

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

June 2024 | The four weeks ending 6/30/2024

INTERNATIONAL
**FRESH
PRODUCE**
ASSOCIATION



Amid Deflation, June Delivers Substantial Dollar, Unit and Pound Growth for Fresh Produce

Despite the July Fourth holiday sales largely moving into next month's report, strong everyday and Father's Day demand drove sales above last year's levels as well as the 2022 sales results.

WHAT'S NEW

A HOME-CENTRIC MARKETPLACE

**Declining confidence has consumers turning to retail once more**

Most retail categories continue to outperform their pre-pandemic normal as life remains more home centric. Consumer sentiment, a good indicator of willingness and ability to spend, declined for the third consecutive month. The University of Michigan expectations index fell to 68.2 in June 2024 driven by consumers' more cautious outlook on the economy, with concerns about the labor market along with the lingering and cumulative impact of inflation.

- Food-away-from-home (restaurant) prices increased 4.1% year-over-year in June versus 1.1% for food-at-home, according to the Bureau of Labor Statistics. According to the June Circana survey among primary grocery shoppers, 79% of consumers consumed restaurant food in June. However, broken out by income, only 63% of low-income versus 85% of upper-income households did so.
- Lower-income households are also more likely to implement money-saving measures when shopping for groceries, at 84% versus 76% of upper-income households. Lower-income households especially over index for buying less and sticking to the budget, switching to store brands and shopping at value retailers.
- All income levels and ages are focused on sales promotions and coupons. Many brands and retailers alike are turning to discounting, increased app investments, and new or improved loyalty programs to retain consumers and increase buying frequency. According to Circana analytics, promotional lifts continue to soft despite the depth and frequency increasing. This underscores the importance of targeted promotions to create utmost relevance and impulse conversion.

MARKET IMPACT

**Strong everyday demand fuels growth in three of the June weeks**

Three out of the four June weeks showed the everyday strength in produce demand, with pounds up between 6% and 7%.

The Thursday timing of the July Fourth holiday likely meant that shoppers stocked up in the days leading up to the holiday – pushing sales into July. In other words, the typical Independence Day sales bump will likely move more into July this time

Produce department	Dollar sales	Dollar sales vs. YA	Volume sales vs. YA
June 2024	\$7.6B	+2.1%	+4.0%
W.E. 06-09-24	\$1.9B	+4.4%	+6.6%
W.E. 06-16-24	\$1.9B	+3.1%	+7.1%
W.E. 06-23-24	\$1.9B	+4.0%	+6.7%
W.E. 06-30-24	\$1.9B	-2.8%	-3.4%

Sources:

Circana, Integrated Fresh, MULO+ | June is the four weeks ending 6/30/2024

POWER FACTS

STATE OF PRODUCE

June 2024	Price/Lb. vs. YA	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits	\$1.53 -2.4%	\$4.2B	+3.4%	+5.9%
Fresh Vegetables	\$2.01 -0.3%	\$3.2B	+0.7%	+1.0%

Share of Dollars



TOP GROWTH COMMODITIES (NEW \$)

\$ Absolute \$ gain vs. YA

Avocados added the most new dollars in June, however, it was inflation that boosted dollar gains.

A few commodities drove millions in new dollars by growing pound sales. This includes mandarins, up nearly 19% in pounds year-over-year. Others are grapes and plums. Plum sales were up more than 60% during the four June week compared to last year.

Product	\$ vs. YA	Lbs vs. YA	Dollar Sales Change vs YA
Avocados	+\$45.2M	\$283M	-2.9%
Mandarins	+\$31.4M	\$168M	+18.8%
Lettuce	+\$24.5M	\$315M	+1.4%
Onions	+\$23.1M	\$264M	+1.4%
Melons	+\$22.5M	\$571M	+7.6%
Grapes	+\$20.6M	\$367M	+17.5%
Plums	+\$10.7M	\$29M	+60.3%
Cucumbers	+\$8.8M	\$167M	+3.9%
Oranges	+\$7.5M	\$102M	+9.5%
Carrots	+\$6.9M	\$117M	+2.1%



SEASONAL COMMODITY SPOTLIGHT

Grapes generated \$5.2 billion in the past year.

- Green seedless grapes were the biggest seller, at \$965 million, up 28.7% in dollars and 19.8% in pounds.
- Red seedless grapes are the second-largest seller, but while up 11.3% in dollars, pounds are lagging last year's levels slightly, at -3.1%
- Cotton candy grapes continue to be a growth driver for the grape category. Annual sales have reached \$231 million, up 26.5% versus the prior year. Pounds sales strong an incredible progression, up 24.5% YOY, and up 45.5% vs. two years ago and 89.5% vs. three years ago.

WHAT THIS MEANS

The strength in produce sales is driven by all the fundamentals. Year-over-year trips have increased along with slightly more in-basket dollars each trip. This has led to a nice increase in produce spending per person over the past year.



Source: Circana, Total U.S., All Outlets, Household Panel, 52 weeks ending 6/16/2024, change vs. YA

“**Fresh produce sales are rocking and rolling. The summer is always a time when fruit shines, but this year is one of the best in recent history. Avocados, mandarins, melons and grapes are adding a lot of new dollars to fruit sales. Lettuce and onions are doing the same on the vegetable side.**

While it's hard to be certain about cause and effect, the big increase in grapes sales certainly coincides with one of the latest TikTok trends. TikTok users create and share videos of frozen grapes coated in a sweet and tangy mixture, often inspired by Emily Mariko's viral TikTok video. The trend has gained massive popularity, with over 36 million views on TikTok. What a great example of new usage occasions driving sales.”

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

FUTURE OUTLOOK

What's Next

- 67% of Americans celebrated the Fourth of July with some kind of special activity. Forty percent got together with friends or family and 27% organized a barbecue/cookout. Plans for Labor Day are shaping up similarly.
- The June Circana survey continues to find that shoppers look to save money on limiting restaurant visits (13% of consumers), while cooking from scratch more (22% of consumers).
- Four in 10 consumers, 43%, are planning to entertain as much or more this summer, with parties or small gatherings. Many sporting events, including the Summer Olympics, and summer holidays provide a great opportunity to get consumers to splurge a little more.

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

METRICS

June 2024 sales	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits and Vegetables	\$7.6B	+2.1%	+4.0%
Fresh fruit	\$4.2B	+3.4%	+5.9%
Berries	\$920M	-0.4%	+6.4%
Melons	\$571M	+4.1%	+7.6%
Grapes	\$367M	+5.9%	+17.5%
Cherries	\$329M	-0.4%	+9.7%
Apples	\$323M	-4.0%	+10.3%
Bananas	\$308M	+2.1%	+0.9%
Avocados	\$284M	+19.0%	-2.9%
Mandarins	\$168M	+23.0%	+18.8%
Pineapples	\$113M	+1.0%	-6.5%
Peaches	\$111M	+0.1%	+11.6%
Product	Dollars	\$ vs. YA	Lbs vs. YA
Fresh vegetables	\$3.4B	+0.7%	+1.0%
Tomatoes	\$406M	+1.5%	+4.1%
Lettuce	\$315M	+8.4%	+1.4%
Potatoes	\$304M	-10.3%	+1.3%
Salad kits	\$268M	+2.6%	+1.0%
Onions	\$264M	+9.6%	+1.4%
Peppers	\$240M	+2.1%	+0.1%
Cucumbers	\$167M	+5.6%	+3.9%
Carrots	\$117M	+6.2%	+2.1%
Corn	\$113M	-7.5%	-3.9%
Broccoli	\$112M	-0.9%	+3.8%
June 2024 sales	\$ Sales	\$ vs. YA	Units vs. YA
Frozen Fruits and Vegetables	\$748M	+2.0%	+1.7%
Shelf Stable Fruits	\$409M	+1.5%	-2.2%
Shelf Stable Vegetables	\$418M	+2.6%	-0.7%
Meat department	\$8.1B	+2.6%	-1.1%
Dairy aisle	\$6.1B	+5.7%	+2.0%
Deli department	\$4.3B	+3.2%	+3.3%
Bakery department	\$3.7B	-1.8%	-1.3%

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