

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



December 2024 | The four weeks ending 12/29/2024

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New Records for the Produce Department in 2024

December sales were affected by the Wednesday timing of the big holidays and the report cut-off date. While the produce department still managed a year-over-year increase, the gains were far smaller than seen in the past few months.

WHAT'S NEW

DECEMBER
IN REVIEW

Consumer Optimism Rises

- The University of Michigan Consumer Sentiment Index soared 14% in December 2024, reaching its highest rating since July. The university attributed the sharp increase to consumers believing inflation will slow further and the economy will improve in the near term. The index rose across the population, including all ages, income levels, education and regions of the country. Sentiment is now just shy of the midpoint between the pre-pandemic reading and the historic low reached in June 2022.
- With more than two-thirds of the U.S. economy fueled by consumer spending, this rising optimism tends to translate into greater spending. This was certainly reflected during post-Thanksgiving through the end-of-year shopping patterns. The Circana survey of primary shoppers found that 54% got restaurant takeout in December and 51% dined at restaurants — among the highest shares in years. At retail, total and food and beverage dollar sales gained 2.1% in December, though unit sales were flat. The fresh perimeter increased sales by 3.5% with units up 0.4% over December last year. It is important to note that December sales reporting went through 12/31/2023 last year and 12/29/2024 this year, which may move some of the New Year's meal dollars into the January 2025 report.
- 2024 ended up being a strong year for grocery retailers, with total food and beverage sales of \$922 billion. Sales rose 3.0% in dollars and 1.3% in units. Everyday demand was strong due to purchasing restaurant food less often while cooking more in an effort to save money. Holidays and special occasions remained a time when consumers splurged a bit more prompting new records for many of the big national holidays.

MONTHLY
SALES REVIEW

Holiday and report cut-off timing prompts misalignment of trending

The December report cut-off date in both years is likely to have impacted the December results. The months always run through a Sunday, which meant December 29 in 2024 and December 31 in 2023. The difference lies in the New Year's celebration dollars that will likely shift to the January 2025 report, at least in part. This prompted a decline in the third week of the month, whereas the fourth week saw a substantial increase. The first two weeks of the month reflect the strength of everyday fresh fruit and vegetable demand, with sales up around 3% year-over-year.

	Dollars	\$ vs. YA	Lbs vs. YA
December 2024	\$6.6B	+1.7%	+0.4%
W.E. 12-08-24	\$1.568B	+0.9%	+3.1%
W.E. 12-15-24	\$1.584B	+2.5%	+2.9%
W.E. 12-22-24	\$1.786B	-3.1%	-0.8%
W.E. 12-29-24	\$1.646B	+7.4%	+9.3%

POWER FACTS

STATE OF PRODUCE

December 2024	Price/Lb. vs. YA	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits	\$1.90 +0.9%	\$3.2B	+3.0%	+2.1%
Fresh Vegetables	\$1.96 +1.8%	\$3.3B	+0.5%	-1.3%

Share of Dollars



TOP GROWTH COMMODITIES (NEW \$)

🇺🇸 Absolute \$ gain vs. YA

When regarding absolute dollar growth, berries top the list with an additional \$62 million in sales compared to December 2023. That was nearly twice as much as the absolute dollar gain seen in avocados.

Mangoes appeared in the top three for the first time, with an increase of \$21.3 million. Kiwis also remained in the top 10, with an additional \$15 million in sales. Cucumbers also remained a top 10 growth commodity in December, though it lost a few places compared to prior months.

Product	\$ vs. YA	\$ sales vs. YA	Lbs sales vs. YA
Berries	+\$61.9M	\$875M	+15.5%
Avocados	+\$37.9M	\$246M	+7.8%
Mangoes	+\$21.3M	\$47M	+144.4%
Peppers	+\$19.7M	\$244M	+2.4%
Kiwis	+\$14.7M	\$41M	+39.1%
Tomatoes	+\$10.4M	\$356M	+2.6%
Broccoli	+\$9.8M	\$125M	+0.0%
Cucumbers	+\$8.8M	\$144M	+5.5%
Onions	+\$8.4M	\$259M	+0.6%
Lettuce	+\$6.9M	\$243M	-3.6%

Virtually all households purchase fresh fruit or vegetables at least once a year, at 99%. The department's strong results in 2024 are related to the growth in the number of times people bought fresh fruit and/or vegetables. At 84 trips per year, visits grew 3.3% year-on-year.

While shoppers focused on balancing spending through fewer units per trip, this resulted in a 3.5% increase in the total dollars per buyer per year, which averaged \$763 in 2024.

Continued focus on frequency and purchase optimization will help drive new records in 2025.

Inflation Insights

In December 2024 (the four weeks ending 12/29/2024), the price per unit across all foods and beverages in the Circana MULO+ universe stood at \$4.35. This reflects an increase of 2.3% over December 2023. Fresh food prices averaged \$4.45, which was an increase of 3.1% over December 2023. The upswing in December prices was influenced by substantial inflation in eggs, beef and other areas. Center-store prices averaged \$3.93, an increase of 2.1% over December 2023. Compared to the pre-pandemic baseline, the average price per unit of \$4.35 is 42.2% higher than the 2019 average of \$3.13.

Food & beverages	2019	2020	2021	2022	2023	2024	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Dec 2024
PPU	\$3.13	\$3.31	\$3.49	\$3.93	\$4.17	\$4.24	\$4.18	\$4.24	\$4.24	\$4.30	\$4.35
Change	+2.0%	+5.7%	+5.5%	+12.5%	+6.1%	+1.7%	+1.2%	+1.5%	+1.9%	+2.1%	+2.3%

“A switch in holiday timing, especially in the light of our report cut-off date always wreaks havoc on shopping patterns and certainly our sales trendlines,” said Joe Watson, IFPA's VP of Retail, Foodservice and Wholesale. “Nevertheless, December brings several impressive results, especially by powerhouse berries. Already more than twice the size of the number two seller, apples, berry sales just continue to grow and grow. Avocados has also had an impressive year for December on the fruit side. In vegetables, deflation pulled down potato sales year-on-year, but tomatoes, onions and peppers had a strong month.”

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

FUTURE OUTLOOK

What's Next

Some of the New Year's holiday spending is likely to appear in the January 2025 report. New Year's resolutions typically affect January sales patterns as well. A host of surveys found the typical themes of saving money, selfcare, eating healthier and exercising more.

- Stressing the economic advantage of home-cooked meals can be a way for grocery retailers to address consumers' desire to save money in the new year. This includes deli-prepared meals and ingredients that provide restaurant convenience at lower prices. Many produce offerings in the deli department have seen excellent growth all year.
- Consumers are increasingly seeking balance in physical health and emotional wellbeing. This often puts the spotlight on fresh produce with its strong health halo.
- Shopping and sales patterns in the first quarter of 2025 are likely to resemble those of the latter half of 2024. Consumers remain hyper-focused on price and promotions, shopping more often and including more channels. Everyday-low-price formats have been gaining share, making promotional reach for hi-lo formats more important.

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

METRICS

December 2024 sales	\$ Sales	\$ vs. YA	Lbs vs. YA
Fresh Fruits and Vegetables	\$6.6B	+1.7%	+0.4%
Fresh fruit	\$3.2B	+3.0%	+2.1%
Berries	\$875M	+7.6%	+15.5%
Apples	\$374M	+0.7%	-0.9%
Grapes	\$370M	-5.7%	+0.5%
Bananas	\$273M	+0.6%	+4.1%
Avocados	\$246M	+18.2%	+7.8%
Mandarins	\$184M	-3.8%	-4.2%
Melons	\$132M	-7.0%	-16.0%
Oranges	\$128M	-1.6%	+2.4%
Pineapples	\$89M	+5.0%	-3.4%
Mixed fruit	\$88M	+2.5%	-1.3%
	Dollars	\$ vs. YA	Lbs vs. YA
Fresh vegetables	\$3.3B	+0.5%	-1.3%
Tomatoes	\$356M	+3.0%	+2.6%
Potatoes	\$347M	-5.9%	-3.4%
Onions	\$259M	+3.3%	+0.6%
Peppers	\$244M	+8.8%	+2.4%
Lettuce	\$243M	+2.9%	-3.6%
Salad kits	\$221M	-2.4%	+0.7%
Cucumbers	\$144M	+6.5%	+5.5%
Carrots	\$137M	+1.8%	-2.5%
Broccoli	\$125M	+8.6%	+0.0%
Mushrooms	\$121M	-4.8%	-3.6%
December 2024 sales	\$ Sales	\$ vs. YA	Lbs vs. YA
Meat department	\$8.9B	+3.4%	+0.0%
Refrigerated department	\$8.9B	+9.8%	+1.0%*
Deli department	\$6.6B	+1.7%	+0.4%
Bakery department	\$4.4B	-0.1%	-2.5%
Seafood department	\$3.9B	-0.6%	-0.6%*

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