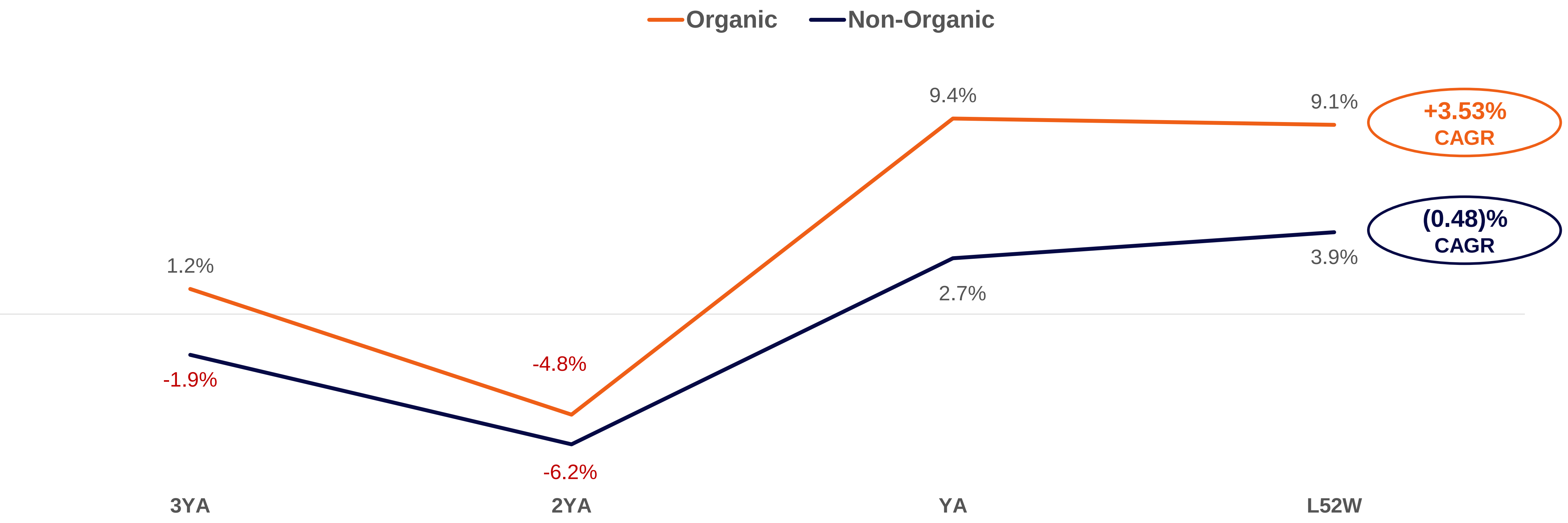
*49 weeks of data

Differentiate with Organic honey

Consumer interest in sustainable practices may drive future growth in this segment

EQ Growth Year-Over-Year

EQ % Chg YA



Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24; * **CAGR** is the compound annual growth rate comparing the 4YA EQ sales and L52 EQ sales

Focus on Organic Honey

Organic honey gains 1.7 share points over 4 years; capitalize on this growing trend

EQ share
EQ share of honey

Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

*49 weeks of data

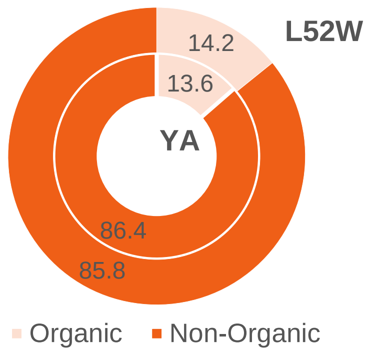
NIQ

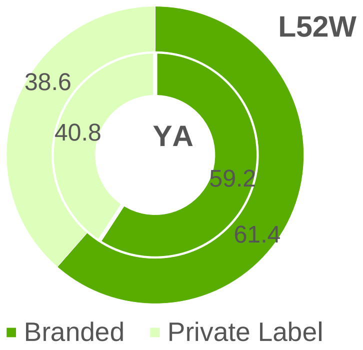
Monitor Organic, Raw, and Branded honey growth

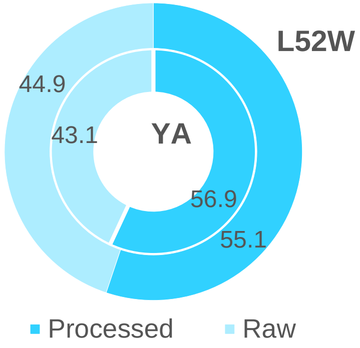
Importance of sustainability and sugar content may drive future growth these segments

Dollar Share

L52W vs. YA

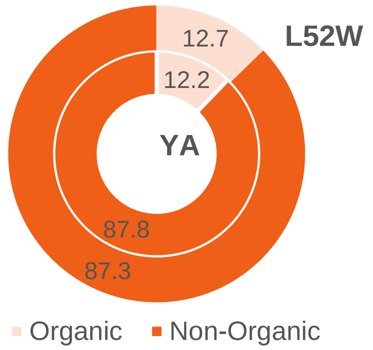


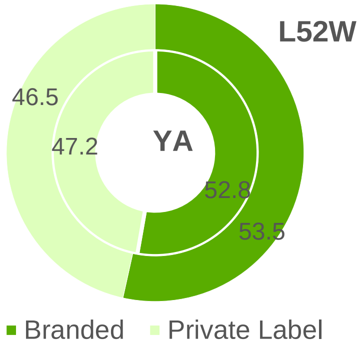


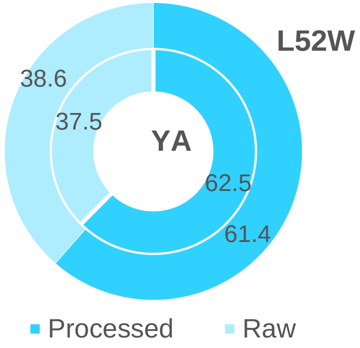


EQ Share

L52W vs. YA







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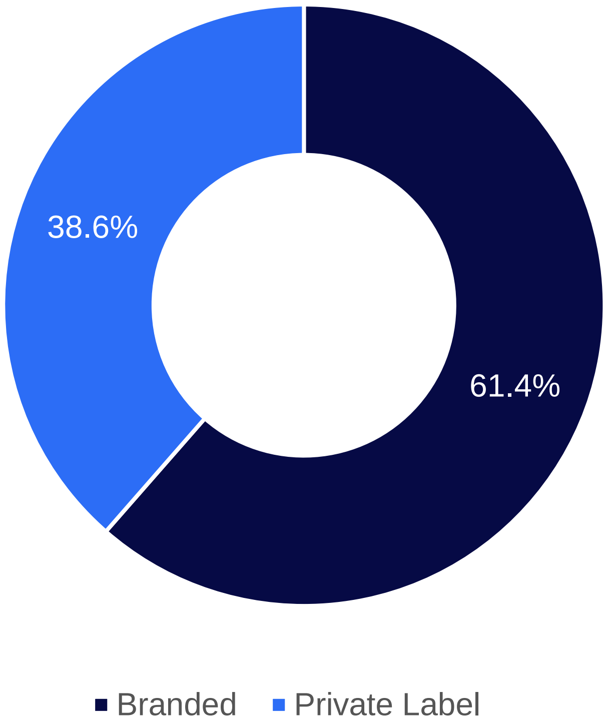
*Note: “L52W” is Latest 52 Weeks of scanning sales

Understand the importance of National Brands

Branded shows gradual growth from year over year as consumers are willing to pay a premium

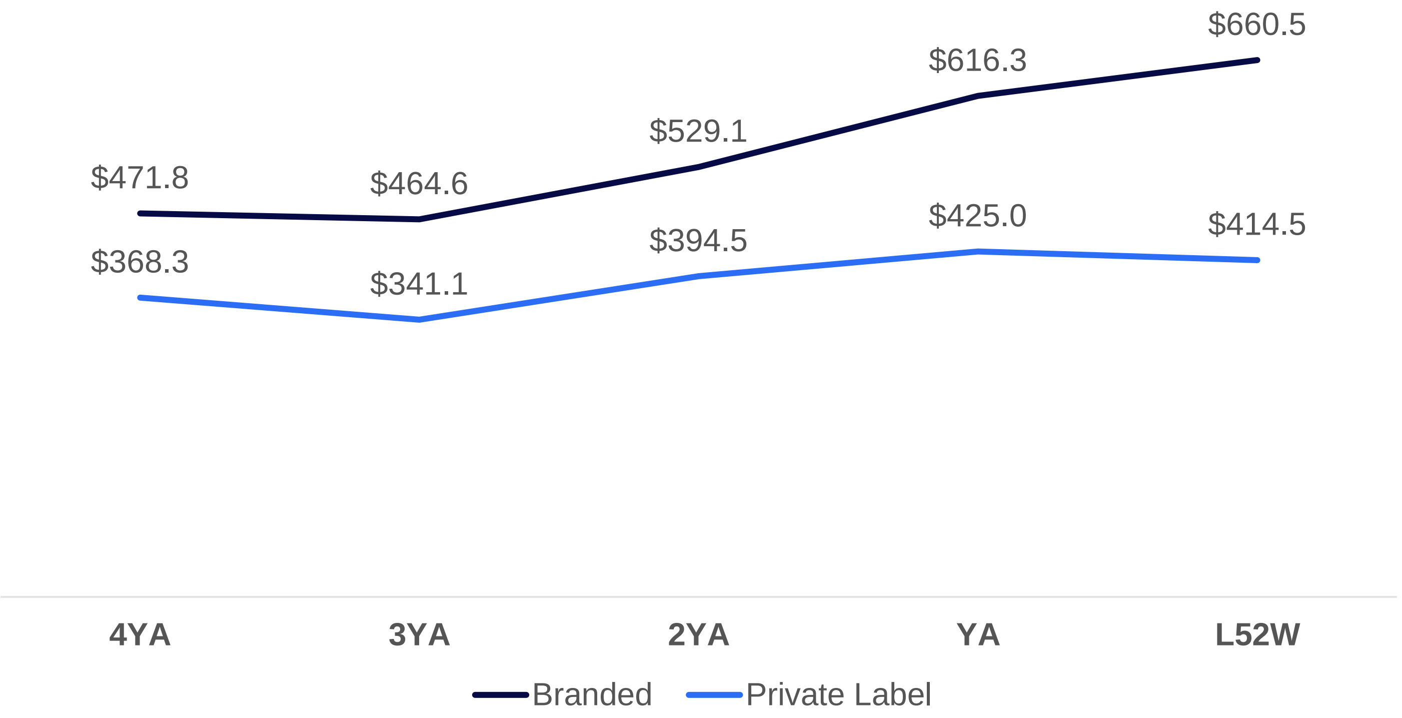
Dollar share

Branded vs Private Label



Dollar sales over time

Millions



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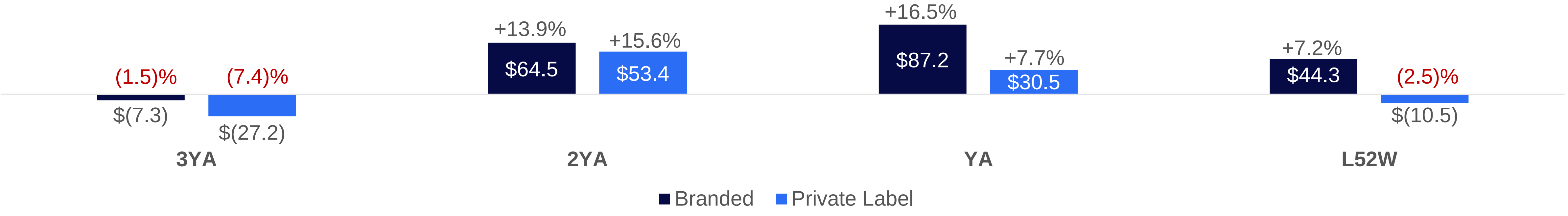
Consider Private Label growth as discretionary spending lowers

Private Label Honey price discount increases in latest year

Dollar change YA

Millions



Price Discount of Private Label vs Branded

% difference per LB*

*Note: "L52W" is Latest 52 Weeks of scanning sales

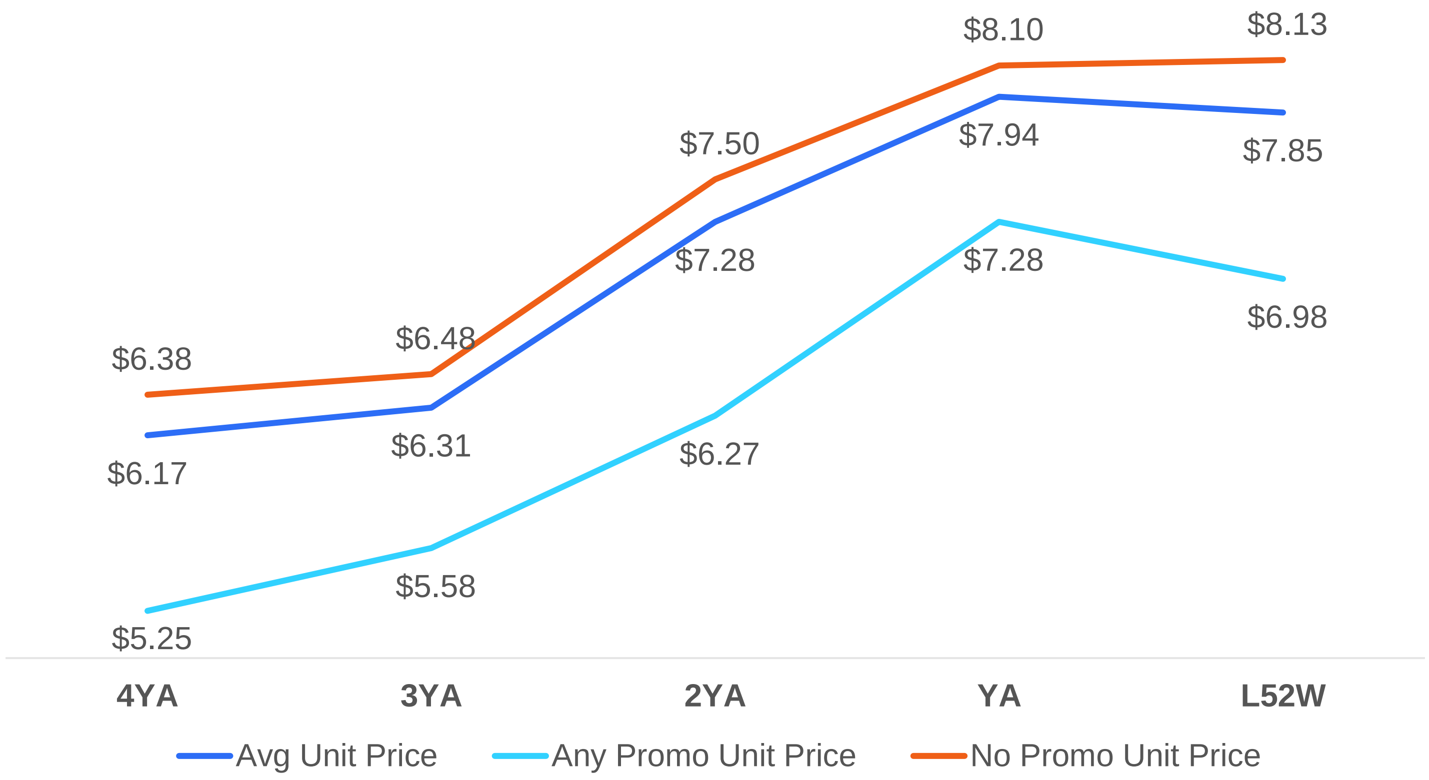
Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24; *Calculated as the % difference between the Avg EQ Price Discount for Private and National Brand

Assess the impact of deeper unit price discounts

Promoted price discount deepens by 40% over latest year

Average unit price

Total US xAOC



Average EQ price

Total US xAOC

Retailer	Non-Organic	Organic
Whole Foods	$12.29	$8.12
Walmart	$5.96	$7.06
Target	$6.13	$7.33
Ahold Delhaize	$6.71	$8.40
Albsco	$7.84	$7.49
Grocery	$7.26	$7.85
Drug	$7.18	$10.41
Conv	$11.18	$6.18

Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

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Optimize the right promotional mix for honey

21.3% of total honey $ sales are made on promotion

Promotional Impacts

Total US xAOC

	% of $	% of Units	Incremental $	% $ Lift
Any Price Decr	18.0%	20.0%	$64.0M	49.4%
Any Display	3.9%	4.9%	$6.8M	19.5%
Any Feature	2.0%	2.5%	$8.2M	62.9%

Promotional dollars **increased by $37M** over the last year.

Units on promotion **increased by 6.4M** vs last year.

Any Price Decrease
18.0% [+2.9%] of all dollars were sold on Any Price Decrease (20.0% of all units [+3.9%]).

Any Display
3.9% [+0.4%] of all dollars were sold on Any Display (4.9% of all units [+0.2%]).

Any Feature
2.0% [-0.3%] of all dollars were sold on Any Feature (2.5% of all units [+0.0%]).

Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

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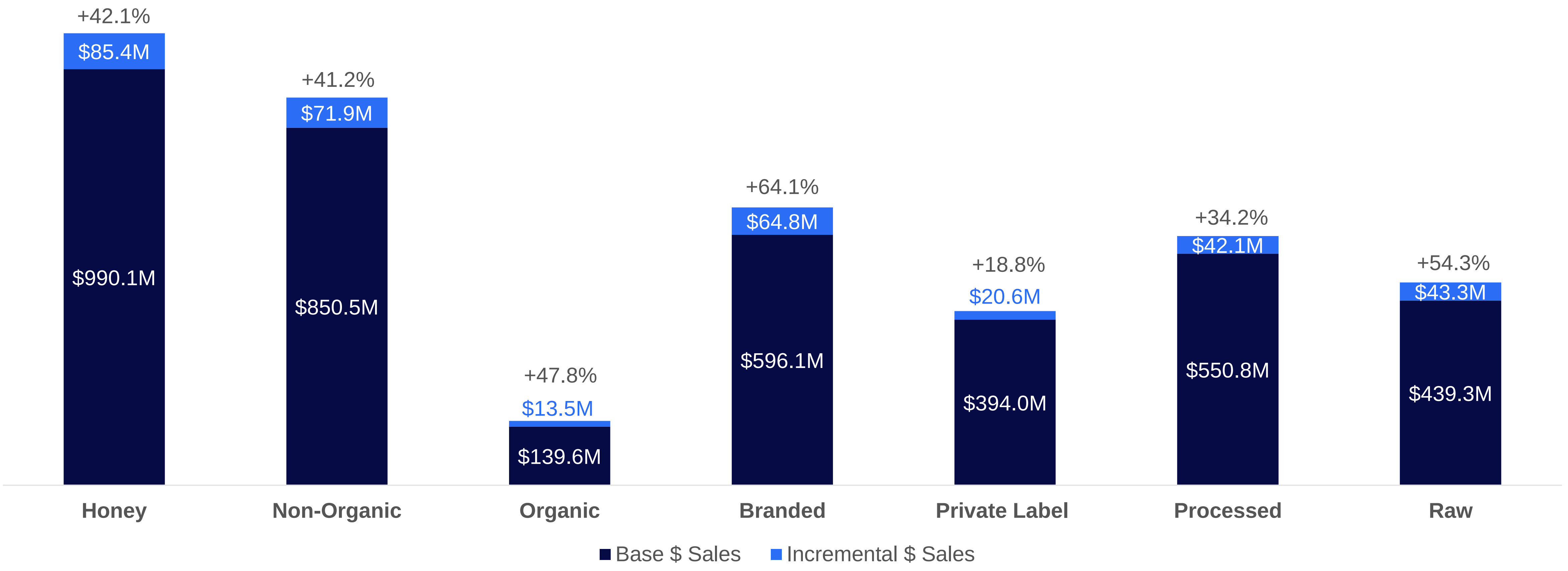
Continually analyze promotional efficiency and incrementality

Honey incremental sales account for less than 10% of sales across almost all segments

Promotional Efficiency

% Lift by Segment

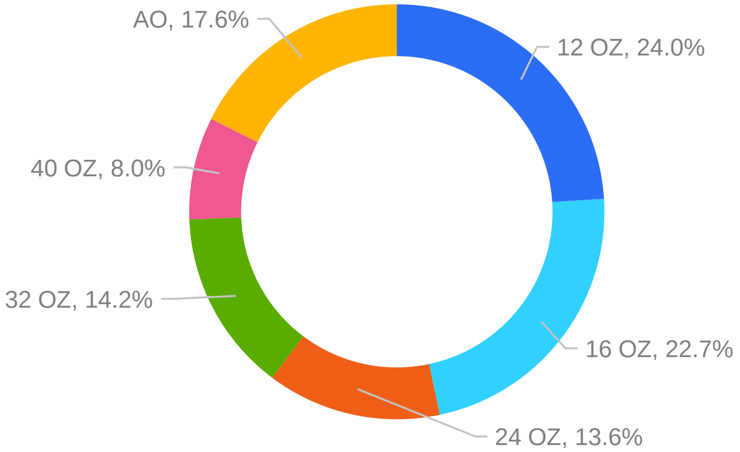


Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

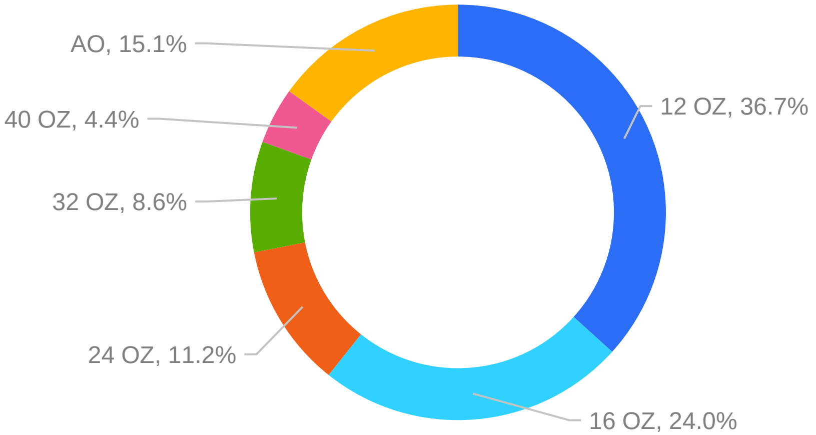
Focus on small to mid product sizes

12 oz holds dollar and unit share, but larger sizes may continue to find higher growth

Dollar share
Product Size



Unit share
Product Size



Top Selling Sizes
Based on unit sales

Base Size	$	$ % Chg YA	Units	Units % Chg YA	Base Size	$	$ % Chg YA	Units	Units % Chg YA
12 OZ	$258,096,568	3.6%	50,246,438	2.9%	**40 OZ**	$85,736,595	(10.3)%	6,023,993	(6.0)%
16 OZ	$243,688,787	6.1%	32,836,317	5.6%	**48 OZ**	$59,096,800	22.2%	5,575,557	45.9%
24 OZ	$145,980,639	5.6%	15,365,170	6.6%	**8 OZ**	$14,318,790	(0.6)%	3,122,768	(1.1)%
32 OZ	$152,206,717	4.9%	11,769,533	2.9%	**80 OZ**	$30,209,459	(6.5)%	1,570,488	(6.4)%

Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

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Anticipate the impact of sustainability within package material

Bottle and plastic still dominate, but recyclable materials like cardboard find triple digit growth

Top selling pack shapes

Shape	$	$ % Chg YA	Units	Units % Chg YA	Avg Unit Price
Bottle	$723,360,268	4.6%	87,425,134	6.3%	$8.27
Bear	$154,893,700	1.0%	30,398,686	2.5%	$5.10
Jar	$151,578,761	(0.4)%	14,351,161	(2.0)%	$10.56
Jug	$24,527,802	0.8%	1,358,819	0.6%	$18.05
No Package	$4,918,902	22.9%	1,549,408	7.9%	$3.18

Top selling pack material type

Material Type	$	$ % Chg YA	Units	Units % Chg YA	Avg Unit Price
Plastic	$914,193,508	3.0%	118,579,059	4.2%	$7.71
Glass	$153,583,670	3.7%	16,511,532	4.5%	$9.30
Not applicable	$5,273,245	24.1%	1,581,738	8.5%	$3.33
Cardboard	$809,455	118.5%	111,153	101.3%	$7.28
Not collected	$464,092	5.5%	37,838	8.1%	$12.27

Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

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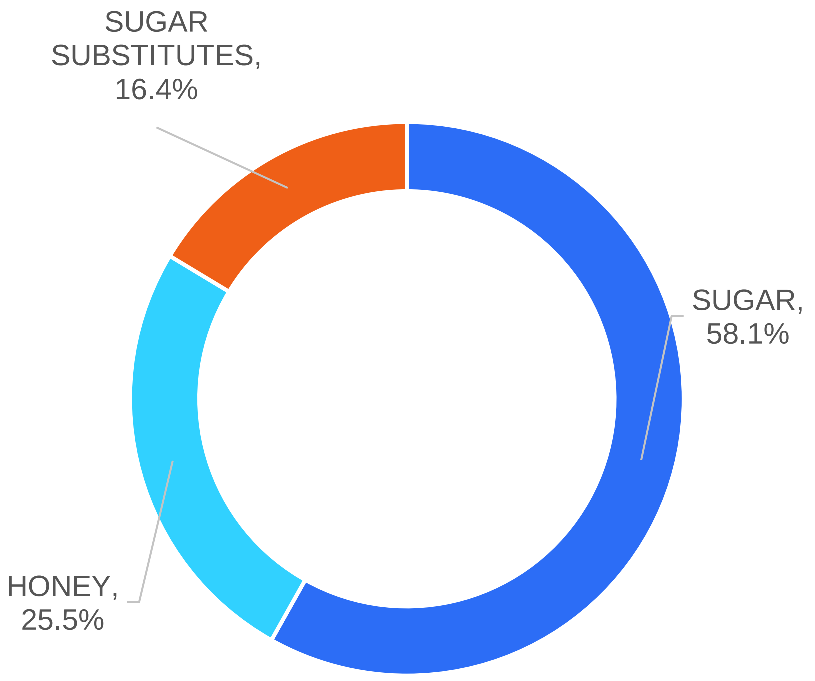
Consider growth strategies to compete within competitive categories

Honey is underperforming against sugar and the super category

Dollar share

Sugar & Sweeteners Categories



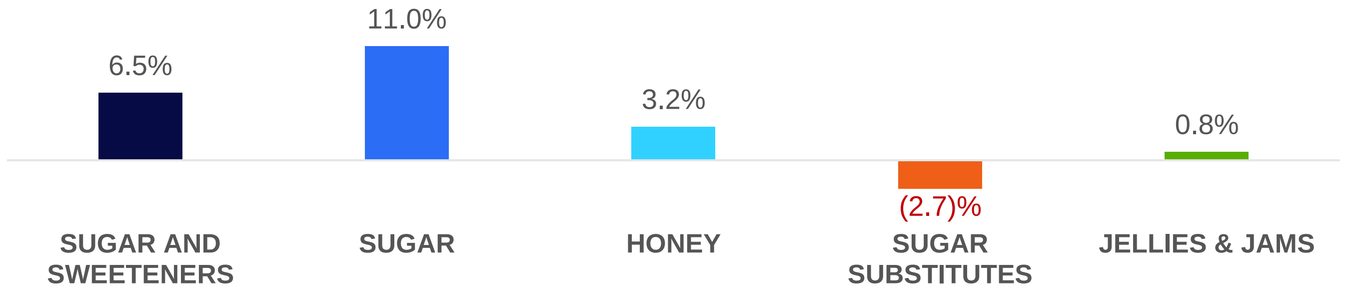
Category performance

Key metrics

Category	$	$ % Chg YA	Units	Units % Chg YA
SUGAR & SWEETENERS	$4,218,154,198	6.5%	881,886,920	1.6%
Sugar	$2,452,132,162	11.0%	629,355,897	2.0%
Honey	$1,075,019,546	3.2%	136,892,637	4.3%
Sugar Substitutes	$690,433,452	(2.7)%	115,589,223	(3.4)%
Sugar & Sweeteners Combination Packs	$569,038	57.3%	49,163	36.5%
JELLES & JAMS	$1,337,141,276	0.8%	324,968,554	(0.8)%

Category growth

Dollar % Change YA



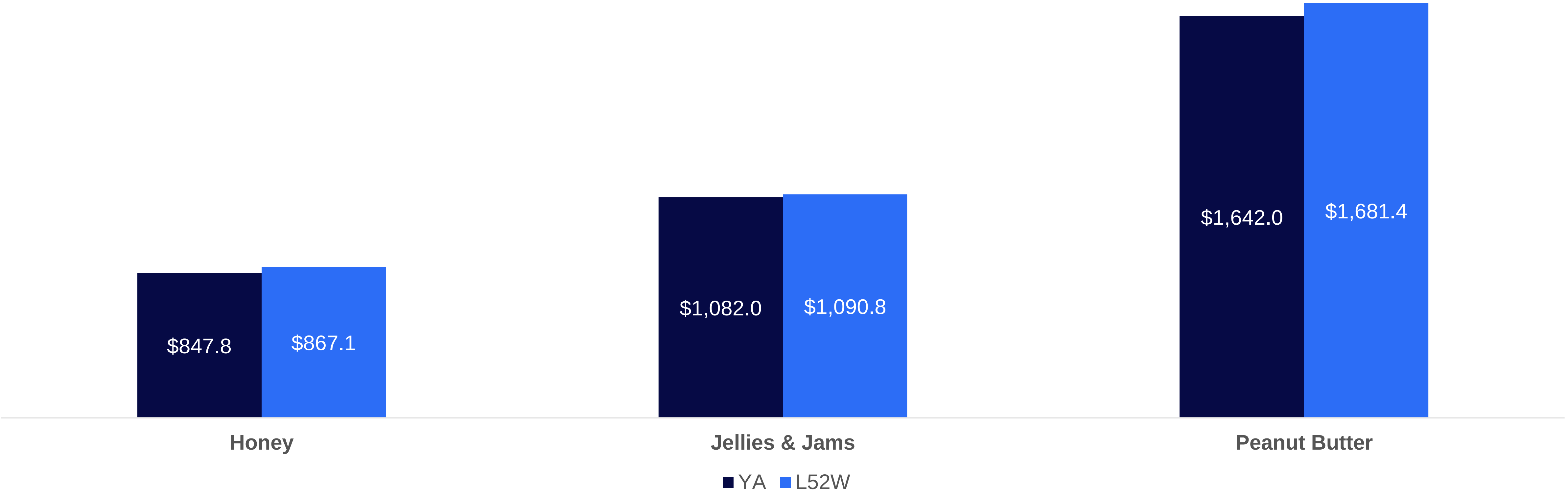
Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh - 444 - Monthly (Synd) | Entire Dataset | Total US xAOC | 52 w/e 11/02/24

Identify stronger items for promotion to increase velocity

Honey sells faster than a year ago, but slower than competitive categories

Velocity by category

$/$MM ACV



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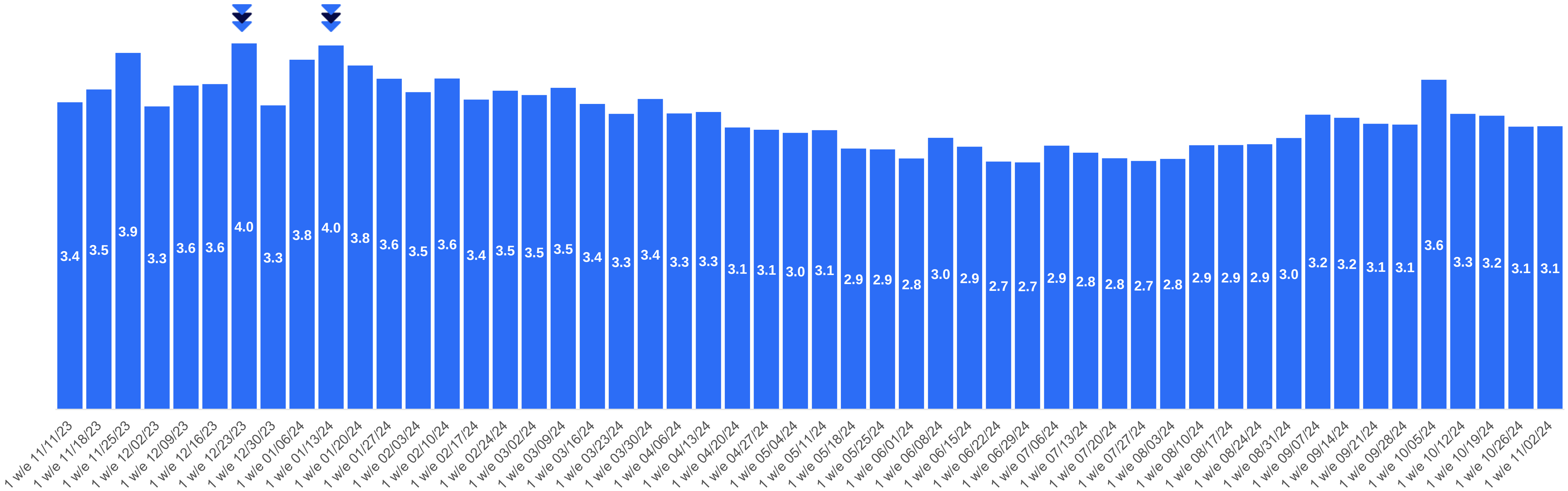
Encourage new sales during slower summer months

Sales peak around January but remain relatively consistent through the summer

EQ sales by week

Millions



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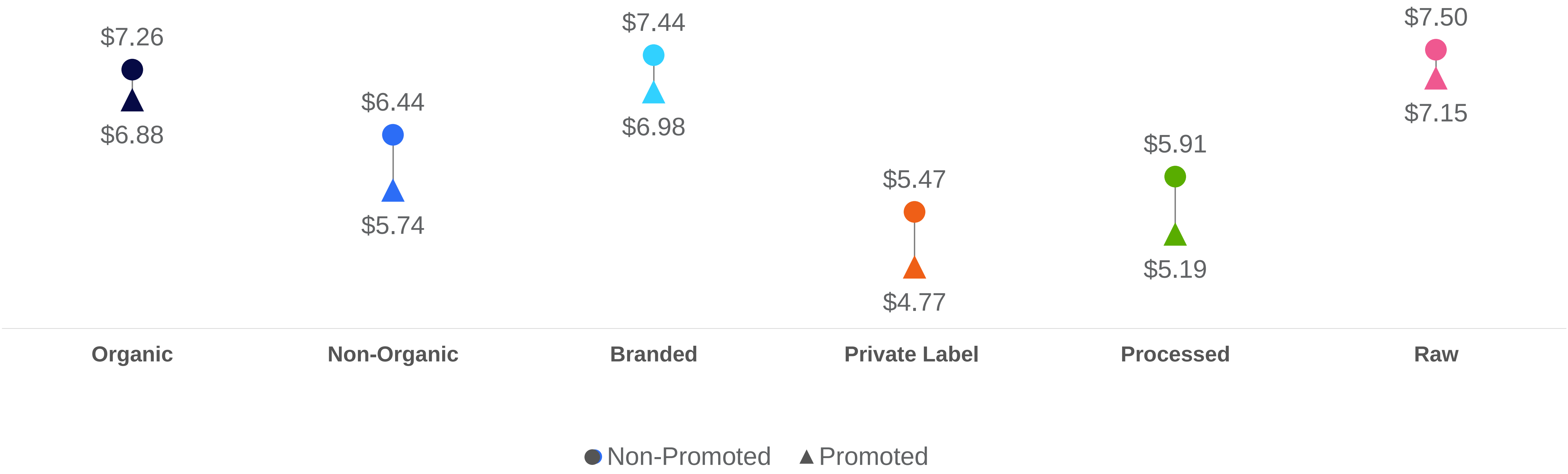
Understand the honey consumer’s willingness to pay

Processed honey offers the deepest discounts, yet the three growing segments have highest prices

EQ Pricing

Promoted vs Non-promoted



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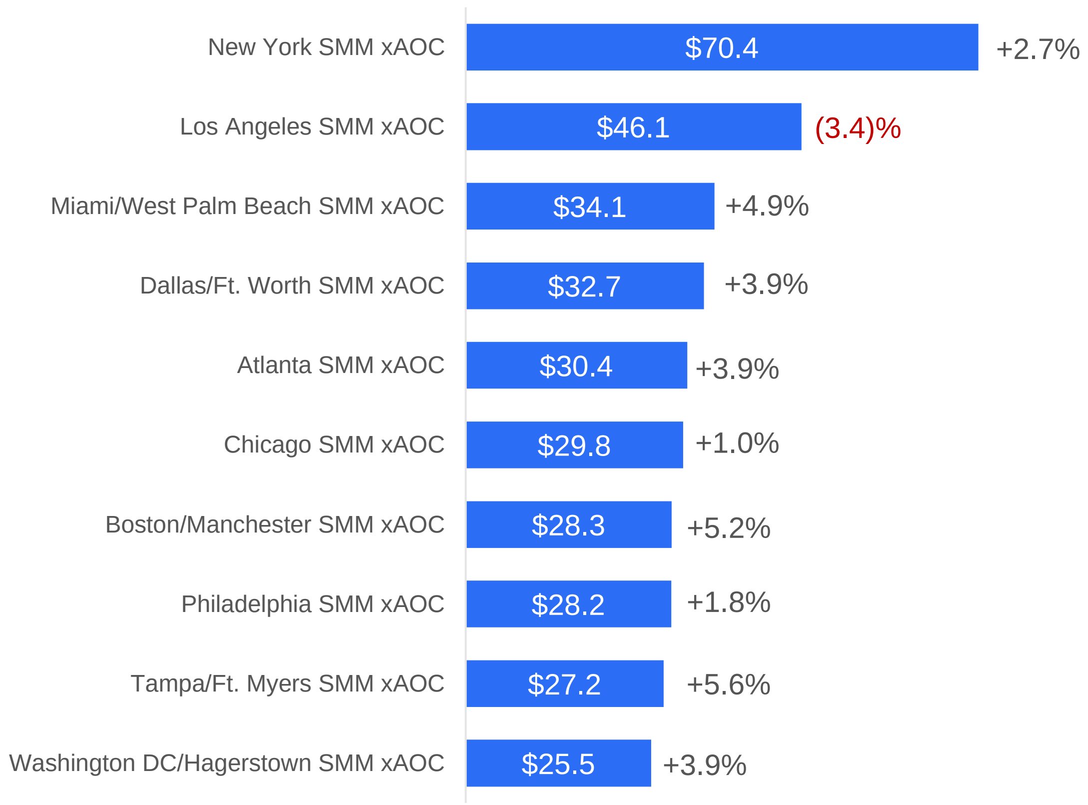
Focus on understanding the drivers of declining and growing markets

Western markets are declining, possibly driven by buyer values and demographics

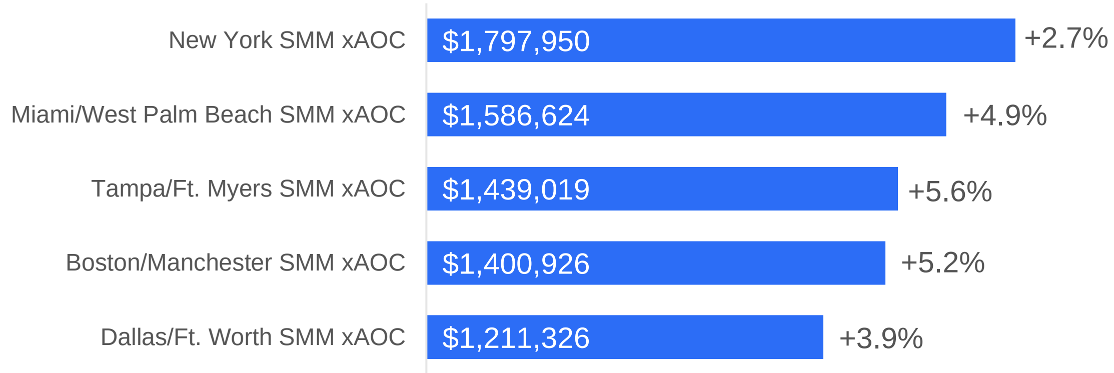
Top 10 Honey Markets by $ (M)

Category $ Volume; Top 5 – 19.9%; Top 10 – 32.8%



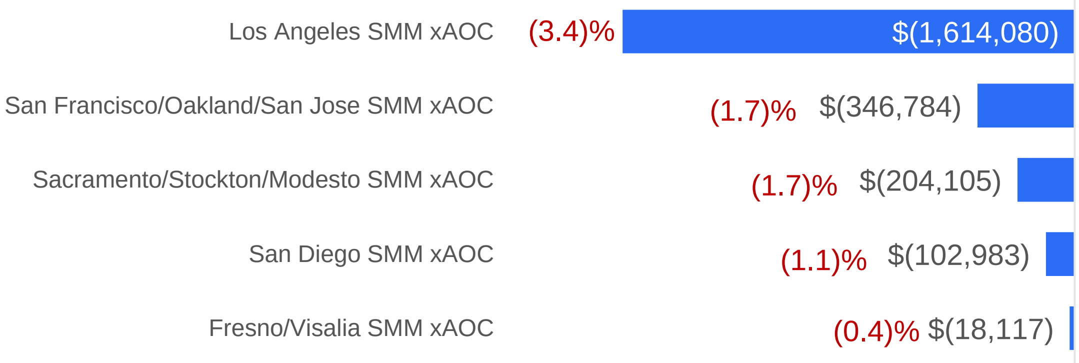
Fastest Growing Markets

$ Change YA



Declining Markets

$ Change YA



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Encourage higher purchase frequency through promotions & alternative uses

1.9 million more buyers buy Honey

Consumer purchasing behavior

Honey Category

35.7% **+2.3%**

Penetration

46,246 **+1,884**

Buyers

*Note: Households expressed in (000)

Value per Buyer

$18.15, +$0.07

45.4%, 2+ Repeat Buyers, +0.8%

Occasions per Buyer

2.2 Trips, +0.0 Trips

4.9 Trips amongst 2+ time buyers, (0.2) trips

Value per Occasion

$8.30, $(0.09)

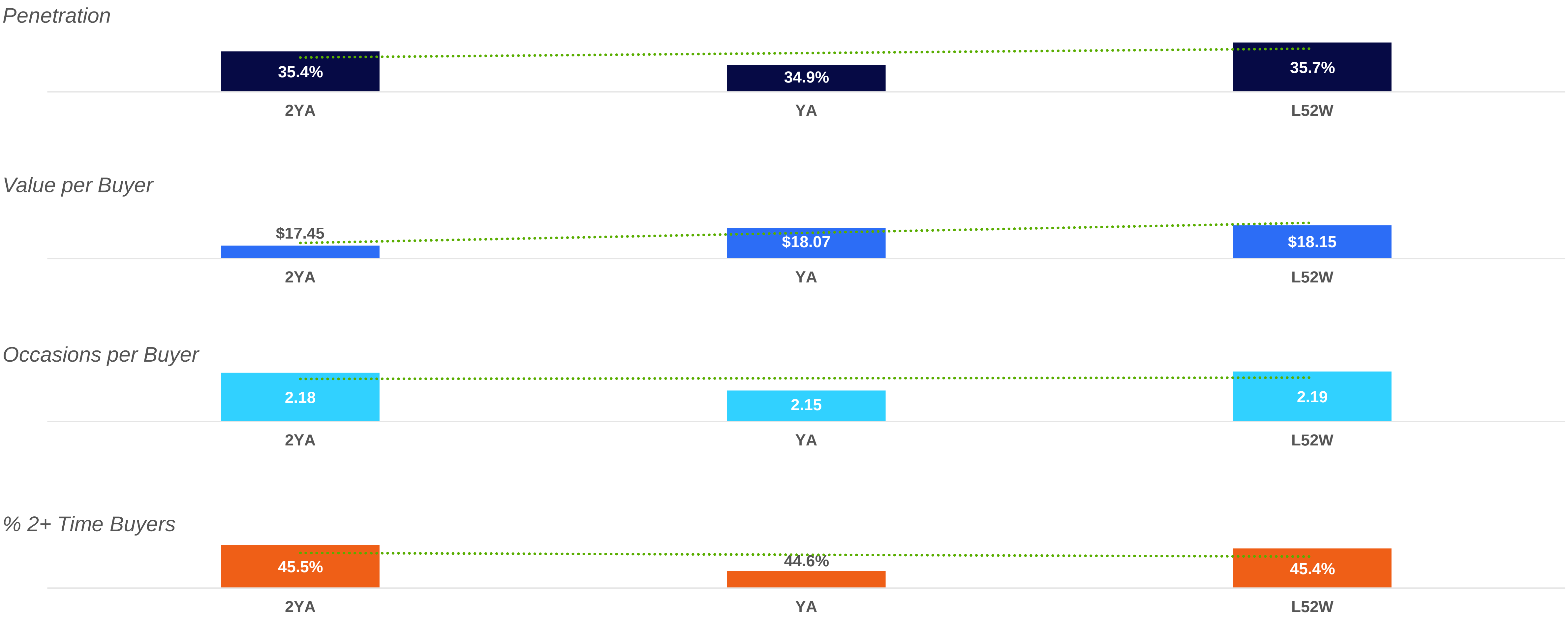
1.1 units, (0.0) units

Source: NielsenIQ Panel On Demand Omnishopper | US OSH - NDH Synd Full View - 444 5 yr | Entire Dataset | Latest 52 w/e 11/02/24

Continue purchase size growth with larger pack sizes & displays

Penetration, occasions per buyer, and repeat buyers experience growth in latest year

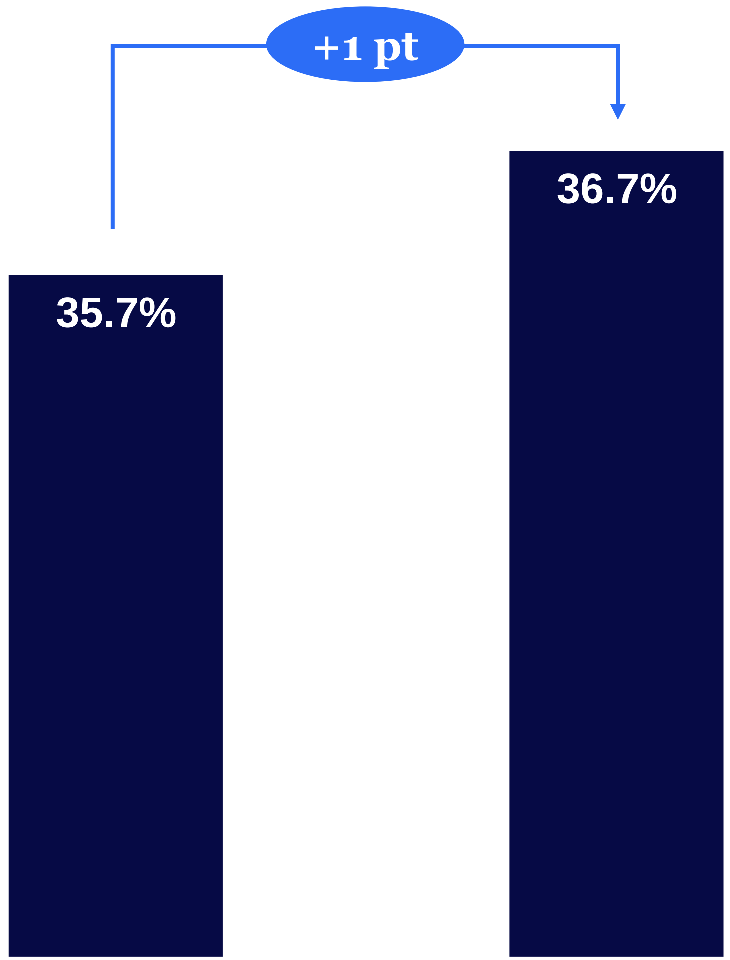
Honey Category



Source: NielsenIQ Panel On Demand Omnishopper | US OSH - NDH Synd Full View - 444 5 yr | Entire Dataset | Latest 52 w/e 11/02/24

Drive higher omnichannel honey penetration

Reach new buyers through increased availability in online channels and increased displays in store



$23.5M

Source: NielsenIQ Panel On Demand Omnishopper | US OSH - NDH Synd Full View - 444 5 yr | Entire Dataset | Latest 52 w/e 11/02/24

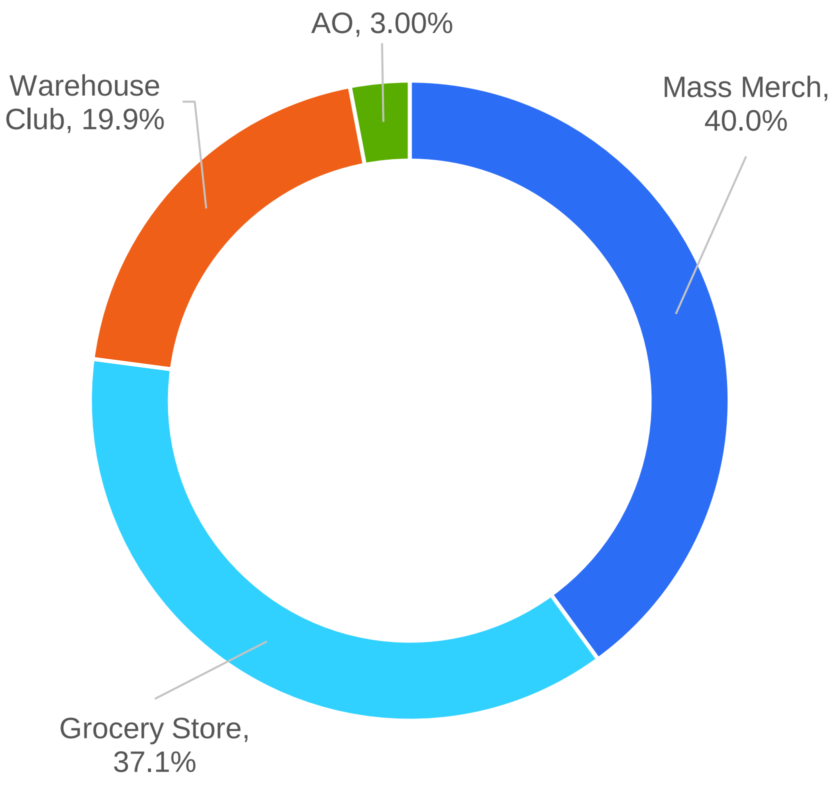
NIQ

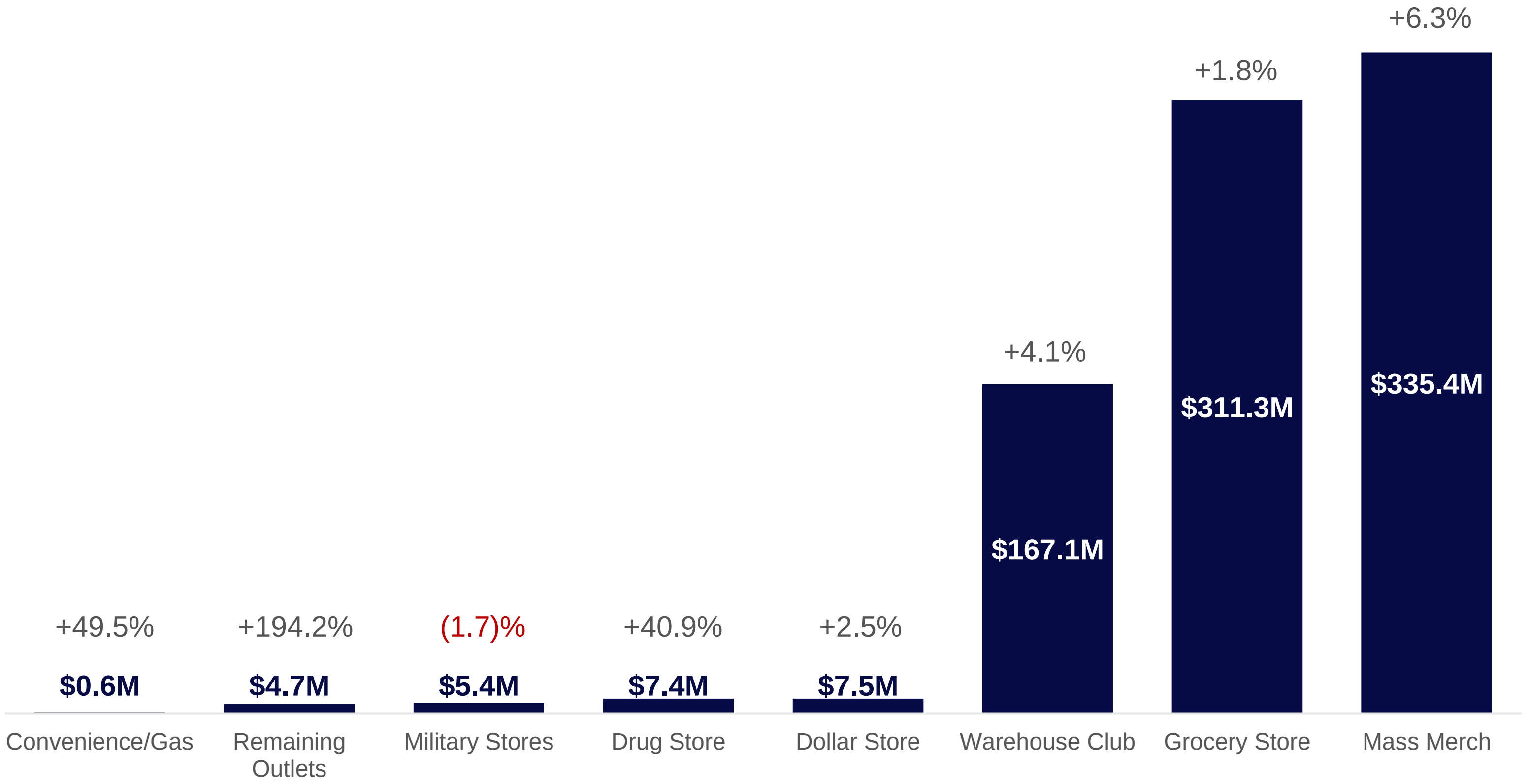
Focus on grocery and mass merch channels for dollar sales

Club, Mass, and Grocery channels comprise over 95% of dollar share by channel

Dollar trends by channel

Millions





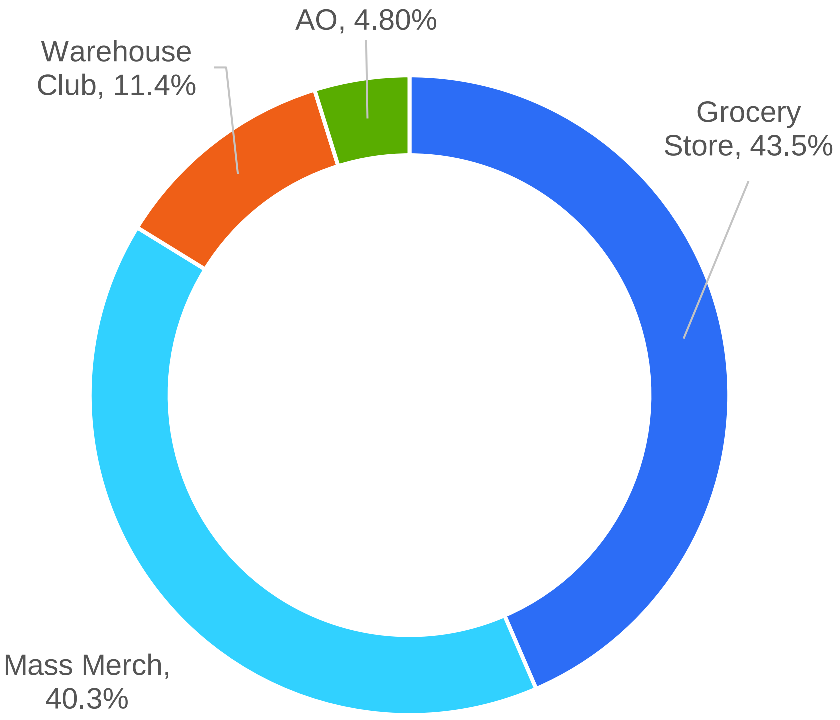
Source: NielsenIQ Panel On Demand Omnishopper | US OSH - NDH Synd Full View - 444 5 yr | Entire Dataset | Latest 52 w/e 11/02/24

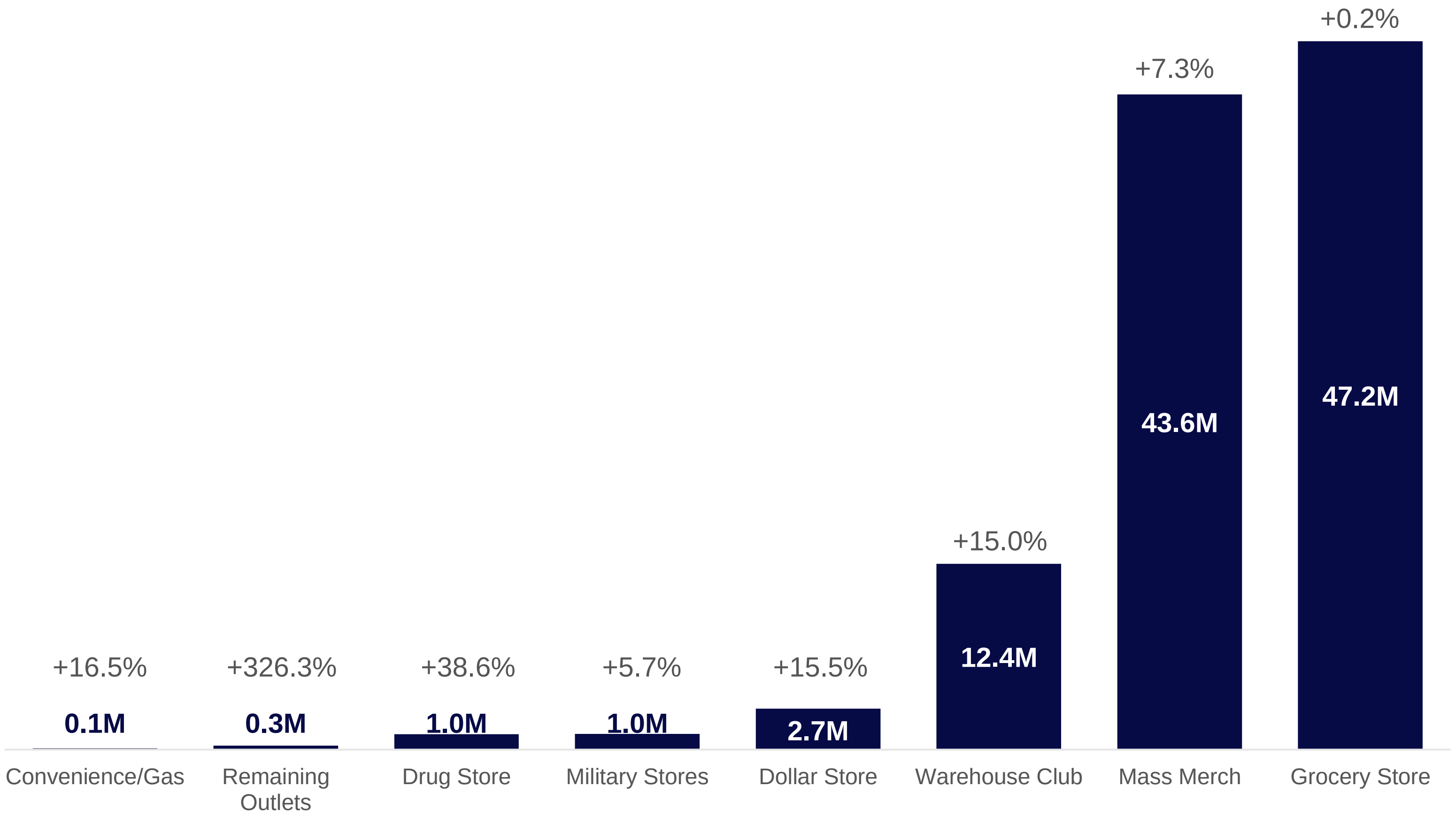
Watch Mass Merch unit growth in next year

Mass merch sees strong growth, possibly driven by convenience and value

Unit trends by channel

Millions





Source: NielsenIQ Panel On Demand Omnishopper | US OSH - NDH Synd Full View - 444 5 yr | Entire Dataset | Latest 52 w/e 11/02/24

Implications & Thoughts for Honey

Importance of sustainability & transparency

Today's consumers are more aware of the environmental and social impacts of their purchase decisions than ever. The importance of transparency in brands has grown in importance year over year, with 77% of consumers considering brands transparent when information on sustainability is provided. Yet, only 9% of honey products have a sustainable packaging claim. Honey manufacturers have an opportunity to differentiate and gain a competitive advantage with sustainable packaging and ethical practices, especially regarding the health of bee populations.

Growth of natural sweeteners

Consumers are increasingly looking for natural alternatives for artificial sweeteners, with honey fitting this trend perfectly. Sugar will continue to be a very important topic for 2025 as the percentage of buyers on GLP-1s continues to change. In fact, 30% of consumers seek low sugar products, up 3 points from the year before. This trend will likely continue to drive growth in the raw and organic honey segments.

Balancing premium offerings with financial pressures

There is rising demand for premium honey offerings and consumers are willing to pay premiums for products that align with their values. However, 32% of consumers still say they are in a worse financial position than a year ago. Further, there is a growing importance of private brands, which are the number one strategy retailers are offering for price saving over the next six months. Honey manufacturers will need to find a balance in delivering premium options to consumers, such as organic and raw honey, while retaining consumers who are lowering discretionary spending.

Culinary versatility & experimentation

Honey is being used in a variety of savory dishes now, demonstrating the versatility in the product beyond baking and beverage enhancement. Manufacturers can take advantage of this trend by demonstrating alternative uses to encourage frequent use and increased trips.

Climate change & production stresses

Honey is vulnerable to the impacts of climate change such as habitat loss and extreme weather events. Further, production challenges and stressors such as pesticides and rising temperatures are a threat that could impact the industry. Manufacturers need to be ready to adapt to these challenges such as diversifying sources.

Sources: NIQ 2024 Consumer Outlook; FMI 2023 Transparency Report; Advantage Manufacturer & Retailer Outlook Study October 2024

What's Next?

Questions for further analysis

Dive deeper into omnichannel dynamics

This analysis uses Omnishopper panel data, looking at an aggregate of In Store & Online retailers from a total level. For future analyses, consider additional questions such as:

1. How do In Store & Online honey buyers differ?
2. Which channel is driving growth for honey: In Store or Online?
3. What is the importance of online buyers for honey?
4. What are the growth opportunities within Online?

NIQ

Thank you!

Questions?

We would love your feedback!
Scan the QR code or follow
this link to a quick survey.

Appendix

Executive Summary

What is happening in honey?

- The honey category grows dollar and unit sales over the last two years, reaching **$1.1B** and **137M** units. All segments saw unit growth, but Non-Organic and raw honey drive the category with the highest absolute growth. Organic honey gained share over the last 4 years, but Non-Organic continues to dominate dollar and volume share.
- Branded honey leads Private Label in both dollar growth and share, with Branded honey growing **$44.3M** in the latest year. Price discounts deepen in the latest year, for both Private Label and the total category.
- Promotional dollars and units grow over the latest year, with **21.3%** of category dollars sold on promotion. Branded and raw honey see the highest promotional lifts of all segments. However, the category relies most heavily on base sales.
- 12 oz honey still dominates category share and sales. Bottles and plastic lead for pack shape and material.
- Compared to competitive categories, honey is growing and selling slower than others. However, honey sells faster than a year ago with peaks in January.
- Honey omnishopper buyers grew by **1.9M**, with increases across penetration, buy rate, and repeat rate. Value per occasion decreases slightly for dollars and units.
- Honey grows across all top ten markets, accounting for **33%** of category volume. Mass and grocery still dominate remaining channels within Total Omni (In Store + Online).

Nielsen Data Sources

Discover

Volumetric scanning data reported by participating retailers. Data is collected at the UPC level and aggregated in order to build custom and syndicated hierarchies, product aggregates and calculations. This data helps us to determine category and brand sales performance, share, distribution, pricing, and promotion (causal) measures.

Throughout the analysis, the market is Total US xAOC. This is an aggregate of the Food, Drug, Mass (including Walmart), Club, Dollar, and Military channels.

Panel on Demand Omnishopper

Omnishopper analyzes panelist purchase behavior within in-store and online channels for categories and brands. Insights are derived from panelists who submit in-store and online purchase receipts, supplemented with passive collection to collect all e-receipts across merchants. Results offer highly actionable, demographically representative and nationally projectable consumer knowledge to both the consumer package goods (CPG) and retail industries.

Panel on Demand Fact Definitions

Fact Name	Definition
Penetration	The percent of the geography's households who purchased the product at least once during the selected time period.
Value/Units per Buyer	Among product buyers, the average dollars/units spent on the product purchased per buyer in the selected time period. Also referred to as **"buy rate".**
Value/Units per Occasion	The average product dollar/unit volume purchased per buying occasion in the selected time period. Also referred to as **"purchase size".**
Occasions per Buyer	The average number of product purchase occasions among product buyers in the selected time period. Also referred to as **"purchase frequency".**

POD Omnishopper Channels

Channel	Definition
Convenience/Gas	Only In Store sales; Retailers like Circle K, 7-Eleven, Speedway, WaWa;
Dollar	Online & In Store; Dollar retailers like Dollar General, Dollar Tree, etc
Drug	Online & In Store; Retailers like CVS, Rite Aid, Walgreens
Grocery	Online & In Store; Traditional grocery retailers as well as Instacart and Fresh Direct
Mass Merch	Online & In Store; Retailers like Target, Walmart, Amazon
Military Stores	Only In Store sales; Military Retailers
Remaining Outlets	Online & In Store; Retailers not captured by other buckets such as Big Lots, Bed Bath and Beyond and Hello Fresh
Warehouse Club	Online & In Store; Club retailers such as Costco, Sams Club, BJs

Organic Honey Definition

Using ORGANIC CLAIM characteristic: any Organic Certified + any 100% Organic claim values

Jar vs Bottle Definitions

Using the characteristic **“PACKAGE GENERAL SHAPE”**

- “Jar” seems to be items that have a lid
  - Ex items:

- “Bottle” seems to be items that have a squeeze top
  - Ex items: