



# *Exceeding* **EXPECTATIONS**

*Keeping pace with processors' growing demand for deli meats requires engineering innovation*

## **AS DEMAND FOR DELI MEAT HAS INCREASED**

through the years and especially in 2020, expectations from processors have also evolved, reflecting operational changes in their processing plants to ensure production of products today's consumers expect. The coronavirus (COVID-19) pandemic undoubtedly created some nuances in purchasing and consumption behaviors of consumers in 2020. Meat and poultry processors saw a dramatic shift in demand away from the foodservice sector in favor of retail, but as the dust settles, one thing is certain: ***The popularity of deli meat hasn't wavered.***



## By the numbers

According to research from Mintel in August of 2019, a majority of consumers surveyed reported eating lunch meat at lunch, usually on a sandwich. Ham and turkey were the most popular sliced meats used on sandwiches, followed by roast beef and finally chicken (see Fig. 1).

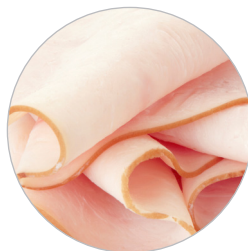
Additionally, when asked what factors would cause them to purchase more sliced lunch meat, 30% of consumers surveyed indicated “premium cuts” would be a factor, while 28% reported resealable packaging as a key attribute.



With few exceptions, the trends from 2019 have continued, even in the face of a global pandemic. Early in the outbreak, deli meat sales hinted at what would occur in the days and months ahead, as consumers began eating more meals at home and more working parents and school-age children as well as college students shifted to home-based offices and virtual classrooms. The signs became evident in early March, according to data from San Antonio, Texas-based 210 Analytics and IRI in Chicago.

Deli meat generated more than \$117 million in sales the week of March 8, 2020, an increase of almost 5% over 4.8% over the comparable week in 2019. Compared to last year, deli ham and turkey generated an additional \$2 million in sales each, increasing 6.2% and 5.9%, respectively.

Evolving shopping behaviors have retailers carefully watching consumers’ new rhythms as health officials monitor hot spots for the virus throughout the country. For the week ended July 19, food retailers report sales of perimeter items up 13% from the prior year, which included deli meat sales that were 9.5% higher than last year. While



**When do you typically eat or use the following types of bacon or sliced lunch meats? Please select all that apply per type.**

	Bacon	Ham	Turkey	Chicken	Roast beef
Breakfast	78%	31%	15%	15%	14%
Lunch	31%	59%	60%	63%	57%
Dinner	28%	27%	30%	53%	35%
As a snack	20%	29%	28%	28%	24%
By itself	27%	27%	23%	32%	25%
As part of a recipe	35%	22%	17%	32%	17%
On a sandwich	51%	75%	73%	62%	71%
In a salad	32%	32%	31%	45%	17%
None of the above	2%	3%	2%	2%	2%

**Figure 1** (Source: Mintel)



many full-service delis have closed, hindering sales of fresh-sliced meat sold by the pound, IRI and 210 Analytics report dollar sales of pre-packaged lunch meat rose 13.9%, for the week ending July 5, with many shoppers seeking a wide range of package types based on their household size, budget and interest in certain cuts and varieties.

### ***Pivoting success***

“The virus’ impact on the nation’s food spending is becoming ever so clear as the weeks roll by,” said Jeremy Johnson, vice president of education for the International Dairy Deli Bakery Association (IDDBA) in mid-July. “As cases are rising once more, we can start to draw upon the early lessons of the pandemic, including the potential reduction in store trips, the propensity for items with longer shelf life and items catering to smaller gatherings and celebrations.”

Recent research from Cadent Consulting and Fetch Rewards indicated that since the pandemic began, more than half (54%) of shoppers are purchasing more protein items, as they are eating more at home. Those meals include protein-based sandwiches for the work-at-home lunch hour.

According to Nielsen, processors of packaged, pre-sliced lunch meat are experiencing a windfall during the



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— Mintel



pandemic. For the 52-weeks ended July 4, 2020 sales totaled \$1.33 billion, 14% higher than the same period last year. During the 13-week period ended July 4, 2020, packaged lunch meat sales in the US topped \$378 million, a 31 percent increase over the same period last year. Interestingly, sales of salami led the category during the period, at \$116 million, which was a 28% increase during the same timeframe last year. Turkey led the traditional deli meat sales of packaged lunch meat at \$73 million for the 13-week period, a 31% jump from last year. For the same period, pre-sliced, packaged ham sales were \$53 million



(an increase of 26%,) and pepperoni topped \$42 million, a spike of 53% over last year.

Despite limited availability at many retail stores, US bulk lunch meat sales are up by about 6% for the 52-weeks ended July 4, 2020, totaling \$5.65 billion, according to Nielsen. Sales of turkey (\$1.98 billion) led the category, followed by ham (\$1.75 billion) and beef (\$637 million).

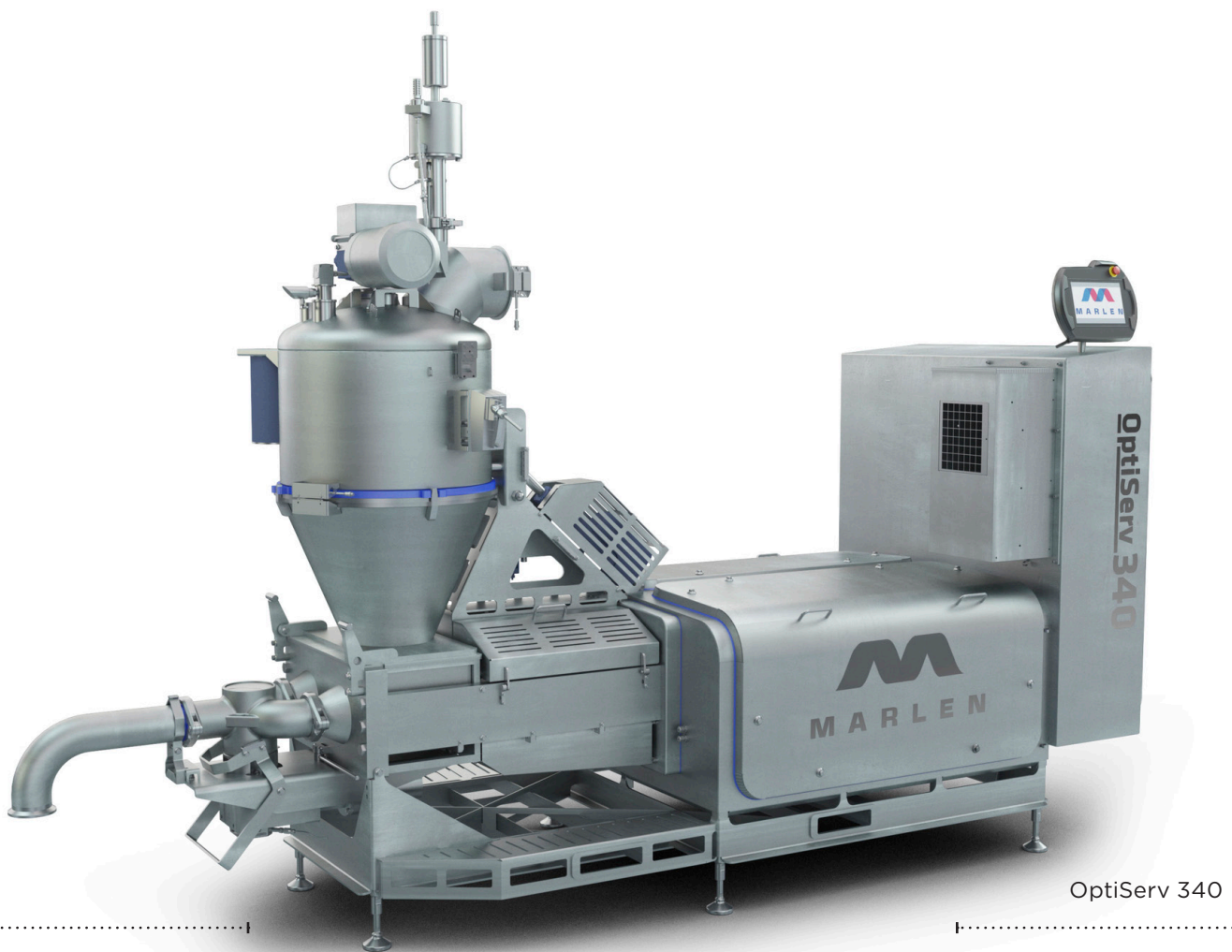
### ***Behind the scenes***

With demand for deli meats continuing to grow, processors are constantly in search of the best tools of the trade. The production of high-quality deli meats requires multiple steps, each designed to add value to the finished products. For processors, vacuum stuffing plays a critical role in the production of a variety of products, including lunch meat. The types of vacuum stuffing equipment designs vary and each offer attributes for processors to consider. Vacuum stuffing plays a critical role for processors of premium deli meats. Insufficient air removal during the stuffing process can irreparably compromise the quality of products and be the weakest link in an otherwise sound process. Research indicates that among the three varieties of filler-stuffer technologies (vane cell, screw feed and twin-



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OptiServ 340

piston) available, those featuring twin-piston operation deliver superior results. By ensuring maximum air removal, product density is between 3% and 5% higher when using a twin system, which is a key part of the engineering built into the Marlen OptiServ 340, powered by servo motor technology. Increased density translates to cost savings for processors producing products that are stuffed into logs or chubs. Besides savings realized by using less casing material, the Opti twin-piston pump's ability to maximize air removal delivers up to 16% more weight for the same casing size.

Marlen's OptiServ 340 Vacuum Stuffing & Pumping System also appeals to today's deli meat processors by offering peak performance without the complexity and cost of other systems while producing product that is among the industry's best in terms of appearance and eating experience. The production of premium product was part of the engineering goals of the next-generation Opti (OptiServ 340), as the twin-piston pumps gently move product with a minimal amount of mechanical damage to the product and the integrity of its composition.

Designed for high-volume production and flexibility,

the OptiServ's throughput capacity is 34,000 lbs per hour at 125 PSI and offers operators a choice of continuous flow or speed-control operation modes, both with pinpoint portioning accuracy. Also engineered into the OptiServ is energy savings of more than 40%, thanks to the replacement of hydraulic driven motors with servo drives. The hygienic design of the vacuum stuffer was inspired by customers and is an extension of the improved ergonomic features, which includes no tool 3-minute assembly and disassembly designed with operator safety in mind.

**Other highlights of the OptiServ 340 include:**

- Intuitive, icon-based operator interface, making operation user-friendly for multi-lingual workforces
- Minimal replacement and wear parts to increase value and uptime while lowering cost of ownership
- Various styles of product guides to match processors' application needs
- Nearly silent operation
- Wireless communication

**From the field**

A veteran of the meat and poultry processing industry, Doug Vogelsmeier, product manager at Marlen, said the company's OptiServ 340 represents the next generation of engineering designed to meet the need of today's processors. He said Marlen customers



and processors in general are more sophisticated in their understanding of product engineering and their expectations have evolved. The use of hydraulics in processing equipment has not been a glaring issue in the past, he said, but in recent years, processors have become interested in alternatives based on concerns about worker safety and food safety. Servo technology addressed those concerns.

"Although many items in a processing facility still require the use of hydraulics, the trend we see is a search for alternative methods to accomplish the same task," Vogelsmeier said. "We wanted to do our part to provide a solid solution"

That same effort to listen to customers is evident in the new OptiServ's operator-friendly, multi-lingual, icon-based user interface. Other engineering enhancements also reflect processors' feedback.

"They continue to ask for improvements to water-tight enclosures, hygienic designs, and other design elements to comply with green initiatives that we feel are addressed with this model," Vogelsmeier said.

Piston based systems are hardly new to Marlen, having utilized the technology in stuffing and pumping systems for more than 60 years. Vogelsmeier said one of the most significant benefits of piston-driven systems, even before the rollout of the OptiServ 340, has been preserving the integrity of deli products, especially premium meats.

"Manufacturing a piston-driven pump, we have always provided product quality that a vane or screw style pump simply isn't capable of," he said.

This has not changed with the new model. Our pistons act like a large syringe that gently draw up to 25 lbs of product with each stroke. Comparable results could only be achieved with actual hand placement of the muscles."



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