

# 2021 Surpasses 2020 in Dollars but Volume Was Not Able to Hold the Line

By: Anne-Marie Roerink, President, 210 Analytics  
December 2021



“Prices across the store and produce specifically are not only a concern for consumers. Inflation like this affects volume sales and we are a volume-driven business. Consumer efforts to save money typically start with buying what is on sale, but that is another area where we are struggling. Subsequent measures range from simply buying less to buying more frozen or canned, which all pressure volume.”

– Joe Watson, VP of Membership and Engagement for the Produce Marketing Association (PMA)

The fourth quarter of 2021 was disrupted by high levels of COVID-19 cases, high inflation and continued supply chain disruption. “Americans are very aware of inflation, with 43% perceiving prices to be a little higher and 48% perceiving them to be much higher,” said Jonna Parker, Team Lead for IRI Fresh, citing the December wave of IRI’s primary shopper survey. “Among those who have noticed inflation, 94% are concerned about it. Further, produce is the second most frequently mentioned example by consumers of products with elevated prices. In response to inflationary pressure around the store, 45% look for sales specials more often. Others look to make changes, such as buying more private brand (21%) or visiting different stores (13%). About one-third of shoppers have not (yet) made any changes due to price increases.” The combined effect of inflation, out-of-stocks and the latest COVID-19 wave resulted in continued changes as it related to choices in food purchasing and consumption. In 2022, IRI, 210 Analytics and the International Fresh Produce Association (IFPA) will continue to team up to document the ever-changing marketplace and its impact on fresh produce sales.

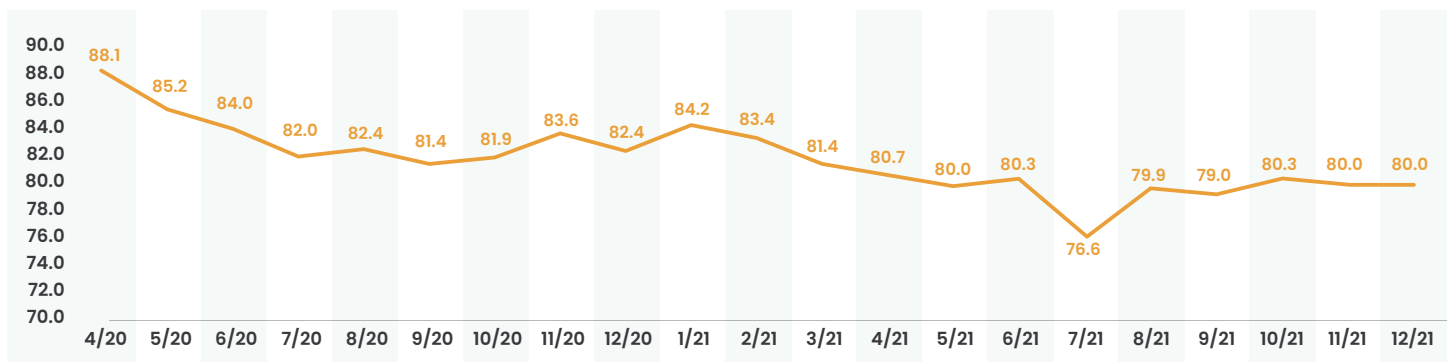


Meals remained home-centric in December. According to the IRI primary shopper survey, the share of meals prepared at home remained at 80%. The share of in-store versus online trips to buy groceries gained a little in December (86%) versus its November levels (83%) – perhaps related to holiday shopping.

During the early months of the pandemic, as many as 20% of trips were online. This dropped to a low of 11% in July of 2021.

Yet online shopping remains a complementary trip for most consumers. In December 2021, only 3% of survey respondents believe they will buy all their groceries online in the next month. This compares to 69% who believe they will buy everything in store, leaving 28% who will mix online and in-store grocery shopping. This signals a likely continuation of mixed format shopping for 2022 for a significant number of people. “Mixed format shopping is an important area to address for fresh produce,” added Parker. “Frozen and canned goods have very high online conversion but not everyone likes buying fresh produce online. Easing online buying hesitations will help build the online fresh produce basket as an important area of growth in 2022.”

### Share of total meals prepared at home by month (%)



### Inflation

The consumer price index increased 6.8% for the 12 months ending November 2021, its highest since June 1982, according to the Bureau of Labor Statistics. IRI-measured price per unit for all food and beverages in multi-outlet stores, including supermarkets, club, mass, super-center, drug, military, and other retail food stores, also shows that prices continued to rise over and above their elevated 2020 levels. In December 2021, the average price per unit was up 8.3% versus December 2020 across all food and beverages. For the total year, prices increased 5.3% – pulled down by much milder inflation in the second quarter.

Average price/unit vs, YA	Q1 21	Q2 21	Q3 21	Q4 21	2021 CY	Dec 21
Total food and beverages	+5.5%	+2.7%	+5.0%	+8.0%	+5.3%	+8.3%

Source: IRI, Integrated Fresh Total US, MULO, inflation index vs. YAGO

Fresh produce prices are also higher than last year. In 2021, price per volume (pound) for total fresh produce increased by 6.5% – pulled down by much milder inflation early on in the year. When regarding inflation in December 2021 only, a comparison to 2020 shows a 14.7% increase for fresh fruit. December inflationary levels are much lower for vegetables, but still average +4.6%. “Prices across the store and produce specifically are not only a concern for consumers,” said Joe Watson, VP, Retail, Foodservice & Wholesale for IFPA. “Inflation like this affects volume sales and we are a volume-driven business. Consumer efforts to save money typically start with buying what is on sale, but that is another area where we are struggling. Subsequent measures range from simply buying less to buying more frozen or canned, which all pressure volume.”



Price per volume	Price/volume	Change vs. 2020	Change vs. 2019
Total fresh produce 2021	\$1.68	+6.5%	+6.8%
Total fresh produce December 2021	\$1.81	+11.0%	+12.5%
Fresh vegetables 2021	\$1.79	+4.6%	+5.2%
Fresh vegetables December 2021	\$1.84	+7.9%	+10.9%
Fresh fruit 2021	\$1.55	+8.6%	+8.5%
Fresh fruit December 2021	\$1.74	+14.7%	+15.2%

Source: IRI, Integrated Fresh, Total US, MULO, average price per volume and % gain versus YA and 2YA

## 2021 Sales

2021 brought \$691 billion in food and beverage sales — up 1.8% over 2020 and 15.8% over the 2019 pre-pandemic normal. However, inflation played a significant role with year-on-year unit sales still down 3.3%. Perishables, including produce, seafood, meat, bakery and deli, had the highest year-over-year sales growth in 2021, at +2.2%. Frozen foods had the highest increase versus the pre-pandemic normal of 2019, at +23.0%. The performance by the produce department is right in line with the rest of the store. Year-on-year dollar gains were slightly above average, where the comparison to 2019 tracked slightly behind.

2021	% sales change versus year ago			
	Dollar size	Dollar sales	Dollar sales vs. 2019	Unit Sales vs. 2020
Total food and beverages	\$691B	+1.8%	+15.8%	-3.3%
Total perishables	\$311B	+2.2%	+15.0%	-2.3%
Total frozen	\$66B	+1.0%	+23.0%	-3.2%
Total fresh produce	\$71.6B	+2.6%	+14.4%	-2.1%

Source: IRI, Integrated Fresh, Total US, MULO, % change vs. year ago.

From a dollar sales perspective, 2021 was another great year for fresh produce, surpassing the records set in 2020. However, dollar gains were inflation boosted and units and volume sales declined year-on-year. “Traditionally we have always compared our performance to the prior year and that is a hard habit to break,” said Watson. “But when we remove the unprecedented demand of 2020 and compare to the more typical levels of 2019, we see our true accomplishment. The fresh produce supply chain moved nearly 43 billion pounds through the registers in 2021, which was 7.1% more than 2019.”

2021	\$ size	\$ growth vs. '20	\$ growth vs. '19	Unit growth vs. '20	Unit growth vs. '19	Volume growth vs. '20	Volume growth vs. '19
Total fresh produce	\$71.6B	+2.6%	+14.4%	-2.1%	+9.3%	-3.7%	+7.1%
Fresh vegetables	\$35.4B	-1.3%	+13.3%	-3.6%	+8.8%	-5.7%	+7.7%
Fresh fruit	\$35.1B	+6.5%	+15.7%	-0.3%	+10.1%	-2.0%	+6.7%

Source: IRI, Integrated Fresh, Total US, MULO, % change vs. year ago.



### December Sales Fresh Produce

The four December weeks generated a minimum of \$1.2 billion, with the holiday week being the biggest with sales of nearly \$1.5 billion. The week ending December 26 likely included purchases for the Christmas holiday as well as New Year’s festivities, boosting sales 13% above year ago levels and an astounding 29.9% over 2019.

Produce department	Dollar	Dollar sales gains vs. 2020	Dollar sales gains vs. 2019
December 2021	\$5.191B	+6.5%	+19.4%
w.e. 12/5/2021	\$1.218B	+5.1%	+19.7%
w.e. 12/12/2021	\$1.247B	+5.1%	+20.3%
w.e. 12/19/2021	\$1.276B	+2.6%	+8.2%
w.e. 12/26/2021	\$1.449B	+13.0%	+29.9%

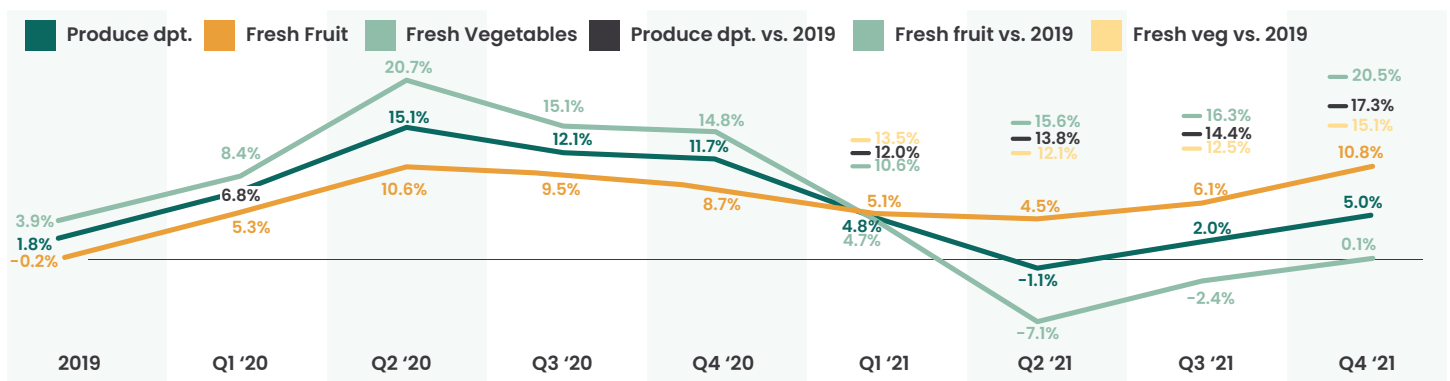
Source: IRI, Integrated Fresh, Total US, MULO

“Our surveys indicated that the winter holiday celebrations would be home-centric but with larger party sizes,” said Parker. “And that is exactly what we saw playing out in produce and other departments. The holiday week sales were extremely strong and that

is an important finding for the early 2022 holidays. I am thinking ahead to Valentine’s Day, for instance, a holiday where retail typically loses out to foodservice. In working with other fresh departments, produce has a great opportunity to shine with easy, restaurant equivalent meal solutions.”

Rolling up the October through December results sees fourth quarter vegetable sales back in positive year-on-year growth territory for the first time since the first quarter. Vegetables had the stronger performance in 2020 and thus the harder path to growth. The comparison to 2019 shows very stable gains for both fruits and vegetables ever since the start of the pandemic.

### % Dollar growth versus the same time period year ago



Source: IRI Integrated Fresh, Total U.S., MULO



## Fresh Share

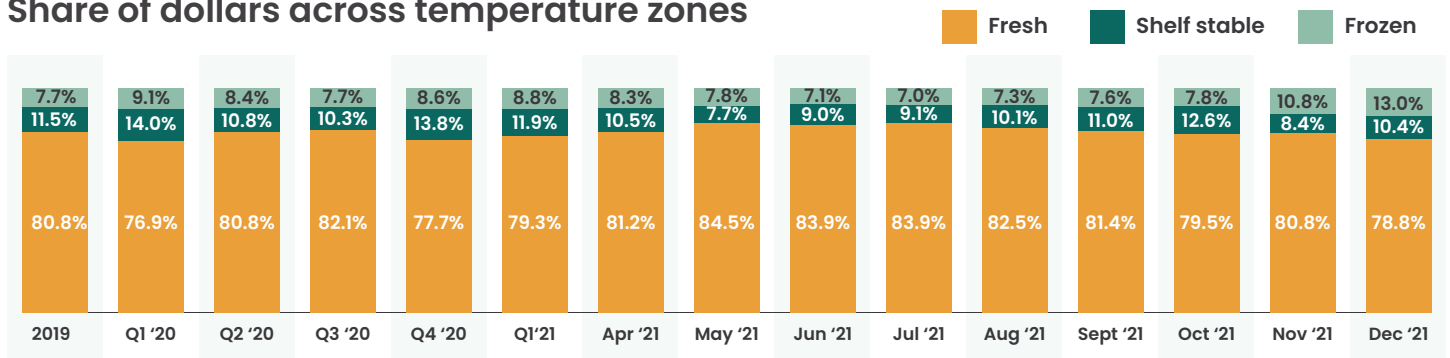
Despite above-average inflation for fresh produce, its share of dollars fell in December. Shelf-stable fruits, in particular had a very strong December with sales gains of 9.4% year-on-year, hand-in-hand with unit and volume gains. Both frozen and shelf-stable are heavily impacted by supply chain disruptions and assortment as well as inventory levels have been down significantly over recent months.

December 2021	Dollar	Dollar sales gains vs. 2020	Dollar sales gains vs. 2019	Average price per unit	Increase price vs. YA
Fresh produce department	\$5.2B	+6.5%	+19.4%	\$2.47	+9.7%
Shelf stable fruits	\$353M	+9.4%	+18.5%	\$2.66	+8.6%
Shelf stable vegetables	\$507M	-5.1%	+4.4%	\$1.25	+6.5%
Frozen fruits and vegetables	\$540M	-2.6%	+14.6%	\$2.49	+6.5%

Source: IRI Integrated Fresh, Total US, MULO

The December share of dollars for fresh produce was 78.8%, continuing the downward trend observed since late spring/summer times when the fresh share rose to around 84%.

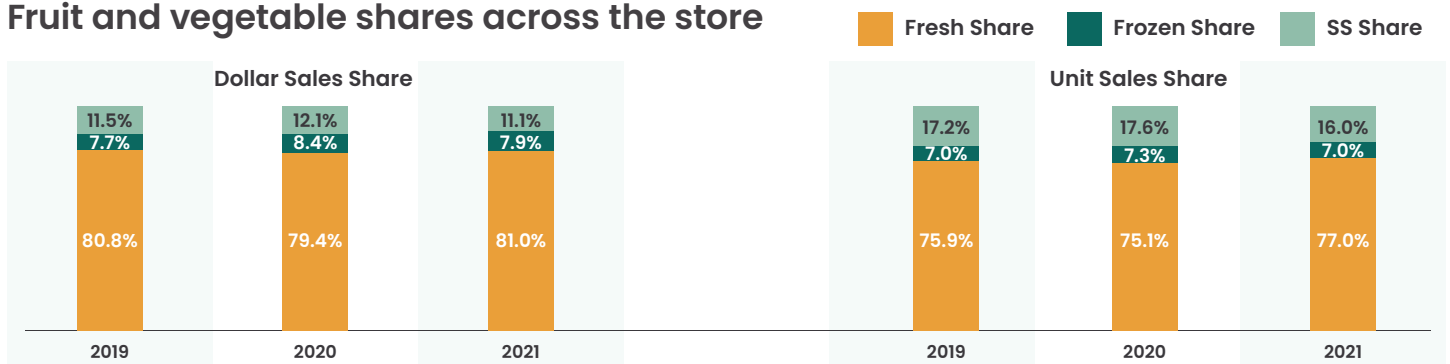
### Share of dollars across temperature zones



Source: IRI Integrated Fresh, Total U.S., MULO, % change vs. YA

Comparing the three calendar years shows that fresh lost significant ground in 2020, when shoppers looked to shop less and have inventory on hand to last them during lockdown periods. In 2021, the fresh produce share of dollars recovered to typical levels, but its above-average inflation played a role. When removing the effect of inflation by looking at unit sales it is clear that the strong summer months helped boost the 2021 fresh share to above typical levels, at 77% of units. Shelf-stable does not have a pound-equivalent, rendering a volume comparison impossible.

### Fruit and vegetable shares across the store



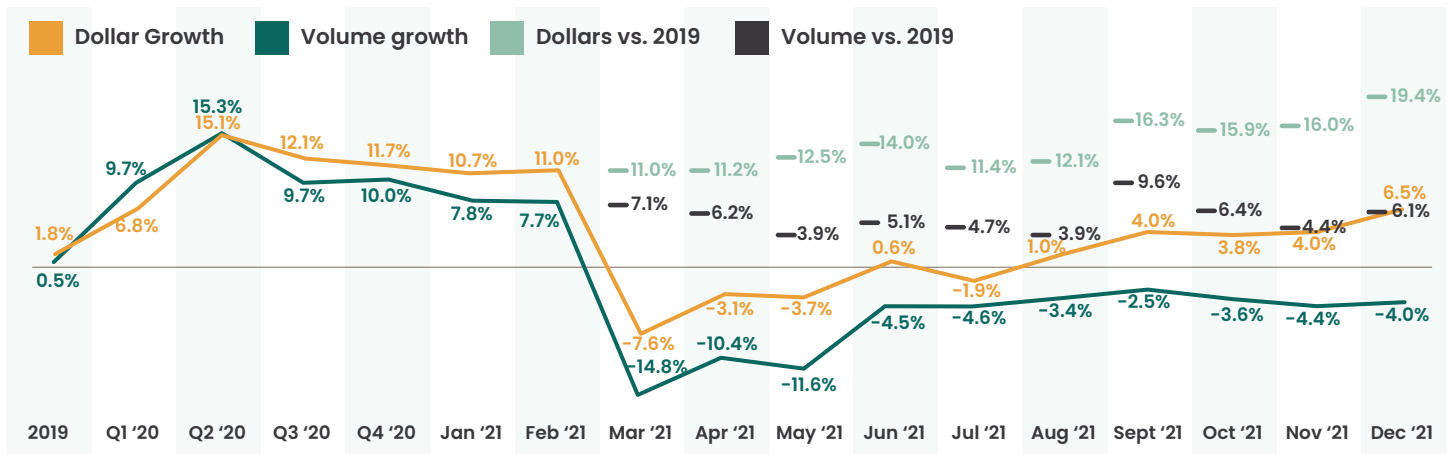
Source: IRI Integrated Fresh, Total U.S., MULO



### Fresh Produce Dollars versus Volume

September was the highwater mark for volume sales when pounds came within 2.5 points of last year’s levels. In December, volume remained 4.0% below year ago levels. Pound sales are still 6.1% ahead of the pre-pandemic normal. This is down from a high of 9.6% in September.

### Dollar and volume growth total produce (fixed and random weight) versus the comparable period year ago and vs. 2019



Source: IRI Integrated Fresh, Total U.S., MULO

Comparing December fruit pound to dollar sales very clearly shows the impact of inflation. While December fruit dollars gained 13.0% over December 2020 levels, pounds were down 1.5%. The differences in the dollar versus pound performance were a little less pronounced for vegetables, but also shows the significant impact for vegetables. The fourth quarter numbers were similar to the ones seen in December.

	Growth over comparable period										
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Dec '21	Dec '21 vs '20	Dec '21 vs '19
<b>Fruit</b>											
Dollars	+5%	+11%	+10%	+9%	+5%	+3%	+6%	+10.8%	\$2.4B	+13.0%	+23.3%
Volume	+8%	+11%	+8%	+9%	-1%	-6%	-1%	-1.2%	1.4B	-1.5%	+7.1%
<b>Vegetables</b>											
Dollars	+8%	+21%	+15%	+15%	+5%	-7%	-3%	+0.1%	\$2.7B	+1.0%	+16.8%
Volume	+11%	+22%	+13%	+11%	0%	-12%	-6%	-5.7%	1.5B	-6.4%	+5.3%

Source: IRI Integrated Fresh, Total U.S., MULO



### 2021 Top Sellers Fruit and Vegetables

The top sellers in 2021 reflect a mix of fruits and vegetables. Berry sales were nearly twice that of the number two, apples and tomatoes were the biggest seller on the vegetable side. Additionally, berries recorded the highest growth rates among the top 10 sellers, at +11.7%. Other areas with high year-on-year growth were salad kits and melons.

Not all top 10 sellers grew sales in 2021. Tomatoes, potatoes and peppers lost a little ground compared with their 2020 records.

	2021 sales	2021 \$ sales growth
Berries	\$8.1B	+11.7%
Apples	\$4.1B	+4.5%
Tomatoes	\$3.9B	-2.9%
Grapes	\$3.6B	+6.4%
Potatoes	\$3.3B	-7.3%
Bananas	\$3.2B	+1.1%
Salad kits	\$3.2B	+11.5%
Melons	\$3.0B	+11.4%
Lettuce	\$2.7B	+1.9%
Peppers	\$2.5B	-0.6%

Source: IRI Integrated Fresh, Total U.S., MULO

### Fresh Fruit Sales in December

“On the fruit side, all top 10 items gained versus year ago,” said Parker. “In fact, eight out of the 10 top sellers in December gained in double digits, boosted by inflation. The month features a very similar set of powerhouses, such as berries, avocados and bananas, that we see month after month. However, the resurgence of entertaining is clear when regarding the very strong performance of both melons and mixed fruit in the fourth quarter and December, specifically.”

Top 10 in sales	Dollar sales increase over comparable period in 2019/2020										
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Dec '21	Dec vs '20	Dec vs '19
Fresh fruit	+5%	+11%	+10%	+9%	+5%	+3%	+6%	+10.8%	\$2.4B	+13.0%	+23.3%
Berries	+11%	+15%	+14%	+16%	+11%	+9%	+11%	+16.3%	\$592M	+19.5%	+39.7%
Apples	+2%	+3%	+0%	+2%	-1%	+3%	+8%	+7.4%	\$336M	+7.5%	+14.0%
Grapes	+2%	-1%	+0%	+0%	+3%	-1%	+4%	+11.7%	\$262M	+13.9%	+16.7%
Bananas	+6%	+6%	+1%	+2%	-1%	-2%	+4%	+3.0%	\$236M	+3.3%	+7.7%
Mandarins	+7%	+8%	+14%	+16%	-1%	+14%	+12%	+4.9%	\$180M	+14.5%	+17.9%
Avocados	+7%	+15%	+2%	+6%	-1%	-10%	-3%	+9.2%	\$170M	+12.8%	+20.9%
Melons	+4%	+3%	+14%	+19%	+10%	+12%	+6%	+23.0%	\$115M	+31.9%	+42.2%
Oranges	+9%	+66%	+40%	+23%	+3%	-25%	-11%	+3.3%	\$100M	+3.0%	+33.3%
Mixed fruit	-1%	-26%	-2%	-9%	+8%	+58%	+28%	+28.9%	\$72M	+34.1%	+14.0%
Pineapples	-6%	+7%	+16%	+15%	+12%	+11%	+8%	+11.2%	\$64M	+10.9%	+19.5%

Source: IRI Integrated Fresh, Total U.S., MULO



## Fresh Vegetables Sales in December

“The top 10 sellers on the vegetable side had a mixed performance in terms of dollar sales growth,” said Watson. “Vegetables did not see the same inflationary boost as fruit and while total vegetables increased sales by 1% over December 2020 levels, four areas lost ground, including potatoes, onions, peppers and mushrooms. However, given the very strong 2020 performance, it is important to compare to normal sales levels as well, which shows demand is still quite strong for all top 10 sellers, even taking the effect of inflation into account.”

Top 10 in sales	Dollar sales increase over comparable period in 2019/2020										
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Dec '21	Dec vs '20	Dec vs '19
Fresh vegetables	+8%	+21%	+15%	+15%	+	-7%	-3%	+0.1%	\$2.7B	+1.0%	+16.8%
Tomatoes	+13%	+25%	+18%	+18%	+4%	-9%	-5%	-1.2%	\$281M	+0.6%	+16.0%
Potatoes	+19%	+37%	+17%	+12%	-4%	-20%	-5%	+0.1%	\$277M	-0.9%	+13.8%
Packaged salad	+13%	+12%	+14%	+22%	+13%	15%	+11%	+8.5%	\$237M	+11.1%	+40.0%
Lettuce	+4%	+14%	+8%	+23%	+9%	-4%	+2%	+0.5%	\$206M	+4.8%	+30.0%
Onions	+12%	+23%	+12%	+11%	+1%	-15%	-2%	+1.4%	\$192M	-0.1%	+14.5%
Peppers	+6%	+28%	+22%	+22%	+12%	-7%	-4%	-2.4%	\$183M	-0.7%	+20.7%
Carrots	+6%	+12%	+7%	+5%	-5%	-8%	0%	+1.0%	\$110M	+3.2%	+9.1%
Mushrooms	+8%	+31%	+23%	+18%	+8%	-13%	-10%	-6.4%	\$104M	-6.2%	+11.1%
Broccoli	+5%	+19%	+14%	+12%	+5%	-5%	0%	+7.3%	\$99M	+7.0%	+25.3%
Cucumbers	+10%	+21%	+19%	+22%	+10%	+3%	+4%	+5.1%	\$91M	+7.0%	+29.1%

Source: IRI Integrated Fresh, Total U.S., MULO

## Absolute Dollar Gains

“The top 10 in absolute dollar gains showed both small and large categories are important for department growth,” said Parker. “But more than anything, it shows the impact of inflation. While melons, mixed fruit and party trays had a tremendous December performance as people entertained at home, the average price per pound for rose 20.0% for melons (highly affected by cut melons), 10.1% for mixed fruit and 22.6% for party trays. Impressively, berry prices only increased 1.9% over December 2020, yet berries remain the leader in absolute dollar growth.” The top 10 in absolute dollar growth was dominated by fruit, directly related to the high levels of inflation.





December 2021 Top 10 produce items in absolute dollar growth	Versus comparable period in 2020			
	Absolute dollar gain	Dollar % growth	Total dollar sales	Increase in price per pound
Berries	+\$97M	+19.5%	\$592M	+1.9%
Grapes	+\$32M	+13.9%	\$262M	+16.3%
Melons	+\$28M	+31.9%	\$115M	+20.0%
Salad kits	+\$24M	+11.1%	\$237M	+7.2%
Apples	+\$23M	+7.5%	\$336M	+12.5%
Mandarins	+\$23M	+14.5%	\$180M	+16.0%
Avocados	+\$19M	+12.8%	\$170M	+24.3%
Mixed fruit	+\$18M	+34.1%	\$72M	+10.1%
Party trays	+\$10M	+66.8%	\$26M	+22.6%
Lettuce	+\$9M	+4.8%	\$206M	+10.1%

Source: IRI Integrated Fresh, Total U.S., MULO

## Perishables Performance

A look across fresh foods departments for the four December weeks shows perimeter strength. All departments, with the exception of seafood, gained year-over-year, with the highest increases going to deli. Seafood is significantly smaller than the other fresh departments and deli sales overtook bakery sales this month.

December 2021	\$ Sales	Dollar sales gains vs. 2020	Dollar sales gains vs. 2019
Total perishables	\$25.3B	+6.6%	+17.5%
Meat	\$6.9B	+6.7%	+22.4%
Refrigerated (including dairy)	\$6.3B	+2.7%	+13.2%
Produce	\$5.2B	+6.5%	+19.4%
Deli (meat, cheese and deli prepared)	\$3.4B	+14.5%	+16.7%
Bakery	\$3.0B	+9.3%	+13.9%
Seafood	\$546M	-5.7%	+17.9%

Source: IRI Integrated Fresh, Total U.S., MULO, fixed and random weight items combined into department views



## Floral

The floral department had a tremendous year, reaching \$7.2 billion in sales, reflecting an increase of 24.0% over 2020 levels and 29.2% over 2019 levels. Dollar gains came hand-in-hand with unit and volume growth. Indoor made up the bulk of sale and had the higher growth rate.

2021	\$ size	\$ growth vs. '20	\$ growth vs. '19	Unit growth vs. '20	Unit growth vs. '19	Volume growth vs. '20	Volume growth vs. '19
Floral	\$7.2B	+24.0%	+29.2%	+12.6%	+14.4%	+14.9%	+19.9%
Indoor	\$5.9B	+27.1%	+32.2%	+16.1%	+17.8%	+17.2%	+23.2%
Outdoor	\$1.3B	+11.5%	+17.1%	+5.1%	+6.7%	+5.0%	+6.6%

Source: IRI, Integrated Fresh, Total US, MULO, % change vs. year ago.

December was a big month for floral, with sales reaching \$458 million, up 13.1% over the 2020 records. Both indoor and outdoor floral sales increased, but indoor made up the bulk of sales, at \$419 million.

### Dollar sales increase over comparable period in 2019/2020

	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Dec 2021	% vs. YA
Floral	0%	-3%	+16%	+14%	+27%	+28%	+19%	+18.3%	\$458M	+13.1%
Indoor	0%	-8%	+19%	+16%	+26%	+40%	+20%	+18.5%	\$419M	+13.0%
Outdoor	-3%	+7%	+1%	+2%	+35%	+7%	+16%	+16.8%	\$38M	+14.0%

Source: IRI Integrated Fresh, Total U.S., MULO

The top three biggest sellers this month were potted plants, roses and bouquets. Growth for roses was still upwards of 24% versus year ago and sales were up an astounding 43% versus 2019. Unit sales for roses were up 10.7%.

December	\$ sales	% vs. 2020	% vs. 2019	Unit Sales	% vs. 2020
Department floral	\$458M	+13.1%	+27.4%	45.0M	+1.6%
Potted plants	\$134M	+5.2%	+18.7%	15.6M	-3.3%
Roses	\$76M	+24.4%	+43.3%	6.3M	+10.7%
Bouquets	\$70M	+4.2%	+24.0%	5.6M	-6.4%

Source: IRI Integrated Fresh, Total U.S., MULO



## What's Next?

Marketplace disruption is likely to continue through the first quarter of 2022 at a minimum.

- In December 2021, 38% of shoppers encountered issues with availability of items they had planned to purchase. The highest out-of-stocks were reported for toilet paper, canned goods and milk.
- In response to not being able to buy what they came for, 34% of shoppers spent their money elsewhere and 26% ended up not purchasing the planned item at all – underscoring the significant impact of out-of-stocks on sales.
  - 34% went to a different store and another 7% went online and bought it from another store.
  - 26% forewent the purchase.
  - 24% bought a different brand or variety.
  - 19% returned to the store later.
- 22% of shoppers stocked up on certain items out of concern that they may not be available next time they shop.
- 18% stocked up on certain items for other reasons, including rapidly rising inflation. This could affect fresh produce sales with dollars shifting to canned and frozen.

The latest COVID-19 wave has not resulted in the same levels of concern as those early in the pandemic.

- 33% is extremely concerned – a ratio that was double as high during the early months.
- Despite the arrival of the Omicron variant, 73% are not any more or less worried; 27% are more worried and 7% are less worried.

Eighty percent of consumers bought from restaurants in December 2021 – a few points down from prior months. Engagement is driven by takeout and delivery:

- 54% of primary shoppers have gotten takeout and 20% have ordered home delivery.
- 49% have dined inside at a restaurant and 10% have eaten outdoors at a restaurant.

The next report, covering January, will be released in mid-February. We encourage you to contact Joe Watson, IFPA's VP, Retail, Foodservice and Wholesale, at [jwatson@freshproduce.com](mailto:jwatson@freshproduce.com) with any questions or concerns. Please recognize the continued dedication of the entire grocery and produce supply chains, from farm to retailer. #produce #joyoffresh #SupermarketSuperHeroes.

### Date ranges:

2019: 52 weeks ending 12/28/2019  
Q1 2020: 13 weeks ending 3/29/2020  
Q2 2020: 13 weeks ending 6/28/2020  
Q3 2020: 13 weeks ending 9/27/2020  
Q4 2020: 13 weeks ending 12/27/2020  
Q1 2021: 13 weeks ending 3/28/2021  
Q2 2021: 13 weeks ending 6/27/2021  
Q3 2021: 13 weeks ending 9/26/2021  
Q4 2021: 13 weeks ending 12/26/2021  
December 2021: 4 weeks ending 12/26/2021

