OPN™
Organic Produce Network

CP CATEGORY PARTNERS
Harvesting Fresh Results

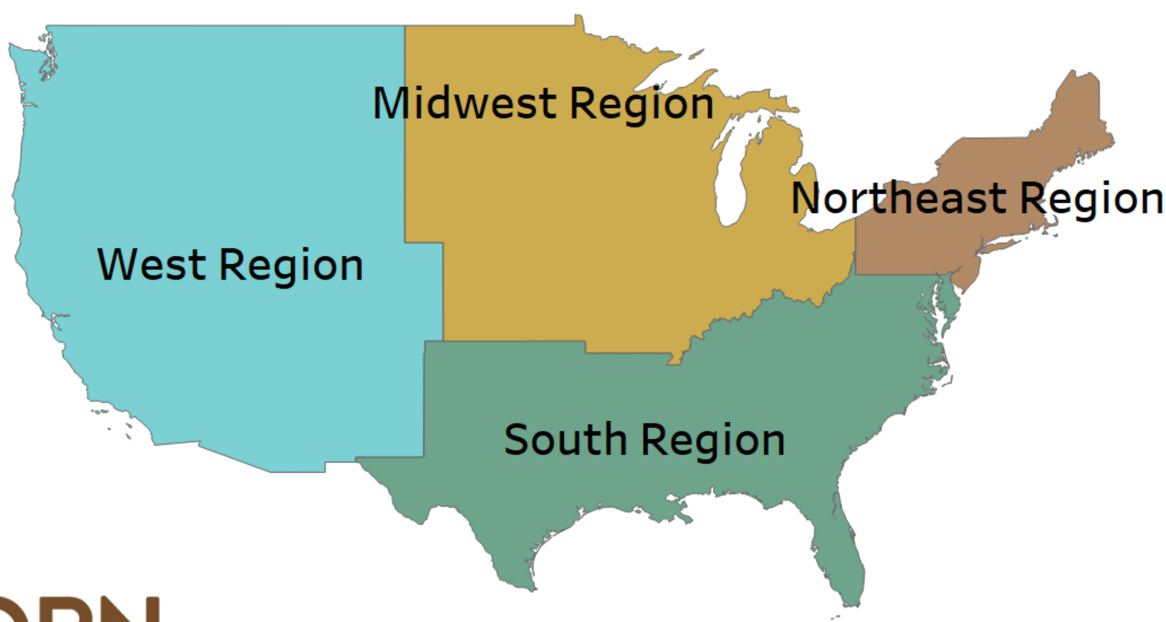
2024 Q2
Organic Produce Performance

July 19th, 2024

2024 Q2 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 (04/06/24—06/29/24) 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 Q2



OPN™ Organic Produce Network

Source: Organic Produce Network and Category Partners, powered by NielsenIQ Syndicated, 2024 Q2

Overview

Organic fresh produce in 2024 Q2 grew in dollars by 4.8%, and volume by 5.8% year over year. Conventional produce saw slightly less growth with increases of 2.4% in total dollars and 2.0% in total volume. While conventional produce follows an inflationary trend and organic produce pricing decreased slightly, pricing started to converge for the two segments. During Q2, the price gap between conventional and organic produce sat around $1.33 whereas, in previous years, the price gap was as high as $1.46/lb.

Among the top performing organic categories, eight saw year over year increases in both dollars and volume during Q2. Organic berries helped drive success of organics with double digit dollar and volume growth over Q2 last year. Organic bananas drove similar success in organic dollars and volume with a double digit increases boosting the segment's performance. While a majority of the top organic categories posted year over year increases, three saw declines in both dollars and volume. Prepackaged Salads and celery saw similar year over year declines in dollars and volume.

Over the past 5 years, both conventional produce and organic produce have seen steady increases average price per pound. This trend did not extend to organics in Q2 this year, however. The average price per pound for organics saw a $0.03 drop over last year's price during the same time period. This same drop in price did not extend to conventional produce, however, with the average price rising $0.10 over last year.

Insights

Organic sales and volume in 2024 Q2 were positive. Organic produce dollars rose higher than conventional dollars.

2024 Q2 Highlights

During Q2 2024, organic produce continued to show growth in dollars and volume outpacing the growth seen in conventional produce. This year's volume growth in particular showed greater success for organics than in previous years. From 2021 to 2023, both conventional and organic produce posted year over year volume decreases. For 2024, however, this trend ended with both segments seeing a boost in total volume with organics gaining as much volume as it had back in 2021.

Total conventional and organic dollar performance continued with the steady year over year growth that has been observed over the past five years.

CATEGORY PARTNERS

Total U.S. Organic Trend

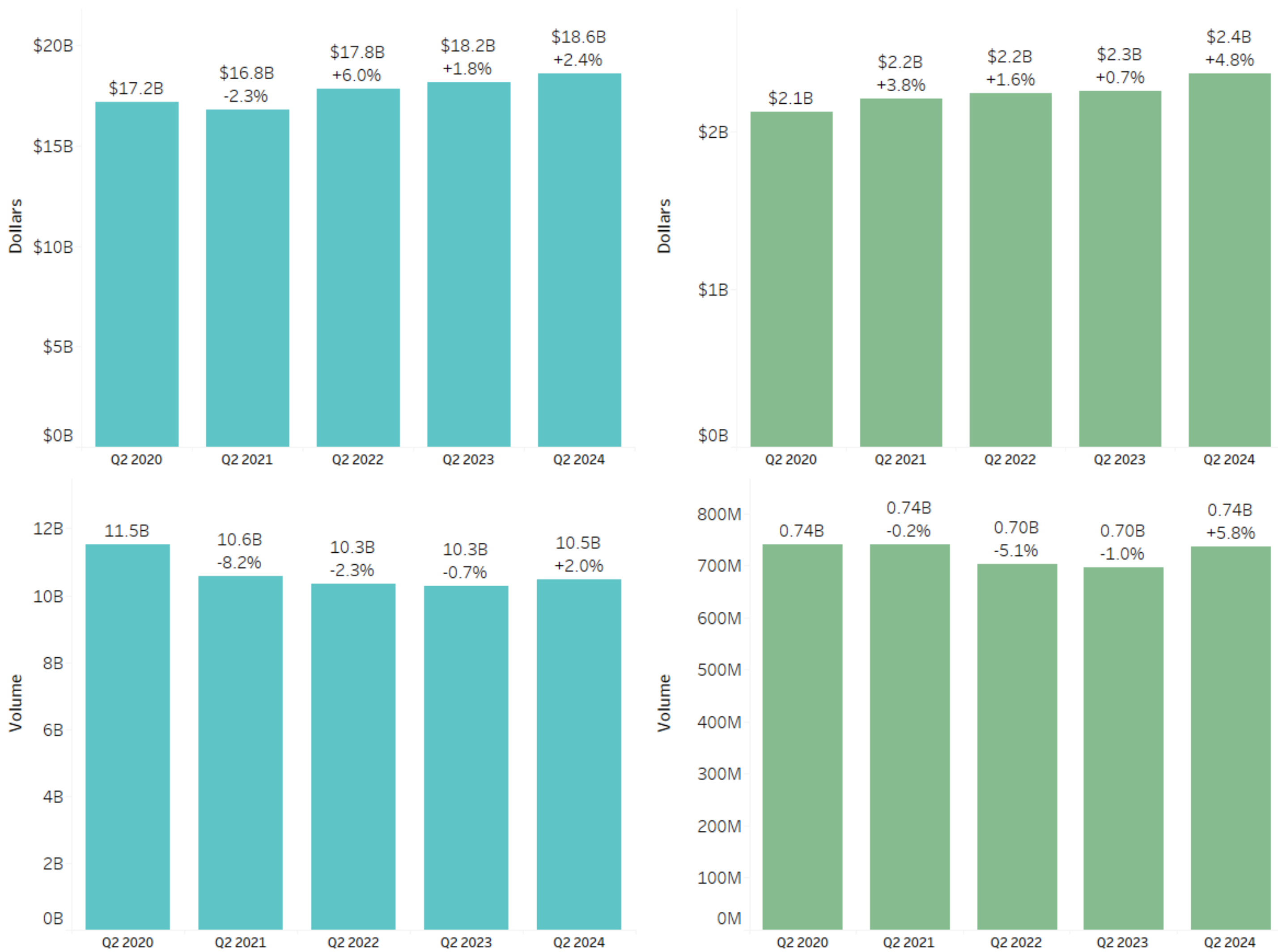
Q2 2024 saw increases in volume and dollars for both conventional and organic produce, outpacing the growth seen from the same time period in 2023. Organic produce outpaced conventional produce in dollar and volume growth during this quarter.

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

Conventional Produce

Organic Produce

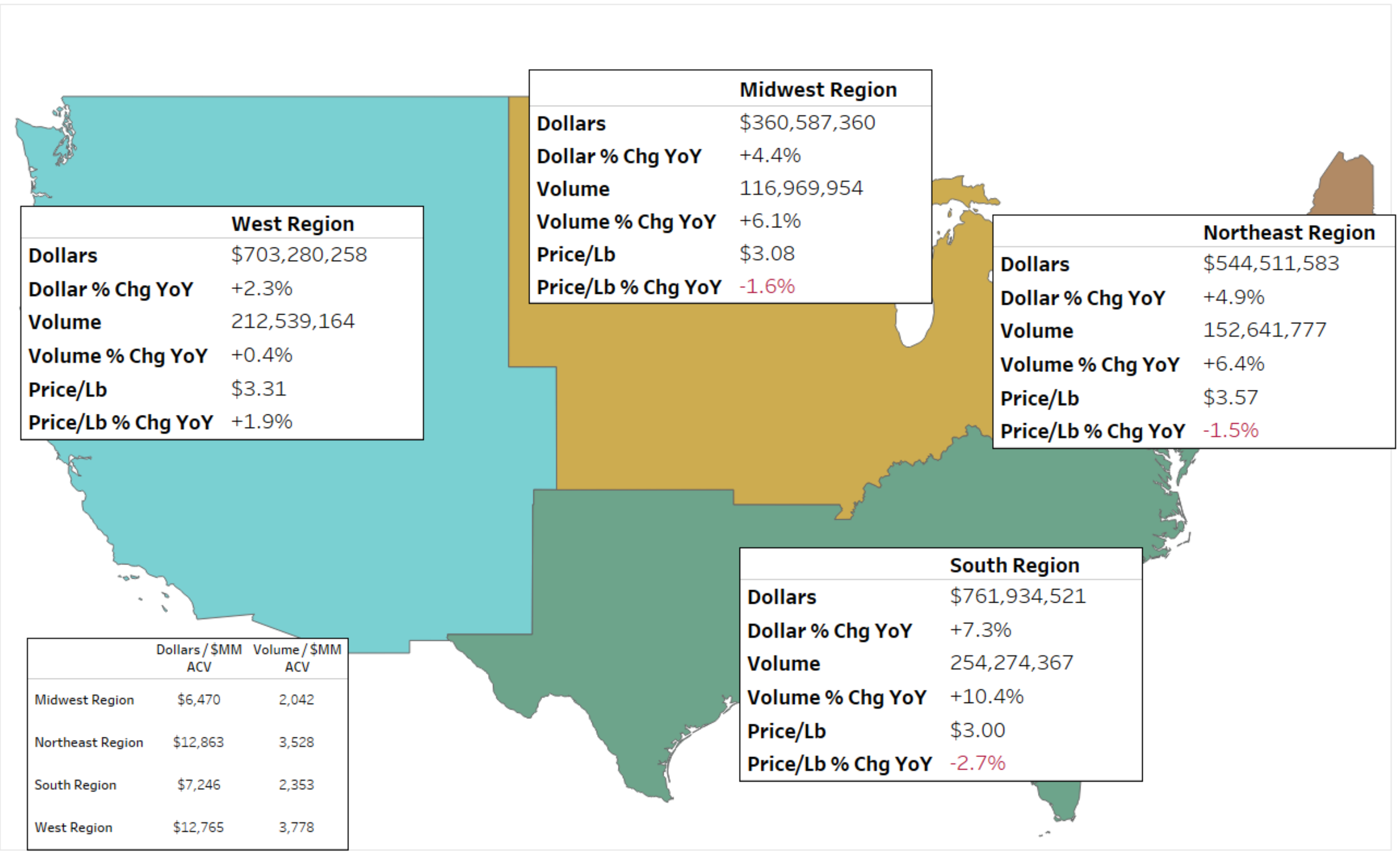


Source: Organic Produce Network and Category Partners, powered by NielsenIQ Syndicated, 2024 Q2

Organic Regional Performance

Organics from the South region led this quarter's dollar and volume increase growing 7.3% in total dollar sales and 10.4% in total volume over the previous year. The West was the only region to post a year over year rise in average organic price per pound at 1.9% above last year's average price in organics

The Northeast region saw the highest average price in organics at $3.57/lb. Even with this price premium, the Northeast managed to see a drop in price over last year by 1.5%



	Midwest Region
Dollars	$360,587,360
Dollar % Chg YoY	+4.4%
Volume	116,969,954
Volume % Chg YoY	+6.1%
Price/Lb	$3.08
Price/Lb % Chg YoY	-1.6%

	West Region
Dollars	$703,280,258
Dollar % Chg YoY	+2.3%
Volume	212,539,164
Volume % Chg YoY	+0.4%
Price/Lb	$3.31
Price/Lb % Chg YoY	+1.9%

	Northeast Region
Dollars	$544,511,583
Dollar % Chg YoY	+4.9%
Volume	152,641,777
Volume % Chg YoY	+6.4%
Price/Lb	$3.57
Price/Lb % Chg YoY	-1.5%

	South Region
Dollars	$761,934,521
Dollar % Chg YoY	+7.3%
Volume	254,274,367
Volume % Chg YoY	+10.4%
Price/Lb	$3.00
Price/Lb % Chg YoY	-2.7%

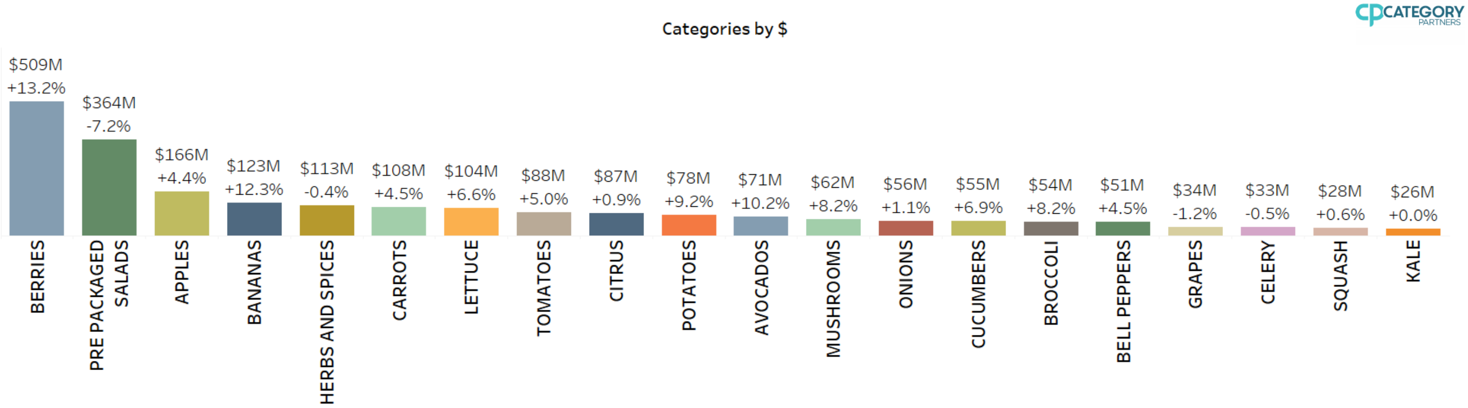
	Dollars / $MM ACV	Volume / $MM ACV
Midwest Region	$6,470	2,042
Northeast Region	$12,863	3,528
South Region	$7,246	2,353
West Region	$12,765	3,778

Source: Organic Produce Network and Category Partners, powered by NielsenIQ Syndicated, 2024 Q2

Dollar Performance

During Q2 2024, 15 of the top 20 categories increased in dollars. Berries lead in total dollars, seeing an increase of +13.2% over last year. Berries also saw the greatest increases in dollars with bananas and avocados following close behind.

Organic Pre Packaged Salads saw the greatest decline in dollars at –7.2% followed by grapes at –1.2%. Notably, kale, squash, celery, citrus, and herbs and spices saw close to a flat change in dollars over last year.

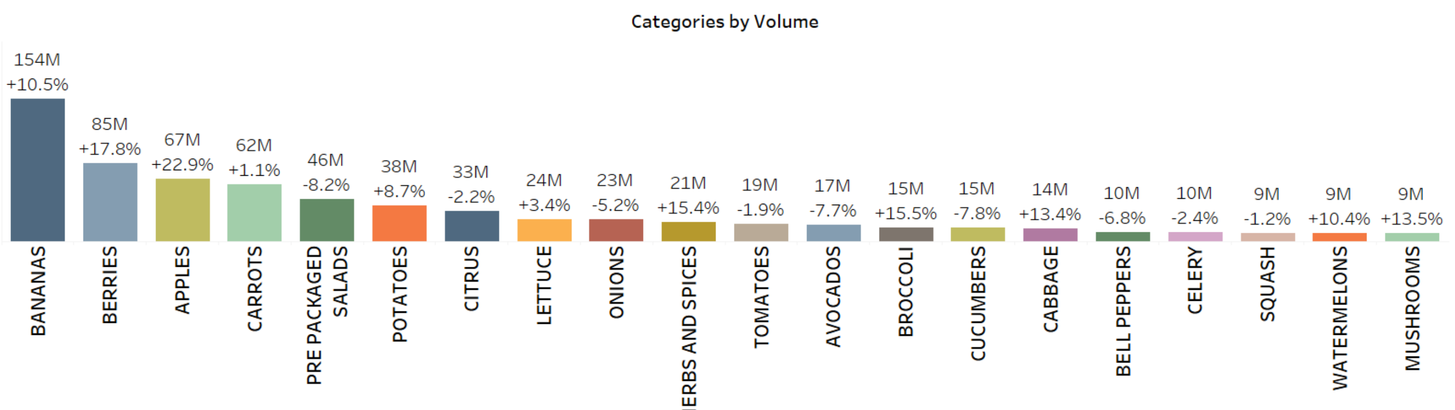


Volume Performance

For 2024 Q2, 11 of the top 20 categories posted increases, with apples seeing the largest increase in organic volume at almost 23%, followed by berries at 17.8%.

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

Organic prepackaged salads saw the biggest drop in volume at –8.2% down from last year during the same time period.

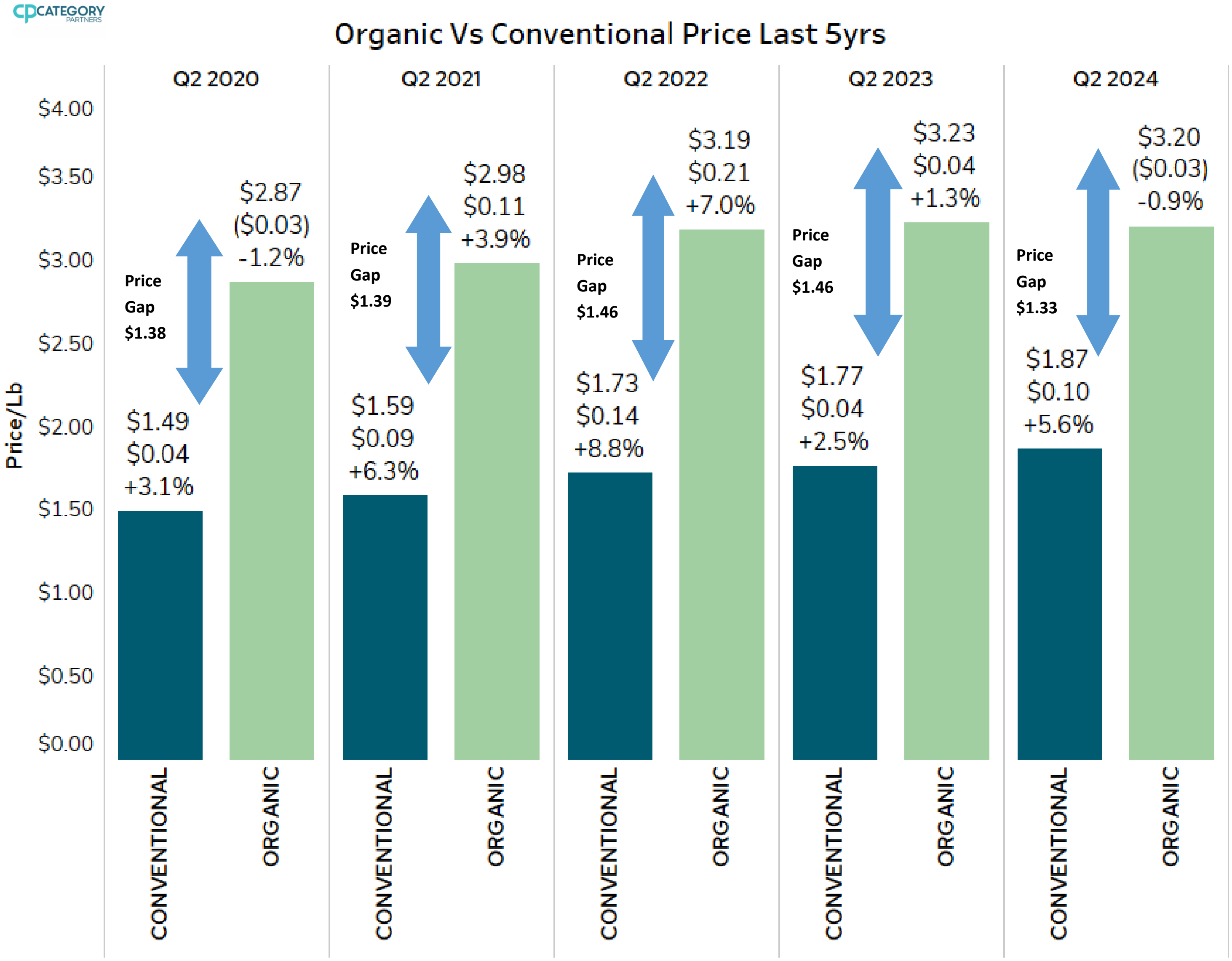


Source: Organic Produce Network and Category Partners, powered by NielsenIQ Syndicated, 2024 Q2

Price Over the Years

Organic prices in aggregate are still considerably higher than conventional seeing a $1.33 price difference between the two segments on average. However, Q2 saw the smallest price gap between organics and conventional compared to all the listed years shown.

Organic produce during Q2 of this year posted a drop in average price per pound while conventional produce saw a $0.10 increase over the previous year



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.

Kaelan McGurk

Data Analyst for Category Partners. His work in fresh foods focuses on utilizing performance data to identify opportunities for dollar and volume growth in retail channels, provide analytical insights, and develop executive-level presentations.