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Organic Produce Network

CP CATEGORY PARTNERS
Harvesting Fresh Results

2024 Q1
Organic Produce Performance

April 19th, 2024

2024 Q1 Organic Produce

Background

- This report covers organic fruit and vegetable performance for the Total U.S. as well as four U.S. regions.

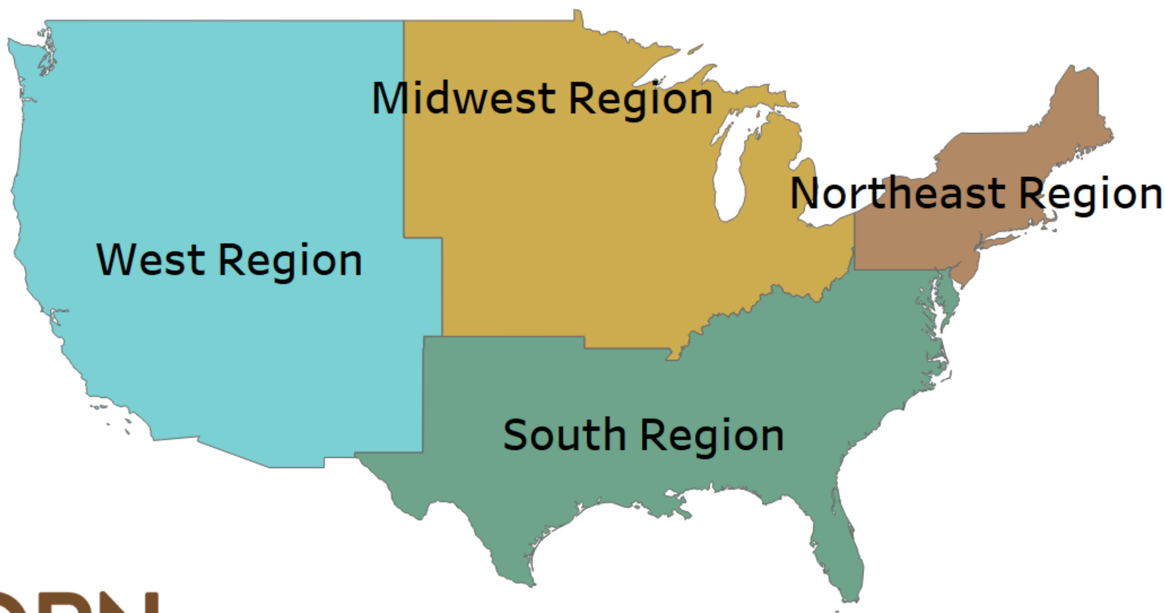
- Reporting period covers 13 weeks of 2024 (01/06/24—03/30/24) vs. the same period last year.

- This report was prepared by Category Partners exclusively for the Organic Produce Network.

- Data in this report is provided under contract by Nielsen. Coverage is the database for total food sales in the United States including all outlets, i.e. supermarkets, mass merchandisers, club stores, dollar stores, convenience stores and military commissaries. Nielsen offers the industry's broadest measurement of total retail food inclusive of UPC and fresh non-UPC (random-weight) products across the entire store, for roughly 90,000 stores nationwide.

- Data coverage includes all fresh fruit and vegetable categories sold in produce departments. The data also excludes some non-fresh products that are often sold in produce.

- Data and charts in this report may be reproduced by recipients provided source attribution is used as follows: Source: Organic Produce Network and Category Partners, powered by NielsenIQ Total US Scan, 2024 Q1



Source: Organic Produce Network and Category Partners, powered by NielsenIQ Syndicated, 2024 Q1

Overview

Organic fresh produce in 2024 Q1 grew in dollars by 4.1%, and volume by 3.4% year over year. The Total Produce department gained 3.4% in dollars and increased by 1.8% in volume. Both conventional and organic produce still follow inflationary trends, but the price increase in each segment was considerably less compared to the past two years. In pricing, the conventional produce average price/lb grew by 1.5% compared to 2023 Q1, while the organic produce average price/lb only rose by 0.6%. Overall, the average price/lb grew only 3¢ for the Total Produce department compared to 2023 Q1.

Among the top performing organic categories, eleven saw year over year increases to both dollars and volume during Q1. Organic apples helped drive success of the organic volume with a double digit rise over last year in Q1. Organic bananas drove similar success in organic dollar sales with a double digit rise in year over year dollar performance. Prepackaged Salads and lettuce did not see similar growth with each category posting dollar and volume declines.

Over the past 5 years, conventional produce has seen steady increases in total dollars and a slight decline in total volume. Organic produce while gaining in total dollars also has a promising upward trend in volume with Q1 2024 showing a rise in organic volume when the past two years have posted declines.

Insights

Organic sales and volume in 2024 Q1 were positive. Organic produce dollars rose higher than conventional dollars.

2024 Q1 Highlights

During Q1 2024, organic produce continued to show growth in dollars and volume outpacing the growth seen in conventional produce.

Conventional price per lb increased by 1.5% in 2024 Q1 compared to the same period last year. Organic produce posted a similar increase in price of 0.6% over last year.

Organic bananas posted significant dollar and volume increases of 14.8% in dollars and 13.2% in volume. Berries led the quarter as the top organic produce category in overall dollar sales.

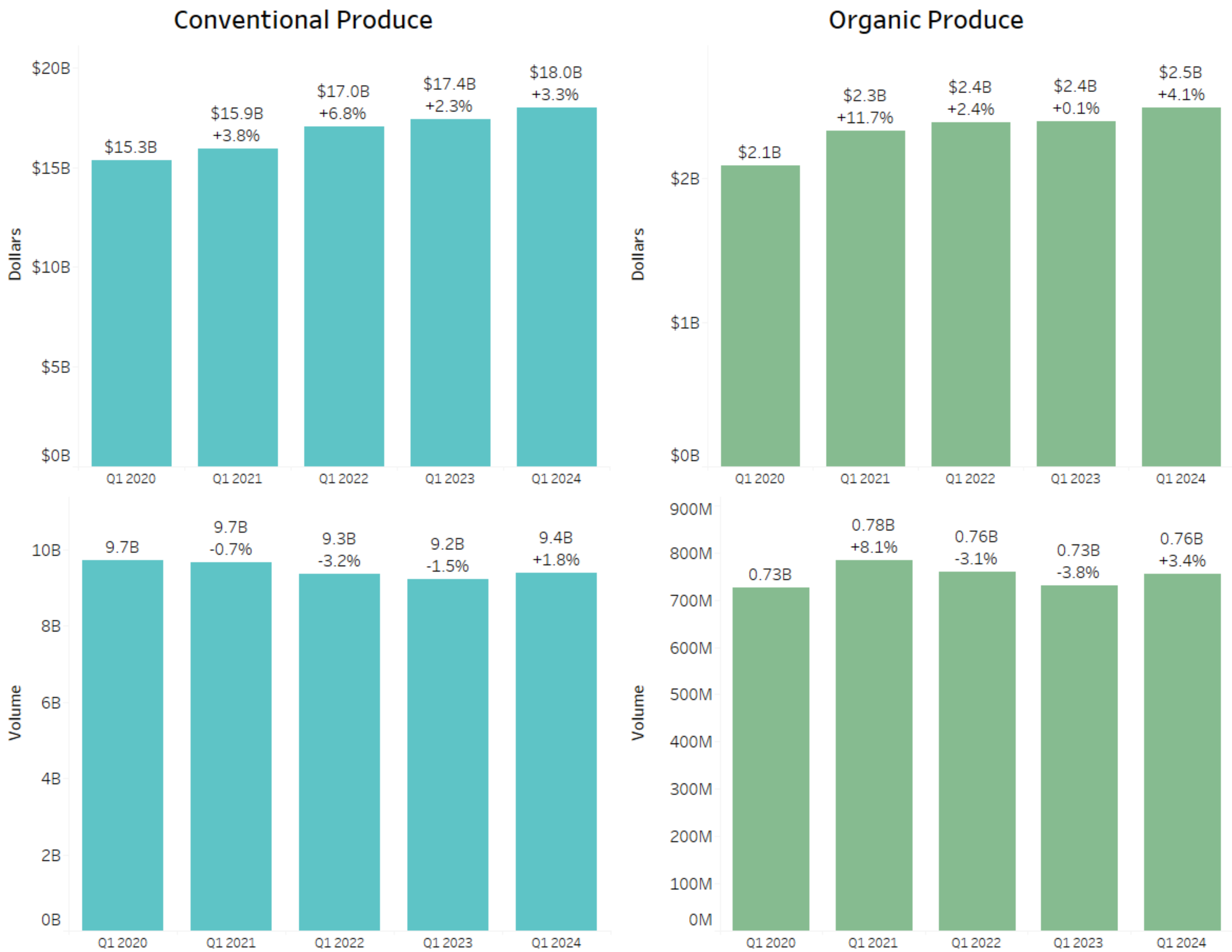
The West Region of the US saw year over year declines in volume of 2.7% while the other three regions posted increases to both dollars and volume during Q1 2024.

Total U.S. Organic Trend

Q1 2024 saw increases in volume for both conventional and organic produce despite decreases seen during the same time period in 2023. Organic produce slightly outpaced conventional produce in dollar and volume growth during this quarter

Overall, fresh produce posted year over year dollar and volume increases for both conventional and organic varieties. This upward trend in volume shifts away from the downward trend we have been seeing over the last 3 years

Five Year Performance

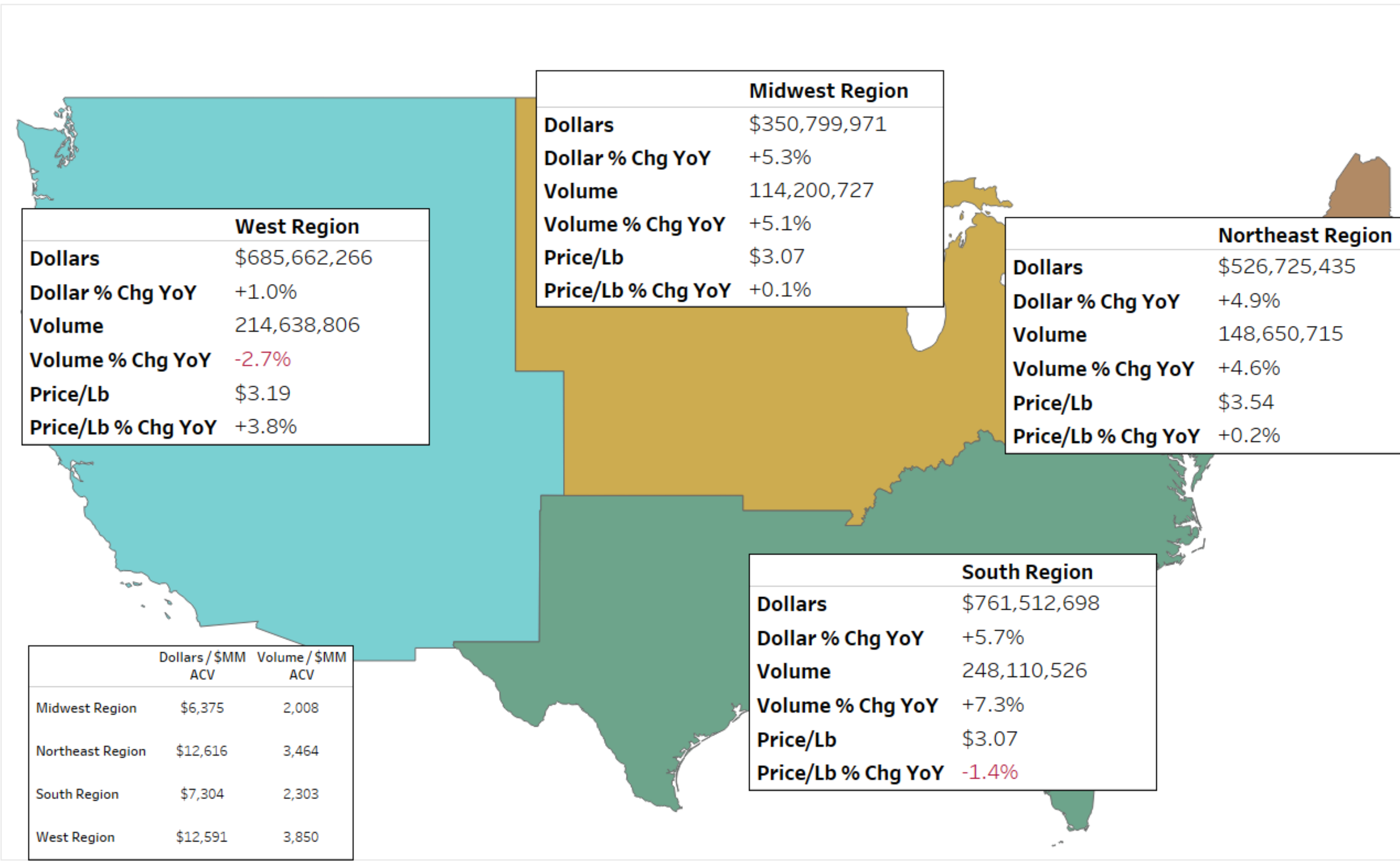


Source: Organic Produce Network and Category Partners, powered by NielsenIQ Syndicated, 2024 Q1

Organic Regional Performance

Organics from the South region led this quarter's dollar and volume increase growing 5.7% in total dollar sales and 7.3% in total volume over the previous year. The West was the only region to post a drop in organics over last year seeing a 2.7% decline in total volume.

The West region also posted the greatest increase to average price per pound for organics rising by 3.8% over Q1 last year. The Midwest, Northeast, and South regions all either stayed constant or dropped in price per pound.



	West Region
Dollars	$685,662,266
Dollar % Chg YoY	+1.0%
Volume	214,638,806
Volume % Chg YoY	-2.7%
Price/Lb	$3.19
Price/Lb % Chg YoY	+3.8%

	Midwest Region
Dollars	$350,799,971
Dollar % Chg YoY	+5.3%
Volume	114,200,727
Volume % Chg YoY	+5.1%
Price/Lb	$3.07
Price/Lb % Chg YoY	+0.1%

	Northeast Region
Dollars	$526,725,435
Dollar % Chg YoY	+4.9%
Volume	148,650,715
Volume % Chg YoY	+4.6%
Price/Lb	$3.54
Price/Lb % Chg YoY	+0.2%

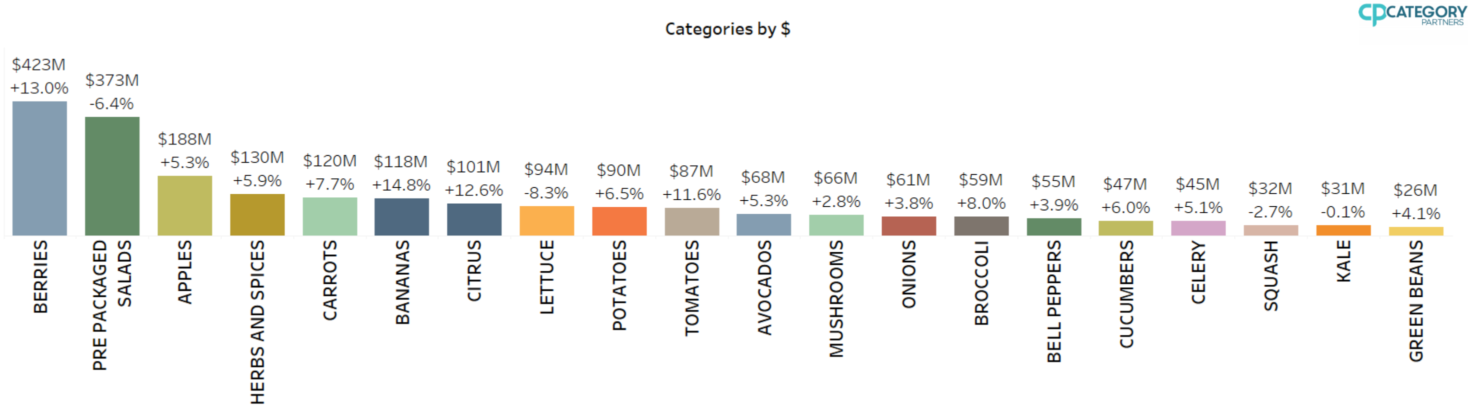
	South Region
Dollars	$761,512,698
Dollar % Chg YoY	+5.7%
Volume	248,110,526
Volume % Chg YoY	+7.3%
Price/Lb	$3.07
Price/Lb % Chg YoY	-1.4%

	Dollars / $MM ACV	Volume / $MM ACV
Midwest Region	$6,375	2,008
Northeast Region	$12,616	3,464
South Region	$7,304	2,303
West Region	$12,591	3,850

Dollar Performance

During Q1 2024, 16 of the top 20 categories increased in dollars. Berries lead in dollars, seeing an increase of +13.0% over last year. Bananas saw the greatest increases in dollars at almost 15% more dollars than last year.

Organic lettuce saw the greatest decline in dollars at –8.3% followed by prepackaged salads at –6.4%. Though prepackaged salads saw drops in total dollar sales, it was the second highest category in organics for the quarter.

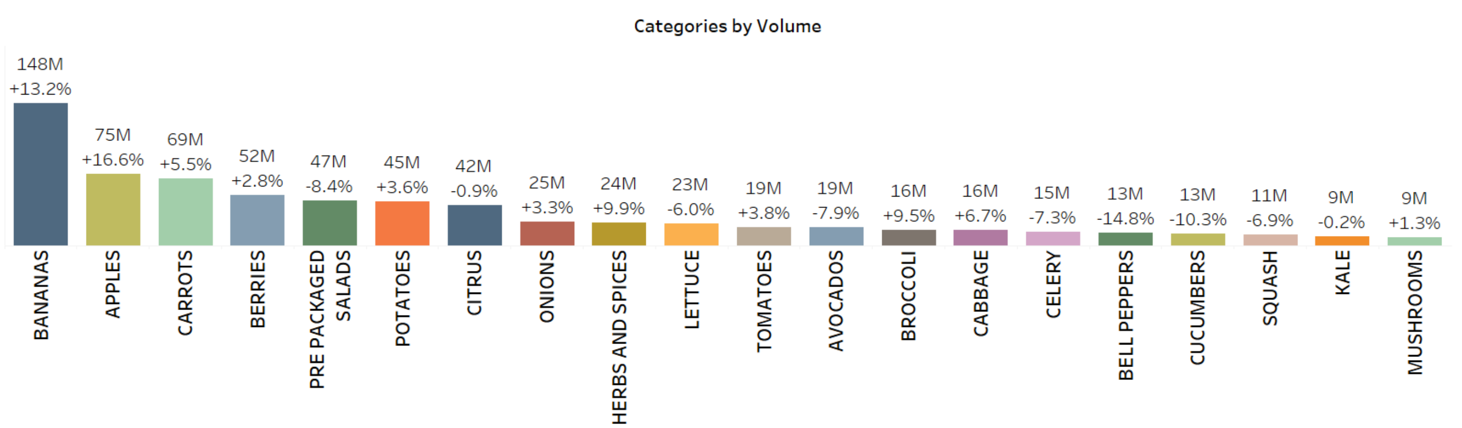


Volume Performance

For 2024 Q1, 11 of the top 20 categories posted increases, with apples seeing the largest increase in organic volume at 16.6%, followed by bananas at 13.2%.

More categories in saw losses in volume than in dollars during Q1 with organic prepackaged salads, lettuce, kale, and squash all seeing declines in both areas.

Organic bell peppers saw the biggest drop in volume at almost 15% down from last year at the same time.

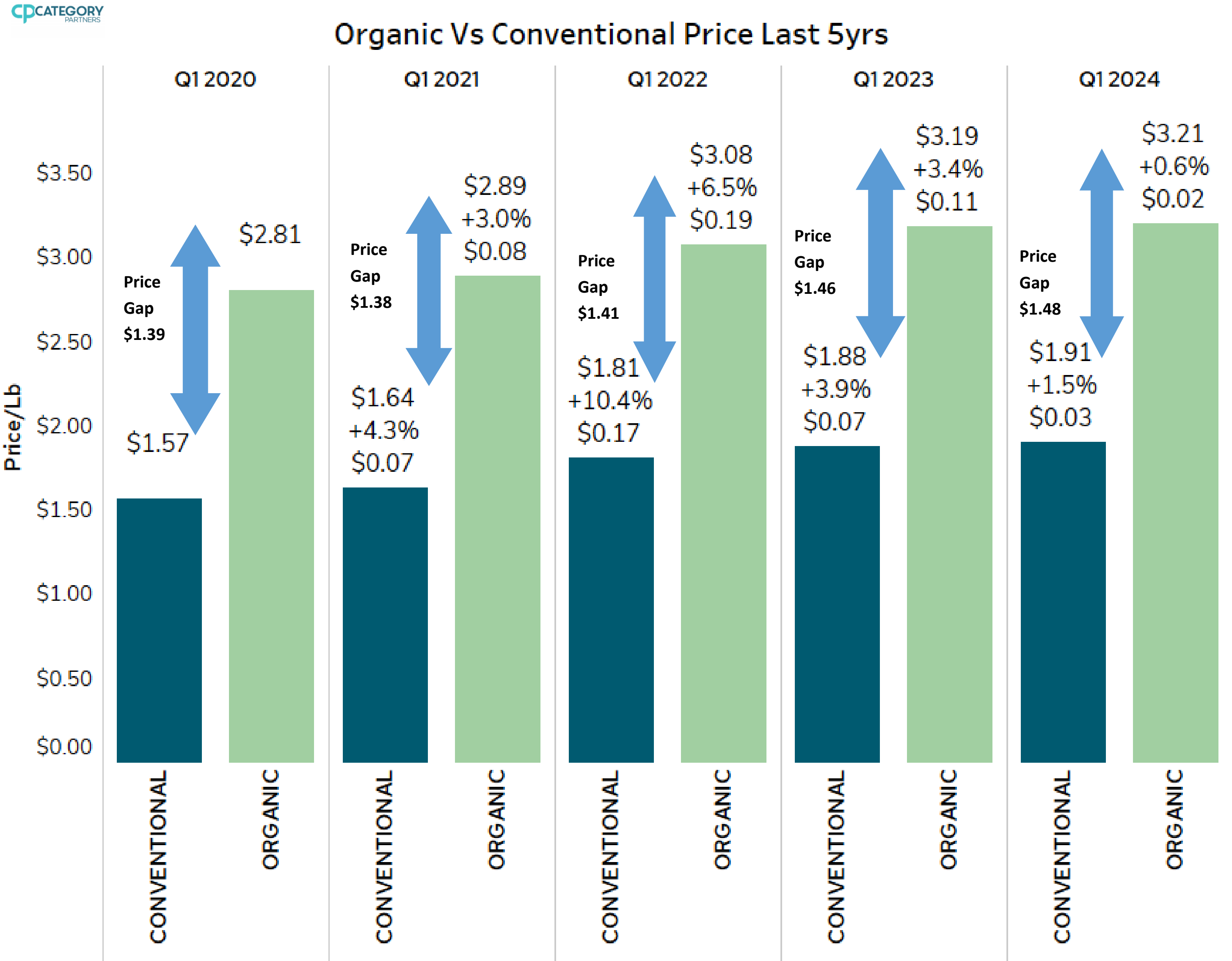


Source: Organic Produce Network and Category Partners, powered by NielsenIQ Syndicated, 2024 Q1

Price Over the Years

Organic prices in aggregate are still considerably higher than conventional seeing a $1.48 price difference between the two segments on average. However, Q1 saw the lowest price increases out of the listed years for both conventional and organic produce at only 1.5% and 0.6% respectively.

Even with this minimal price inflation, the price gap between conventional and organic produce grew slightly; seeing a $0.02 increase over Q1 of 2023.



Background

This report on organic produce performance was compiled and developed under the direction of Matt Seeley of the Organic Produce Network by Tom Barnes and Kaelan McGurk of Category Partners. Data and charts in this report may be reproduced by recipients provided source attribution is used as follows: Source: Organic Produce Network and Category Partners, powered by Nielsen Total US Scan, 2024 Q1. Category Partners is a strategic insights company focusing exclusively on the fresh industries in the retail grocery channel. The company works exclusively with growers, marketers and retailers of conventional and organic fresh foods by providing data solutions, analysis, and insights on product performance, consumer preferences and industry trends.

Tom Barnes

Chief executive officer at Category Partners. He is a +20-year industry veteran and has spent nearly his entire career working in marketing, consumer research, and data analytics in the fresh produce industry.

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