

What's that at the end of the tunnel?



I think it's a light! Over the last month there has been a deluge of news coming from the produce world and beyond suggesting that our year-long ordeal may be coming to an end. New vaccine approvals and a dramatically shrinking timeline to get all people inoculated in both Canada and the United States is the prime source for all the optimism. This has fueled the decision to resume in-person produce trade shows in many places south of the Canada/US border. While we may have to wait a little while longer for Canadian conferences, face to face gatherings are back on the agenda.

What better time than Spring to welcome this awakening? And what better time to get a leg up using *Produce Moneyball* to predict the costs of three Springtime favorites? In this month's *That's what she (and he) said* we consider consumer perceptions around packaged produce. Finally in *Store Tours* we get back into the stores to see if we can recognize any of the telltale signs of Spring.

I hope you enjoy this month's edition of the Execulytics Newsletter, give it a read while you ponder how your business will change in a post-pandemic industry. Speaking of a post-pandemic industry, if you think taking the pulse of the consumer and retail markets at this critical time could be helpful for you, check out this month's signature service, **Produce DNA**. This service delivers detailed consumer survey results and retail intelligence reports focused on the post-pandemic issues that are important to many businesses. If your interest has been tweaked you can find out more [HERE](#).

Produce Moneyball



May is normally a pretty big month in the produce world. May long weekends usher in the unofficial start to summer. With all this optimism, this May could be even more important than in a typical year (will there ever be another *'typical'* year?). This month, **Produce Moneyball** will look at key products that signal Summertime. I suggest you pay close attention this month, with everything going on, this could very well be the most important **Produce Moneyball** segment of the year.

This month, using historical costs from the last ten years we will predict the weekly FOB costs of 8 x 1 lb. Strawberries, 28 lb. Asparagus and 45 count Seedless Watermelon. It's no surprise that these are all produce items you would likely find in a May Long weekend lunch spread. If you read something that makes you think *'this will help me in the future'* give me shout, I'd love to discuss it with you. Just remember to use **Produce Moneyball** carefully, it yields as good a prediction as you're going to get, but in these changing times, you'll need to use all sources of info at your disposal in your decision making.

8 x 1 lb. Strawberries

There are products that can deliver significant volume every week of the year and there are products that deliver oversized volumes during peak season. Strawberries is one of the rare produce products that combine those two volume driving attributes . And it all comes to a head during the month of May. If you have lived it, you know it to be a time period not to be approached lightly.

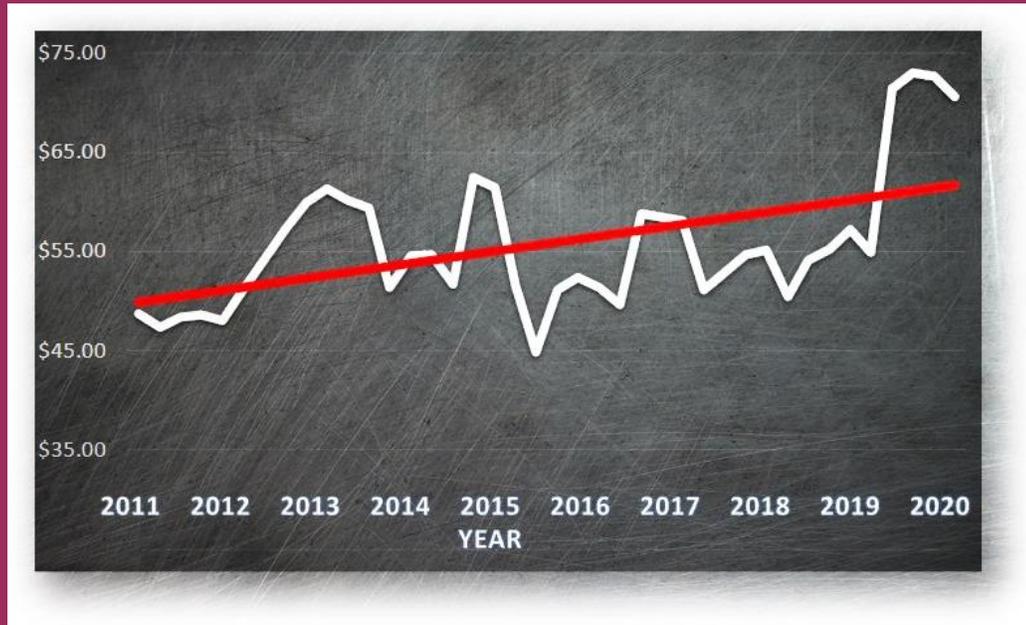


The numbers don't lie. Some years the FOB costs are high, other years they are low. Throughout the chaos, we can see a downward trend, represented by average annual deflation of 1.8%. Most recently we witnessed a 2020 'COVID' spike. While that may not completely go away in 2021, it is reasonable to assume a pullback to more historic costs, hence the predictions between \$7.50 and \$8.00 for this year.



28 lb. Asparagus

They say that 'April showers bring May flowers'. This saying may be felt most strongly in the asparagus patch. While asparagus is past its early Springtime peak, it experiences a bit of a renaissance each May when local seasons, particularly across the Northeast begin to pump out substantial volumes. And as the saying goes, what happens in April can have an impact on what happens in May.



What happened in April 2020? For one Peruvian imports were restricted driving higher costs for asparagus across the business. This turmoil spilled into the local seasons, which had their own issues to deal with being one of the first to manage changing foreign labor issues. Chances are 2021 will be less volatile. Predicted FOB costs north of \$60 leave us on the higher end of normal.



45 count Seedless Watermelon

Is it Spring? Or Summer? Watermelon represents the unofficial bridge between the two. The month of May ushers in the start of peak season for watermelon as consumers on both sides of the border prepare for the long weekends that signal the start of summer entertaining. Will 2021 continue this trend?



Another up and down product that hit an upswing during the unpredictable early time period at the start of the pandemic. Experiencing average annual inflation of 3.2%, perhaps the days of FOB costs in the low teens per pound are in the past. This year expect costs in the low \$0.20's per pound leading up to and during the Victoria Day and Memorial Day long weekends.



The 2021 Produce Almanac is now available. If you are a fan of Produce Moneyball and want to see more data, visualizations, predictions and a whole lot about what makes this industry tick, click the button and read what others have said. Also, learn about more features and see a preview of the new edition.

[Produce Almanac](#)

That's what she (and he) said

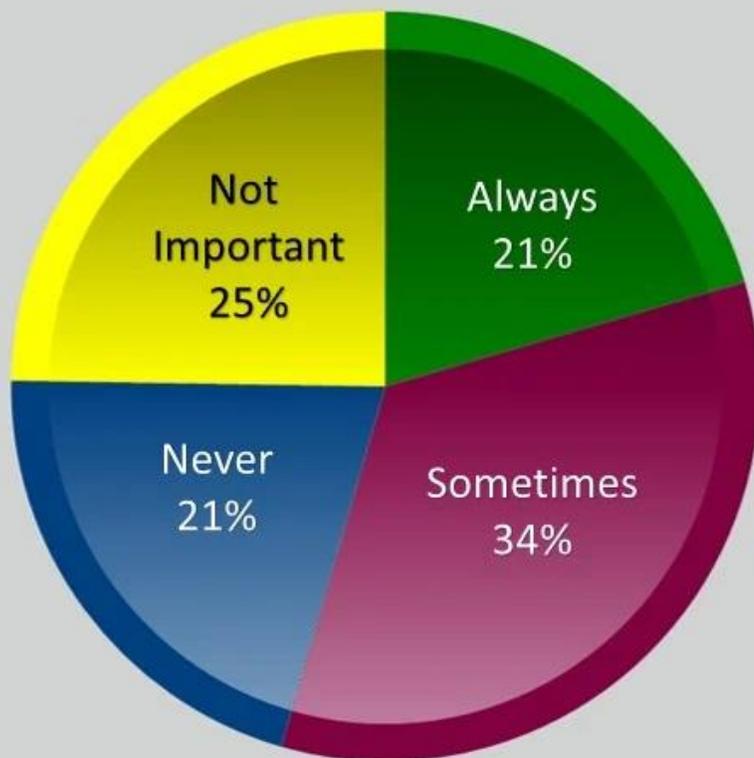


Do you remember way back before the pandemic? One of the hottest of the hot button consumer issues was the use of plastic packaging in produce. Suddenly, COVID-19 hit and those concerns took a back seat to ensuring product was not contaminated. Even though countless studies showed the virus was not food borne, consumers seemingly wanted to keep strange hands off their fresh produce.

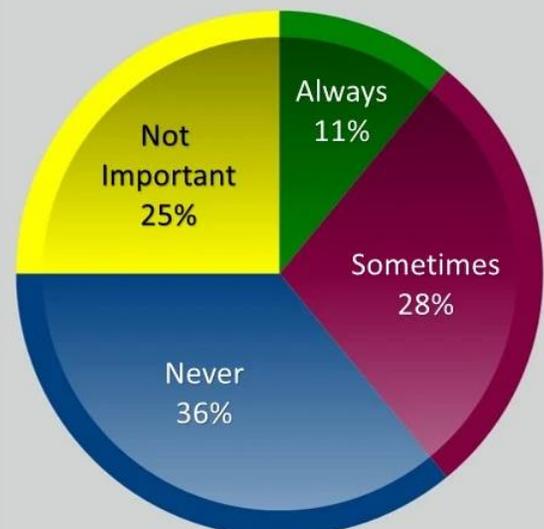
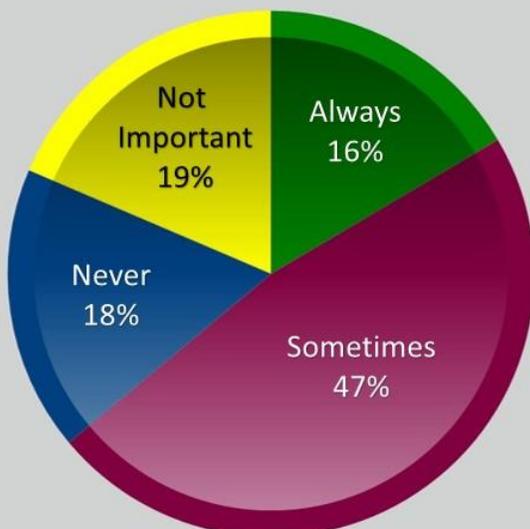
How entrenched are consumers in this view? Will plastic use take center stage again once we are back to something resembling normal? We won't know for sure until the pandemic is over. But we did ask our panel recently about plastic use in produce. Their answers are interesting, to say the least.

Packaging good? Or packaging bad?

This would have been an easier question to answer back in 2019, or even in 2020, but in 2021 it gets a bit complicated. Chances are it will remain a bit complicated until we are completely out of the woods. But it's always good to take stock of the current situation. A couple months back we asked our panel when; purchasing fresh fruits and vegetables do they look for packaged produce first? As seen in the first chart below, over half of the group said they do either always or sometimes, while just under half said never or packaging is simply not an important purchase criteria. So a slight lean towards being important, but pretty close to an even split.

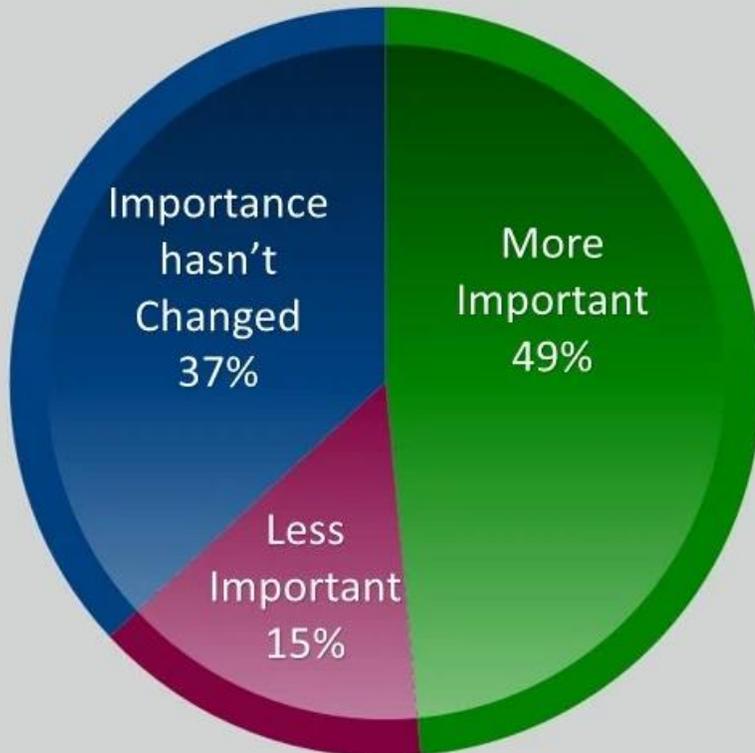


Things get a little more interesting when we take a closer look at the demographic differences. While men and women answered this question largely the same, different age groups tend to value packaged produce a little differently. This is most prevalent when comparing millennials and their boomer parents. The chart to the left are panelists aged 25-34. 63% of this group choose packaged produced first at least some of the time compared to only 39% for the group aged 55 or older. Perhaps the older cohort is just used to buying bulk produce and are not as quick to change their ways.

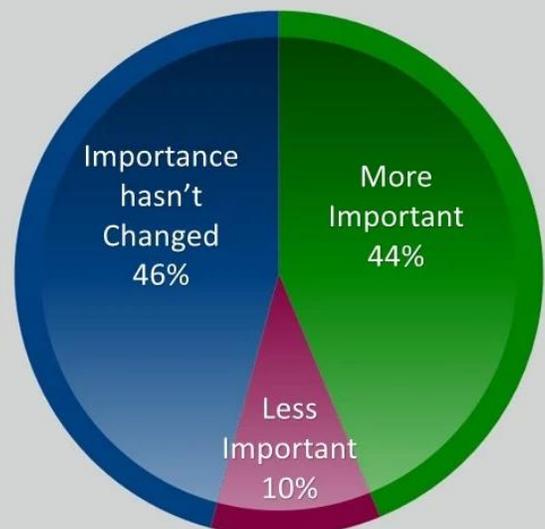
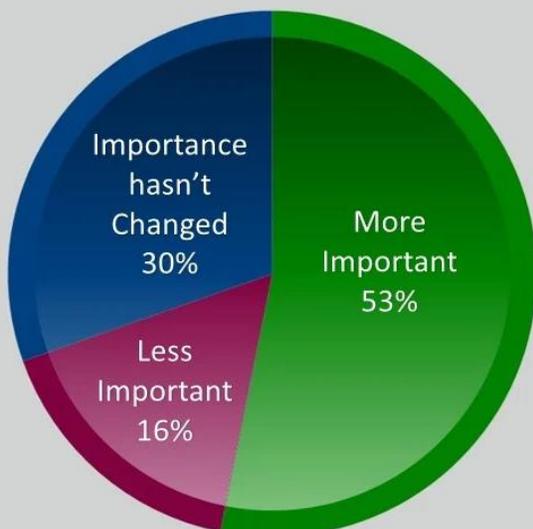


Have views on packaging changed in the COVID era?

Not surprisingly, nearly half of the panel confirmed that packaging for fruit and vegetables have become a more important product attribute since the start of the pandemic. I say not surprisingly because we can easily remember before COVID when reducing consumer packaging was a hot button, while during COVID product hygiene was the hot button issue that captured the attention of consumers.

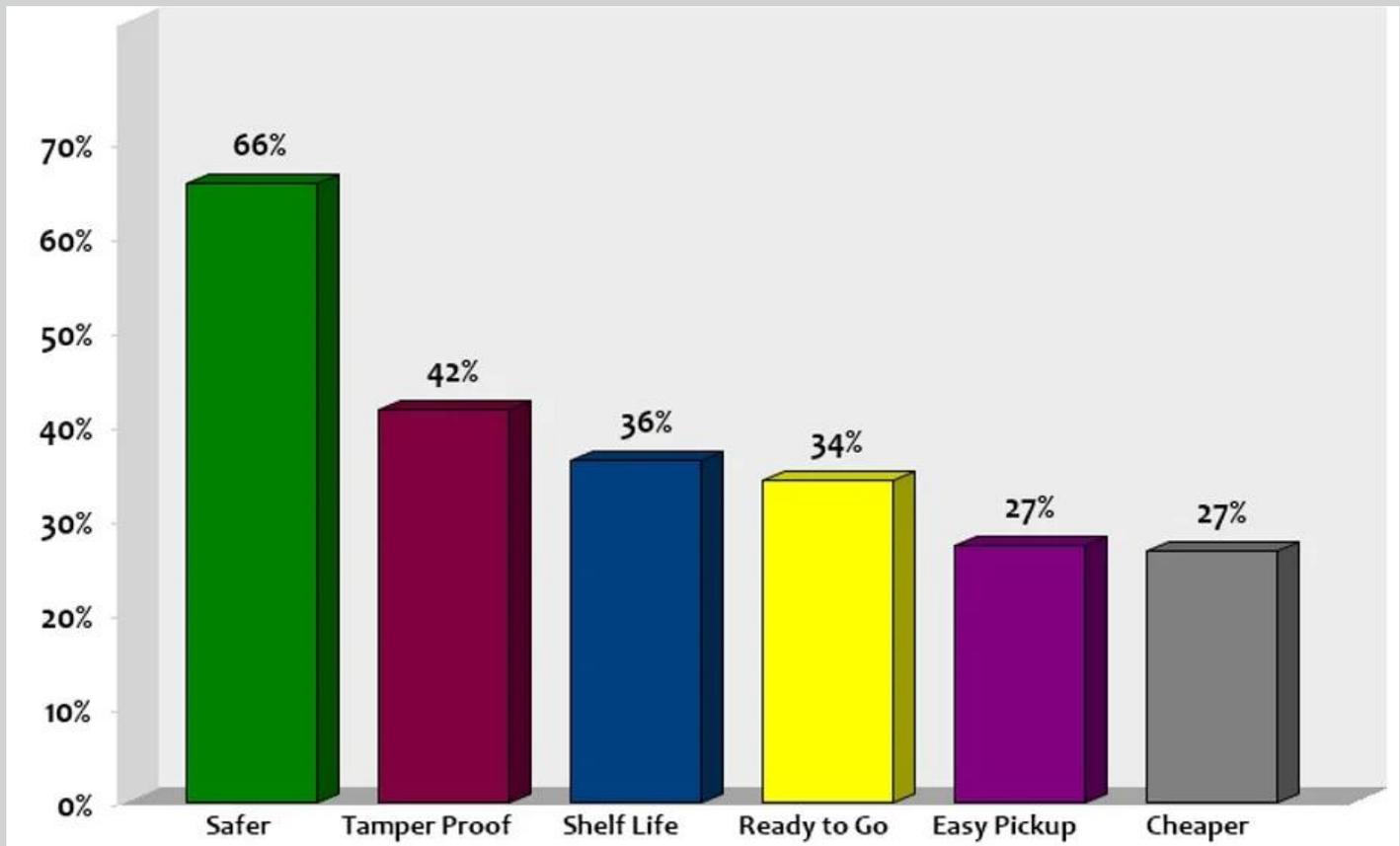


Again, things are not uniform across all age groups. The opinions of the 25-34 age group were more apt to have changed since the start of the pandemic, as seen in the chart on the left. Interestingly, this is true at both ends of the spectrum. While 70% of 25-34 year olds have changed their opinion one way or another, only 56% of the 55+ age group have swayed opinions. What do they say about learning new tricks?

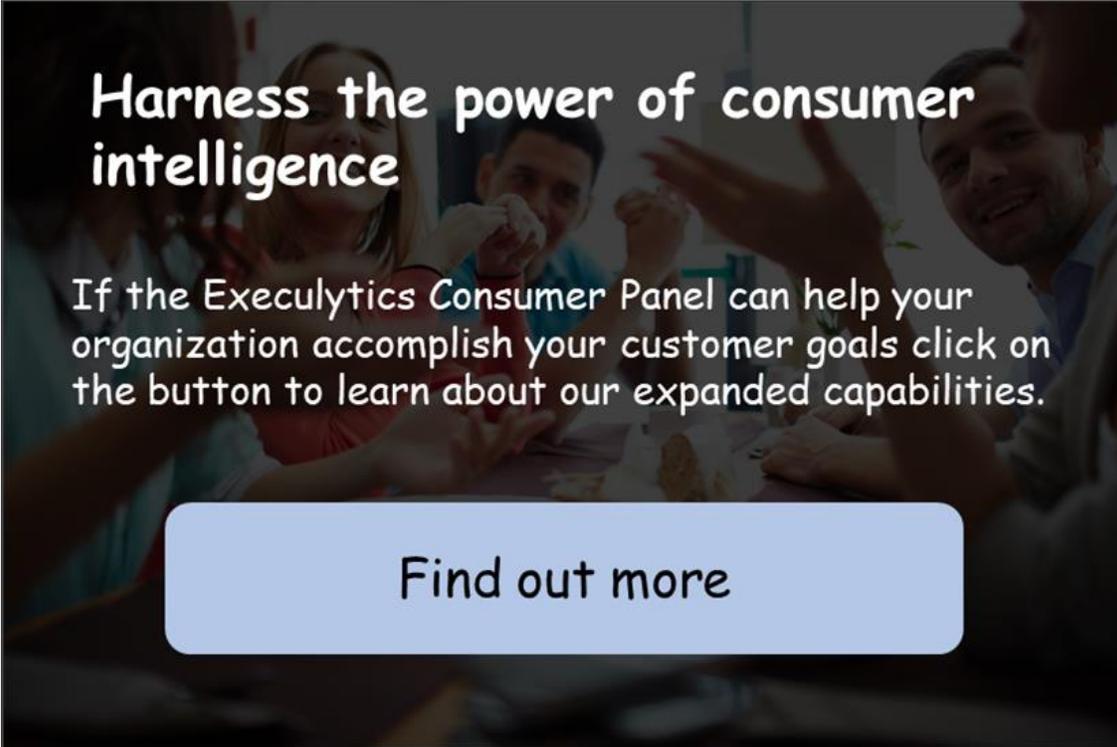


Why is packaging more important in the age of COVID?

Half the panel told us purchasing fruits and vegetables that are protected with packaging has become more important since the start of the pandemic. The burning question is what is driving this change in opinion. Well, 66% told us they just consider packaged produce safer. 42% gave us some deeper insight into the safety concern by mentioning the tamper proof nature of packaging. Smaller percentages of people felt more traditional reasons including maintaining shelf life, ease of use and overall cost are driving their change in opinion. This perhaps suggests that time and money concerns have been exasperated by the pandemic. Nevertheless, the reasons are numerous and it's easy to see that the pandemic has had a profound effect on people's views on packaged produce. At least for half of us.



The bottom line: Food packaging in general and produce packaging in particular had been an important concern amongst consumers before the pandemic. This study shows that for a significant portion of the population different concerns, ones that hit closer to home, have derailed the concerns over packaging use. A big remaining question is once the pandemic is over, will packaging concerns pick up where they left off before COVID?



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



Getting out to stores becomes a little less restrictive with each passing month. This month we moved around looking for signs of the changing seasons and in search of a warming trend.

Ontario

Are there any bigger signs of Spring?

What makes you think of Spring more than asparagus or mangoes? If there is anything it has to be topsoil. This Superstore in Ontario is doing their best to remind you that Spring has sprung right down to the skid drop of topsoil greeting you as you walk towards the entrance of the store. Once you get into the store the signs of Spring keep coming. Large bin displayers of asparagus and mangoes anchor their entrance display. When asparagus sells for anything that resembles \$1.48 per pound you know it has to be Spring.



Spring means the return of entertaining



What makes you think of Spring more than asparagus or mangoes? If there is anything it has to be topsoil. This Superstore in Ontario is doing their best to remind you that Spring has sprung right down to the skid drop of topsoil greeting you as you walk towards the entrance of the store. Once you get into the store the signs of Spring keep coming. Large bin displayers of asparagus and mangoes anchor their entrance display. When asparagus sells for anything that resembles \$1.48 per pound you know it has to be Spring.



What did I say about entertaining merchandising?



The display pictured above greets customers as they enter an Ontario Sobeys store. I'm guessing a lot of customers left the store with berries, pineapples or grapes. I'll bet many people actually purchased all of these products. After all, before many customers have even fully walked into the store, some of these products probably 'jumped' into their carts.

While we're at it why not look at some other entertaining merchandising elements. Below left we see a four block table set situated outside of the inline displays. You can almost call it a power alley. This display showcases asparagus and brussels sprouts on the front as can be seen in the picture and broccoli and green beans on the opposite side. Most of your cooking veg all in one can't miss spot. And to the right, ample supplies of fruit and veggie trays, just in case.



I'm sorry did you say something? I was shopping

While there are customers who will say they do not want to see displays interrupting their shop, those same customers will also shop the displays they claim to dislike. The numbers show this to be true. Merchandising is about enticing customers to buy, and step one is ensuring the customers are aware of the product. Something tells me customers know about spring flowers and Halo brand mandarins once they have shopped this Sobeys store.



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,

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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