



COVID-19 CONCERNS CONTINUE TO IMPACT FOODSERVICE



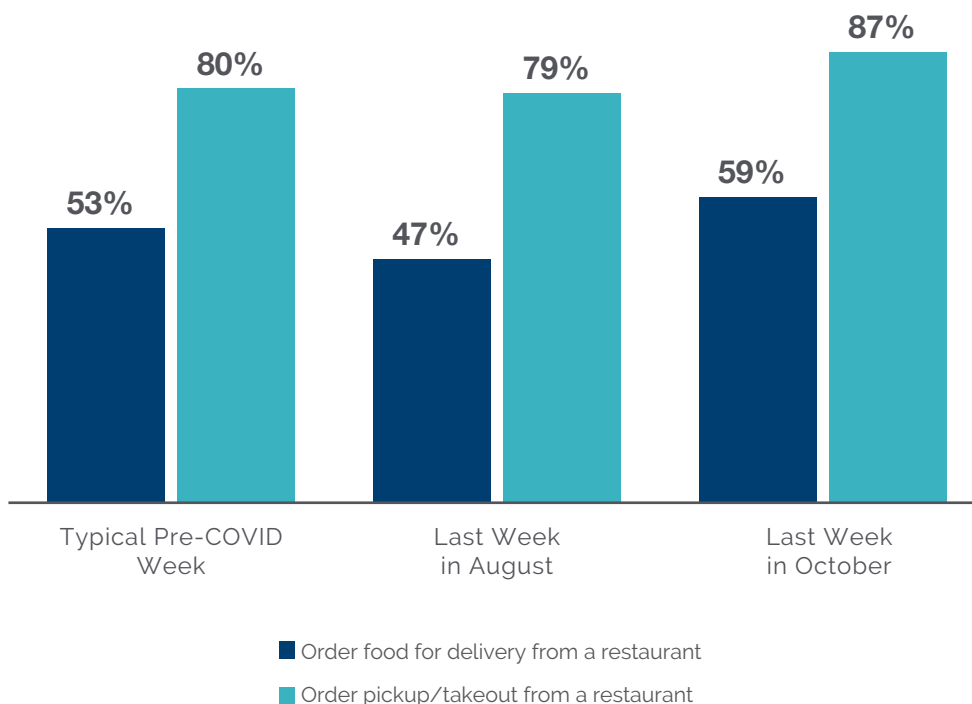
In October, Midan surveyed meat and poultry consumers about their recent restaurant experiences as a follow up to our August foodservice study. October's survey revealed that while consumers are generally patronizing restaurants at a higher rate than August, they are still worried about COVID and foodservice. Media outlets began reporting in late October about a second wave of infections, so it's not surprising that the number of those "extremely concerned" was at the highest level since July. Here are the key takeaways:

RESTAURANT TAKEOUT & DELIVERY SERVICES ARE STRONG AND LOOK TO REMAIN THAT WAY.

During the previous week, the number of people placing delivery and takeout orders surpassed the typical pre-pandemic week. Other stats also bode well for this trend to continue: 1 in 5 anticipate the number of meals they order from restaurants will increase in the next month, which matches the August figure. And consumers are happier with their overall foodservice experience: Satisfaction with delivery jumped from 70% to 75% while satisfaction with pickup/takeout rose from 74% to 78%.

Frequency of Eating Occasions

Percentage who visited in a week





WITH ONLY HALF THE POPULATION COMFORTABLE EATING INSIDE A RESTAURANT, INDOOR DINING IS STRUGGLING: THE NUMBER OF PEOPLE EATING IN RESTAURANTS TRAILS A TYPICAL PRE-COVID WEEK BY 35 PERCENTAGE POINTS.

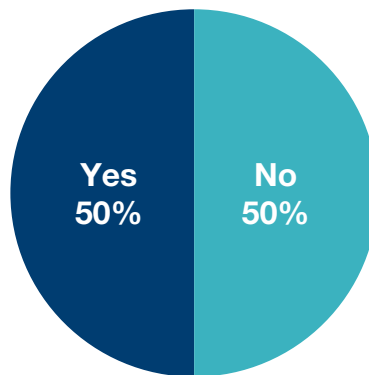
The percentage of people who dined inside a restaurant dropped from 76% in a typical pre-COVID week to 41% during the last week in October. Half of consumers have not eaten inside a restaurant since the pandemic started eight months ago.

When asked about how comfortable they were dining inside, consumers were split 50/50.

Of the half of consumers who said they are comfortable dining inside, some were reassured by the visible precautions they see local restaurants making, while a vocal minority stated they are comfortable because the risk of COVID is "overblown." Those who are uncomfortable distrust that other patrons are taking precautions and are worried about an increase in transmissions.

Half of Consumers Have NOT Eaten in a Restaurant Since March

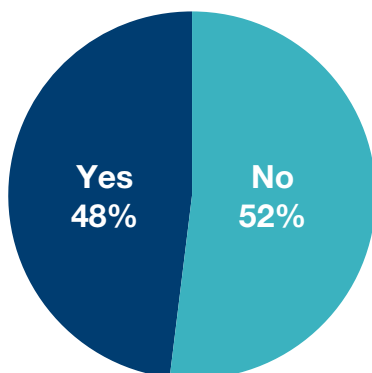
Since the pandemic started (mid-March) have you eaten inside a restaurant (do not include outside/patio dining)?



NEARLY HALF OF CONSUMERS HAVE ORDERED PICKUP OR TAKEOUT FROM A CONTEMPORARY CASUAL (UPSCALE CASUAL WITH A MODERN MENU) EATERY OR FINE DINING RESTAURANT SINCE THE PANDEMIC STARTED, BUT IT'S UNCERTAIN IF THIS NUMBER WILL GROW.

While even fine dining establishments have begun offering takeout to offset lower dine-in sales, future growth in this area might be limited. For the half of consumers who haven't tried more high-end takeout, they overwhelmingly cite cost: They are either trying to save money, or feel that, without the high-quality restaurant experience, it's not worth the price.

Ordered Pickup or Takeout From a Contemporary Casual or Fine Dining Restaurant Since COVID



A few open-end consumer responses:



A big part of the experience with those places is dining in with the service and ambience, which I won't get with takeout.



Because part of why they cost so much is the experience of dining there. I would rather purchase less expensive food for takeout.