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Press Release

Prepared Foods Delivery Market Worth \$3.2 Billion

Tampa, FL, June 6, 2016 -- Marketdata Enterprises, Inc., a leading independent market research publisher, has released a new 89-page market study entitled: [The Prepared Foods Home Delivery Market](#). This is the ONLY publicly available national market study about this \$3.2 billion business. The report traces the evolution and growth of this hot market, much of which is backed by venture capital—examining operating models, pricing, distribution, competition and consumer demand.

The report looks at three market segments:

- Freshly prepared meals and meal kits
- Diet food home delivery services
- Premium meats & desserts via mail order

“The meal kits market, led by firms such as Blue Apron and Plated, could be a short-lived fad fueled by affluent Millennials. Already, some companies have closed shop and a major consolidation is probably coming in the next few years—as VC firms become more picky, companies burn through their cash, and profitability is elusive. Paying top dollar for the convenience of having someone else prepare and cook your meals works well when the economy is strong, but the model has yet to be tested during a recession.”, according to Marketdata’s Research Director, John LaRosa.

Report Findings

- **Market Size...** Marketdata estimates that the meal delivery market was valued at \$3.2 billion in 2015, up from \$2.2 billion in 2012. We expect a 19% gain to \$3.8 billion this year. Marketdata forecasts 11.6% average yearly growth to 2020, reaching \$5.56 billion.
- The market is comprised of 3 segments: 1) healthy prepared meals & meal kits (\$1.5 billion), 2) Diet foods (\$910 million), and 3) premium meats, appetizers and desserts sold via mail order (\$1.39 billion).

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- The meal kits market is the segment most supported by venture capital, with 150+ competitors. It's getting more crowded and venture capital investment is slowing. Companies such as Blue Apron, Plated and Hello Fresh are the major players. This market is the youngest, only emerging since 2012.
- The diet food home delivery market is somewhat older, taking root in the early 2000s. There are roughly 30-40 players in this market, led by NutriSystem, Medifast and mostly local firms.
- The premium meats market, led by Omaha Steaks, Harry & David, and Honey-baked Ham, is the oldest and most established market, with roots going back to the early 1990s (online). Roughly 30 players compete. This is a seasonal market dependent on holiday sales during Easter, Christmas and Thanksgiving for 60% of its revenues.
- Many companies in this market focus on serving either or both New York City or Los Angeles. The other "hot spot" seems to be Florida.
- Marketdata expects major consolidation in the meal kits market over the next four years, as weak players fail or get acquired. Diet food delivery is a more stable market, as is the mail order premium meats market. The latter have smartly diversified by opening retail stores as well (Honey-baked Ham, Omaha Steaks).
- The market does have some logistics issues—environmental concerns over excessive packaging for meal kits, for example. There is also the question of how to classify the personnel that deliver these meals locally—as independent contractors or regular employees? In addition, many customers report that food quality is not always up to par, for the high prices being charged.

"The food industry is the latest targeted for "disrupting". Venture capital firms have been in a frenzy the past three years to find a success story, and profits. However, when the economy turns south, who will be left to pay \$10-12 per person per meal for gourmet food? Rather than just targeting affluent and convenience-seeking Millennials, perhaps a more diversified model targeting a broader audience of consumers looking for weight loss and other health benefits, at a lower price, might be prudent..", according to John LaRosa.

The U.S. Prepared Foods Home Delivery Market is 89 pages in length, costs \$995. It is available in digital or print format. The study covers: the nature of the market, demand factors, pricing, distribution channels and marketing, how companies are formed, operating models, customer demographics, market size (2012-2020 forecast), management outlooks and competitor profiles.

Contact: John LaRosa for interviews. Marketdata Enterprises, Inc. (813-971-8080).

A 20-page, \$99 Overview is Available for the General Public

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