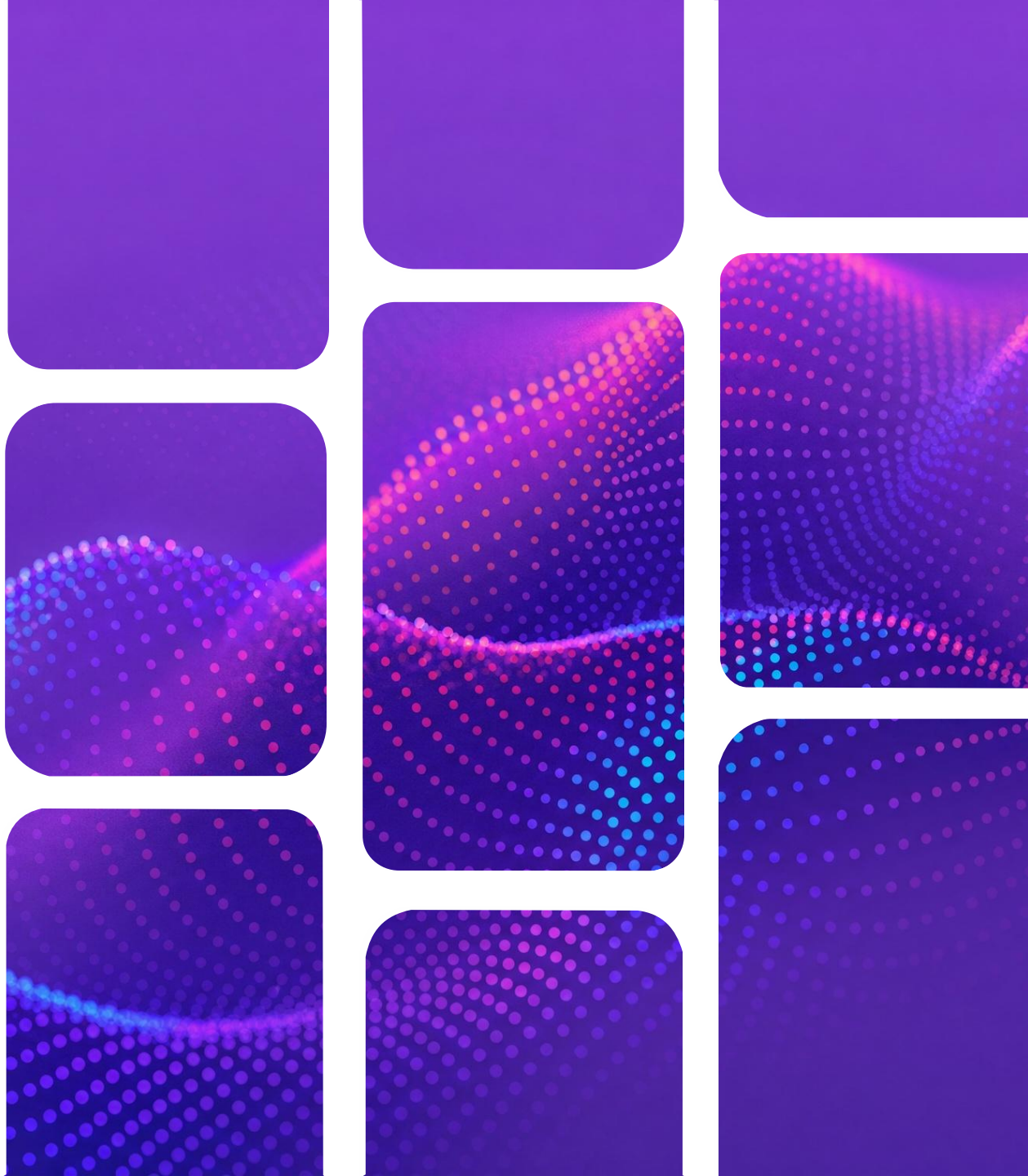
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U.S. CPG Demand Signals

Period 10, 2026 - Data ending Oct. 4, 2026

Released Oct. 23, 2026

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Executive Summary

Volume and/or unit growth remains elusive as consumer pressures continue

Consumer confidence remained low moving into early October. With energy costs elevated, consumers remained cautious with retail F&B, foodservice and non-food CPG seeing declines in volume, traffic and/or units in the last four weeks. General Merchandise was the exception, seeing unit growth in recent weeks spurred by toys (led by demand for squishies), early promotions ahead of October's promotion days, and shoppers buying more on a as-needed basis.



Produce improves, but still weighs on volumes while shifting eating occasions

Declines in produce remain a contributor to softer volumes, as salads/leafy greens and soft fruits are still feeling the effects of the Cyclospora outbreak from mid-July. While improving, the produce disruption reshapes consumer demand, with shoppers shifting fresh occasions to a variety of other options.

CPG price inflation continues to moderate as product mix drives gains

Supported in part by slowing price growth in high inflation areas such as beef and coffee, item pricing growth in F&B continues to inch down, growing +0.9% in the latest four weeks as product mix contributes +0.8% to an overall 1.7% increase in price/mix, down from a 1.9% in the third quarter. Also on the Non-Food CPG side, item price inflation remains below 1% on average. Product mix shifts averaged +4% in non-food CPG, driving growth as units decline and demonstrating an even stronger drive for quality over quantity in these products.

The widening gap between online and physical-store performance

Digital growth contrasts with continued pressure in physical stores, making channel performance an important distinction within otherwise soft CPG demand.

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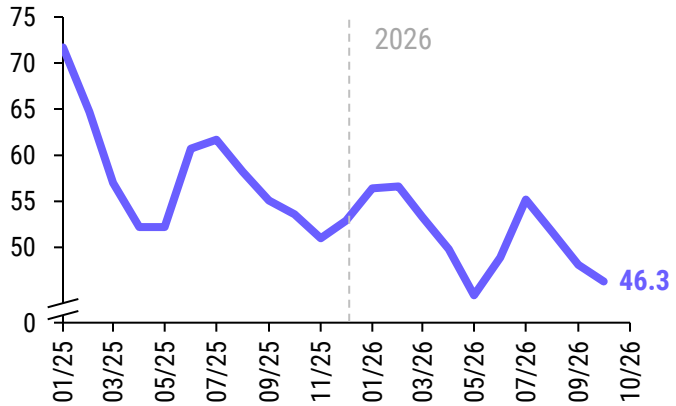
Source: Circana Executive CPG & Foodservice Advisory. Data ending October 4, 2026

Consumer confidence declines as elevated energy costs continue to strain household budgets

Consumer Confidence

Sentiment drops again in early October, particularly among low income, as cost-of-living concerns build

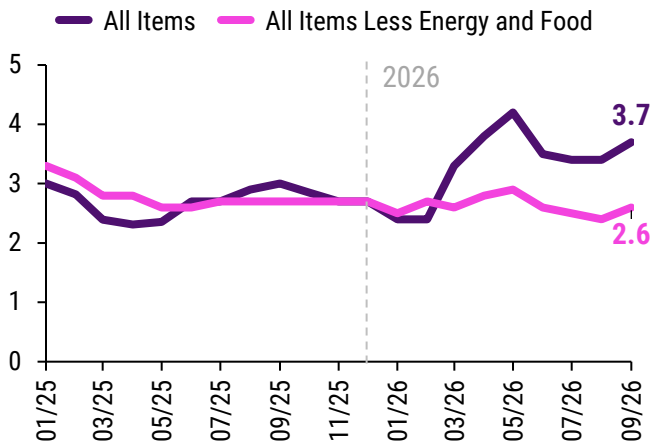
University of Michigan Consumer Sentiment Index



Inflation

Inflation rose in September, as energy prices tick up again in latest weeks

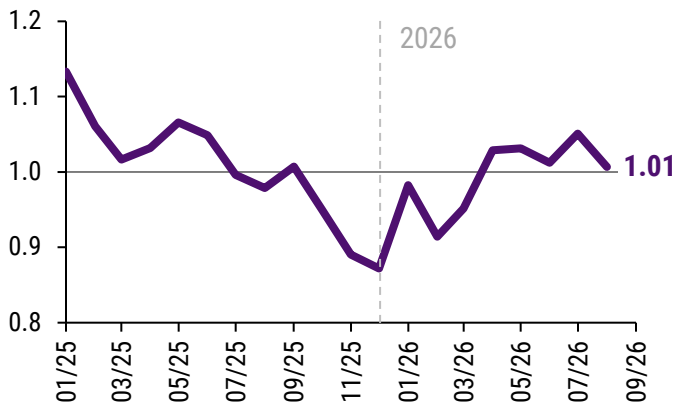
Consumer Price Index % Chg. vs. Year Ago



Employment

The labor market **is stable but tight**, with roughly one job opening for every unemployed worker

Job Openings per Unemployed Person



Lower-income consumers and those with smaller stock portfolios saw the steepest drop in sentiment this month.

As of Oct. 12, gas prices were $4.47 per gallon, continuing to fluctuate at high levels and pressure household budgets.

Unemployment rose to 4.2% in September, remaining within the 4.1% to 4.5% range observed over the past year.

Note: Data available as of October 15, 2026. Source: Sentiment: University of Michigan Survey of Consumers, October (preliminary results), Inflation: Consumer Price Index % Chg. Vs. YA, All Items, Total U.S. All Urban Consumers, Employment: Bureau of Labor Statistics, Gas: US Energy Information Administration (U.S. all grades retail gasoline prices), Circana LLC Executive CPG & Foodservice Advisory.

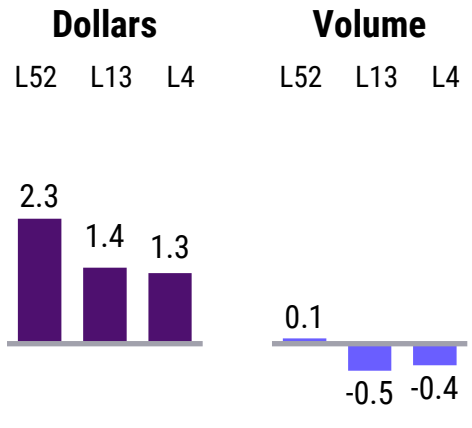
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U.S. Consumer Spending Snapshot

Retail Food & Beverage

Retail F&B volume is stable but constrained; produce amplifies declines but improving.

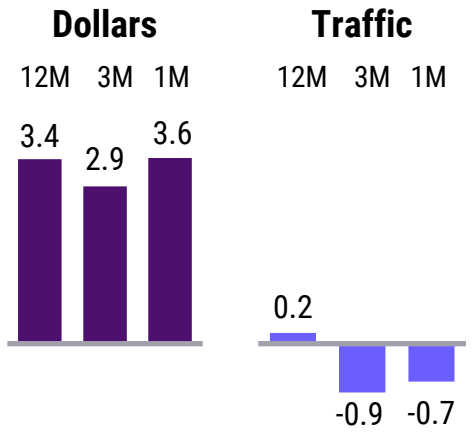
% change vs. year ago



Data ending October 4, 2026

Foodservice

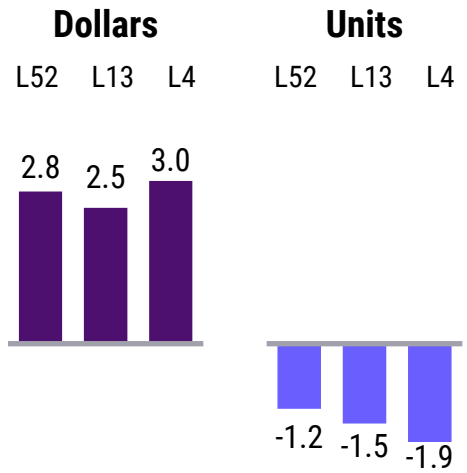
Foodservice traffic remains soft, with Fast Casual as a continued bright spot.



Monthly data ending September 27, 2026

Non-Food CPG[1]

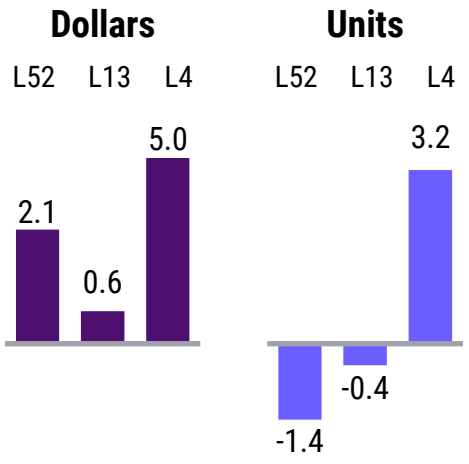
Price/mix sustains Non-Food CPG growth despite unit declines.



Data ending October 4, 2026

General Merchandise

Recent performance boosted by late back-to-school as consumers shift more to "need now, buy now." Toys also performed well leading into promotion week, led by squishies.



Data ending October 3, 2026

1. Excluding Tobacco, Source: CPG & Gen Merch: Circana, LLC POS data, Foodservice: Circana, LLC CREST data, Circana, LLC, Executive CPG & Foodservice Advisory.

F&B growth slows as volume remains constrained and price/mix growth moderates

Retail F&B volume remains tight

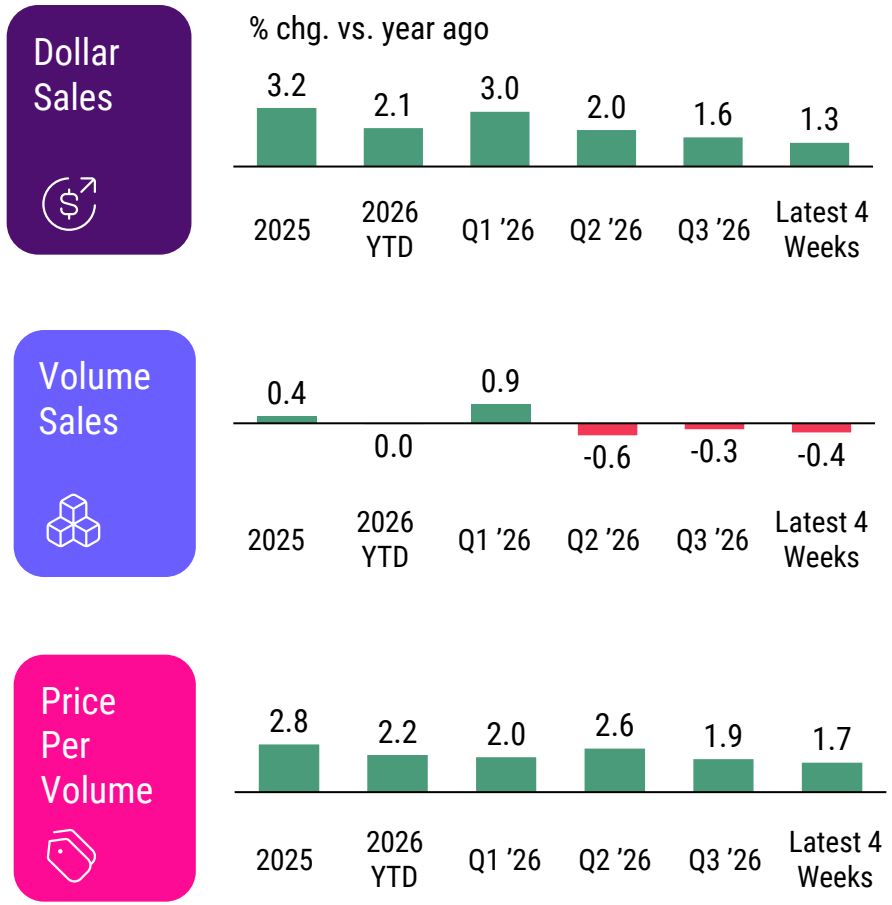
F&B volumes continue to decline in the latest four weeks as consumers remain more focused and diligent in their food shopping. This continues to manifest in the form of reducing waste, cutting excess but not quality, and balancing price tiers, pack sizes, and private label.

Produce disrupted

Declines in produce also remain a contributor to softer volumes, as salads/leafy greens and soft fruits are still feeling the effects of the Cyclospora outbreak from mid-July. While improving, the produce disruption reshapes consumer demand, with shoppers shifting fresh occasions to a variety of other options rather than simply returning to prior purchasing patterns.

Price/mix growth continues to moderate across Retail F&B

Retail F&B price growth eased to 1.7%, with inflation moderating in most segments. High price inflation in beef and coffee begins to slow, while chocolate continues to see high-single-digits. Price pressure continues as increasing supply costs - particularly freight - affect many F&B manufacturers, with many seeking productivity improvements to limit future increases.



Trend Watch

	Latest 4 Weeks $ % chg. vs. YA	Trend vs. L13[1]
E-Com MULO+	15.5%	-0.2
B&M MULO+	-2.8%	+0.3
Convenience	-3.5%	-1.6
Private Brands	0.3%	+0.4
National Brands	-1.1%	-0.1
Grocery	-0.1%	-0.1
Perishables[2]	-0.8%	+0.3
Total Retail F&B	-0.4%	+0.1

1. Ppt acceleration/deceleration vs. latest 13 weeks % chg. vs. YA, 2. Perishables includes dairy, produce, meat, seafood, deli, bakery and other refrigerated,
Source: Circana, LLC POS data ending October 4, 2026, MULO+ with Convenience. Circana, LLC, Executive CPG & Foodservice Advisory.

Produce volumes improve, but continue to mix consumer demand

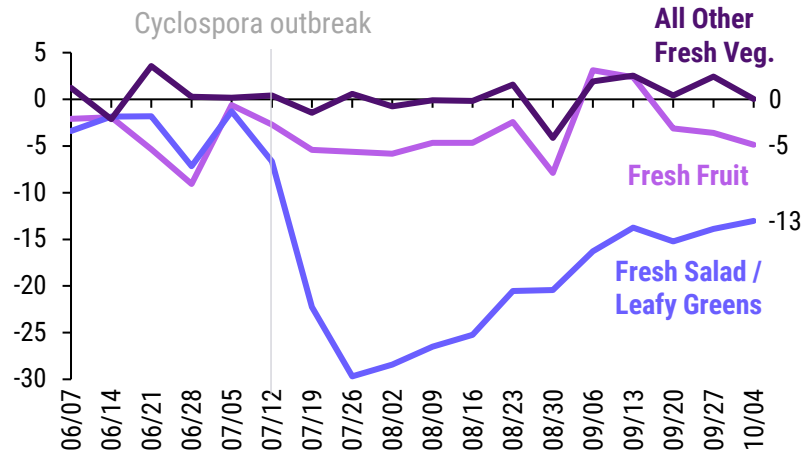
Retail F&B Segment	Dollar Sales (sorted)	Volume Sales	
	Latest 4 Weeks % Chg. vs. Year Ago	Latest 4 Weeks % Chg. vs. Year Ago	Trend vs. L13 (ppt acceleration/ deceleration)[1]
Baking	4.4	1.4	+0.8
Beverages	4.3	1.7	-0.5
Shelf-Stable Meals + Ingredients	4.1	0.7	+1.5
Ice Cream / Frozen Desserts	4.0	-0.3	+0.1
Rfg. Meals + Ingredients	2.2	-3.7	-0.1
Snacks	1.5	-0.6	-0.1
Frozen Meals + Ingredients	1.0	-0.7	-0.9
Meat + Seafood	0.9	-0.3	0.0
Deli	0.9	0.5	-1.1
Shelf-Stable Breakfast	0.6	-1.5	+0.3
Candy	-0.5	-6.0	-0.9
Alcohol	-0.8	-2.4	-0.0
Bakery	-0.9	-2.8	-0.2
Dairy	-1.5	1.2	+0.1
Produce	-1.5	-1.5	+1.6
Total Retail F&B	**1.3**	-0.4	+0.1

Without produce, Retail F&B volume declined -0.2%, +0.1 acceleration from L13 trend

Spotlight Insights

Salads and fresh fruit remain negatively impacted by mid-July's Cyclospora outbreak, but are improving.

Produce Weekly Volume Sales % Chg. vs. Year Ago



Patterns Disrupted

- **Wide reach:** 83% of consumers are aware of food safety recalls in produce; 58% are concerned.
- **Time for recovery:** 53% of consumers reported expecting to return to normal purchasing of produce within 3 months; 15% intend not to return.
- **Store trip drivers shift** when fresh produce is in question.
- **Demand patterns change** as consumers switch salad occasions with a variety of other options. Frozen and shelf stable fruits & vegetables see slight lift while consumers also make newer eating occasions

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1. Ppt acceleration/deceleration vs. latest 13 weeks % chg. vs. YA. Source: Circana, LLC POS data ending October 4, 2026, MULO+ with Convenience. Circana shopper survey fielded 8/7-8/11/26. Circana, LLC, Executive CPG & Foodservice Advisory.

Price/mix growth continues to moderate in most Food & Bev segments, including high inflation areas

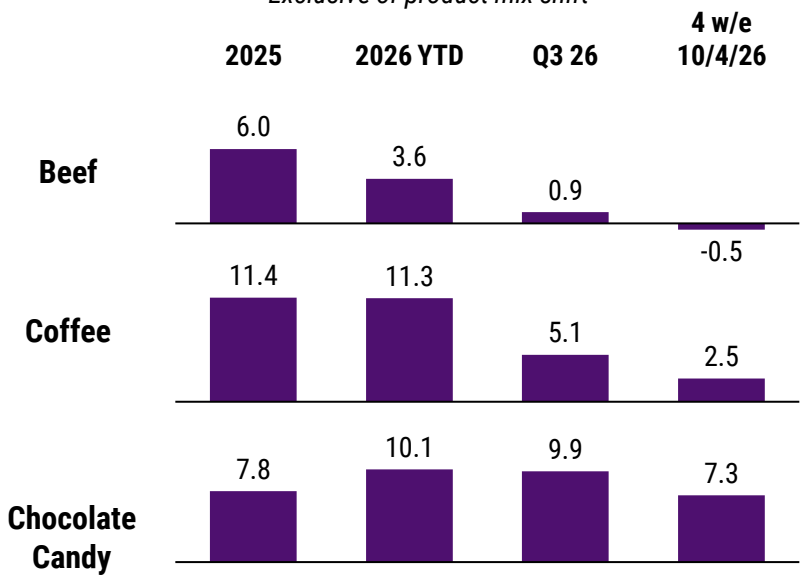
Retail F&B Segment	Dollar Sales (sorted)	Price Per Volume (Price/Mix)[2]	
	Latest 4 Weeks % Chg. vs. Year Ago	Latest 4 Weeks % Chg. vs. Year Ago	Trend vs. L13 (ppt acceleration/ deceleration)[1]
Baking	4.4	2.9	-0.1
Beverages	4.3	2.5	-0.4
Shelf-Stable Meals + Ingredients	4.1	3.4	-0.4
Ice Cream / Frozen Desserts	4.0	4.3	+0.7
Rfg. Meals + Ingredients	2.2	6.1	+0.4
Snacks	1.5	2.1	-0.5
Frozen Meals + Ingredients	1.0	1.7	+0.2
Meat + Seafood	0.9	1.2	-0.3
Deli	0.9	0.3	+0.1
Shelf-Stable Breakfast	0.6	2.1	-0.2
Candy	-0.5	5.9	-1.4
Alcohol	-0.8	1.6	+0.1
Bakery	-0.9	1.9	-0.2
Dairy	-1.5	-2.6 (excl. Eggs: 0.6%, -0.2)	+0.5
Produce	-1.5	1.2	-0.3
Total Retail F&B	**1.3**	1.7	**-0.2**

Spotlight Insights

Average item prices moderate in beef and coffee after significant growth in the last year plus.

Average Item Price % Chg. vs. YA[2]

Inclusive of base price & promotion; Exclusive of product mix shift



Insights from Circana's Price Decomposition Solution

*Average item price growth accounted for **+0.9ppts** while mix contributed **+0.8ppts** to total F&B price/mix chg*

1. Ppt acceleration/deceleration vs. latest 13 weeks % chg. vs. YA, 2. Circana Price Decomposition solution, weighted average at category level, price per volume basis, Source: Circana, LLC POS data ending October 4, 2026, MULO+ with Convenience. Circana, LLC, Executive CPG & Foodservice Advisory

Price/Mix sustains Non-Food CPG growth despite unit declines

Unit sales continue decline

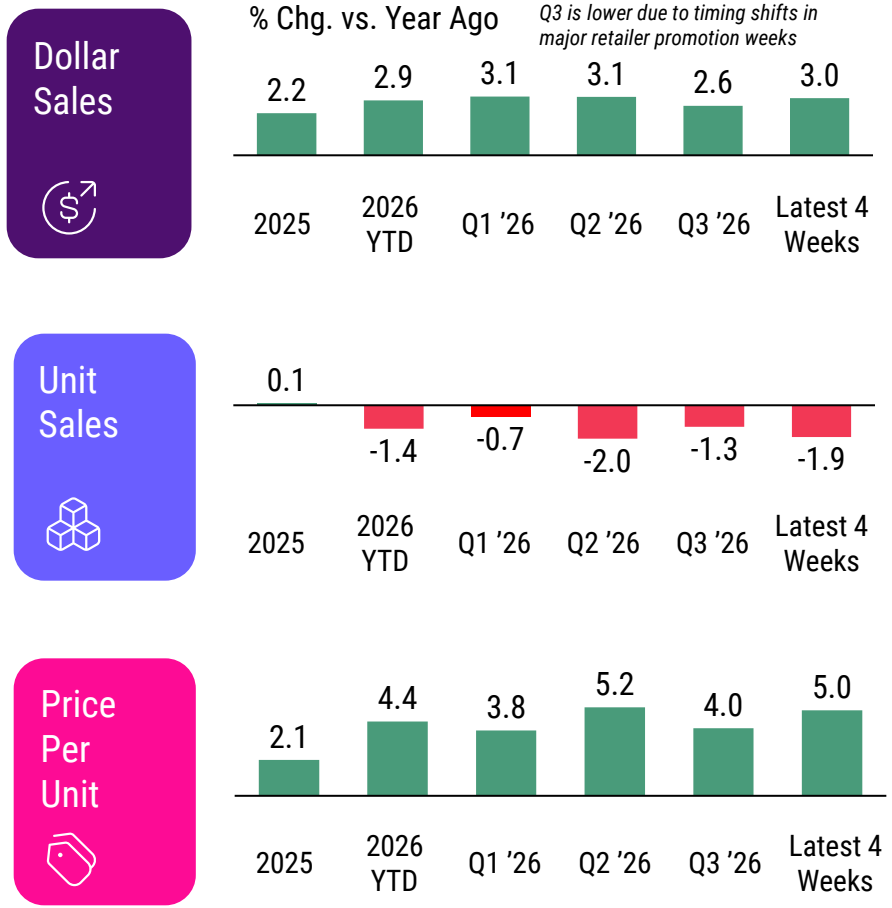
Non-Food CPG unit sales declined 1.9% in the latest four weeks. Despite continued unit softness, dollar sales remain up 3% year over year, reflecting consumers' willingness to spend more on fewer purchases and trade up for better value, quality, or enjoyment.

Price/mix growth remains product-mix-driven

Non-Food CPG price/mix growth was 5.0% in the latest four weeks. Inflation – inclusive of item pricing and promotion – remains below 1% on average with product mix accounting for the remainder of price/mix growth. Foil is one of few categories with larger item price inflation, partially offset by decreasing product mix.

Shoppers continue to seek quality over quantity

Continued product mix growth in Non-Food CPG categories outpaces premiumization seen in food and beverages, while more trade down is occurring outside of CPG. Consumers continue to demand more quality, functionality and efficiency out of their consumable purchases.



Trend Watch

	Latest 4 Weeks % chg. vs. YA	Trend vs. L13[1]
E-Com MULO+	+15.3%	+2.2
B&M MULO+	-5.0%	-0.8
Private Brands	-7.6%	-2.6
National Brands	+0.1%	+0.4
Total Non-Food CPG	-1.9%	-0.4

1. Ppt acceleration/deceleration vs. latest 13 weeks % chg. vs. YA,
Source: Circana, LLC POS data ending October 4, 2026, MULO+ with Convenience. Circana, LLC, Executive CPG & Foodservice Advisory.

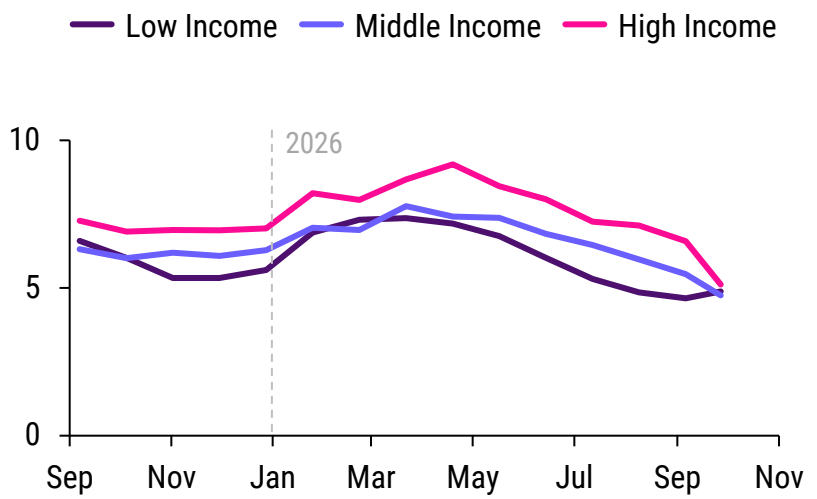
Units declining in most Non-Food CPG segments; Low-income growth continuously lags

Non-Food CPG Segment	Dollar Sales (sorted)	Units Sales	
	Latest 4 Weeks % Chg. vs. Year Ago	Latest 4 Weeks % Chg. vs. Year Ago	Trend vs. L13 (ppt acceleration/ deceleration)[1]
Personal Care	5.4%	-1.4	-0.6
OTC Healthcare	3.5%	1.3	+0.8
Pet Food + Care	2.8%	-0.8	-0.3
Paper Products	2.3%	-0.9	+0.8
Home Care	1.7%	-1.1	0.0
Kitchen Products	1.3%	-5.3	-1.8
Cosmetics	1.3%	-3.3	-1.2
Tobacco[2]	-0.3%	-6.9	-2.3
Baby Care	-0.7%	-5.0	-1.3
Total Non-Food CPG	**3.0%**	-1.9	**-0.4**

Spotlight Insights

Low- and middle-income growth continues to lag high-income in Non-Food CPG

Dollar Sales % Chg. vs. Year Ago
Non-Food CPG, Rolling 13-Week Periods



Insights from Circana's Complete Consumer Receipt Panel[2]

1. Ppt acceleration/deceleration vs. latest 13 weeks % chg. vs. YA, 2. Tobacco excluded from total. 3. Circana Receipt Panel data ending Sept 27, 2026, Income Tiers based on geographical location and household size, Source: Circana, LLC POS data ending October 4, 2026, MULO+ with Convenience. Circana, LLC, Executive CPG & Foodservice Advisory.

Higher product mix continues to drive price/mix growth in Non-Food CPG

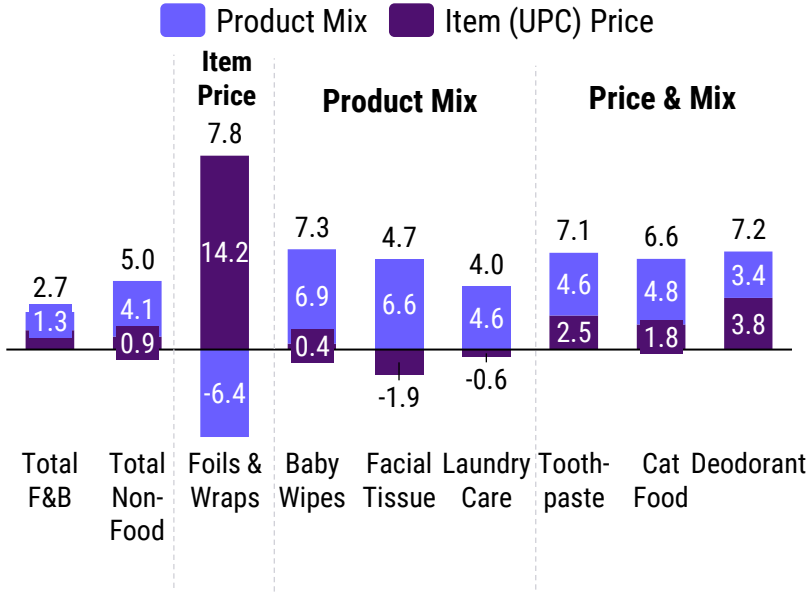
Non-Food CPG Segment	Dollar Sales (sorted)	Price Per Unit (Price/Mix)[2]	
	Latest 4 Weeks % Chg. vs. Year Ago	Latest 4 Weeks % Chg. vs. Year Ago	Trend vs. L13 (ppt acceleration/ deceleration)[1]
Personal Care	5.4%	6.9	+1.4
OTC Healthcare	3.5%	2.1	+0.1
Pet Food + Care	2.8%	3.7	+0.4
Paper Products	2.3%	3.2	-0.4
Home Care	1.7%	2.9	-0.2
Kitchen Products	1.3%	7.0	+2.0
Cosmetics	1.3%	4.7	+0.1
Tobacco[2]	-0.3%	7.0	+1.6
Baby Care	-0.7%	4.5	+3.2
Total Non-Food CPG	**3.0%**	5.0	**+1.0**

Spotlight Insights

With few exceptions, a more premium product mix continues to drive price growth vs. item pricing.

Drivers[3] of Select High Price/Unit Growth Categories

Price/Unit % Chg. vs. YA, 4 w/e 10/4/26



Insights from Circana's Price Decomposition Solution

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1. Ppt acceleration/deceleration vs. latest 13 weeks % chg. vs. YA, 2. Tobacco excluded from total. 3. Average price/mix inclusive of changes to UPC item prices and product mix, 3. Circana Price Decomposition solution, weighted average at category level, price per volume basis, Source: Circana, LLC POS data ending October 4, 2026, MULO+ with Convenience. Circana, LLC, Executive CPG & Foodservice Advisory

Want to learn more?

Circana can help.

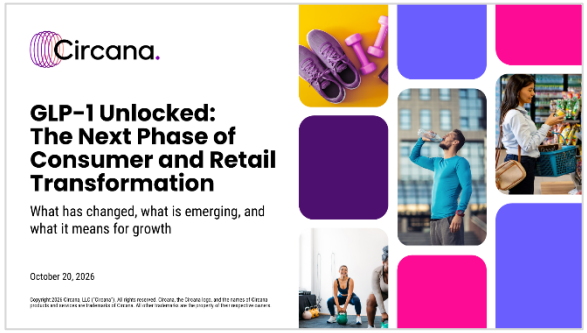
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Thought Leadership Spotlight

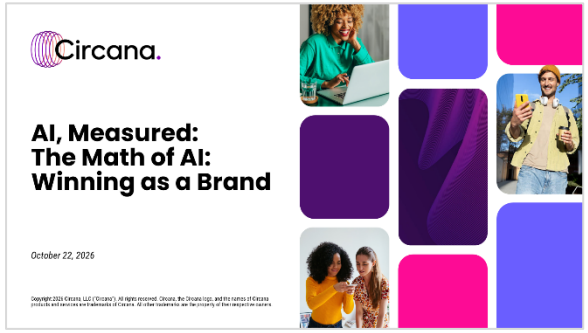
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