

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

January 2024 | The four weeks ending 1/28/2024

INTERNATIONAL
**FRESH
PRODUCE**
ASSOCIATION



Continued Pound Growth to Start Off the Year

Fruit and vegetables each contributed to the positive performance in January. Vegetables grew pounds by 2.3% but deflation meant a 0.7% decrease in dollars. Fruit experienced a mild decline in pound sales of 0.6%, yet grew dollars by 3.3% with some renewed price increases.

WHAT'S NEW

CAUTIOUS
OPTIMISM

2024 Inflation Forecast

In January 2024, beleaguered consumers received some good news with the USDA predicting a slight reduction in grocery prices in 2024. Additionally, the U.N. Food and Agriculture Organization announced that its food price index is at the lowest level in three years. However, rising labor and other operational costs have been eroding margins and the USDA expects restaurant prices to continue their fourth-quarter increase in 2024.

- January restaurant engagement was flat, with 80% of consumers having dined at restaurants or ordered takeout or delivery. The home-cooked share of meals also continued to average around 78% to 80% for most households.
- According to January Circana survey seven in 10 consumers started the year with one or more New Year's resolutions. Unsurprisingly, "eating healthier or starting a diet" was easily the number one resolution, at 42% of consumers. Twenty-one percent plan to spend more time with friends and family – an important merchandising and marketing clue for seasonal celebrations and get-togethers.

MARKET
IMPACT

Inflation Dropped to its Lowest Point in Years in January

The average price per unit for total food and beverages compared to last year

2018	2019	2020	2021	2022	2023	Jan 24
+1.5%	+2.0%	+5.1%	+5.4%	+12.5%	+6.1%	+0.9%

Holidays remain a time to splurge a little as clearly demonstrated by the higher-than-average sales during the first week of January. Fresh produce pound sales increased 3.5% during the week ending January 7th in comparison to the same week last year.

Produce department	Dollar sales	Dollar sales vs. YA	Volume sales vs. YA
January 2024	\$5.8B	+1.0%	+0.7%
w.e. 1/7/2024	\$1.5B	+3.5%	+3.5%
w.e. 1/14/2024	\$1.5B	+2.2%	+2.5%
w.e. 1/21/2024	\$1.4B	-1.6%	-2.1%
w.e. 1/28/2024	\$1.4B	-0.1%	-1.0%

HOUSEHOLD
ENGAGEMENT

Produce wins on trips.

While consumers shopped the meat, bakery and seafood departments less often, produce is on a five-year winning streak in driving trips. This is an important finding, given the high impulse nature of fruit in particular.

Produce department	Annual trips/buyer
2019	71.2
2020	75.0
2021	75.7
2022	76.3
2023	76.4

Sources:

Circana, Integrated Fresh, MULO | January is the four weeks ending 1/28/2024

POWER FACTS

STATE OF PRODUCE

January 2024	Price/Lb.	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits	\$1.91 +3.8%	\$2.78B	+1.0%	+0.7%
Fresh Vegetables	\$2.03 -2.9%	\$2.97B	+3.3%	-0.6%

Share of Dollars



TOP GROWTH COMMODITIES (NEW \$)

\$ Absolute \$ gain vs. YA

Berries	+\$62.7M
Mandarins	+\$23.4M
Grapes	+\$16.1M
Onions	+\$16.0M
Carrots	+\$13.0M
Potatoes	+\$11.3M
Tangerines	+\$10.4M
Peppers	+\$8.4M
Avocados	+\$7.1M
Garlic	+\$5.4M

SEASONAL COMMODITIES — 52 weeks

Product	Dollars	\$ vs. YA	Lbs vs. YA
Royal fresh mandarins	\$1.5B	+5.2%	+8.3%
Naval oranges	\$963M	-6.1%	-3.8%
Lemons	\$808M	-0.5%	+1.1%
Limes	\$769M	+2.8%	+8.0%
Clementines	\$392M	+11.9%	+17.2%
Ruby/red/pink grapefruit	\$136M	-0.9%	+1.5%
Cara Cara oranges	\$114M	+6.2%	+5.1%



SEASONAL COMMODITY SPOTLIGHT

Citrus fruit generated \$5.1 billion in the 52-weeks ending January 28th 2024. Citrus has been a strong performer with gains in dollars, units and pounds over the past year. Mandarins, limes, grapefruit and cara cara oranges delivered pound growth.

Vs. YA	Citrus fruit
Dollars	+1.9%
Units	+4.8%
Pounds	+4.1%

WHAT THIS MEANS

“The increase in fresh produce trips is a very encouraging finding. Like no other department, produce can leverage Impact, Impulse and Incrementality to drive sales for the department but also the total store.

Operational excellence in fresh, cross-merchandising and creating eye-catching displays will be key to generate continued growth in 2024.

Another interesting observation lies in the unit versus volume movement. Over the past few months, volume has grown year-over-year, whereas unit sales have decreased. This points to consumers shifting to back to larger pack sizes, where possible. Pack size variety, complemented with bulk, allows consumers to hit their desired price points and limit at-home food waste.

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



FUTURE OUTLOOK

Important touchpoints for February and March include Valentine's Day, St. Patrick's Day and an early Easter Sunday on March 31st.

- According to National Confectioners Association, 85% of consumers celebrate Valentine's Day some or all years. This year's weekday timing is a prime opportunity for retail to capture a larger share of dollars, with cross-department solutions and celebrations.
- The Easter selling season is shorter than it has been in many years. If Thanksgiving, Christmas and New Year's patterns hold, the sales peak will likely shift back to the holiday week itself instead of the week prior. The party size continues to creep up to an average of 8.2 people, with consumers expecting to spend a little more than last year.

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

METRICS

January 2024 sales	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits and Vegetables	\$5.5B	+1.0%	+0.7%
Fresh fruit	\$2.8B	+3.3%	-0.6%
Berries	\$724M	+9.5%	-3.7%
Apples	\$350M	-4.2%	+5.1%
Grapes	\$309M	+5.5%	+2.6%
Bananas	\$257M	-1.1%	-4.4%
Avocados	\$191M	+3.8%	+1.4%
Mandarins	\$182M	+14.7%	+11.9%
Melons	\$139M	-1.2%	+0.8%
Oranges	\$124M	-0.5%	-4.1%
Pineapples	\$75M	+6.7%	+8.9%
Mixed Fruit	\$71M	+0.1%	+0.5%
Fresh vegetables	\$3.0B	-0.7%	-2.3%
Tomatoes	\$322M	-1.2%	+0.2%
Potatoes	\$320M	+3.7%	+8.0%
Onions	\$239M	+7.2%	+3.8%
Lettuce	\$233M	-11.2%	-6.8%
Salad kits	\$225M	-4.9%	-2.3%
Peppers	\$217M	+4.0%	+1.8%
Carrots	\$129M	+11.1%	+9.1%
Cucumbers	\$121M	+3.6%	+1.5%
Broccoli	\$106M	-7.5%	+4.5%
Mushrooms	\$104M	-3.6%	-5.1%
January 2024 sales	\$ Sales	\$ vs. YA	Units vs. YA
Frozen Fruits and Vegetables	\$721M	+1.0%	-0.3%
Shelf Stable Fruits	\$363M	-1.6%	-4.0%
Shelf Stable Vegetables	\$648M	-1.6%	-4.0%
Meat department	\$6.6B	+2.5%	-0.2%
Dairy aisle	\$5.7B	-4.3%	+2.7%
Deli department	\$3.5B	+1.3%	+1.6%
Bakery department	\$3.2B	+1.6%	-0.3%

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