IFPA's U.S. Produce Retail Point of Sales Results

August 2024 | The four weeks ending 9/1/2024

INTERNATIONAL FRESH PRODUCE ASSOCIATION

Fresh Produce Pound Growth for All Five August Weeks

Everyday demand for fresh fruit and vegetables was strong, leading to dollar, unit and pound growth for the produce department. Social media trends are reflected in sales spikes for cucumbers.

WHAT'S NEW

AUGUST IN REVIEW

Growth in Food Insecurity

The August 2024 Consumer Sentiment Index by the University of Michigan reflects continued concern. At 67.9 points, Americans' current day sentiment remained far below the neutral rating of 100. Consumers continue to point to impact of high prices and perceive substantial uncertainty in the trajectory of the economy, per the August findings.

- USDA's Economic Research Service released the 2023 Food Security numbers. In 2023, 13.5% of households were food insecure at least some time during the year. Per the ERS, this is a statistically significant increase from the 12.8% in 2022.
- This concern has resulted in fewer restaurant visits and a greater share of food dollars flowing into retail in recent months. When shopping for groceries, consumers also apply a wide range of money-saving measures.
- While consumers are focused on price and promotions, it is rarely the only consideration going into the purchase. There are no linear consumer purchase patterns, which makes the marketplace complex but also ripe with opportunities for growth when addressing consumers' daily puzzle between budget, time, health, etc..
- Value-added and deli-prepared sales are strengthening, reflecting a continued need for convenient solutions, while younger shoppers in particular continue to drive the importance of sustainable choices. Limiting food waste has become a very popular financial measure in addition to having environmental and social implications.
- August also reflected back-to-school for states across the nation, which signals big changes for many departments around the store. Lunchbox convenience and time-saving solutions for breakfast and dinner become of greater importance.

MONTHLY SALES REVIEW

Growth All Five August Weeks

All August weeks grew dollars and pounds year-on-year, with pounds up between 1.7% and 3.4%. This shows the strength of everyday demand with consumers more likely to prepare meals at home in recent months.

Produce department	Dollar sales	Dollar sales vs. YA	Volume sales vs. YA
August 2024	**$9.0B**	**+2.1%**	**+2.4%**
W.E. 08-04-24	$1.8B	+2.1%	+2.9%
W.E. 08-11-24	$1.8B	+2.2%	+2.4%
W.E. 08-18-24	$1.8B	+2.1%	+3.4%
W.E. 08-26-24	$1.8B	+2.2%	+1.7%
W.E. 09-01-24	$1.8B	+2.0%	+1.8%

Fresh produce sales exceeded year ago levels but also stayed ahead of the dollar, unit and volume sales levels from two years ago.

POWER FACTS

STATE OF PRODUCE

August 2024	Price/Lb. vs. YA	$ Sales	$ vs. YA	Lbs. vs. YA
Fresh Fruits	$1.57 | +0.8%	$4.8B	+2.7%	+1.9%
Fresh Vegetables	$2.00 | -1.6%	$4.1B	+1.7%	+3.3%

Share of Dollars

81.0%
Fresh Produce Department

8.3%
Frozen Fruits and Vegetables

4.8%
Shelf Stable Fruits

5.8%
Shelf Stable Vegetables

TOP GROWTH COMMODITIES (NEW $)

$ Absolute $ gain vs. YA

The social media headlines for cucumbers and grapes translated into an additional $55 million in sales for grapes compared to August 2023 and cucumbers generated an additional 19 million.

Virtually all commodities on the top 10 list in absolute dollar growth show increased pound sales, with the one exception of peppers. That means gains were achieved based on actual demand growth rather than inflation as seen during the past few years.

Product	$ vs. YA	$ sales vs. YA	Lbs sales vs. YA
Grapes	+$55.3M	$514M	+4.0%
Avocados	+$47.8M	$345M	+5.2%
Berries	+$46.5M	$1.1B	+8.6%
Onions	+$30.2M	$339M	+4.6%
Mandarins	+$23.0M	$177M	+15.1%
Tomatoes	+$21.6M	$445M	+5.6%
Cucumbers	+$19.1M	$198M	+11.8%
Peppers	+$12.0M	$296M	-0.4%
Carrots	+$11.1M	$151M	+4.2%
Sweet potatoes	+$6.8M	$60M	+7.8%

SEASONAL COMMODITY
SPOTLIGHT

Cucumbers generated $2.0 billion in the past year.

- This is an improvement in dollars (+7.1%), units (+5.3%) and volume (+7.0%).
- Pound sales are up versus two years (+12.4%) and three years ago (+16.3%) as well.
- Pound sales are rapidly accelerating due to the social media hashtag #cucumbersalad going ultra viral.
- The already robust pound growth of 5.8% seen in July has exploded to 11.2% in August 2024 versus August 2023.
- About 25% of cucumber dollars are promoted (any merch.)

Sources:
Circana, Integrated Fresh, MULO+

WHAT THIS MEANS

Inflation Insights

In August 2024 (the five weeks ending 9/1/2024), the price per unit across all foods and beverages in the Circana MULO+ universe stood at $4.23, an increase of 1.6% versus August 2023. This is higher than the 1.5% price year-over-year increase seen in July as well as the first quarter averages of +1.2%. Prices in the fresh perimeter were up 2.6% year-over-year in August versus 1.1% in the center of the store. The average price of $4.23 is 35.1% higher than the 2019, pre-pandemic average of $3.13.

Average price/unit vs. YA	2019	2020	2021	2022	2023	Q1 24	Q2 24	Aug 24
Total food & beverages	+2.0%	+5.5%	+5.6%	+12.6%	+5.9%	+1.2%	+1.6%	+1.6%

"August is always an interesting month to understand what the remainder of the year may look like. Robust dollar, unit and pound sales growth during weeks without any impact from holidays bodes well, especially seeing that both fruit and vegetables contributed to these gains. Additionally, we're seeing strength in the produce powerhouses and smaller commodities contributed for year-over-year gains.

Meanwhile, the cucumber salad trend is taking social media by storm. Countries around the world are reporting cucumber shortages and the impact of "cucumber guy" Logan Moffitt is felt in U.S. retail sales as well. In August, pound growth accelerated into the double digits — providing an important lesson of the power of social media."

- Joe Watson, IFPA's VP of Retail, Foodservice and Wholesale

FUTURE OUTLOOK

What's Next

- Out with back-to-school, in with pumpkin season. The Halloween and fall sets are in-store and with the change in weather and daily routines often comes a change in consumption patterns as well.
- Consumers continue to make more trips to the grocery store than they have in years. The key to sales success is capitalizing on these additional visits by optimizing trips to the aisle and the number of items bought each trip.
- While the decline in the number of items per trip has had a profound impact on grocery sales for the past two years, holidays remain an important reason to include more premium items and treats — underscoring the importance of suggestive selling in-store, online and utilizing social media.
- All consumer confidence, restaurant and grocery indicators point to a more home-centric environment for the time being, compounded by ongoing higher restaurant inflation and a cooling job market.

For any questions, please reach out to Joe Watson, IFPA's VP of Retail, Foodservice, and Wholesale at jwatson@freshproduce.com

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Sources:
Circana, MULO+, August 2024

METRICS

August 2024 sales	$ Sales	$ vs. YA	Lbs. vs. YA
Fresh Fruits and Vegetables	**$9.0B**	**+2.1%**	**+2.4%**
Fresh fruit	**$4.8B**	**+2.7%**	**+1.9%**
Berries	$1.1B	+4.6%	+8.6%
Melons	$619M	-2.4%	-0.6%
Grapes	$514M	+12.0%	+4.0%
Apples	$404M	-4.9%	+10.6%
Bananas	$365M	+0.6%	+2.2%
Avocados	$345M	+16.1%	+5.2%
Cherries	$202M	-1.7%	-18.0%
Peaches	$200M	-3.6%	+0.8%
Mandarins	$177M	+14.9%	+15.1%
Pineapples	$123M	+5.5%	-0.3%
	Dollars	**$ vs. YA**	**Lbs vs. YA**
Fresh vegetables	**$4.1B**	**+1.7%**	**+3.3%**
Tomatoes	$445M	+5.1%	+5.6%
Potatoes	$397M	-10.0%	+6.3%
Lettuce	$368M	+1.8%	-1.2%
Onions	$339M	+9.8%	+4.6%
Salad kits	$332M	+1.8%	+1.2%
Peppers	$296M	+4.2%	-0.4%
Cucumbers	$198M	+10.7%	+11.8%
Carrots	$151M	+7.9%	+4.2%
Broccoli	$142M	+4.8%	+6.1%
Mushrooms	$136M	+0.8%	-1.6%

August 2024 sales	$ Sales	$ vs. YA	Units vs. YA
Frozen Fruits and Vegetables	**$922M**	**+1.0%**	**+2.5%**
Shelf Stable Fruits	**$536M**	**+0.5%**	**-0.5%**
Shelf Stable Vegetables	**$648M**	**+3.9%**	**+0.5%**
Meat department	$10.1B	+4.6%	+1.4%
Dairy aisle	$8.1B	+10.2%	+2.6%
Deli department	$5.4B	+1.0%	+1.5%
Bakery department	$4.5B	-1.5%	-1.3%

For more information, please reference IFPA's full consumption data at https://www.freshproduce.com/resources/Commodities/

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