

**The Washington Post**

*Democracy Dies in Darkness*

# Big food brands, some out-of-favor for years, see sales and stock prices jump on stay-at-home grazing

Oreos, Campbell Soup and Doritos sales have surged as homebound consumers fill their pantries

By **Thomas Heath**

May 11, 2020 at 5:44 p.m. EDT

Add food habits to a list of societal and economic changes wrought by the coronavirus lockdowns.

Packaged grocery brands that had run up against Americans' growing preference for fresh and private-label foods are seeing a resurgence as iconic brands like Goldfish, Oreos, Campbell Soup and Doritos fill the pantries of homebound consumers in search of small pleasures.

Major processed food companies such as General Mills, Conagra, Kellogg and Campbell's are among suppliers whose snacks, canned goods and frozen food have taken off, often sending their stock prices along for the ride.

"We are seeing significant market share gains for the most dominant brands," said analyst Chris Growe at Stifel. "The consumers have come back to those brands."

After the global outbreak shut down much of the nation's business and social activity earlier in the year, consumers famously began stocking up on hand sanitizer, household cleaners and toilet paper in anticipation of long stretches of home confinement. While they were at it, they snapped up soda, chips, cookies and other snacks that would make it bearable.

"You had pantry-loading by half of the people preparing for Armageddon," Growe said. "The other half decided, 'I am going to eat at home now for almost every meal.'"

Americans had been steadily migrating toward private label brands — from ice cream to salad dressing to cheese and dairy — that were made locally in small batches and promoted freshness and natural ingredients. That cut into sales for the processed and preservative-laden offerings made by the giant food brands typically found in grocery stores' less-visited "center aisles."

With the lockdowns sharply curtailing dining-out options, many consumers shifted to making most or all of their meals at home. The research firm NPD Group, for example, noted that nearly 80 percent of the kitchen electric categories it tracks showed year-over-year growth in March as the pandemic took hold, and that more than two-thirds grew by double digits for such gadgets as hot plates, waffle irons and sandwich makers.

"There is a lot of out-of-home consumption that has now shifted to in-home," said Dirk Van de Put, chairman of Mondelez International, in a recent earnings call. "And in-home, there is more grazing, more continuous eating, and snacking takes up a much bigger role," particularly with cookies.

De Put, whose company makes Oreos, Triscuits, Ritz and Chips Ahoy, said snacking is a natural outlet. "Sharing a snack with your kids, as everybody sort of cooped up in the house, brings back a feeling of normalcy, of togetherness, calming everybody down," he said, according to a transcript of the call.

"Those snacking brands have grown significantly," Growe said. "We call those expandable consumable goods. That means if they are in your pantry, you will eat those more quickly." PepsiCo recently reported first-quarter earnings that rose 10 percent, thanks to people loading up on soda and snacks like its popular Doritos.

Mark Petruniak, 32, of Washington, said he is binging on Netflix, fried banana chips and Diet Coke because he is unable to visit his usual restaurants.

"I've been getting the frozen dumplings from Trader Joe's, and eating veggie chips," said Petruniak, who works in information technology. "Snacking has replaced cooking. I am around all day now. I start a Netflix series and just snack, snack, and snack."

Sales also are up for breakfast foods. General Mills says Cheerios and Lucky Charms are selling at several times their normal rates; Kellogg and PepsiCo's Quaker Oats have also seen bumps.

General Mills on Monday upgraded its financial guidance for the fiscal year due to higher demand from the coronavirus lockdown. It has stepped up production of its Gold Medal flour and Betty Crocker and Pillsbury baking mixes, for example, in the view that demand will remain elevated for some time.

"In March, the company experienced an unprecedented increase in consumer demand for food at home ... as consumers stocked up in response to local shelter-in-place restrictions," General Mills said in a news release. Sales

