Trillions in Calorie Reduction by 2030

New Research from Impact Analytics

How Many Calories the Average American Has Access to Each Day

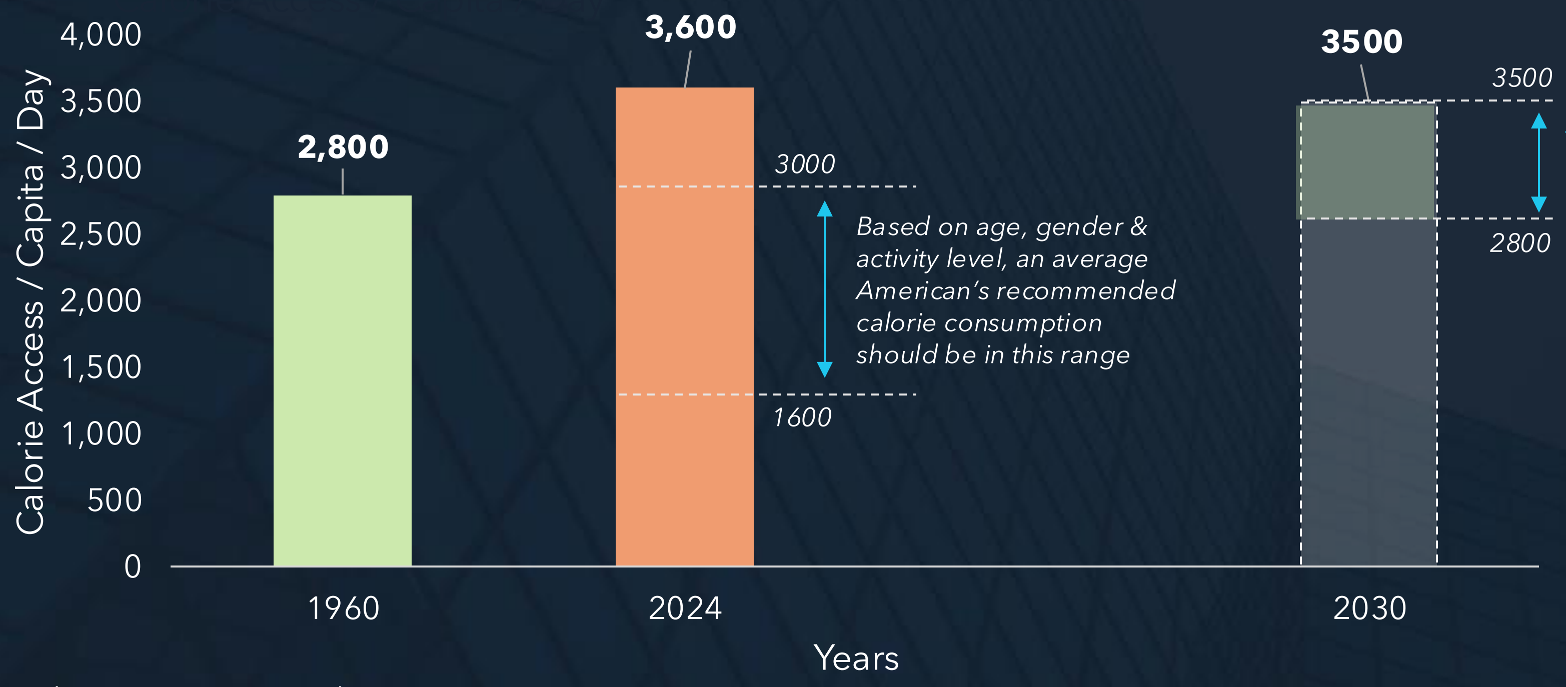
Calorie availability has surged by 28% since the 1960s

Today:
3,600 calories

In the 1960s:
2,800 calories

By 2030:
2,800 - 3500 calories

Calorie Access per Capita - 1960s vs Now vs 2030 Projections



- **By 2030,** there is an expected reduction **of 100 to 800 kcal** per capita
- This reduction could eliminate at least **~10 trillion kcal annually** across most of the adult population

Source – usda.gov , Business Insider

Recent Trends Show a Shift

Driven by Growing Health Consciousness & Healthier Habits

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Surge in GLP-1 Drug Usage

- **Rapid increase** in **Ozempic and Wegovy** prescriptions
- **Growing adoption** among **adults**
- **Significant weight loss** reported in users
- Surge in **off-label** use

Health Awareness

- **Rising demand** for **functional foods** with health benefits
- **Declining consumption** of **sugary drinks**
- **Increasing popularity** of **mindful eating** practices
- **Surge** in **fitness and nutrition app** usage
- **Strong influence** of **social media food trends**

Public Initiatives

- **Implementation** of **soda taxes** in several **U.S. cities**
- **Nationwide calorie labeling** requirements for **chain restaurants**
- **Federal nutrition assistance** programs targeting **improved dietary habits**
- **Ongoing research** and **policy discussions** on **nutrition interventions**

Growing GLP-1 Usage for Weight Loss is Shaping the Future of Health

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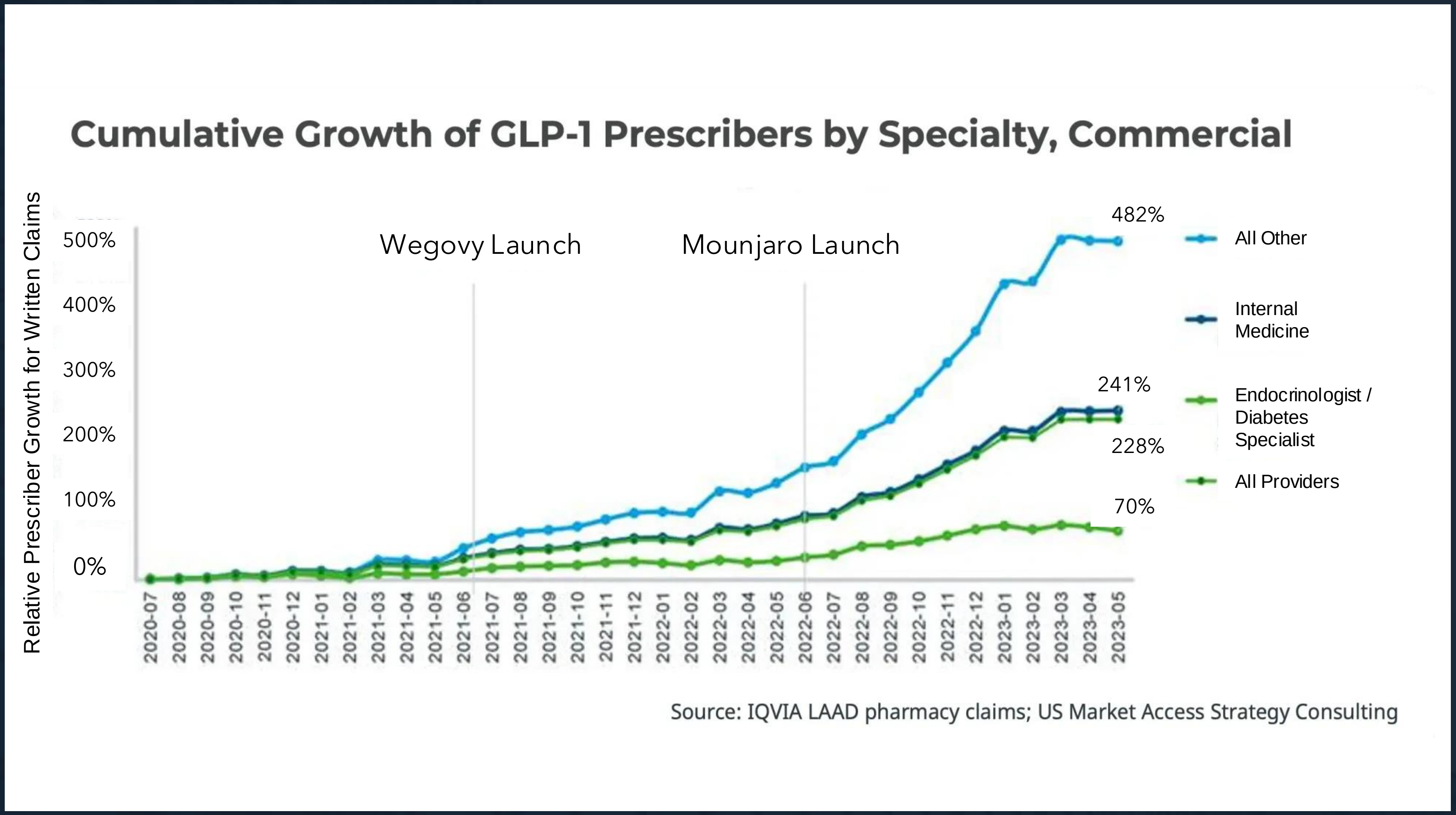

Key Observations

- **GLP-1** drugs have been around for nearly 20 years, initially approved (and still prescribed) for treating **Type 2 diabetes**
- After their approval for **weight loss treatment in 2021**, there has been a **drastic surge in usage**
- **Off-label use of GLP-1** drugs for weight loss is becoming increasingly common, further driving adoption
- This can lead to a major health shift in the coming years, with more people focusing on weight management

The apparel industry has already started witnessing changes the **size curves** due to this trend. Demand for **smaller sizes** is rising, while demand for **larger sizes** is declining

Health Trend: Portions are about to get smaller, NYT reports

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By Kim Severson

Sept. 24, 2024

The New York Times

Restaurant Portions Are About to Get Smaller. Are Americans Ready?

The towering burger and ballooning bagel have withstood public health campaigns, but a new movement to shrink servings is finally gaining traction.

Food costs aren't the only pressure on serving sizes. As much as 40 percent of food served at restaurants never gets eaten, according to a 2020 study on food waste. In an effort to slow climate change, states including California and Massachusetts have restricted how much food can end up in landfills. And millions of people taking GLP-1 drugs are eating much less than they once did.

Then there's what market researchers call "snackification." Especially among younger people, traditional meals are being replaced with snacks and small assemblages of food that approximate meals. Millennials and Gen Z-ers in particular are snacking more as a way to manage schedules that vary widely day to day, to explore bolder flavors in a low-risk way and to create more nutritionally sound diets.

https://www.nytimes.com/2024/09/24/dining/restaurant-portions.html

Impact Analytics Research Shows Shifting Landscapes for Grocery Retail

Healthy categories are growing in the last few years, compared to unhealthy ones

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IA Study on Changing Consumer Preferences

Study by Impact Analytics on **major wholesale retailers**

- **Focus**: Shifting consumer grocery preferences
- **Key metrics**: Unit sales and revenue comparisons
- **Time period**: 2 years (FY 2023 - 2025)
- **Categories analyzed**: Healthy vs. Un-healthy options
- **Goal**: Identify impactful industry trends

Key Research Questions:

- How are consumer preferences shifting towards healthier options?
- What's the revenue impact of these changing preferences?
- Are there noticeable short-term vs. long-term trends?

Focus Categories for the Study

Categories Considered as Healthy:

ACTIVE NUTRITION	DAIRY CHEESE	DRIED FRUIT AND NUTS	YOGURT
EGGS	FRESH FRUITS	FRESH VEGETABLES	
FROZEN PRODUCE	PRODUCE BEVERAGES	WATER	

Categories Considered as Unhealthy:

CANDY	COOKIES & CRACKERS	DELI MEAT & CHEESE	SODA
CIGARETTES	COMMERCIAL BAKERY	FROZEN MEALS	
FROZEN TREATS	LIQUOR	SALTY SNACKS	

IA Research: Changing Consumer Preferences in Grocery

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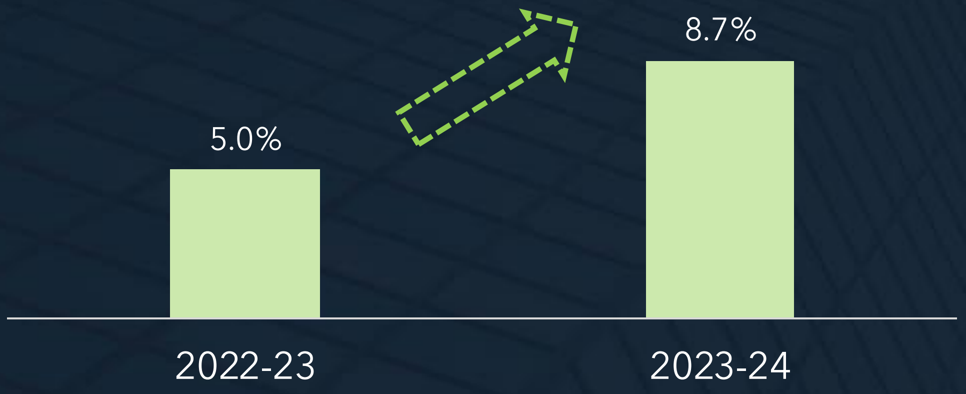
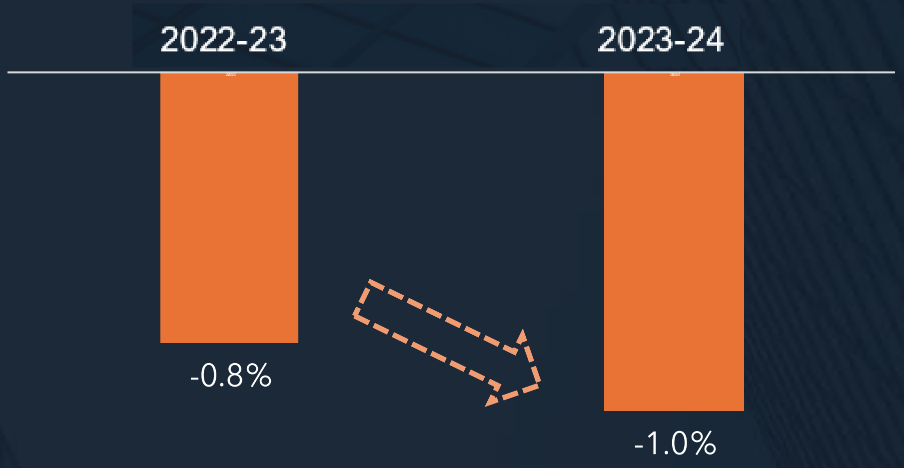
Healthy Categories – Sales Unit Growth



Unhealthy Categories - Sales Unit Growth



Key Observations

- **Diverging trends:** Healthy categories show consistent growth (5.0% in 22-23, accelerating to 8.7% in 23-24), while unhealthy categories decline (-0.8% in 22-23, worsening to -1.0% in 23-24), indicating a clear and intensifying shift in consumer preferences.
- **Premium positioning:** Healthy options show higher revenue growth compared to unit sales
- **Non-healthy decline:** Recent data shows both sales and unit volume decreasing for un-healthy options
- **Market transformation:** Clear and intensifying consumer preference for healthier options across all metrics

*Healthy Categories considered: ACTIVE NUTRITION, DAIRY CHEESE, DRIED FRUIT AND NUTS, YOGURT, EGGS, FRESH FRUITS, FRESH VEGETABLES, FROZEN PRODUCE, PRODUCE BEVERAGES, WATER
**Healthy Categories considered: CANDY, COOKIES & CRACKERS, DELI MEAT & CHEESE, SODA, CIGARETTES, COMMERCIAL BAKERY, FROZEN MEALS, FROZEN TREATS, LIQUOR, SALTY SNACKS
*** Data trends are sourced from a major wholesale retailer in the US

Impact Analytics Research:
Regional Variations Highlight the Shifting Consumer Preferences

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Northeast States

- **Healthy**: ▲ 5-11%, **Unhealthy**: ▼ 0.5-5%
- Strongest shift to healthy options

Southeast States

- **Healthy**: ▲ 5-11%, **Unhealthy**: ▼3.8% to ▲4.5%
- Mixed trend in unhealthy options

Mid-Atlantic States

- **Healthy**: ▲ 8-10%, **Unhealthy**: minimal change
- Steady growth in healthy options

Midwest States

- **Healthy**: ▲ 10-22%, **Unhealthy**: ▲ 2-11%
- Strong growth across all categories

Key Observations

- **Northeast leading:** Most pronounced shift away from unhealthy options, indicating mature health trend
- **Southeast transition:** Growing health consciousness, but varied adoption rates across the region
- **Mid-Atlantic stability:** Consistent growth in healthy options without significant decline in unhealthy categories
- **Midwest boom:** Exceptional growth in healthy options, coupled with continued demand for traditional products
- **Urban-rural divide:** Faster adoption of health trends in urban areas across all regions

*Healthy Categories considered: ACTIVE NUTRITION, DAIRY CHEESE, DRIED FRUIT AND NUTS, YOGURT, EGGS, FRESH FRUITS, FRESH VEGETABLES, FROZEN PRODUCE, PRODUCE BEVERAGES, WATER

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The Future Ahead: Trillions in Calorie Reduction by 2030

- By **2030**, trends in calorie consumption driven by **health awareness**, **GLP-1 drug adoption, and dietary shifts** may reduce daily intake by **100 to 800 kcal** per capita
- This shift will decrease demand for **high-calorie products** while increasing the need for **healthier, nutrient-dense options**

Calorie Reduction by 2030	**Current Calorie Consumption in 2024** (per capita/day)	**Projected Calorie Consumption by 2030** (per capita/day)	**Calorie Reduction** (per capita/year)	**Total Calorie Reduction For US** (per year) (**Assumption:** 70% of US Population will be impacted)	**Equivalent Reduction in Grocery Items**	**Key Drivers**
100 kcal (Conservative)	3600	3500	36,500 kcal	**8.5 Trillion kcal**	• Cooking Oil: ~**2.2** billion lbs • Chicken: ~**10** billion lbs	• Growing health awareness
800 kcal (Optimistic)		2800	292,000 kcal	**68 Trillion kcal**	• Cooking Oil: ~**18** billion lbs • Chicken: ~**85** billion lbs	• Consistent focus on health • Aggressive adoption of GLP-1 agonists

Assumptions:
- US Population – 330 M
- Cooking Oil: Approximately 120 calories per tablespoon (1 lb ≈ 32 tablespoons = 3840 calories)
- Chicken: Approximately 800 calories per 1 lb of chicken

What Does This Mean for Grocers and Retailers?

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1. Demand Will Shift, But Will Not Decline

Decrease in processed food

Growth in healthy products

2. Product Shift Adjustments Will be Needed

More shelf space for low-calorie, fresh products

Growth of private label

Demand Will Shift, But Will Not Decline

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Decline in Processed Foods

Calorie Reduction Impact:

As more people adopt healthier eating habits and use GLP-1 drugs, demand for high-calorie, processed foods is expected to decrease significantly by 2030

Categories Most Affected:

Sugary snacks, carbonated soft drinks, fast food, frozen meals, and other high-calorie, low-nutrition products are likely to see declining sales

Consumer Behavior:

Health-conscious consumers are shifting focus to nutrient-dense foods over calorie-rich, processed options, driven by trends like low-carb, plant-based diets, and intermittent fasting

Growth in Healthy Foods

Fresh and Organic Foods, Plant Based Alternatives:

Demand for fresh produce and organic products will grow, while plant-based meats, dairy alternatives, and protein substitutes take more shelf space

Functional Foods and Beverages:

Consumers are showing a greater interest in functional foods that provide added health benefits, such as probiotics, antioxidants, and vitamins

Increased Interest in Sustainable Products:

Sustainability is key, with rising demand for healthy, eco-friendly products like locally and ethically sourced foods will also see a surge

Product Shift Adjustments Will Be Needed

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Shift in Product Mix

More Fresh, Healthy Options: Grocers will need to allocate more space to low-calorie, fresh, and organic products while reducing shelf space for processed foods

Category Growth: Low-calorie snacks, portion-controlled meals, and plant-based alternatives will see increased shelf space

Private Label Growth

Affordable Healthy Products: Private labels will grow, offering organic, low-calorie, and plant-based options at competitive prices

Higher Margins: Private labels will allow grocers to compete on price while improving profit margins

Strategic Retail Adjustments

Store Layout: Health-focused sections will expand, highlighting fresh and organic products

E-commerce & Personalization: Digital platforms will promote healthy options and personalized recommendations

Retailers Can Leverage AI to Maximize Profits During Demand Shifts

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Shift in Product Mix

ForecastSmart
Accurate forecasting led by latest AI and ML models

PlanSmart
Robust merchandise financial planning

AssortSmart
Optimized assortment planning

Private Label Growth

PriceSmart
Seamless everyday pricing and promotions for private labels

TestSmart
Automated hypothesis-driven testing to find what’s working

Strategic Retail Adjustments

InventorySmart
Optimized allocation and replenishment for healthy foods

StoreSmart
Effective in-store planning and execution

RackSmart
Image recognition-based shelf monitoring

End of Report

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