

PMA aftermath, The West Coast Produce Expo and the US Election; this will be a November to remember!



Fresh Summit has come and gone and I am sure you will agree it was a PMA Trade Show like no other. Love it or hate it, if you are like me, you are probably still working through the multitude of follow ups throughout this month. The West Coast Produce Expo gives us another chance, next week, to connect virtually with all our partnerships in the produce industry. If you happen to be participating in this event, drop me a line, it would be great to connect over a virtual coffee. And how can I overlook the momentous election underway right now. Being a Canadian, I can view the events as a spectator, however, it would be naive to think that whatever side the US electorate chooses will not have a profound impact on our industry.

So needless to say, November will be a busy month. All the more reason to pick up the Execulytics Newsletter to keep you grounded during the chaos. Our exclusive Produce Moneyball feature predicts December costs for prime Holiday time favorites. In That's what she (and he) said we continue to look at consumer attitudes towards packaging in the midst of the pandemic. Lastly in Store Tours we are in the stores again looking for Holiday merchandising and to make an early determination if COVID is impacting this important selling season.

I hope you enjoy this month's edition of the Execulytics Newsletter. This month, our Execulytics featured service is [Produce DNA](#). A low cost, subscription based service offering Canadian consumer and retail analysis. If you want to make larger inroads into Canada, subscribing to Produce DNA will help make that objective a reality.

Produce Moneyball



Another November, you know what that means? It means Produce Moneyball will predict costs for products that will likely find their way into your hearts and onto your plates this Holiday season. Every product has their 'season' and sometimes we call that time frame, that product's Christmas. For example, the back to school time frame is deli meat's Christmas, Halloween is Christmas for pumpkins. Well for many produce items, Christmas is their Christmas and having a little advance notice on their costs is like Santa Claus leaving the winning lottery numbers in your stocking.

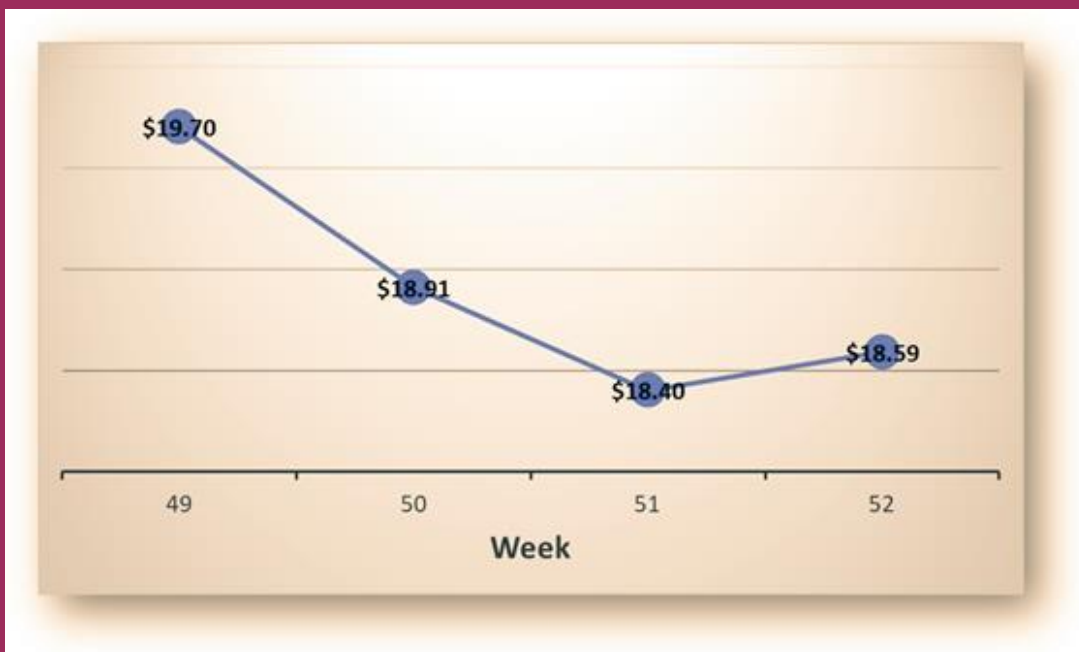
This month, using historical costs from the years 2010 through 2019 we will predict the weekly FOB costs of 48 count Navel Oranges, 40 pound Sweet Potatoes and 20 pound Broccoli Crowns for December of this year. Give these predictions a gander, it might just be the healthiest thing you do this Holiday season, if it generates strong opinions one way or another, give me a call. I'd love to discuss it with you. But again, I must remind you, predicting future costs is not a guarantee, use Produce Moneyball, just like you would use mysterious numbers placed in your stocking, at your own peril and be sure to combine it with other pieces of intelligence you have at your disposal.

48 Count Navel Oranges

Once the cold weather sets in, oranges begin to take a larger role in the grocery stores and people inevitably start to think about the holidays. It doesn't hurt that navel oranges have a long history with Christmas. Perhaps some of your parents are like mine, you know the ones who balk at the gifts we get our children this time of year. Mine would always tell me as kids their presents consisted of a single navel orange, and they were happy to get it.



Looking at the top visualization, a few things jump out. First is the mountain range look of the graph demonstrating costs that start the month at a high point, then drops. Second is the fairly consistent upward trend representing an average annual inflation rate of 2.8%. Lastly, 2019 reversed the upward trend. Is this a one year anomaly? We'll see. Our projections show costs sustained below \$20 FOB and mostly dropping during December.



40 Pound Sweet Potatoes

Does anyone remember when sweet potatoes were a holiday time treat? Only making appearances for Thanksgiving and Christmas. They've come a long way since then. Now it seems they are almost as likely to be on the dinner plate as are other potatoes. It's hard to resist their creamy sweetness. That said, they do take on a heightened importance this time of year, if you can resist sweet potatoes in the first eleven months, I doubt you can in the twelfth.



Interesting visualization. There looks to be three separate cost shelves. The first shelf from 2010-2014 has costs in the \$8-\$10 FOB range, the second shelf during 2015-2018 shows costs increasing to \$12 FOB. 2019 might be the start of a new shelf at \$15 FOB. All this spells an average annual inflation rate of 5.6%. Put it all together and we get a projection that looks a lot like the 2019 shelf with costs in the \$14 FOB range and increasing slightly during the month.

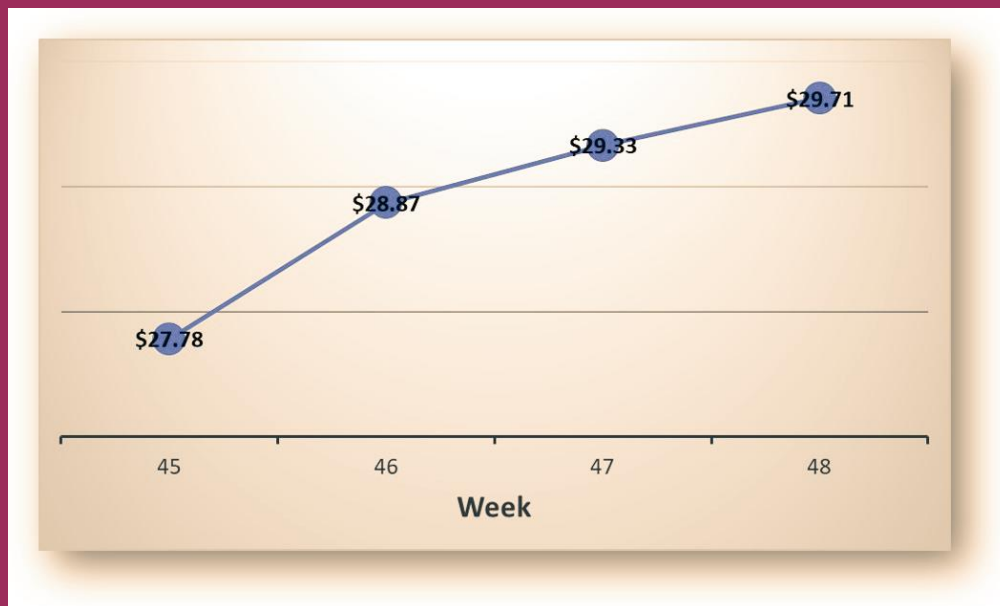


20 Pound Broccoli Crowns

I've talked to some broccoli growers who say their favorite part of the broccoli is the stem. That begs the question why would anyone want to buy broccoli with the best part removed? To each their own, I guess. If you happen to like just the crown, then listen up, this section was tailor made for you.



We've seen these types of visualizations with vegetables before. Some significant year over year inflation/deflation but over all a flat long term trend with average annual inflation of 0.4%. The high cost during this period is over 400% of the low cost. Our projection keeps costs on the lower end in the mid teens and declining during the month.



The 2020 Produce Almanac is the place to go to see the costing data used to build these models. Click on the button to find out more. Also, feel free to monitor the costs of navel oranges, sweet potatoes and broccoli crowns and drop me a line to compare actuals vs. projections.

[Produce Almanac](#)

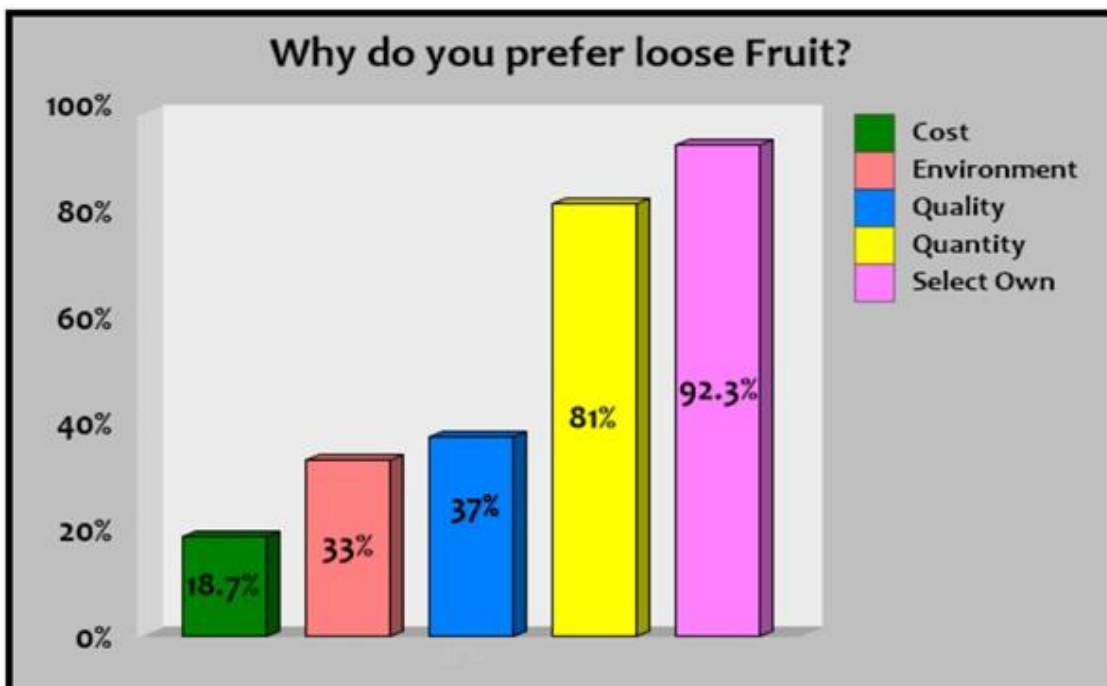
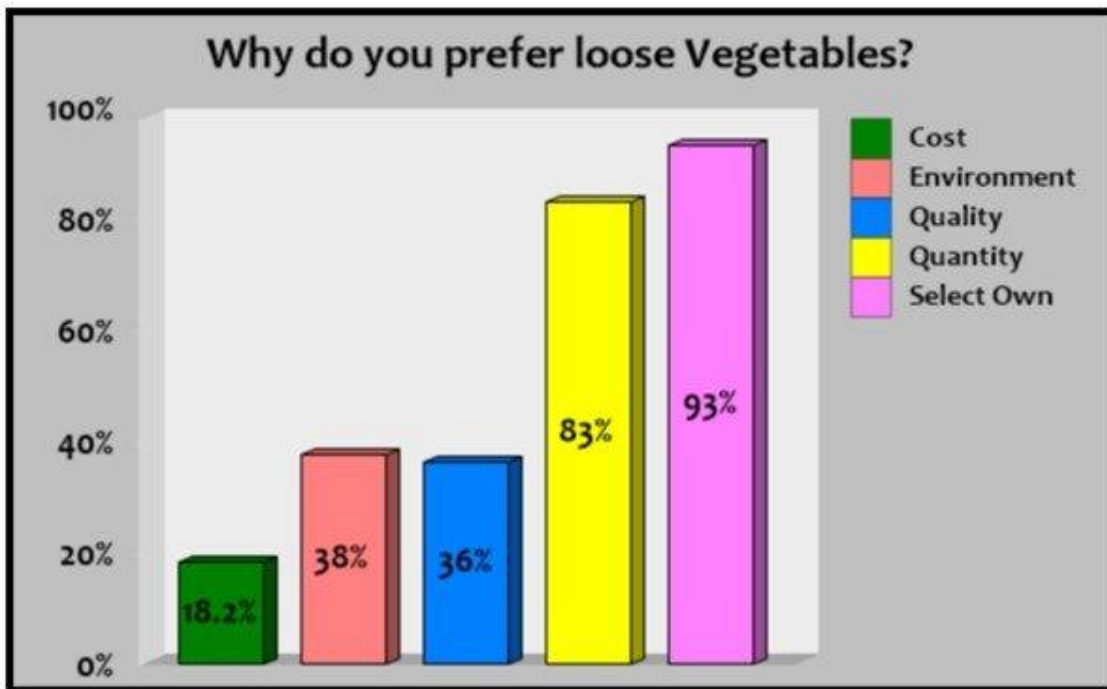
That's what she (and he) said



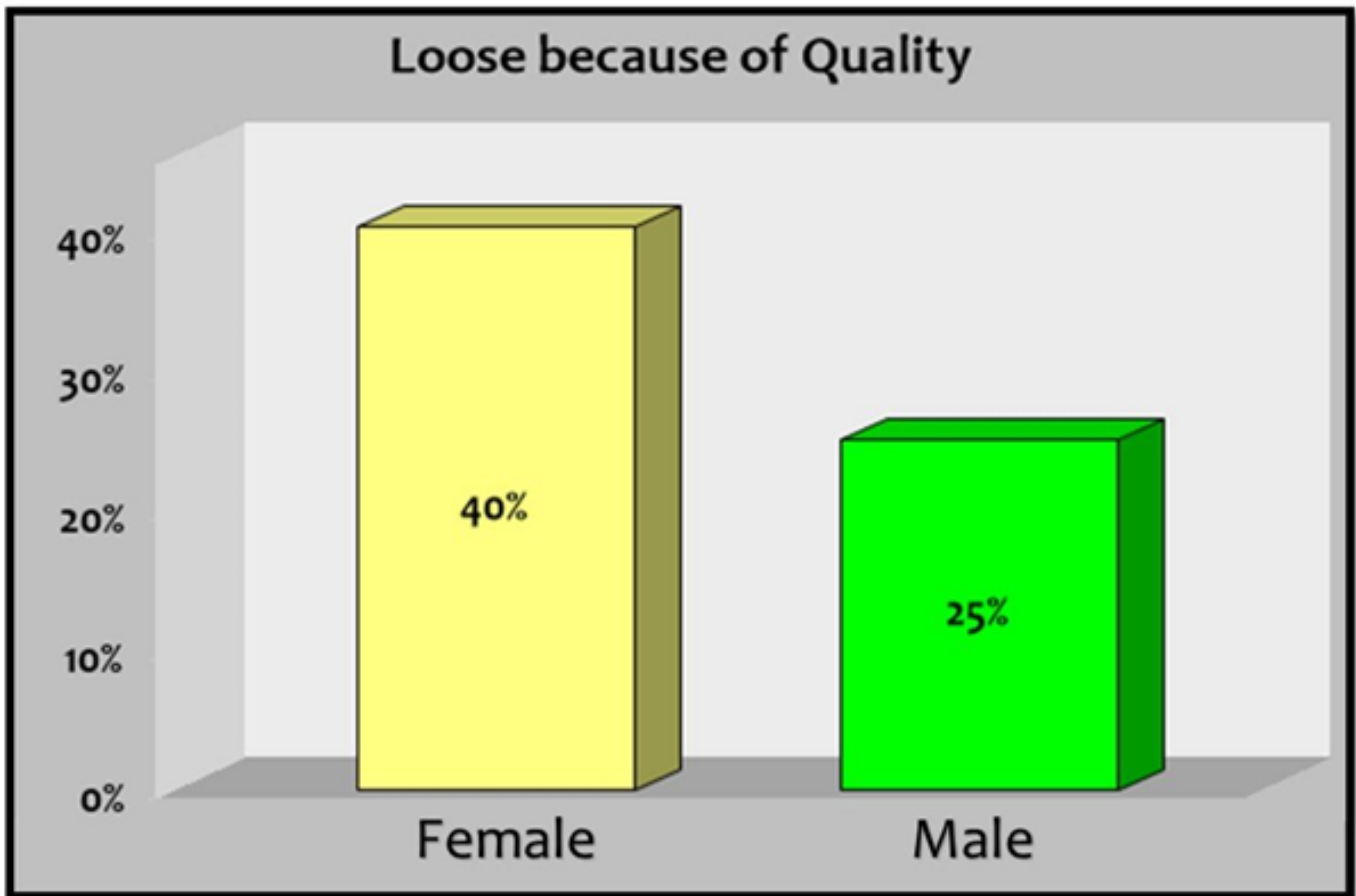
Last month in *That's what she (and he) said* we learned that purchasing loose fruits and vegetables continues to be the preferred format. Does this mean that everything we've heard about the COVID impact on packaged produce has been overblown? The short answer is no. If you want the longer answer you'll have to wait for a future edition. This month we are going to explore what it is that makes loose produce so popular. Is it a touchy/feely thing? Is it about quality perception? Maybe price perception? It's probably all that and more. But read on to find out which of these attributes of loose produce is the most appealing element of produce in the buff.

People choose loose produce for many reasons

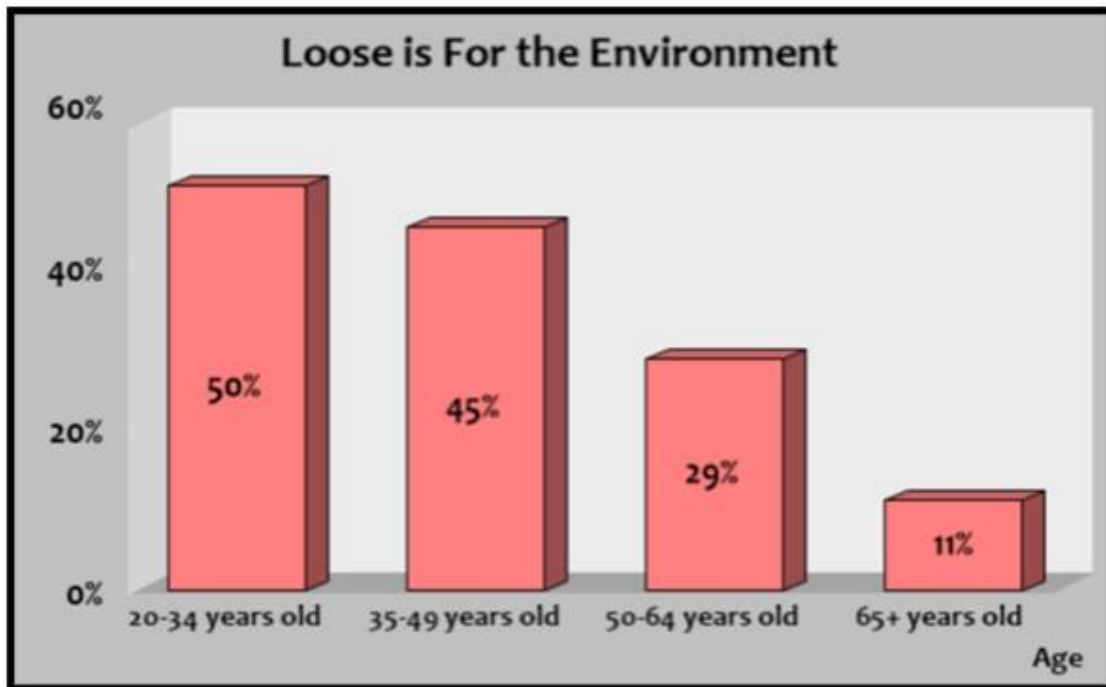
There is a lot to unpack here. We know from last month's edition that loose is the preferred method to purchase fruit and vegetables for approximately two-thirds of our panel. This week we take a closer look at the reasons why...and there are plenty. The two biggest reasons are because people want to purchase a specific quantity and people just want the option to select their own product rather than be forced to take what they're given. Being able to select the quality they want, concern for the environment and a desire to save money all register as the other reasons why loose is selected over packaged produce. As you can see from the two charts below there are few difference for why the panel selects loose vegetables versus loose fruit.



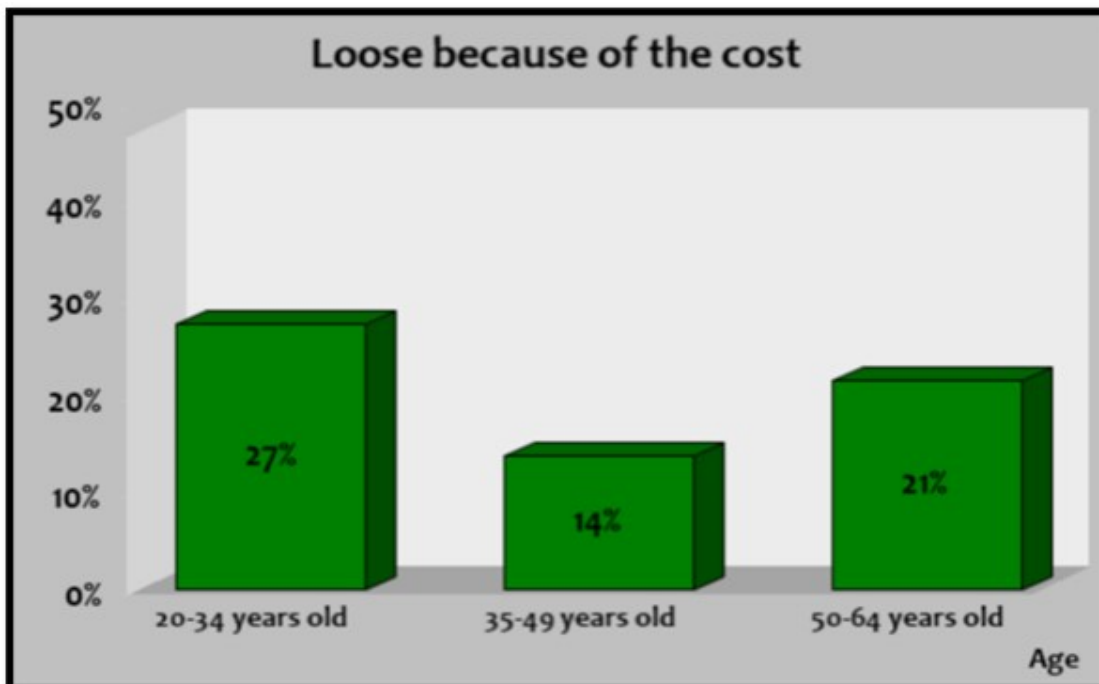
When looking separately at why women and men prefer loose produce, one glaring difference is that women are more apt to consider loose produce to be higher quality. While only 25% of men cite quality as a reason to prefer loose fruit and vegetables, 40% of women cite the same. This should not be confused with women being more likely to favor high quality produce but rather that women are more likely to consider loose produce to be higher quality than packaged produce.



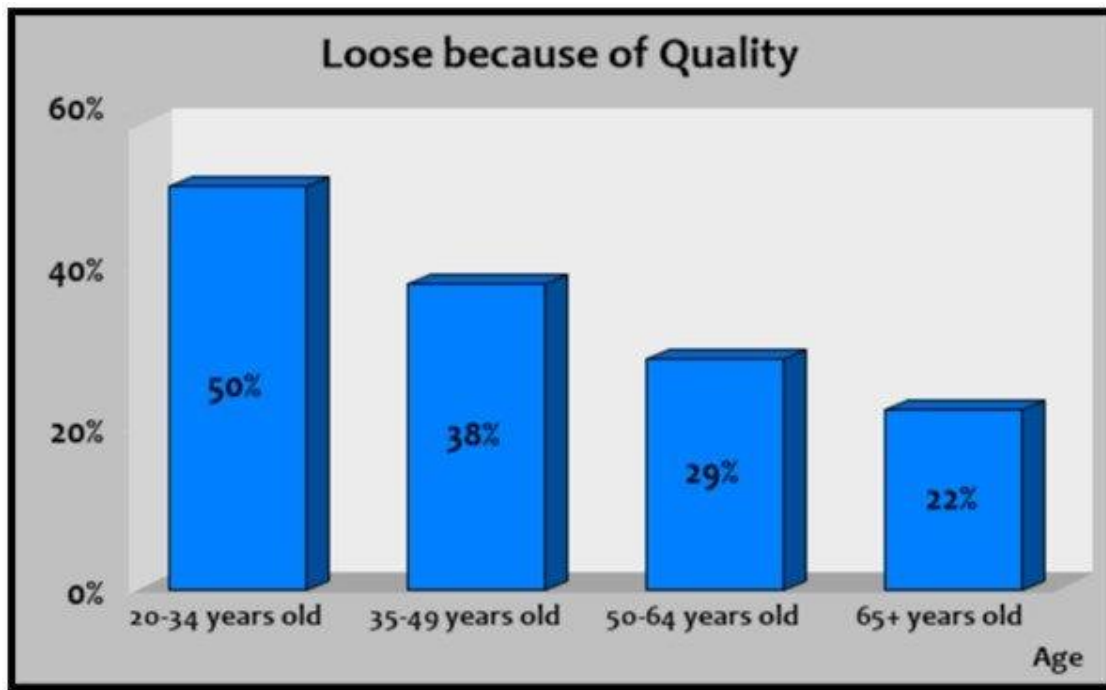
Things get interesting when looking at age demographics. Based on the Execulytics Consumer Panel, the younger you are, the more likely you are to select non-packaged produce to reduce its environmental impact. It is quite telling that 50% of millennials say the environment factors into their produce purchase decisions compared to only 11% of seniors.



Meanwhile, there is no recognizable trend when it comes to a desire to save money by purchasing loose produce. Conspicuously absent from this chart is the senior crowd.



Taking another look at quality, this time by age and we see a chart that looks a lot like the chart regarding the environment. Millennials use quality as a factor for why they select loose produce, while again, seniors to a much lesser degree.



This month, we reviewed a lot of data in That's what she (and he) said. We studied all the reasons why many people favor loose produce over packaged fruit and vegetables. The one thing that stands out as an actionable consumer insight is the tendency for younger demographics to consider concrete criteria like cost, quality and the environment when making purchase decisions. While older demographics, namely seniors, do not, suggesting that purchase decisions are driven more by habit. It would stand to reason that any kind of marketing will resonate more with younger people.

Harness the power of consumer intelligence

If the Execulytics Consumer Panel can help your organization accomplish your customer goals click on the button to learn about our expanded capabilities.

[Find out more](#)

Store Tours



Now that Halloween is over with, it is reasonable to expect a merchandising flip in the produce departments. Read on to see if that expectation plays out in reality. Once again we were out in the stores looking for the latest and greatest.

Ontario

October 32nd means its Holiday setup time



Some people mark the date October 32nd on their calendar...wait, what? Since when does October have 32 days? If you work in a grocery store and happen to be working the night shift after store closing on Halloween night and before store opening on November 1st, you might consider that October 32nd. Although most holidays have little staying power post-holiday, Halloween is perhaps the one holiday epitomizing this fact best. Hence the rush to disassemble Halloween and assemble Christmas, making the post Halloween shift feel like a whole day in and of itself. Pictured above in an Ontario Metro store you can see what have become holiday staples in the produce department. Wonderful products, not just products that we have come to love, but Wonderful branded products. Pistachios and pomegranates and lots of them.



It's not just produce getting into the act either. Not that it should surprise anyone that Holiday merchandising is a total store effort. It can be helpful for us to look at the merchandising techniques of the other departments to generate ideas. To the right is a display of gingerbread products. In the past that would have meant houses. But nowadays, there are all kinds of structures you can build out of gingerbread. I particularly like the X-Wing fighter pictured below.



Pistachios every where you look

We saw it in Metro and now we see it at Sobey's. You can pretty much expect to see big displays of pistachios in most grocery stores across Ontario from now until the New Year. If we were to dissect this program, there would be a lot to talk about. It all starts with a product that people want and are looking to stock up on. But the real magic lies with disrupting the customer's shop using a high graphic bin and a POS package that shoppers can't help but notice. Easier said than done, but for all you product marketers out there, the pistachio story makes for a great template. Start with a product that people want and then make sure they can't go into a grocery without running into a display of it. Like I said, easier said than done.



Little Potatoes around every corner

If customers can take their eyes off the attractive pistachio displays long enough, they'll likely have no trouble finding mini potatoes in this Ontario Sobey's store. This popular product family was showcased on no less than four displays. I particularly liked the cross-merchandising and meal planning ideas. Again we see a product that people want placed on disruptive displays that shoppers notice, in case you are keeping score.



If there are elements of this newsletter that you think could become a custom service for your organization, drop me a line, I am available to discuss your business needs. Feel free to forward this email to your colleagues and encourage them to subscribe by sending their name and email address to info@execulytics.ca or by signing up at our website execulytics.ca

Sincerely,

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