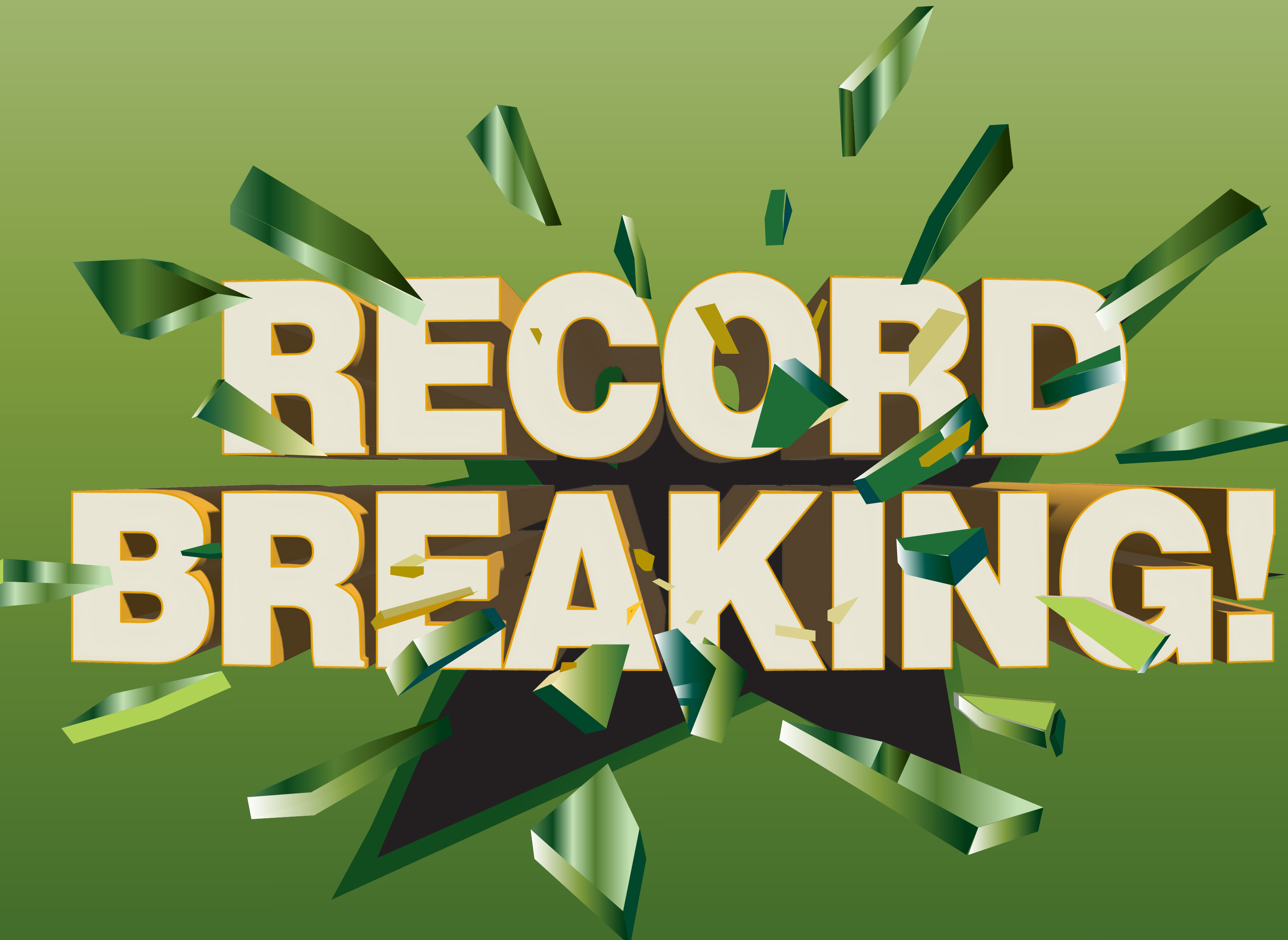
PLMA's 2024 Private Label Report
A statistical guide to today's store brands



Store brands rose 4.7% in 2023, setting all-time highs in unit & dollar shares, total annual sales.

Presented by the Private Label Manufacturers Association

Executive Summary

Another year of record-setting performances for the U.S. store brands industry across all retail segments

During 2023, store brands continued to be the brightest light in grocery food and nonfood. Unit sales were nominally even, off by only 0.1%, compared to national brands which shed 2.8%. Store brand unit share came in at 20.7%, an improvement of 0.5 points from 2022 and setting a record. Dollar sales rose by 4.7%, compared to a gain of 3.4% for national brands. Store brand dollar share moved up to 18.9%, ahead 0.2 points from 2022, also a new high.

2023 Sales Dashboard

Dollar Sales	FY 2023	FY 2022	% CHANGE
All Channels	$1,255,085,360,631	$1,211,784,018,339	3.5%
Store Brands	$236,277,008,578	$226,173,867,293	4.7%
National Brands	$1,018,808,352,053	$985,610,151,046	3.4%

Unit Sales	FY 2023	FY 2022	% CHANGE
All Channels	281,111,899,144	287,636,594,302	-2.3%
Store Brands	58,129,014,913	58,208,236,999	-0.1%
National Brands	222,982,884,231	229,428,357,303	-2.8%

In both dollar sales and unit sales for all of 2023, store brands far outperformed national brands. As a result, the products were able to increase their market share in both dollars and units, setting record highs.

In arguably the most important metric, total store brand dollar sales during 2023 moved ahead to $236.3 billion, an increase of $10.1 billion from the previous year and setting another all-time record, surpassing the former high mark, set last year.

Among the ten food and nonfood departments that Circana tracks for PLMA, all but Tobacco (off 16%) experienced store brand dollar sales growth during 2023. Leading the sectors in terms of sales expansion were Beauty (plus 10.5%), General Food (up 10%), Beverages (up 8.9%) and Home Care (up 8.7%). Next in line were Frozen (plus 4.4%), General Merchandise (up 4%), Health (+2.4%), Refrigerated (up 1.8%) and Liquor (plus 1%).

2023 SB Department Results

	SB % Change vs '22	SB FY Volume
Refrigerated	1.8%	$48.3bn
General Food	10.0%	$42.6bn
General Merchandise	4.0%	$29.4bn
Frozen	4.4%	$18.6bn
Health	2.4%	$18.0bn
Beverages	8.9%	$12.9bn
Beauty	10.5%	$3.9bn
Home Care	8.7%	$3.0bn
Liquor	1.0%	$40.1m
Tobacco	-16.1%	$59.5m

In nine of the ten food and nonfood departments tracked for PLMA by Circana, store brand dollar sales were ahead of the prior year. The biggest gainer among departments was Beauty, followed closely by General Food, Home Care and Beverages.

Sluggish unit sales of food and nonfood products continue to perplex retailers and suppliers of all CPG brands. Consumers remain cautious with their spending. Among reasons cited by Circana for shoppers' belt tightening are lingering inflation, persistently high prices at the shelf, an uncertain economy and jobs market, and a closer personal focus on reducing waste. About 20% of food purchased last year ended up in the garbage, according to The Wall Street Journal, Americans threw out $252 billion worth of food last year, nearly $1,900 per household. Fruits and vegetables were the most commonly wasted products.

Looking again at Circana's ten food and nonfood departments for 2023, there were gains in store brand unit sales in four: Home Care (up 1.4%), Beauty (1%), General Merchandise (0.8%), and General Food (0.4%). Meanwhile, marginal declines were recorded in Refrigerated (down 0.3%), Frozen (-1.1%), and Beverages (-1.3%).

Era of sales volatility may be over

For store brand dollar sales, 2023 was a year of two very different halves. Much of the total annual increase was accrued in the first half of the year, as sales of all brands -- both store brands and national brands -- tailed off considerably in the closing months of 2023.

For the first six months, compared to the same period in 2022, store brand dollar sales increased by 8.2%, vs. a gain of 5.1% for national brands. Over the last six months of the year, July through the end of December, store brand dollar sales were ahead by only 1.4% while national brands improved by 1.9%.

As a result, there are signs that point to the end of the extreme sales volatility of the last three plus years, and a return to the steady state the industry had become accustomed to. That is, modest, middle single digit increases year over year, a sweet spot where store brand sales have traditionally found themselves.

Source: Circana Unify+™/PLMA

A Statistical Guide to Today's Store Brands

Monthly SB Dollar Sales Results

2023	Store Brands	National Brands
1/29/23	10.8%	5.0%
2/26/23	12.2%	6.8%
3/26/23	9.4%	5.9%
4/23/23	7.8%	5.4%
5/21/23	6.2%	4.4%
6/18/23	4.5%	4.1%
7/16/23	4.4%	4.2%
8/13/23	2.4%	3.1%
9/10/23	2.4%	3.0%
10/8/23	1.0%	1.3%
11/5/23	0.3%	0.6%
12/3/23	0.0%	0.9%
12/31/23	-0.9%	0.0%
TOTAL	4.7%	3.4%

Carrying over from the powerful growth of 2022, store brands started off the year strongly with double digit dollar sales increases. But the numbers steadily declined as 2023 progressed, ending with three months of gains that were below 1%.

Monthly SB Unit Sales Results

2023	Store Brands	National Brands
1/29/23	-2.3%	-5.1%
2/26/23	0.1%	-3.0%
3/26/23	-0.1%	-3.2%
4/23/23	0.3%	-2.9%
5/21/23	0.8%	-2.9%
6/18/23	0.1%	-2.8%
7/16/23	1.0%	-2.2%
8/13/23	0.5%	-2.4%
9/10/23	0.8%	-1.9%
10/8/23	-0.6%	-2.6%
11/5/23	-0.6%	-2.8%
12/3/23	-0.5%	-2.1%
12/31/23	-1.2%	-2.5%
TOTAL	-0.1%	-2.8%

Throughout 2023, unit sales of store brands were nominally even with the prior year, finishing at minus 0.1% overall. Seven of the months actually saw small unit sales gains. But national brands were consistently negative, ending up down 2.8% for the year.

Source: Circana Unify+™/PLMA

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It's a calming development that mitigates recent challenges that up and down sales spikes brought with respect to supply chain management, sourcing of ingredients, packaging needs, human resources, capital requirements, pricing, and overall corporate planning and forecasting, among other issues.

The full year results for 2023 were not unexpected. "We saw store brands' monthly increases in dollar sales gradually trend down from double to mid-single digits as the year progressed," says Peggy Davies, PLMA president.

Time will tell if that was a temporary slowdown or the end of a record extended boom. Either way, it was an unprecedented run. Store brands rang up thirty-one straight months of dollar sales growth from June 2021 to October 2023. For thirteen consecutive months from April 2022 to February 2023, dollar sales growth was in double digits, with an average monthly gain during that period of more than 12%.

'Healthier than ever'

"Overall, the industry is healthier than ever," assures Davies. "One of every five food or non-food grocery products sold across the U.S. carries the retailer's name or own brand and was supplied by a store brand manufacturer."

Store brands are nearly universally present in the U.S. grocery space. During 2023, of the 179 food categories that Circana follows, there were store brand sales recorded in 175, or 98%; in the 138 nonfood categories, store brand sales appeared in 132, or 96%. Among the few categories with no store brands presence yet are lard, photo supplies and cloth dye.

SBs in Top 20 Edible Food Categories

Category	(in billions)	Dollar Sales YA%	SB Dollar Share
Top 20			
Dairy Milk	$8.6 bn	-5.5%	56.2%
Natural Cheese	$8.5 bn	2.9%	48.6%
Bottled Water	$7.4 bn	8.8%	29.5%
Fresh Eggs	$5.7 bn	-5.2%	61.9%
Rfg Meat	$5.4 bn	9.0%	65.1%
Fz Seafood	$4.1 bn	-4.8%	61.2%
Fresh Bread/Rolls	$3.7 bn	12.5%	21.0%
Rfg Side Dishes	$3.0 bn	3.0%	57.7%
Snack Nuts/Seeds/ Corn Nuts	$2.6 bn	-0.4%	45.6%
Shortening/Oil	$2.5 bn	13.7%	46.3%
Rfg Entrees	$2.5 bn	3.4%	43.8%
Cookies	$2.2 bn	8.7%	17.7%
Pastry/Donuts	$2.2 bn	4.2%	28.2%
Coffee	$2.2 bn	2.7%	18.0%
Salty Snacks	$2.1 bn	25.3%	5.5%
Butter/Butter Blends	$2.0 bn	5.8%	45.4%
Fz Poultry	$1.8 bn	0.9%	35.3%
Breakfast Meats	$1.8 bn	-5.9%	22.2%
Spices/Seasoning	$1.6 bn	8.0%	26.7%
Fz Plain Vegs	$1.6 bn	7.9%	53.3%

Fifteen of the top 20 edible categories had dollar sales growth with Salty Snacks (25.3%), Shortening/Oil (13.7%) and Fresh Bread/Rolls (12.5%) topping the list. Refrigerated Meat (65.1%), Fresh Eggs (61.9%), Frozen Seafood (61.2%) and Refrigerated Side Dishes (57.7%) captured the top dollar share among categories.

Source: Circana Unify+™/PLMA

SBs in Top 20 Non-Edible Categories

Category	SB Dollar Sales	SB Dollar Sales YA%	SB Dollar Share
Top 20			
Cups and Plates	$3.7bn	6.7%	55.2%
Toilet Tissue	$3.2bn	8.6%	30.2%
Upper Respiratory	$2.9bn	-25.0%	25.0%
Paper Towels	$2.5bn	12.2%	36.2%
Food & Trash Bags	$2.5bn	3.5%	44.6%
Vitamins	$2.2bn	3.5%	21.3%
Pet Supplies	$2.2bn	-0.3%	40.0%
Gastro Analgesics	$1.9bn	4.2%	35.8%
Pet Food	$1.7bn	25.6%	9.3%
Internal Analgesics	$1.4bn	-3.5%	32.6%
Kitchen Storage	$1.3bn	-5.2%	33.3%
Drinkware	$1.1bn	27.2%	47.8%
Disposable Tableware	$1.0bn	4.1%	83.3%
Culinary	$1.0bn	-7.4%	28.6%
Diapers	$979m	2.8%	16.6%
Candles	$957.3m	-4.6%	50.4%
First Aid Acessories	$951.8m	5.2%	41.3%
Home Health Care	$842.1m	-5.7%	40.1%
Socks	$773.1m	-9.5%	32.2%
Adult Incontinence	$749.5m	19.1%	29.6%

Twelve of the top 20 non-edible categories had dollar sales growth with Drinkware (27.2%), Pet Food (25.6%), and Adult Incontinence (19.1%) showing the highest gains. Disposable Tableware (83.3%), and Cups & Plates (55.2%) were the categories with the highest store brand unit sales.

Departments: SB Dollar Share

	2023	2022	Change YA
Refrigerated	33.0%	32.9%	0.1
General Merchandise	27.5%	27.2%	0.3
Frozen	23.0%	22.5%	0.5
Health	20.9%	20.7%	0.2
General Food	15.4%	14.9%	0.5
Beverages	9.2%	9.1%	0.1
Home Care	8.9%	8.5%	0.4
Beauty	7.6%	7.3%	0.3
Liquor	0.1%	0.1%	-

Departments: SB Unit Share

	2023	2022	Change YA
Refrigerated	34.8%	34.0%	0.8
General Merchandise	32.6%	31.4%	1.2
Health	25.1%	25.0%	0.1
Frozen	24.0%	23.2%	0.8
General Food	18.7%	18.1%	0.6
Beauty	12.8%	12.4%	0.4
Home Care	12.8%	12.0%	0.8
Beverages	10.7%	10.7%	-
Liquor	0.1%	0.1%	-
Tobacco	0.1%	0.1%	-

Store brands in the Departments reflected overall growth with dollar and unit share increases. Eight of the 10 saw dollar share growth with Frozen and General Food both up 0.5 points and Home Care ahead 0.4. Unit share rose in seven of the ten as General Merchandise (up 1.2 points), and Refrigerated & Frozen and Home Care (both plus 0.8) had the strongest increases.

Source: Circana Unify+™/PLMA

A Statistical Guide to Today's Store Brands RECORD BREAKING!

By one measure, traditional business activity has come all the way back, and more, from pre-pandemic levels. In November 2023, PLMA conducted its most successful U.S. private label trade show ever, a sold-out event that attracted a record number of 1,685 exhibitors and more than 13,000 retailers, suppliers, and other visitors to Chicago.

The future looks bright with American consumers' continuing affinity for store brands, as well, particularly among the youngest cohort. In a 2024 PLMA study, more than half of the 907 Gen Z shoppers who participated said they “always/frequently” choose a place to shop due to its store brands, 67% are “extremely/very” aware of store brands; 64% buy store brands “always/frequently;” 56% are “extremely likely/likely” to experiment with store brands to find “best value," and 38% said choosing a store brand makes them feel "very positive/positive" about themself. A majority of the Gen Z respondents said that terms like Valuable, Reliable, Variety, Trustworthy and Quality describe store brands "very much or precisely."

"Most of all, the 'Store Brands Phenomenon,' as we like to call it, continues to be well positioned," adds Davies. "Retailers and consumer product companies must ensure their offerings are 'value-right,' providing strong perceived value for money and quality in categories where shoppers are targeting cutbacks, irrespective of their income levels, according to a leading industry trade magazine. That's a challenge we believe is built for the inherent qualities of store brands."

Annual sales of store brands up 34% since 2019

YEAR	DOLLAR SHARE	UNIT SHARE
2023	18.9%	20.7%
2022	18.7%	20.5%
2021	18.2%	19.9%
2020	18.0%	20.0%
2019	17.7%	19.9%

YEAR	DOLLAR SALES	UNIT SALES
2023	$236.3bn	58.1bn
2022	$226.2bn	58.8bn
2021	$205.4bn	59.4bn
2020	$198.0bn	61.1bn
2019	$176.1bn	57.6bn

Compared to 2019, annual store brand dollar sales in 2023 increased $60.2 billion, up 34%. Store brand dollar share rose 1.2 points to a record 18.9%. During the period, store brand unit sales were ahead 500 million and unit share improved 0.8 points to 20.7%, also a new high.

Source: Circana Unify+™/PLMA

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