

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

May 2024 | The five weeks ending 6/2/2024

INTERNATIONAL
**FRESH
PRODUCE**
ASSOCIATION



May Delivers Accelerating Dollar, Unit and Pound Growth for Fresh Produce

May's many special celebrations, including Cinco de Mayo, Mother's Day and Memorial Day, in combination with strong everyday demand prompted another month of wins for the produce department.

WHAT'S NEW

A HOME-CENTRIC MARKETPLACE



Consumer confidence declined further in light of labor concerns

May provided the first clean year-on-year performance look, with March and April affected by the earlier Easter timing that moved the substantial holiday sales from the second to the first quarter of the year.

- Consumer sentiment, that took a big dip in April, declined further in May. The University of Michigan expectations index fell to 68.8 in May 2024, down from 76.0 the prior month. Consumers expressed concern over labor — expecting unemployment rates to rise and income growth to slow. Meanwhile, consumers remain worried over the lingering and cumulative impact of inflation.
- Food-away-from-home (restaurant) prices increased 4.0% year-over-year in May versus 1.0% for food-at-home, according to the Bureau of Labor Statistics.
- The first five months of the year show a slowdown in restaurant traffic echoed by 27% of consumers in Circana's May survey of primary grocery shoppers who say they are eating at restaurants less often. Where 80% of consumers ordered restaurant food in May, only 70% of lower-income households did so versus 87% of upper-income households.
- Lower-income households are also more likely to implement money-saving measures when shopping for groceries, at 87% versus 73% of upper-income households. Lower-income households are far more likely to buy less/stick to the budget, switch to store brands and shop at value retailers. All income levels and ages are focused on sales promotions and coupons.

MARKET IMPACT



Strong everyday demand added to holiday sales spikes

May includes a number of holidays that tend to drive sales spikes for the produce department including Mother's Day and Memorial Day. While these holidays indeed delivered additional dollars for the department, it is important to note that all May weeks delivered both dollar and pound gains .

This is a continuation of the positive momentum seen throughout 2024.

Produce department	Dollar sales	Dollar sales vs. YA	Volume sales vs. YA
May 2024	\$9.384B	+3.9%	+3.4%
W.E. 05-05-24	\$1.853B	+5.4%	+4.4%
W.E. 05-12-24	\$1.876B	+3.8%	+3.2%
W.E. 05-19-24	\$1.830B	+4.4%	+3.8%
W.E. 05-26-24	\$1.960B	+5.1%	+4.3%
W.E. 06-02-24	\$1.865B	+0.7%	+1.5%

POWER FACTS

STATE OF PRODUCE

May 2024	Price/Lb.	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits	\$1.64 +1.6%	\$5.0B	+5.9%	+4.2%
Fresh Vegetables	\$2.02 -0.6%	\$4.3B	+1.8%	+2.4%

Share of Dollars

81.8%

Fresh Produce
Department

8.2%

Frozen Fruits
and Vegetables

4.6%

Shelf Stable
Fruits

5.3%

Shelf Stable
Vegetables

TOP GROWTH COMMODITIES (NEW \$)

\$ Absolute \$ gain vs. YA

Grapes continue to have an astounding year. The 15.7% increase in pound sales places grapes at the top of the list of commodities in terms of absolute dollar growth with an additional \$113 million in sales compared to May 2023. Pound growth also drove robust year-on-year dollar gains for mandarins, peaches and nectarines.

In the case of avocados, it was inflation that boosted dollar gains.

Product	\$ vs. YA	Lbs vs. YA	Dollar Sales Change vs YA
Grapes	+\$113M	\$501M	+15.7%
Cherries	+\$62M	\$209M	+54.8%
Avocados	+\$60M	\$368M	-3.2%
Onions	+\$43M	\$327M	+3.2%
Mandarins	+\$34M	\$261M	+12.8%
Tomatoes	+\$22M	\$509M	+4.8%
Peaches	+\$19M	\$48M	+72.5%
Cucumbers	+\$13M	\$214M	+4.3%
Nectarines	+\$13M	\$20M	+153.2%
Peppers	+\$12M	\$306M	+2.9%



SEASONAL COMMODITY SPOTLIGHT

Lettuce generated \$3.6 billion in the past year.

- Iceberg lettuce remained the largest seller, at \$1.5 billion, though both dollars (-2.0%) and pounds (-2.2%) were down a bit.
- Romaine is a very close second, at \$1.3 billion in annual sales. Romaine lettuce pound sales were closer to year-ago levels at -0.7%.
- Refrigerated salad dressings generated \$569 million in annual sales, which was up 5.4% from last year. Pound sales were up 2.4%.

WHAT THIS MEANS

The strength in produce sales is driven by more trips and more dollars spent per trip. This has resulted in an increase in the annual dollars per buyer as well as the total "in basket" dollars when fresh produce is purchased.



Source: Circana, Total U.S., All Outlets, Household Panel, 52 weeks ending 6/2/2024, change vs. YA

“April’s strong numbers foreshadowed good news for May and the month delivered beyond all expectations. To start, fruit and vegetables generated dollar, unit and pound growth. But the rate of growth is accelerating each month and more and more commodities are starting to trend in positive territory.

As we enter the summer months, there is lots of opportunities for summer fruits, salads, grilling and seasonal crops. In 2024, we have not only the typical national holidays, but also opportunity to rally around events such as the Olympics and staycations in the light of ongoing financial pressures for consumers.

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

FUTURE OUTLOOK

What’s Next?

Looking forward to the many summer holidays and happenings:

- 17% of consumers in the May Circana survey plan to travel more than last summer whereas 10% will travel less often or take smaller trips. Eight percent are not planning on traveling at all while they did so last summer. Plans are impacted by the price of travel (34%) or the lack of money for travel because price increases on everyday needs (47%). For food retailers, staycations provide an opportunity to create special moments at home.
 - 65% plan to do a cookout or barbecue this summer.
 - 63% plan to host friends and family.
- 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.
- 62% plan to do something special for the Fourth of July, led by getting together with friends and family, cookouts and going to watch fireworks and/or a parade.

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

METRICS

May 2024 sales	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits and Vegetables	\$9.4B	+3.9%	+3.4%
Fresh fruit	\$5.0B	+5.9%	+4.2%
Berries	\$1.3B	-0.3%	+10.7%
Melons	\$558M	-1.3%	-0.2%
Grapes	\$501M	+29.2%	+15.7%
Apples	\$443M	-5.3%	+9.8%
Bananas	\$393M	+2.1%	+0.4%
Avocados	\$368M	+19.6%	-3.2%
Mandarins	\$261M	+15.0%	+12.8%
Cherries	\$209M	+42.1%	+54.8%
Oranges	\$167M	+5.8%	+6.7%
Pineapples	\$133M	-0.6%	-7.7%
Product	Dollars	\$ vs. YA	Lbs vs. YA
Fresh vegetables	\$4.3B	+1.8%	+2.4%
Tomatoes	\$393M	+5.7%	+5.4%
Potatoes	\$307M	-9.8%	-3.8%
Lettuce	\$298M	+8.1%	+2.8%
Salad kits	\$272M	+0.8%	-2.5%
Onions	\$261M	+14.3%	+3.1%
Peppers	\$246M	+6.0%	+1.1%
Cucumbers	\$172M	+9.4%	+4.4%
Carrots	\$129M	+5.0%	+1.2%
Broccoli	\$118M	-1.5%	+7.0%
Mushrooms	\$117M	-2.7%	-3.1%
May 2024 sales	\$ Sales	\$ vs. YA	Units vs. YA
Frozen Fruits and Vegetables	\$943M	+1.2%	+1.7%
Shelf Stable Fruits	\$528M	+0.2%	-3.2%
Shelf Stable Vegetables	\$612M	+3.9%	-0.4%
Meat department	\$9.9B	+3.3%	+0.5%
Dairy aisle	\$7.6B	+4.3%	+2.7%*
Deli department	\$5.4B	+2.9%	+2.9%*
Bakery department	\$2.0B	-0.1%	+0.5%*

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