

WHO IS THE INTERNATIONAL FRESH PRODUCE ASSOCIATION ?

The International Fresh Produce Association is the largest and most diverse international association serving the entire fresh produce and floral supply chain. We exist to create a vibrant future with your prosperity in mind.

Introduction

This report is intended to stimulate thought processes so you can identify and prioritize strategic issues and allocate resources to meet challenges and leverage emergent opportunities. Regardless of geographical borders, understanding these trends will help you lead your company and people to better serve customers now and in the future.

What is the size of the global produce industry?

In 2023, according to International Trade Center (ITC) using the broad category of 07, USD \$95.5 billion dollars of vegetable products were exported globally. This was 11% growth from 2022 demonstrating a vibrant global industry.

GLOBAL EXPORTS OF VEGETABLE PRODUCTS (000'S \$)

	2019	2020	2021	2022	2023
Export \$	73,737,624	76,770,752	83,507,674	85,281,201	95,535,765
% of growth		4%	8%	2%	11%

In 2023, according to ITC using the broad category of 08, USD \$146.6 billion dollars in fruit products were exported globally. This allowed the industry to regain its loss from 2022. Fruit exports declined in 2022 primarily due to disruptions caused by the war in Ukraine, leading to increased energy costs, logistics challenges, and disruptions in fertilizer supplies, particularly in major fruit producing regions, alongside issues like climate change impacting crop yields and production shortages in key fruit producing areas.

GLOBAL EXPORTS OF FRUIT PRODUCTS (000'S \$)

	2019	2020	2021	2022	2023
Export \$	128,882,263	133,867,563	146,503,926	139,243,335	146,588,000
% of growth		4%	9%	-5%	5%



What is happening with fruit and vegetable supply in the United States?

In 2023, U.S. production for 26 estimated vegetable and melon crops tracked by the USDA totaled 758 million cwt, up 6% from 2022. In terms of total production, the three largest crops were tomatoes, onions, and sweet corn, which combined accounted for 54% of the vegetable total. The value of utilized production for 2023 vegetable crops was USD \$19.5 billion, up less than 1% from the previous year. Tomatoes, romaine lettuce, and carrots claimed the highest values, accounting for 34% of the utilized value of production when combined. (USDA)

VALUE OF UTILIZED PRODUCTION IN US (000'S \$) USDA 2023 VEGETABLE SUMMARY

	2021	2022	2023
Production \$	14,365,571	19,406,724	19,478,983
% of growth		26%	0%

In 2023, the three largest non-citrus fruit crops were grapes, apples, and strawberries, which combined accounted for 79% of the total. Good spring weather in the Pacific Northwest in 2023 led to increased production of apples and sweet cherries. However, a cool spring and spring freeze events in the mid-Atlantic and Southeast negatively affected production of peaches, tart cherries, and cranberries. (USDA)

VALUE OF UTILIZED PRODUCTION IN (000'S) USDA 2023 NON-CITRUS FRUIT SUMMARY

	2021	2022	2023
Production \$	17,154,755	17,429,896	18,026,182
% of growth		2%	3%

The Florida citrus industry was impacted in 2023 and 2024 by:

- Citrus greening
- Hurricanes Ian and Nicole in 2022-2023, and Hurricane Milton in 2024
- Freezes

The 2023-2024 season saw production of nearly 18 million boxes of citrus, which is more than 90% lower than production levels in the late 1990s. The USDA forecast for the 2023-2024 season was 846,000 tons of oranges, which is 19% higher than the previous year but the second-lowest harvest in nearly 90 years. The USDA also predicts a steep decline in Florida citrus production for 2024-25.

VALUE OF UTILIZED PRODUCTION IN (000'S) USDA 2023 CITRUS SUMMARY

	2021	2022	2023
Fresh Orange production \$	61,734	49,779	33,960
% of growth		-24%	-47%
Fresh Grapefruit production \$	207,772	135,044	154,205
% of growth		-54%	12%
Fresh Lemon, Tangerine & Mandarin production \$	849,996	705,070	790,654
% of growth		-21%	11%

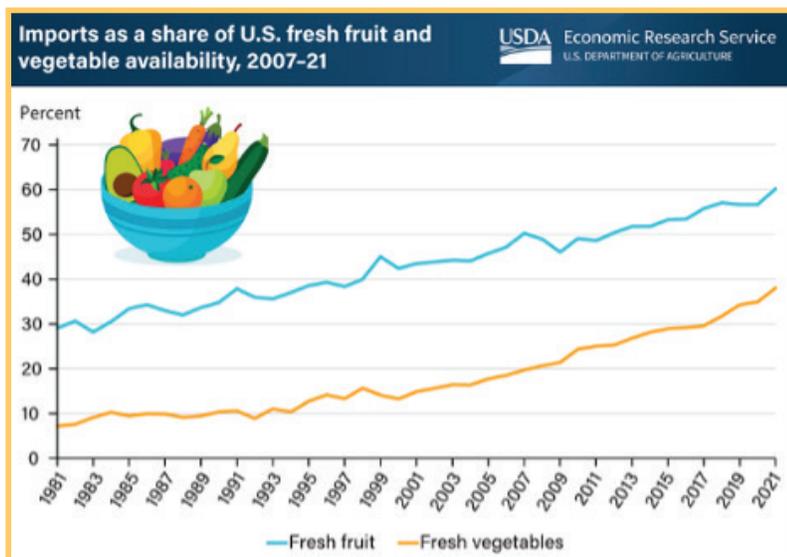


Imported Fruits and Vegetables to the US

U.S. fruit and vegetable imports are at record volumes. Between 2007 and 2021, the percent of U.S. fresh fruit and vegetable availability supplied by imports grew from 50% to 60% for fresh fruit and from 20% to 38% for fresh vegetables (excluding potatoes, sweet potatoes, and mushrooms) according to the USDA.

In 2022, Mexico and Canada supplied 51% and 2%, respectively, of U.S. fresh fruit imports, and 69% and 20%, respectively, of U.S. fresh vegetable imports in terms of value. (USDA) Cucumbers, tomatoes, onions and cabbages are the largest commodities imported from Mexico and Canada.

Rising imports are both a cause and effect of the reduction in U.S. fresh fruit and vegetable production, which declined in volume by 10% and 23%, respectively, since 2000. U.S. fresh fruit and vegetable production is declining due to land loss because of urban encroachment, diseases such as citrus greening, and a lack of affordable and available farm labor.



Note: Availability is calculated as production minus exports plus imports and is measured in terms of volume. The calculation for fresh vegetables excludes potatoes, sweet potatoes and mushrooms.

Source: USDA, Economic Research Service (ERS) Fruit and Tree Nuts Yearbook Data and Vegetables and Pulses Yearbook Data.

IMPORTS INTO THE UNITED STATES (000'S \$) VEGETABLES IMPORTED TO US

Exporters	Imported value in 2019	Imported value in 2020	Imported value in 2021	Imported value in 2022	Imported value in 2023
World	11,447,020	12,781,380	13,483,057	14,744,347	15,444,295
% of growth		10%	5%	9%	5%
Mexico	7,113,400	8,027,163	8,387,636	8,919,332	9,528,220
% of growth		13%	4%	6%	7%
Canada	1,987,157	2,263,115	2,455,497	2,913,255	3,052,593
% of growth		14%	9%	19%	5%
Peru	467,592	479,706	506,151	502,701	468,894
% of growth		3%	6%	-1%	-7%
Guatemala	246,414	28,4714	326,148	351,077	359,282
% of growth		16%	15%	8%	2%
China	350,768	34,3015	374,618	433,455	358307
% of growth		-2%	9%	16%	-17%



FRUIT IMPORTED TO US (000'S \$)

Exporters	Imported value in 2019	Imported value in 2020	Imported value in 2021	Imported value in 2022	Imported value in 2023
World	19,546,626	19,473,401	22,227,898	24,120,677	24,218,490
% growth		0%	12%	8%	0%
Mexico	8,447,633	8,256,865	9,785,006	10,493,402	1,086,4691
% growth		-2%	19%	7%	4%
Peru	1,510,086	1,774,423	1,978,796	2,581,991	2,650,071
% growth		18%	12%	30%	3%
Chile	2,170,090	2,075,301	2,293,568	2,375,216	2,126,424
% growth		-4%	11%	4%	-10%
Guatemala	1,412,382	1,387,105	1,517,889	1,626,688	1,785,923
% growth		-2%	9%	7%	10%
Costa Rica	1,127,870	1,143,059	1,228,999	1,258,716	1,378,821
% growth		1%	8%	2%	10%

Exported Fruits and Vegetable from the US

In 2021/2022, top U.S. fruit markets were Canada, Mexico, the Republic of Korea (South Korea), and Japan, and top commodities included apples, grapes, strawberries, oranges, and cherries. (USDA)

Several factors impacted US fruit exports in 2023 and 2024, including:

- **Crop production** - The USDA's 2024 production forecast is up for peaches, table grapes, and cranberries, but down for apples, pears, walnuts, and wine grapes.
- **Labor costs** - For U.S. fruit and vegetable production – labor costs account for 39% and 29% of input costs, respectively.
- **Ocean freight rates** - Ocean freight rates are high due to a limited supply of containers and strong global demand.
- **Free trade agreements** - The U.S. has not entered any new free trade agreements since 2012, while other countries have continued to sign more.
- **China's economic uncertainty** - China is trying to become less dependent on agricultural imports from the U.S.



FRUIT EXPORTED FROM THE US(000'S \$)

Importers	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	Exported value in 2023
World	1,5083,773	14,303,253	15,061,750	14,756,429	14,865,303
% growth		-5%	5%	-2%	1%
Canada	3,489,520	3,548,011	3,933,716	3,972,141	3,998,328
% growth		2%	11%	1%	1%
Mexico	982,449	916,096	1,119,369	1,121,069	1,154,610
% growth		-7%	22%	0%	3%
China	727,568	839,274	1,005,619	700,444	1,118,752
% growth		15%	20%	-30%	60%
India	888,915	980,799	934,516	1,016,634	1,112,461
% growth		10%	-5%	9%	9%
Japan	844,258	809,380	863,410	747,305	627,652
% growth		-4%	7%	-13%	-16%
Korea, Republic of	715,860	770,121	805,367	598,579	619,182
% growth		8%	5%	-26%	3%

Factors affecting vegetable exports in 2023 and 2024, include those affecting fruit and the following:

- **Input prices:** In 2022, input prices for vegetables increased due to supply chain disruptions, transportation costs, and the Ukraine war. These price increases affected planting decisions for 2023 and will continue to impact production decisions in 2024.
- **Weather:** In 2024, unfavorable growing conditions led to increased grower prices for key crops like lettuce, onions, carrots, and tomatoes.
- **Consumer preferences:** Changing consumer preferences impact multiple products, including potatoes.
- **Land loss:** Land loss is a major factor impacting production of fruit and vegetable products.
- **Strong US dollar:** The strong US dollar makes US products less competitive due to currency exchange.

In 2023, US vegetable exports increased due to improving domestic weather conditions and limited production from major Mexican producers.



VEGETABLES EXPORTED FROM THE US (000'S \$)

Importers	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	Exported value in 2023
World	4,685,649	4,839,377	4,927,469	5,041,199	5,335,168
% growth		3%	2%	2%	6%
Canada	2,989,111	2,984,106	3,122,759	3,235,090	3,225,133
% growth		0%	5%	4%	0%
Mexico	364,858	421,510	481,519	481,351	690,277
% growth		16%	14%	0%	43%
Japan	201,713	179,269	186,412	174,840	151,828
% growth		-11%	4%	-6%	-13%
Dominican Republic	46,710	70,477	58,749	71,392	91,540
% growth		51%	-17%	22%	28%
Netherlands	81,585	75,561	94,166	79,262	89,388
% growth		-7%	25%	-16%	13%

Labor

Labor continues to be a challenge for the U.S. fruit and vegetable industries with securing the H-2A program a priority so that it works for the produce industry. H-2A employment increased over 300% from 2012 to 2022, reaching over 370,000 jobs.

In fiscal year 2023, nine states had more than 10,000 H-2A jobs certified, accounting for two-thirds of all certifications.

- Top states:
 - Florida (52,000 jobs).
 - California (41,000 jobs).
 - Georgia (38,000 jobs).
 - Washington (36,000 jobs).
 - North Carolina (26,000 jobs).

According to research commissioned by IFPA, the percentage of farmers reporting labor shortages increased from 14% in 2014 to 41% in 2018 to 53% during the pandemic. The average farmer reported they were unable to hire 21% of the workforce they would have hired under normal circumstances.

Tariffs

Free and fair trade is important for the fresh produce industry with the U.S. being a significant market. When it comes to tariffs, IFPA expects they will be much more targeted than the blanket tariffs we are hearing about in 2024. IFPA expects a renegotiation of USMCA.

This illustration uses 2023 numbers for imports to demonstrate the magnitude of costs tariffs can cause:

Vegetables from Mexico in 000's \$

- \$9.5 billion in imports with a 25% tariff = \$2.3 billion tariff

Vegetables from Canada in 000's \$

- \$3.1 billion in imports with a 25% tariff = \$763 million tariff

Fruit from Mexico in 000's \$

- \$10.8 billion in imports with a 25% tariff = \$2.7 billion tariff

IFPA's goal is to reduce the regulatory burden placed on our industries so we can better compete on the world stage. We also expect U.S. companies will be challenged to decrease their dependencies on Chinese companies.



Climate

The produce industry is addressing climate-related risks like extreme weather events to ensure their operations and supply chains are future-proof. As climate risks escalate, resilience planning is a critical element in strategic planning. According to Kerry Health and Nutrition Institute, businesses are researching carbon capture and storage technologies (CCS). Norway's "Northern Lights" project highlights the role of CCS in reducing emissions. In 2025, more companies are expected to explore this technology to meet ambitious climate targets. Regenerative agriculture is expected to see significant growth in 2025. Farming will continue to focus on restoring soil health, increasing biodiversity, and improving water cycles. In the U.S. regenerative ag is part of the Make America Healthy Again policy agenda to ensure food security, develop healthier foods, and contribute to environmental sustainability. Regenerative produce farming is gaining traction but as of 2024 it is estimated that 1.5% of U.S. produce farms are utilizing regenerative practices according to the Food Institute. As consumer demand increases for sustainable food options, we expect to greater regenerative ag adoption.

Sustainable Packaging

The shift from single-use plastics to biodegradable and reusable materials is transforming the packaging industry. Unilever's pledge to cut virgin plastic use by 50% by 2025 reflects a larger industry trend toward eco-friendly packaging. In 2025, expect innovative materials like algae-based packaging to gain prominence. Biotechnology is also making strides in reducing plastic waste and improving food safety through innovations like biodegradable packaging and biosensors. These technologies enhance the traceability of food products, ensuring safer, more sustainable supply chains while cutting down on waste according to Kerry Health and Nutrition Institute.

The U.S. now has five states (home to nearly 17 percent of the country's total population) with packaging Extended Producer Responsibility (EPR) laws. These laws require companies to cover costs associated with the collection, recycling or disposal of their packaging materials. Dozens of states also introduced or passed other packaging laws — truth in labeling laws, recycled content mandates and more. The produce industry is keeping its eyes on EPR proposals as well as the Global Plastics Treaty process to ensure their best interests are served.

EU Policy

EU's Farm to Fork Strategy aims to create a more sustainable food system, regulating everything from pesticide use to packaging waste. The EU's Corporate Sustainability Reporting Directive (CSRD) will require large companies to provide standardized reports on their sustainability efforts, including how they are addressing environmental impacts, human rights and supply chain concerns. These new regulations put sustainability at the forefront, driving transparency across supply chains, encouraging environmentally conscious practices and forcing the food industry to innovate. The US produce industry is keeping an eye to the EU as these directives may affect our industry.

Global Policy Shifts

According to Kerry Health and Nutrition Institute, the regulatory landscape around food and nutrition is moving toward a healthier, more sustainable future. Governments worldwide are pushing the food industry to innovate, adapt, and create healthier products while providing consumers with the transparency they need to make smarter choices. A key trend is the rise of mandatory front-of-pack (FOP) labelling systems which help consumers spot healthier options. These labels aim to combat rising obesity and non-communicable diseases. Countries like Chile, Mexico, and more recently the EU are paving the way with bold FOP labelling measures. These FOP labelling changes are part of a larger movement related to updated food-based dietary guidelines (FBDGs). These guidelines promote health and support sustainability, push for more plant-based diets and less reliance on processed, high-fat, sugar, and salt (HFSS) foods. Governments are intensifying regulations on HFSS foods, with measures such as introducing stricter guidelines, restrictions, and taxes aimed at reducing the consumption of these foods, particularly among children.



How is the U.S. Supermarket Produce Department Faring?

According to The Food Industry Association’s (FMI) The Food Retailing Industry Speaks 2024 report, overall supermarket profit margins and same-store sales growth fell back to pre-pandemic levels after spiking during the pandemic. In 2023, profit margins in the grocery industry hit 1.6% – the lowest level since it was 1% in 2019 – as total expenses. The industry’s slowed same-store sales growth of 2.1% in 2023 was driven by inflation. To enhance in-store shopping and differentiation, most grocers reported they are looking to expand space for fresh departments including foodservice, make more space for private brands and increase the number of SKUs for local products. According to FMI, labor costs continue to rise but average employee turnover dropped last year after hitting a high in 2022.

IFPA works with Circana and surveys retailers to determine supermarket produce department performance. In 2024 the fresh produce department continued to decline in dollar sales over 2023 and decreased in sales per square foot. It also reduced its gross margin to 37%. Produce remains an important department with 15% of edible store sales and an overall contribution of 23%.

AVERAGE

	Average produce sales per store**	% growth over prior year**	Produce sales as % edible store sales**	Average sq ft.	Sales per sq ft.	Avg produce trans. per item**	Avg Spend per Trip**	Gross margin	Labor % of sales	Shrink	Contribution estimate (% of sales)*
Calendar Year ending Sept 29 2024	\$912,961	-13.5%	15.3%	4966	\$184	\$3.00	\$9.22	37%	8%	5.6%	23%
2023	\$1,208,616	-20.9%	15.4%	4084	\$296	\$2.96	\$9.03	38%	7.42%	5.5%	25%
2022	\$1,528,877	22.4%	20.3%	3757	\$407	\$2.89	\$8.96	38%	7%	6%	24%

Computed as gross margin minus labor costs minus produce shrink

** Circana Data

How are U.S. Consumers Faring?

U.S. consumers are paying 17% more for food in 2024 than in 2022 creating financial burdens and angst. Consumers in the U.S. are accustomed to having affordable food. In 2025 consumer fear that tariffs will further raise the cost of food for U.S. consumers. USDA predicts food prices will continue to decelerate in 2025. The 2025 forecast expects a 2.0% price increase for total food, with a below-average anticipated increase of 1.6% for food-at-home prices and 3.1% for food away from home. Food prices are expected to be up 2.3% for 2024 with food at home 1.2% and food away from home 4.1%. According to NIQ, in 2023, the average unit price in U.S. supermarkets increased between 4-8%. In the first half of 2024, the average unit price increased 1.7%.

USDA DATA: FOOD INFLATION

	Food at home	Food away from home	All food prices
2022	11.4%	7.7%	9.9%
2023	5.0%	7.1%	5.8%
2024 forecast	1.2%	4.1%	2.3%
2025 forecast	1.6%	3.1%	2.5%



When it comes to fruits and vegetables, consumers are paying 11% more in 2024 than in 2022. The Circana prediction for 2024 is 1.8% for fresh fruits and -1.0 for vegetables. In 2025 the consumer price forecast is -2.0% for fresh fruits and 0.5% for fresh vegetables according to the USDA.

CIRCANA DATA: PRICE PER VOLUME % CHANGE OVER YEAR AGO

	Vegetable	Fruit	All produce
2020	.10%	-.40%	0%
2021	3.9%	6.3%	5.0%
2022	7.9%	10.2%	9.1%
2023	1.2%	2.7%	1.9%
2024 forecast	-1.0%	1.8%	0.3%

According to World Data Lab, global consumer spending will rise by nearly 6% in 2025, adding approximately \$3.2 trillion in new spending. Globally just over \$300 will be added to ‘wallets’ (modest growth of +2.4%), with essentials like housing, food, and transportation gaining the most from increased expenditures (49% of spending growth),” said Wolfgang Fengler, CEO of WDL. The average U.S. consumer is expected to add nearly \$2,000 to their spending in 2025, leaving more room for spending on discretionary categories like restaurants and flowers.

The spending ability of consumers is polarized with consumers in the “highest” and “lowest” spending categories differing in terms of contribution to spending.

- **Lower Middle consumers** (those who spend \$12-\$40/day) represent 35% of consumer headcount but account for 21% of spending.
- **Upper Class consumers** (those who spend \$120+/day) represent 3% of consumer headcount but will account for 33% of spending.

This polarization in the ability to spend highlights the need to understand who we are serving with our products, what motivates our customers, and how to best capture them with our products.

Controlled Spending

Consumers are stressed by concerns about health, the environment, the global political landscape and personal financial constraints. As a result, they are taking more control of their spending. According to NIQ, consumers face the compounding effect of consecutive years of rising prices requiring them to be selective in their spend. According to NIQ, in mid-2024, 32% of consumers felt worse off financially compared with a year ago. Cost of living, economic slowdown and job insecurity were the top 3 contributing factors. Adding to that sense of angst were rising food prices, increasing utilities expenses, the threat of an economic downturn, and threats from climate change.

Consumers will continue to be price sensitive in 2025. According to McKinsey Consumer Wise 76% of consumers reported trading down in the third quarter of 2024. This was led by Gen Z and Millennials. Among these consumers, nearly 50% report changing retailers for a lower price or discount, up from 44% second quarter 2024. Unsurprisingly, low-income consumers report trading down more frequently than high-income consumers. According to NIQ, Americans are rethinking shopping. 87% of American consumers changed how they shop to manage expenses. This includes seeking lower prices (82%), reducing overall spending (67%), switching products or brands (66%), changing stores (56%), and adjusting product sizes (50%). In 2025 the produce industry will be challenged to increase volume without unwarranted discounts.

According to Circana, discount promotions was the preferred saving strategy of consumers in 2024. In 2025, the produce industry must ensure they evaluate promotional strategies to avoid overpromoting and



eroding growth potential. With consumers being more discerning with their dollars, different views of “discount” will drive 2025 spending decisions. According to NIQ, affordability and value are the baseline factors shaping consumer decision making. Thus, combining what consumers value with affordability is a win. For example, consumers are willing to pay for “Affordable and Healthy” and “Affordable and Convenient.” In 2025 consumers will continue to expect value while gravitating toward perceived discount options. This isn’t to say that consumers are averse to spending for quality rather the produce industry will have to prove what makes our products premium in a way that speaks to consumers.

Pricing Tiers

According to NIQ, different tiers of regularly priced products is another dimension of discount options. “Economy” products, selling at 10% or more below the average price for the category, are seeing the fastest growth across the CPG landscape. The global pricing structure experienced a small shift in favor of “economy” or “discount” price tiers. Although the lift is small (0.38 share point globally), that increase represents approximately \$6.11 billion in incremental share growth captured by “Value” players. Conversely, in the same period, NIQ reports premium tiers ceded nearly \$4.59 billion. Value products within produce and floral can lure consumers to purchase new and different products as well as a gateway for new customers.

Volume Growth

Achieving volume growth in 2025 will be a priority as inflation eases. The trick is to get higher volumes without overpromoting and undervaluing offerings. This requires an understanding of what consumers’ value. Supermarket produce departments increased both dollar and volume sales by slightly over 3% when comparing 2024 to 2023. Fruit experienced the largest increases with dollar growth exceeding volume growth. Overall, household spending on groceries and perishables increased in 2024, with a slight decrease in overall spend per trip. Yet, the spend per trip on produce increased slightly according to Circana. Consumers are spending more on produce, purchasing more produce items, and placing produce in their shopping baskets more in 2024 than in 2023. This demand is expected to grow throughout 2025 as we lean on the tailwinds of healthy eating, sustainable eating, search for convenient items and an improved economy.

What is the health of the consumer?

With health and wellness at the forefront globally, the produce industry is well positioned to be part of the solution. According to Innova Market Insight’s survey, ‘feeling well’ is the key driver for pursuing a healthier lifestyle for consumers who are adopting strategies to help them feel their best. Energy and vitality are key aspirations, while looking good, and feeling body-fit is important for younger consumers. The produce industry has an important role to play in health and wellness. According to PwC’s Health Research Institute medical costs in 2025 are expected to rise by 8%. As medical costs continue to climb, health care will continue to focus on preventative measures and tailored nutritional programs to ensure affordability and access to medical care for consumers. The push for produce prescriptions will be front and center in 2025 propelling consumption for the produce industry.

Sustainable Nutrition

According to Kerry Health and Nutrition Institute, as the demand for food increases, so does the need sustainable nutrition. Sustainable nutrition is the ability to provide sufficient nutrients to maintain a healthy population without compromising the ability of future generations to meet their nutritional needs. This is the bridge between nutrition and sustainability. A sustainable diet, described by the Food and Agriculture Organization of the United Nations, is a dietary pattern that promotes all dimensions of health and wellbeing; has a low environmental impact; is accessible, affordable, safe and equitable; and is culturally acceptable. There is a movement to improve nutrition, protect ecosystems, reduce food waste, and ensure food systems are resilient in the face of climate change, economic shifts, and global conflict. Consumers are seeing the benefit of adopting diets rich in essential nutrients like fruits and vegetables.

Healthy Aging

According to Kerry Health and Nutrition Institute, advances in nutrition, healthcare, and lifestyle are helping people live longer. By 2030, 1 in 6 people globally will be over the age of 60. However, as average life expectancies grow, so does the number of age-related conditions. This opens opportunities within the silver economy as the emphasis is less about longevity and more about ensuring those years are lived to the fullest. Nutrition plays a critical role in longevity,



placing fruits and vegetables at the forefront. Emerging nutritional therapies particularly around cellular ageing are unlocking new ways to support healthy ageing through diet. New studies suggest that our organs age at different rates, meaning nutrition could be tailored to support every individual's unique ageing process.

Weight Management

According to Innova Market the shift to healthier living is affecting how consumers are controlling diet. According to Kerry Health and Nutrition Institute, the global obesity crisis is at unprecedented levels, affecting over 2 billion people and straining public health resources around the world. According to NIQ, GLP-1 drugs are impacting consumption, lifestyle habits, and socioeconomic investments. GLP-1 medications are inspiring new spending shifts and shifting existing spending as well as influencing lifestyle and interpersonal behavior. Those using a GLP-1 on a regular basis are reducing their meal portion sizes, snacking on foods with high protein or fiber content, and supporting their digestive health. According to Kerry Health and Nutrition Institute, it is forecasted that 15 million obese patients and over 30 million Americans will receive GLP-1 treatment before the end of the decade. Although the pending U.S. health policy agenda is particularly calls out GLP-1s as not being a solution.

Targeted Nutrition

People have unique physiological needs based on factors like age, gender, and life stages such as pregnancy or menopause. According to Kerry Health and Nutrition Institute, with the rise of targeted nutrition, solutions are revolutionizing how individuals meet their specific nutritional requirements. The future of personalized nutrition will focus on addressing individual "need states" such as joint, bone, gut, cognitive, and heart health as well as sports nutrition. Consumers are on the hunt for personalized nutritional advice and solutions that are scientifically backed. They are proactively choosing foods and supplements that support their distinct nutritional and health needs providing the produce industry an opportunity to shine a light on the nutritional values of our products.

How are consumers feeling in general?

According to Innova Market Insights consumer trust is a key issue. In Innova's Lifestyle and Attitudes Survey consumers were asked how their trust changed over the past 12 months. According to the survey, consumer trust in government and large global brands and companies is declining because of the focus on corporate profits over consumer benefits, unfair profit distribution and greenwashing. It's important for the produce industry to practice integrity and transparency regarding pricing and environmental promises. Younger consumers especially distrust corporate actions for the environment. As consumers seek reassurance that what they buy is worth the price and aligns with their values it becomes even more important that the produce industry begins forming relationships with consumers.

Self-Sufficient

According to Innova Market Insights, being more self-sufficient is the #1 reason consumers feel more in control. Today's digitally empowered consumers are willing to support themselves in aspects such as health, finance, fitness and cooking at home. The #1 consumer behavior to be more self-sufficient is cooking from scratch, which is most prevalent among consumers 45+. The produce industry can help consumers feel more informed and empowered by providing recipes, nutritional information, and health claims.

Authentic Connections

Consumers appreciate close connections, nature, and real experiences. They are seeking activities that are genuine and meaningful. Connecting over food and drink is central to close connections, with more socializing taking place at home. Holidays and entertaining events also remain important. What unites these occasions, big or small, is the need for an emotional uplift. This is the perfect backdrop for fruits and vegetables.



How are consumers shopping?

Consumers are fluidly shopping across channels, as omni online and offline channels are the norm and expectation. According to NIQ, from a share-of-sales perspective, trip types are consistent with what most have come to expect of current omni shopping “norms.”

- Most U.S. in-store trips involve larger purchases: “stock-up” trips account for 39% of in-store spending, with another 38% of spending dedicated to “fill-in” purchases of four to 11 items.
- A majority (57%) of U.S. online spending is dedicated to smaller, “spearfishing” trips of three items or less, followed by “fill-in” (27%) and “stock-up” (16%) shopping trips

The shopping experience is changing. Looking at U.S. online trips, we see that share of spending for “spearfishing” trips has fallen 2% year over year, with growth in larger “fill-in” and “stock-up” trips online. This signals that many consumers are shifting spending to online channels—even for larger shopping missions—and may perhaps use stores for smaller fill-in or specific spearfishing missions when they need items they could not procure online.

Power of social media

Social media is how consumers discover, shop, and interact with brands on their path to purchase. Social media has a massive influence on product choice. Nearly one-third (31%) of respondents of a NIQ survey said they would change brands if a social media influencer suggested they do so. This brand malleability is especially notable among younger consumers (44% and 40% for Gen Z and Millennial shoppers, respectively). TikTok – with its 1.04 billion monthly users (per eMarketer) – has massive influence on the food industry these days. The frozen grape hack has been popular for three years now, because of two key reasons: accessibility and customizability. Thousands of videos across TikTok show people trying out the candied grape trend. Produce is benefiting from such TikTok trends and should capitalize on them in retail through creative displays leveraging the trends.

In Closing

As we enter 2025, the International Fresh Produce Association is excited for the possibilities to increase the sales for fresh fruit and vegetables. Inflation is easing and consumers are supporting their health with their purchases. As always, IFPA is here to support you as you grow your sales with the latest industry trends, retail data and consumer trends.



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