

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

September 2024 | The four weeks ending 9/29/2024



September Produce Sales Trend Above Last Year and the Year Prior

Labor Day sales in combination with strong everyday demand for fresh fruit and vegetables led to dollar, unit and pound growth for the produce department in all September weeks. #cucumbersalad drove even bigger spikes for cucumbers.

WHAT'S NEW

SEPTEMBER
IN REVIEW**Hurricane Stock-Up and Port Strike Drives Changed Grocery Patterns**

- Hurricane Helene caused significant stocking up on grocery basics in the Southeastern states during the last week of the month. The pattern repeated during the week ending October 6th in advance of hurricane Milton. Produce unit sales that week increased 4.6% across the country and 9.8% in the Southeast. Our thoughts go out to all those affected by the historic flooding and unimaginable losses.
- Some consumers also stocked up leading up to the Gulf and Eastern port strike that handle over half of U.S. important and export volumes, leading to disrupted grocery patterns the final September week.
- The Consumer Sentiment Index by the University of Michigan stood at 70.1 points in September — a slight increase from the August 2024 reading of 67.9 points. The university reported a slight increase in the expectations for the economy, but consumers' assessment of current conditions remained unchanged, at 69.0 points.
- Low sentiment has resulted in fewer restaurant visits and a greater share of food dollars moving to retail. Most departments achieved real growth with year-over-year increases in units and/or volume.
- While consumers are focused on price and promotions, it's 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.

MONTHLY
SALES REVIEW**Growth All Four September Weeks**

All September weeks grew dollars and pounds year-on-year, with pounds up between 1.8% and 3.2%. The first week of September still reflects some of the Labor Day holiday sales, which was partially included in the August report as well. The strength of everyday demand with consumers more likely to prepare meals at home in recent months is seen in the middle September weeks.

Produce department	Dollar sales	Dollar sales vs. YA	Volume sales vs. YA
September 2024	\$6.9B	+3.6%	+2.4%
W.E. 09-08-24	\$1.8B	+3.4%	+3.2%
W.E. 09-15-24	\$1.7B	+3.6%	+2.7%
W.E. 09-22-24	\$1.7B	+4.0%	+2.0%
W.E. 09-29-24	\$1.7B	+3.5%	+1.8%

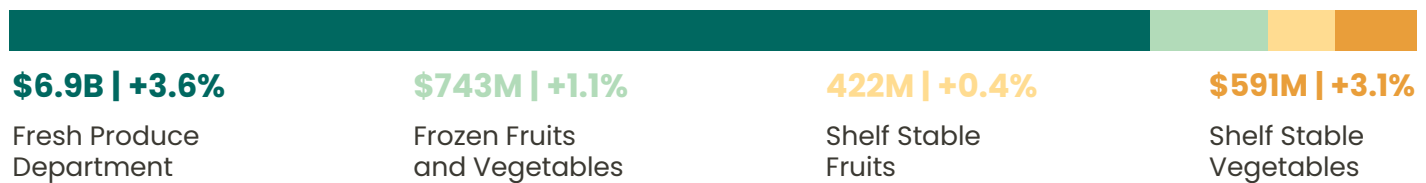
Unit sales are now above last year's and the prior year levels in the 52-week view.

POWER FACTS

STATE OF PRODUCE

September 2024	Price/Lb. vs. YA	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits	\$1.75 +2.8%	\$3.5B	+5.6%	+2.8%
Fresh Vegetables	\$1.91 -0.4%	\$3.3B	+1.7%	+2.1%

Share of Dollars



TOP GROWTH COMMODITIES (NEW \$)

\$ Absolute \$ gain vs. YA

When regarding absolute dollar growth, berries top the list at \$81 million in additional dollars over September 2023. Avocados are in second with an additional \$53 million, mostly driven by robust price increases. Grapes close out the top three with \$42.7 million more in sales compared to September 2023.

All commodities on the top 10 list in absolute dollar growth show increased pound sales. 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
Berries	+\$81.3M	\$836M	+6.3%
Avocados	+\$53.5M	\$275M	+4.3%
Grapes	+\$42.7M	\$484M	+12.5%
Nectarines	+\$23.7M	\$58M	+67.9%
Cucumbers	+\$19.8M	\$160M	+15.8%
Onions	+\$18.7M	\$260M	+4.0%
Peppers	+\$14.2M	\$234M	+4.0%
Tomatoes	+\$10.5M	\$334M	+5.2%
Mandarins	+\$9.8M	\$164M	+0.4%
Salad kits	+\$8.8M	\$258M	+5.0%



COMMODITY SPOTLIGHT

Fresh herbs generated \$1.0 billion in the past year.

- This is an improvement in dollars (+7.9%), units (+6.7%) and volume (+2.5%).
- All three sales measures are up over two years and three years ago as well.
- The top 3 herb sellers are:
 - Cilantro, at \$399M, up 7.5%
 - Parsley, at \$147M, up 7.2%
 - Basil, at \$138M, up 7.8%
- A typical store carries an average of 16 different fresh herb items, up 1.3% versus last year.
- Herbs have experienced very little inflation. The price per unit across herbs is up 1.1% over the past year.

Inflation Insights

In September 2024 (the four weeks ending 9/29/2024), the price per unit across all foods and beverages in the Circana MULO+ universe stood at \$4.25, an increase of 2.1% over September 2023. The third quarter of the year averaged an increase of 1.8% across all food and beverages. This is up over the second quarter (+1.5%) with the inflation rate having shown slightly higher increases over the past few months. Perishable prices were up 3.3% year-over-year in August versus 1.5% in the center of the store. The average price of \$4.25 is 35.8% higher than the 2019, pre-pandemic average of \$3.13.

Average price/unit vs. YA	2019	2020	2021	2022	2023	Q3 '23	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Sep 2024
Total food & beverages	+2.0 %	+5.7 %	+5.5 %	+12.5 %	+6.1%	+4.0%	+2.4%	+1.2%	+1.5%	+1.8%	+2.1%



“Labor Day, a home-centric environment, and stock-up behaviors drove strong retail results for produce. I also believe that sales success is driven by improved quality, which allows fruit and vegetables to better leverage their typical strong impulse power. This effect is amplified in the current marketplace in which consumers are grocery shopping more often to take advantage of sales promotions.

Meanwhile, the ever so popular #cucumbersalad with “cucumber guy” Logan Moffitt remains ultra viral, prompting a 15.8% increase in cucumber pound sales in September, after an 11.8% increase in August. This underscores the power of social media and consumers looking for a new twist on an old favorite.”

- Joe Watson, IFPA's VP of Retail, Foodservice and Wholesale0

FUTURE OUTLOOK

What's Next

- Fall sets are up around the store as all things pumpkin, maple and hot chocolate take centerstage. Across categories, holidays and celebrations are the number one reason when consumers are willing to spend a little more than planned. The fourth quarter is the largest for many categories, including produce sales powerhouses, such as potatoes.
- Some retailers are also leveraging non-typical produce holidays, such as Halloween, to drive additional purchases, highlighting items such as dragon fruit and garlic.
- The hurricane stock-up impact is illustrated in the below, for the week leading up to hurricane Milton ending October 6, for the total US and the Southeast.

Product	Total U.S. W/E 10-06-24			Southeast W/E 10-06-24		
	Sales	\$ vs. YA	Units vs. YA	Sales	\$ vs. YA	Units vs. YA
Total food & beverages	\$18.7B	+7.9%	+4.9%	\$3.1B	+16.8%	+13.2%
Frozen food dept.	\$1.7B	+3.5%	+2.6%	\$275M	+8.1%	+8.6%
General food dept.	\$5.4B	+4%	+6.3%	\$874M	+22.5%	+17.6%
Perishables	\$8.2B	+7.8%	+3.9%	\$1.4B	+15.1%	+10.2%
Produce dept.	\$1.8B	+6.1%	+4.6%	\$288M	+10.7%	+9.8%

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

METRICS

September 2024 sales	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits and Vegetables	\$6.9B	+3.6%	+2.4%
Fresh fruit	\$3.5B	+5.6%	+2.8%
Berries	\$836M	+10.8%	+6.3%
Grapes	\$484M	+9.7%	+12.5%
Apples	\$366M	-4.5%	+4.2%
Melons	\$322M	-2.9%	-3.6%
Bananas	\$290M	+0.9%	+3.3%
Avocados	\$275M	+24.2%	+4.3%
Mandarins	\$164M	+6.3%	+0.4%
Peaches	\$115M	+4.7%	+7.2%
Pineapples	\$88M	-0.3%	-2.0%
Mixed fruit	\$82M	+5.8%	+3.3%
	Dollars	\$ vs. YA	Lbs vs. YA
Fresh vegetables	\$3.3B	+1.7%	+2.1%
Tomatoes	\$334M	+3.3%	+5.2%
Potatoes	\$323M	-6.2%	+4.2%
Lettuce	\$261M	+1.9%	-1.3%
Onions	\$260M	+7.8%	+4.0%
Salad kits	\$258M	+3.5%	+5.0%
Peppers	\$234M	+6.5%	+4.0%
Cucumbers	\$160M	+14.1%	+15.8%
Carrots	\$126M	+6.1%	+2.0%
Broccoli	\$114M	+5.6%	+8.1%
Mushrooms	\$110M	-0.9%	-2.0%
September 2024 sales	\$ Sales	\$ vs. YA	Units vs. YA
Frozen Fruits and Vegetables	\$743M	+1.1%	+1.5%
Shelf Stable Fruits	\$422M	+0.4%	+0.2%
Shelf Stable Vegetables	\$591M	+3.1%	+0.4%
Meat department	\$7.9B	+5.5%	+3.3%
Dairy aisle	\$6.6B	+12.2%	+2.4%
Deli department	\$4.2B	+1.4%	+1.6%
Bakery department	\$3.6B	-1.0%	-0.8%

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