

We made it, Baby!



Here we stand at the precipice of another year end. And all we can say is, we made it! It wasn't exactly the easiest of years, in fact, I am sure many will say 2020 will go down as one of the most difficult years. But despite all that's happened, a lot was accomplished. For starters, the produce industry led the food business in the speed with which we bounced back after panic buying stripped the shelves bare. We defined the term 'business continuity in the face of adversity'. We also learned how to collaborate virtually, with many online trade shows. When all is said and done I believe we will look back at 2020 and consider it an important moment in time. Not only did business thrive in many sectors of the produce business, but we learned again that we have the mettle to make things happen regardless of circumstances.

In short, hats off to the produce industry. Obviously the year isn't over and we have an important month ahead of us to ensure we make our all-important year end numbers, but still, why not take a short break and see what's up with the Execulytics Monthly Newsletter. Our exclusive Produce Moneyball feature predicts costs for the first month of the New Year. In That's what she (and he) said we take a quick look at consumer plans over the holidays (if you build it, will they come?). Lastly in Store Tours we again look for Holiday merchandising in the hopes that there is a glimmer of normalcy out in the stores.

I hope you enjoy this month's edition of the Execulytics Newsletter. This month, our Execulytics featured product is the Produce Almanac. We are knee deep into the third edition and this year we have a surprise. A predicted cost for every product for every week of the year. Now really, where else can you find that other than in the [2021 Produce Almanac](#)? Follow the link to pre-book yours at a special December cost.

Produce Moneyball

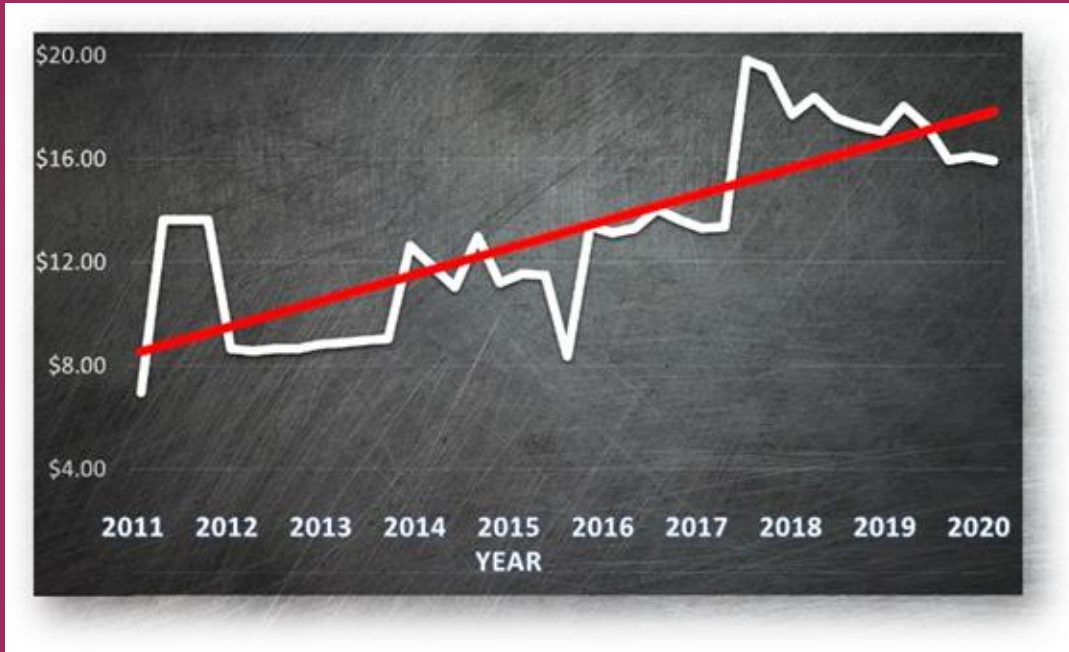


While we all have visions of sugar plum fairies dancing in our heads Produce Moneyball works on a bit of a different time horizon. In this section we concern ourselves with predictions in the month that follows. So while we still have lots of meal time celebrating to do, I am sure New Year's resolutions and 'getting back on track' are the furthest things from your minds. Nevertheless, this month we will predict the costs for products more associated with healthy eating (isn't that the whole produce department?).

This month, using historical costs from the years 2011 through 2020 we will predict the weekly FOB costs of 48 count Red Grapefruit, 72 count Honeycrisp apples and 24 count Green Leaf Lettuce for January of next year. Take a close look at these predictions, I further predict it will stir up some New Year's resolutions in ya, but if it generates strong opinions one way or another, give me a call. I'd love to discuss it with you. Just remember, predicting future costs is like predicting what 2021 will bring with it, use Produce Moneyball, at your own peril and be sure to combine it with other pieces of intelligence you have at your disposal.

48 Count Red Grapefruit

Is it just me, or are grapefruit making a comeback? Maybe it's because of the recent popularity of hoppy beers with their distinctive grapefruit flavor. Have they convinced people they like grapefruit again? I know the first time I sat on the dock drinking my favorite microbrew I began to develop an affinity. But that was the middle of summer, can the once mighty grapefruit pack that health food punch again? Maybe it's time to give it another shot.



Except for a few blips throughout the years, grapefruit has been on a steady climb up the FOB ranks. Ordinarily, this might suggest a product that is surging in demand but in the case of grapefruit it has a lot more with reduced supply. The upward sloping trend line represents an average annual inflation rate of a whopping 7.77%. No wonder it is getting so pricey with predicted FOB costs in the high teens and threatening the \$20 mark.



72 count Honeycrisp Apples

In many ways it was the honeycrisp that ushered in this new age of high flavor apples rejuvenating a once stagnant category. Don't you find that each new entrant into the category is better than the last? My love of apples has most definitely been rekindled in the last 5-10 years. All the better that the old saying "*an apple a day keeps the doctor away*" rings truer today than ever before, making honeycrisp a healthy January snack.



Do I read that right? Nearly \$90 per case in 2016! Thank goodness we are in 2020 and not 2016. Wait, what? That's probably the first time you've heard someone say that. But from the perspective of a honeycrisp customer, that may very well be the case. Costs have steadily come down since that lofty peak. Deflation for the entire period, spike and all, shows an average annual rate of 3.84%. Predicted costs for January are low \$40's FOB.

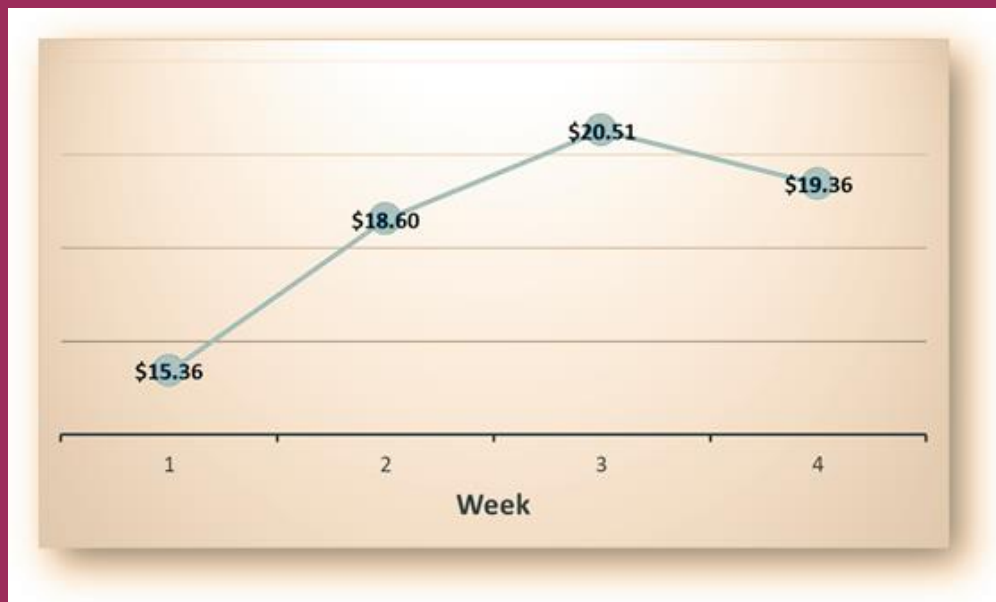


24 count Green Leaf Lettuce

We've talked a lot about romaine and iceberg lettuce in this segment, sometimes I forget about the 'other' lettuce. January is a good time to remember leaf lettuce. Undoubtedly, there will be more salads eaten during the 'New Year's Resolution' phase of the consumption cycle. I'm sure many people will want to change it up and go leafy.



Surprise, surprise, another leafy green and another roller coaster ride. This would be a good one too, many big drops and maybe even a loop at the end. Hard to make a prediction, but if it were easy everyone would be doing it, right? Average annual inflation is pegged at 4.82% yielding an FOB cost prediction that starts the year at just over \$15 and increasing to over \$20, before dropping again to end the month.



The 2021 Produce Almanac is the place to go for all the costing data used to build these models. Click the button to learn about the exciting new features in the third edition of this popular report. HINT: if you like Produce Moneyball, you'll love the 2021 Produce Almanac.

[Produce Almanac](#)

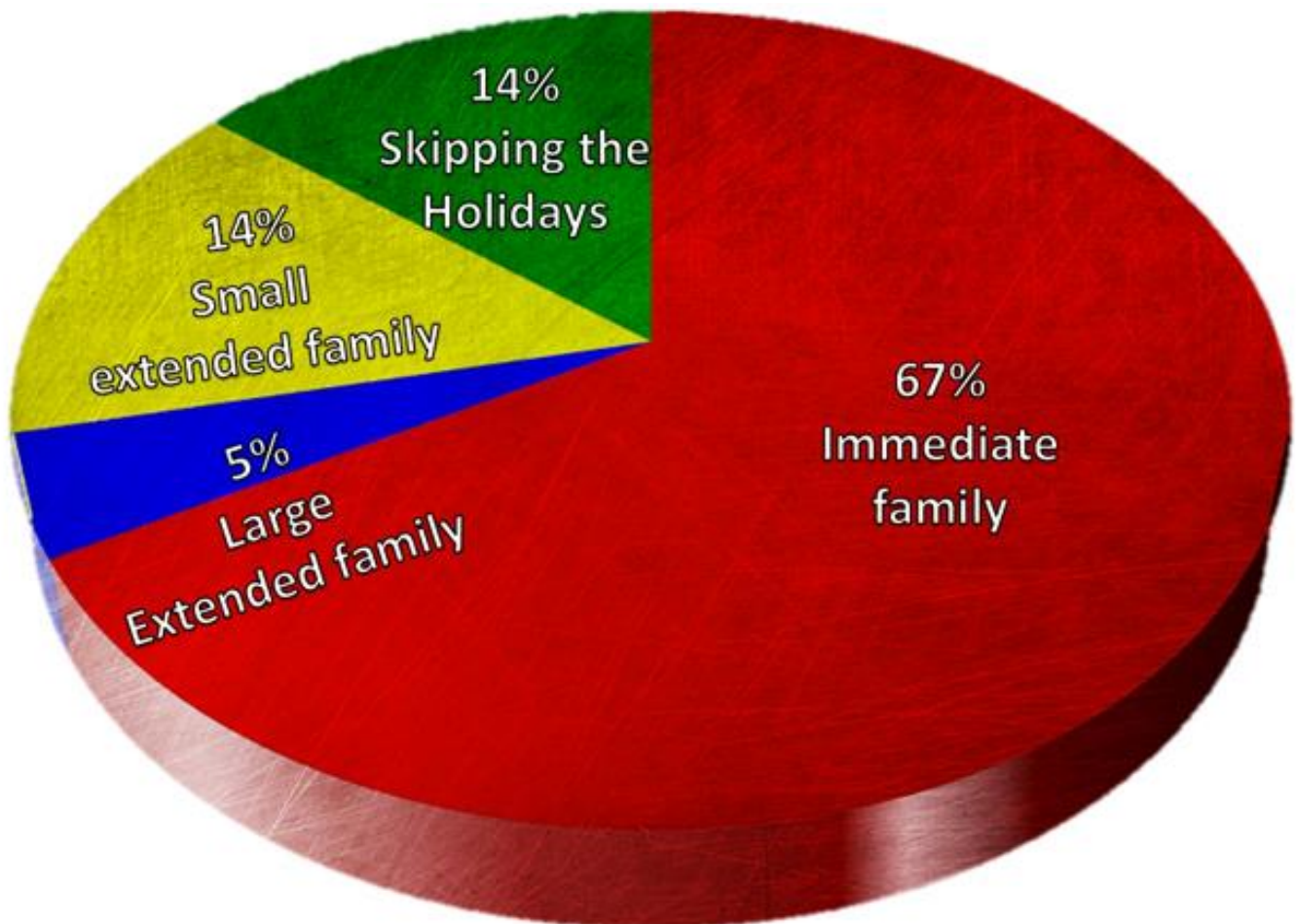
That's what she (and he) said



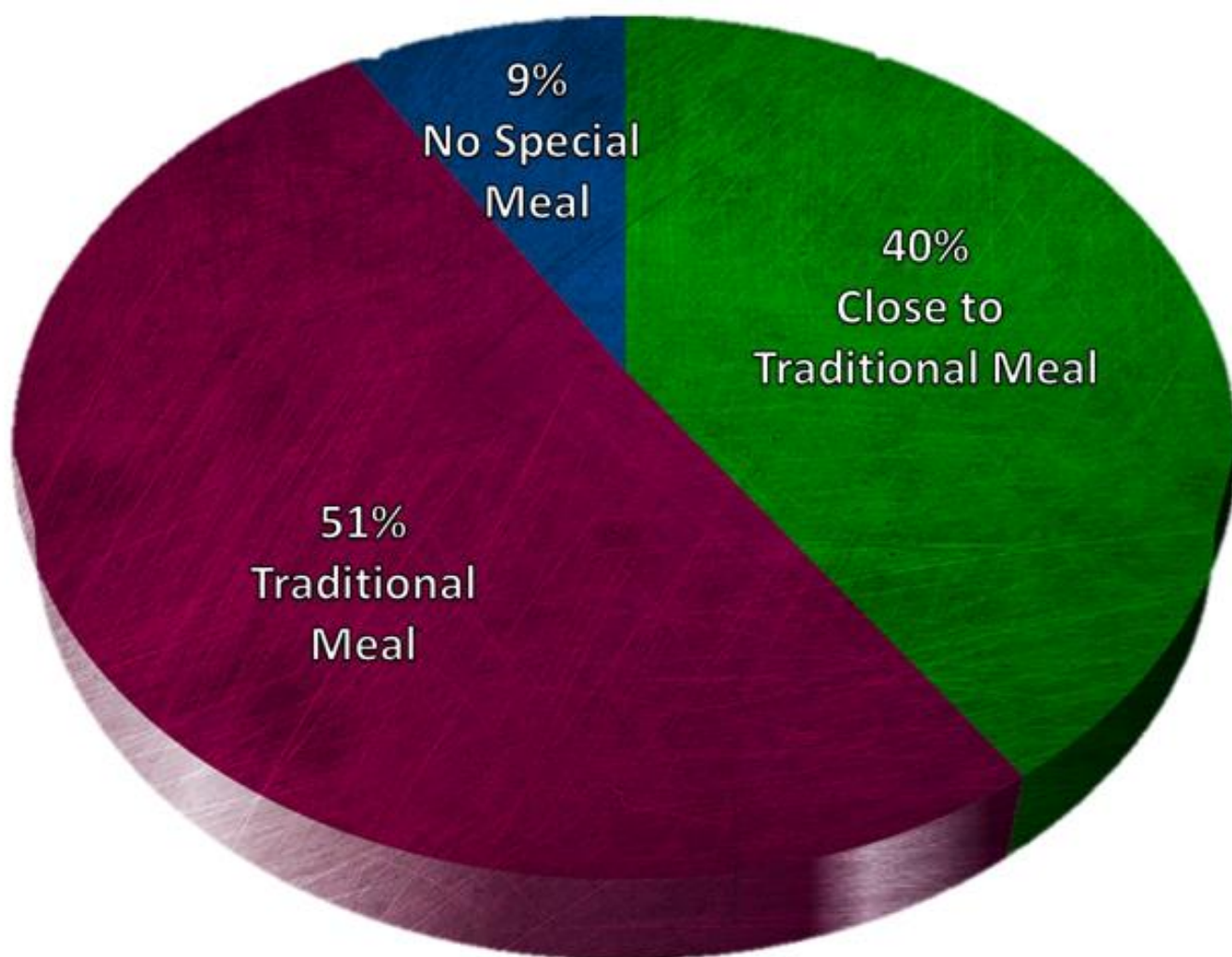
Although we all work in an industry that has been profoundly shaken up by COVID-19, the currency of the business, namely sales have been as robust as ever. But if we take our business hats off and remember that we are all much more than our businesses reflect, we will remember that a different currency has been in short supply this entire time. This currency is time with loved ones. And it's likely to be most evident during the Holidays. And while we won't get that currency reimbursed, it still leaves us wondering how will this impact the currency of our business. This month, we posed these questions to the Execulytics consumer panel. Specifically, we wanted to know how people will be spending the holidays and what does this mean for the traditional Christmas dinner.

If you build it...will they come?

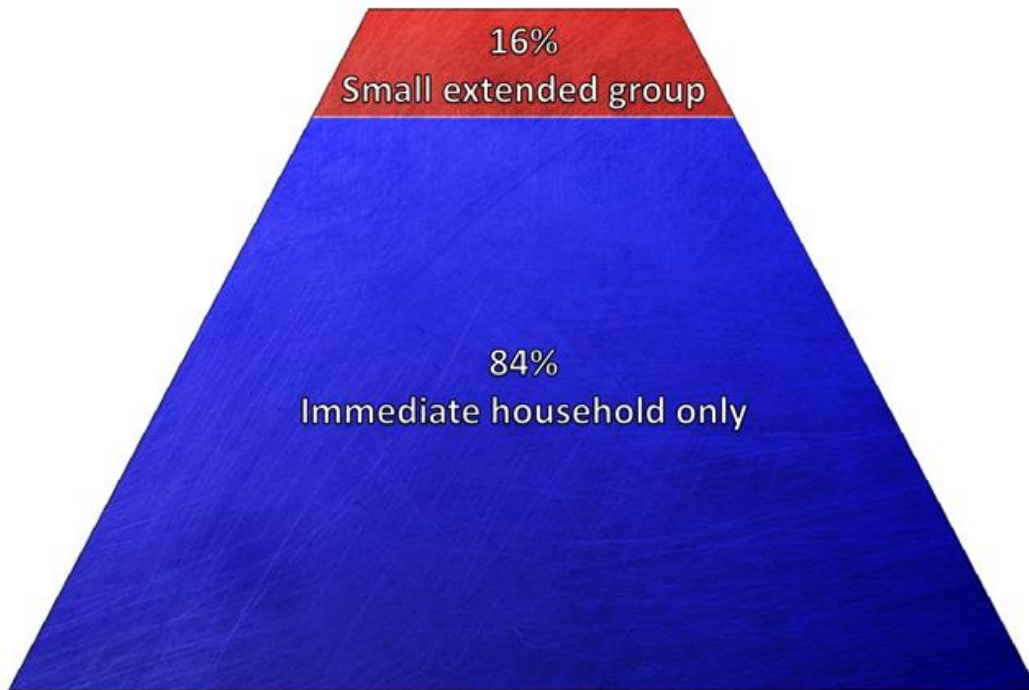
The question on everyone's mind this year is 'will people be out shopping?'. For those of us in the food business we can come close to answering that question simply by knowing what's on the Christmas dinner menu and how many settings will be placed at the table? Let's dive into the second part first. The graph below tells us how the Execulytics consumer panel plans to celebrate the Holidays in 2020 during what is expected to be the pandemic's peak. We see that 1 out of 5 people (19%) plan to spend time with their extended family this Christmas vs. only 14% who plan to skip the Holidays altogether. But the biggest chunk of the panel said they would be at home with their immediate family.



That's all fine and good, but it does not tell us whether or not to expect sales of the typical Holiday goodies. In last month's **Produce Moneyball** feature we predicted costs on navel oranges, sweet potatoes and broccoli; all favorites at this time of year. But was that all for naught? I mean who cares about the predictions if no one is there to buy the products? Well as it turns out, as the graph below shows, most people are planning on preparing (or just eating) a meal that either closely resembles a traditional meal or is exactly what they would classify as a traditional meal. In fact, over 90% responded as such, with slightly more people expecting a full-on traditional meal with all the fixin's. A small group did say they are not panning any special meal and as one might expect, this group had a large overlap with those planning on skipping the Holidays. So rest assured, reading last month's Newsletter was time well spent, at least according to the Execulytics consumer panel.



So that's what we know about Christmas, but what about New Year's? Are people planning big parties? Not according to the Execulytics consumer panel. Only 16% said they would be getting together with extended family and friends. But even these folks are planning just small get-togethers. No one said they would be planning big bashes to rid themselves of 2020. However, there are always closet partiers in any large group of people, so you never know.



So there you have it. Most people are planning to celebrate the holidays in some fashion that closely resembles normal. It will be with fewer people, but that just means a larger number of smaller celebrations. When it comes to getting your business prepared for the big event, it looks like it won't be far off from 'business as usual', at least from a sales point of view.

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



The rubber is officially hitting the road. And we're there to see it. Time to check out the Christmas merchandising we have come to expect this time of year.

Ontario

Discount getting into the Holiday Spirit

They say that customers flock to the conventional banners during the holidays so they can satisfy their needs for an expanded assortment of seasonal products. Well this Ontario Basics store is doing a good job convincing customers that they can get the key entertaining products they are looking for without changing where they shop. Pictured below are some of those key items including pomegranates, assorted shelled nut products and a full wing display of roasting chestnuts. Some pretty sharp prices too.



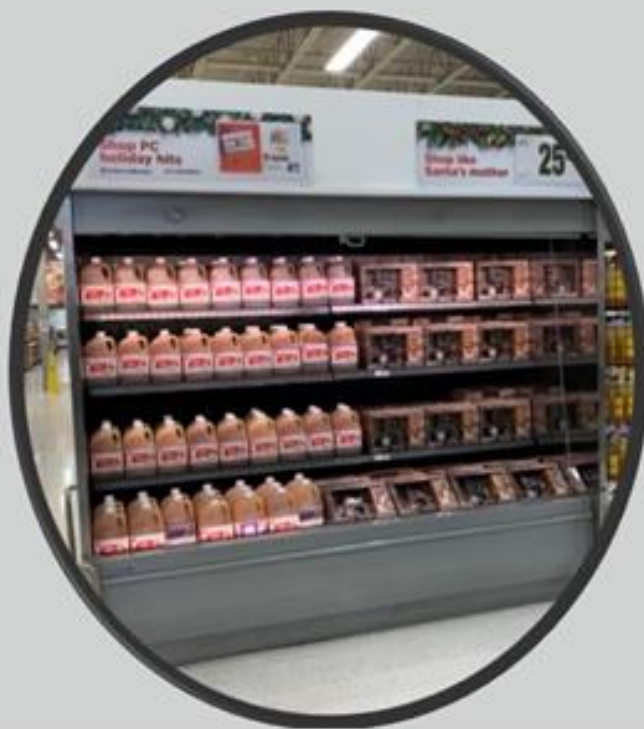
What did we say about oranges, sweet potatoes and broccoli?

Nice to see someone read last month's Produce Moneyball feature. Okay, I doubt that's why this Ontario Superstore has bin displays of these three products, but it's nice to see we're on the same page. Of course there were other bin displayers, not just oranges, sweet potatoes and broccoli, for example, rutabagas. No matter how you slice it, this store is ready for big sales on some big time Christmas dinner products.



Cider and other stuff

Back at Ontario Superstore and customers are greeted with a big wall of apple cider. I particularly like the cross merchandising with cheese platters to the right of the cider. Also pictured below are more examples of big merchandising of key holiday items. High graphic pomegranate bins, persimmon consumer cartons and an off shelf display of chestnuts. It's good to see COVID can't take everything away.



It's about more than just fruit and vegetables

After touring around town it's easy to see that December success is about more than just selling fruits and vegetables. The floral department gets into the game in a big way. And when I say big, I mean lots of space filled with colorful poinsettias, Holiday arrangements and Christmas trees. As you can see from the pictures below using space outside the store is a common tactic to expand the available selling space.



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

Have a Wonderful Holiday Season,

Managing Partner

Mike Mauti

A handwritten signature in black ink that reads "Mike Mauti". The signature is written in a cursive, slightly slanted style.

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