



Produce Trendspotting

of **PRODUCE** . . . for **PRODUCE** . . . by **PRODUCE**

Is it possible to improve fruit and vegetable affordability (FAVA)?

Grapes — what more can we say about this ancient fruit of the vine that hasn't been said a thousand times before? Well, **Produce Moneyball** is ready to toss its two cents into the ring — and as any FOB buyer knows, two cents can make all the difference, especially for watermelon. Then there's **The Produce Trendsetter** dishing out the latest grape gossip, straight from the mouths of today's consumers. And of course, you can practically hear the rubber hitting the road as **What's in Store** shines a light on the fruit that gave the world wine — though for us, our grapes will remain uncrushed.

In **Produce Trendspotting**, we take on the challenge of understanding a fruit or vegetable from three angles: the market, the consumer, and the store. Our hope? To provide our readers with superior intelligence about each category we cover — and in time, the produce business as a whole. Beyond that, we're passionate about understanding the produce shopper not just category by category, but as a whole — their habits, their views, and yes, their misconceptions. One puzzle we keep coming back to: *why don't people eat more fruits and vegetables?* In our world, it truly is a quandary for the ages. And when we ask, the answer we hear time and again is simple: produce costs too much.

On one hand, that's just how it is — after all, people don't buy private jets precisely because they're expensive. But private jets are not really necessary to live a healthy lifestyle, unlike fruits and veggies. The bottom line? The balance of supply and demand comes down to how consumers see value, and price is a big part of that. Moving the entire demand curve is a topic for another day — but for now, let's ask: how can we make produce more affordable *within* that curve?

We want to hear from you! Answer this week's poll question and check back next month for the results, and don't forget to read to the end for last month's poll findings.

Execulytics Monthly Poll

Click on the image below to answer this month's poll question.

Results will be published in next month's Produce Trendspotting.

Time and time again consumers say they'd eat more produce if fruits and vegetable were more affordable. What is the best way to improve fruit and vegetable affordability?

SELECT ONE

- ☐ Produce pricing is based on fair costs and profit expectations for intermediaries. To live a healthy lifestyle consumers should be willing to pay a higher price for produce. In essence prices should not be unnaturally made to be more affordable.
- ☐ Government subsidies should be used to lower the cost consumers pay. In essence the government, funded by taxpayer dollars should improve fruit and vegetable affordability.
- ☐ Producers and retailers should take lower profits in order to improve fruit and vegetable affordability.



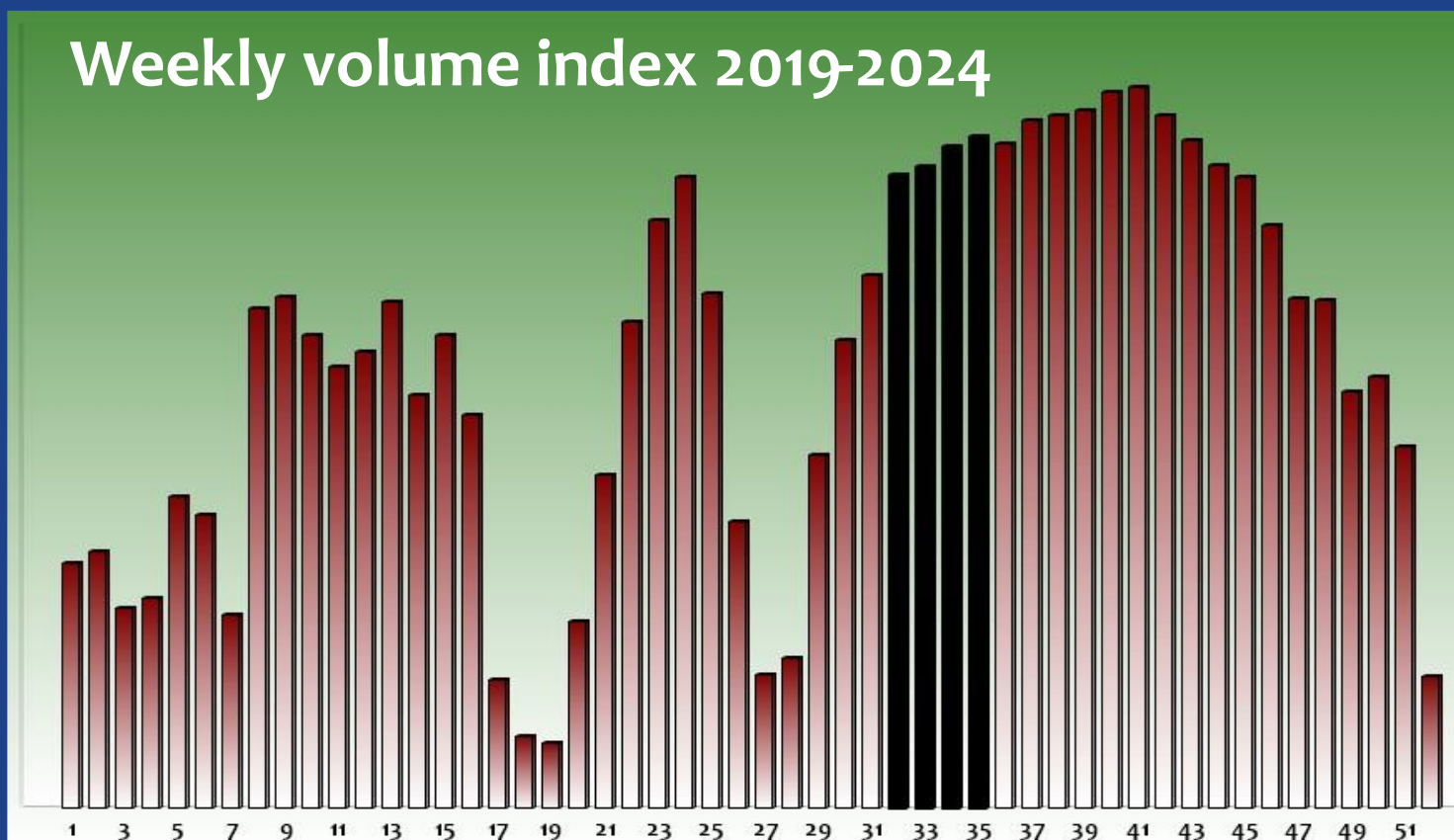
Produce

Moneyball

Who doesn't enjoy a delicious grape? They're sweet, juicy, and incredibly convenient to eat. With exceptional nutritional benefits, they also serve as fantastic ice cubes for your favourite summer cocktails. In simple terms, grapes are the complete package. This perspective comes from a consumer standpoint, but what about those with a commercial interest in grapes? Perhaps you fit that description. Given the numerous advantages for consumers, it's difficult not to appreciate the commercial potential they present. Join us as we explore the fascinating realm of grapes.

Grapes are a significant item. Massive volume and almost always 'on'. But as we can see from the volume chart below, there are three distinct gaps where volumes do dip considerably, most

Weekly volume index 2019-2024

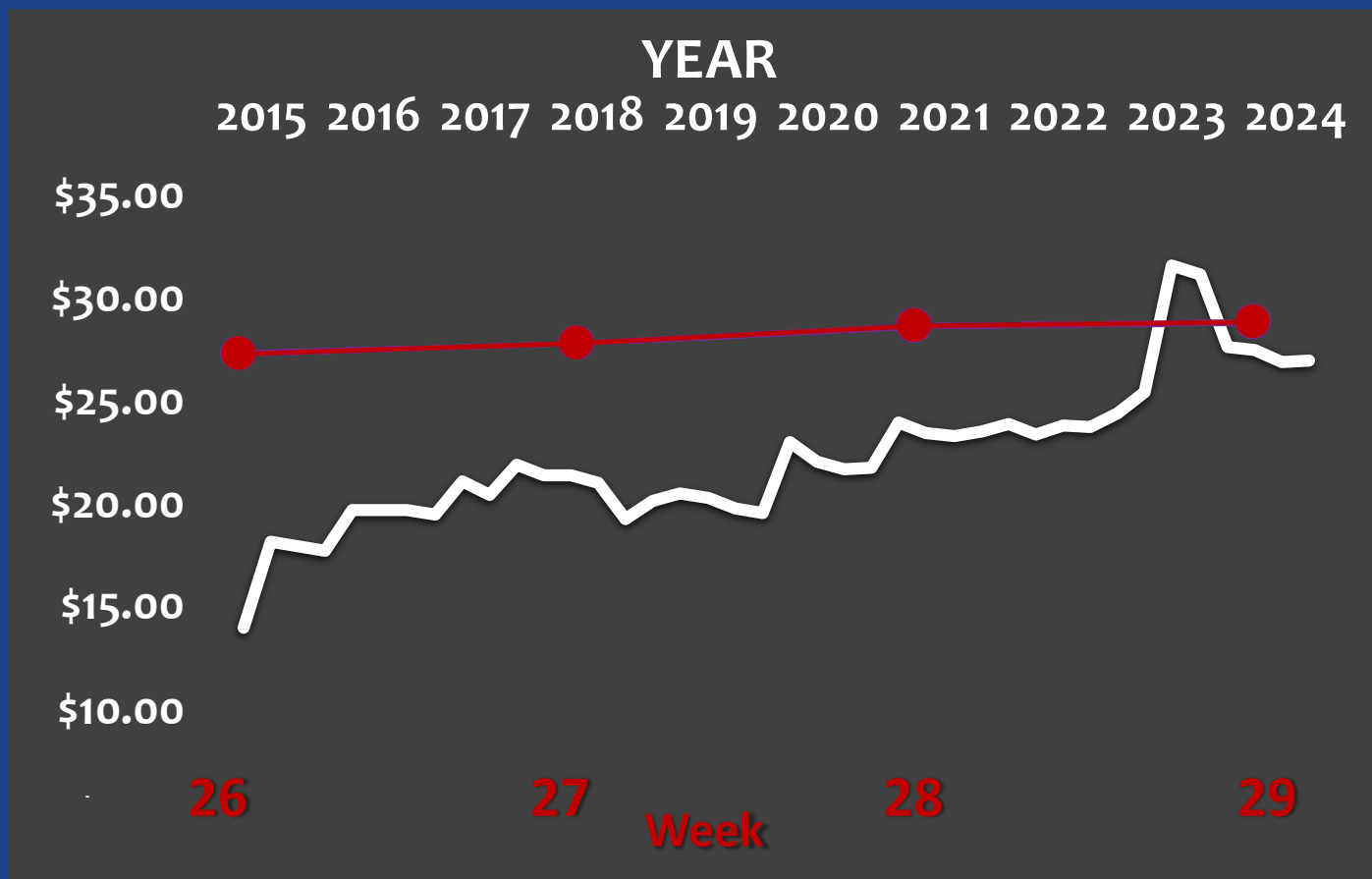


noticeably in mid spring and in early summer. While the timeframe we are looking at isn't exactly the peak, rather it is the start of something big in grapes that will culminate over 10-12 weeks beginning in August. You could argue to navigate grape success and to fulfil your grape expectations, August is key. Get it right in the early part of the season and you can ride the wave for the next ten weeks until we are back into the winter slowdown. It's here where we usually call upon the predictive powers of **Produce Moneyball** to guide us.

Hmm, if you look at the chart on the next page, you'll see something interesting. Volumes during this important time is remarkably stable. Something happened in 2020 to cause a noticeable drop



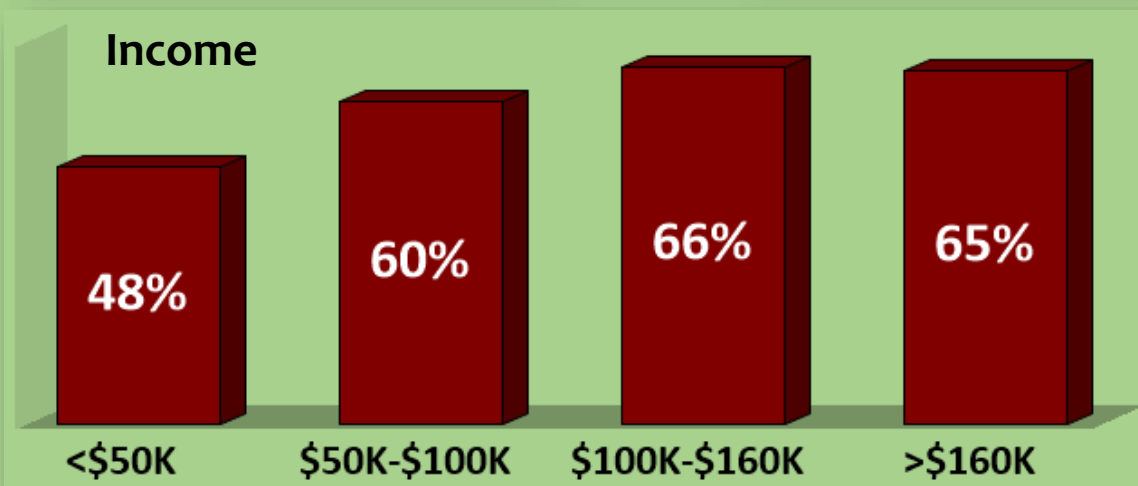
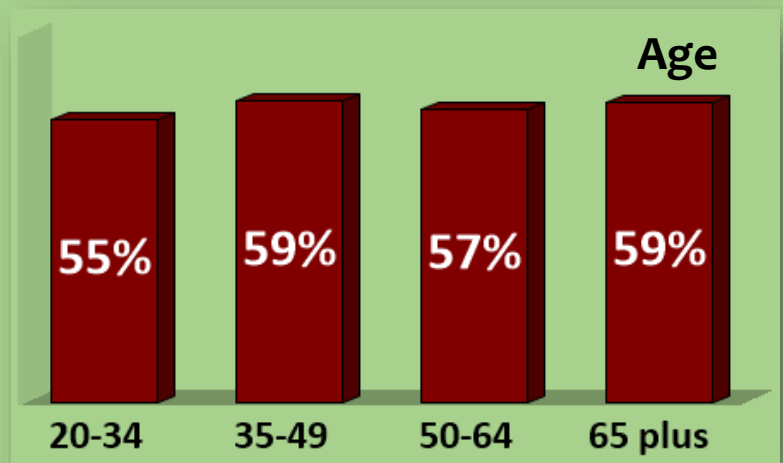
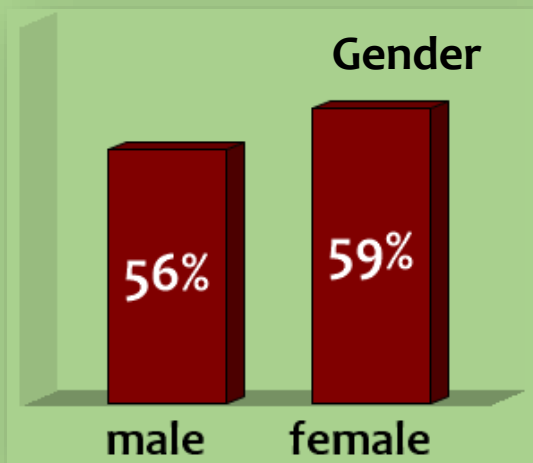
off. I wonder what that could have been? I'll have to wrack my brain to remember what was going on that year. All kidding aside, something else happened in 2024 to cause a small spike in volume. But more interesting than all of that is the fact that amidst all this stability is an annual inflation rate of 5.0%. You know what rising prices in a commodity with stable volume means, right? A demand driven market. Consumers are clearly demanding more grapes resulting in inflationary prices, particularly after the pandemic. What does this mean for this year? **Produce Moneyball** predicts costs to be in the high \$20's for red or green, large and extra-large seedless grapes.



The Produce Trendsetter



One of the most important things we do around here is take a deep look at the fruit and vegetable shopping public. For this month's issue we aim to understand what separates the grape consumer from the non-grape consumer. What is quite remarkable is that in just about every demographic group, there are more people buying grapes than not buying grapes. But even in this situation, we can point towards the core customer. And for grapes that customer is more likely to be a woman. A woman of all ages, really, but least likely aged 20-34 and from a higher income family, generally earning \$100,000 or more per year.



Okay, a higher income woman older than 34 years old, go it? It is important to remember that grapes are popular amongst many demographics, but this one registers as the core consumer, this is the consumer

most likely to respond to special pricing or other merchandising efforts. So it is important to know who we are dealing with. What else do we know about this consumer, other than the fact that she likes to purchase grapes?

For grape purveyors, you'll be happy to know that you can go to all corners of Canada and find strong support for grapes. You may find that support slightly stronger in Quebec and slightly weaker in the West, but truth be told, the differences would hardly be perceptible. Likewise, you can go to just about any grocery store format and find a crowd around the grape display. Maybe slightly more rambunctious at a club store and a little calmer at a conventional store but again the differences would be too slight to notice. Now take a look in their cart. In addition to grapes, there is a good chance that you'll find strawberries, watermelon and oranges in the cart. Who's pushing the cart, well that's still a bit of a mystery but we do know there is a 50% greater chance that she'll be a high-income female, 35 years old or older rather than a low-income male, 20-34 years old.

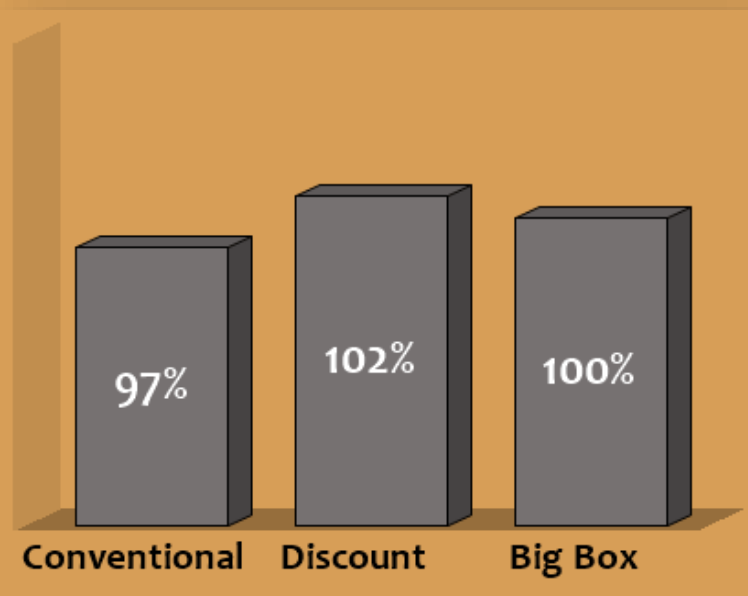
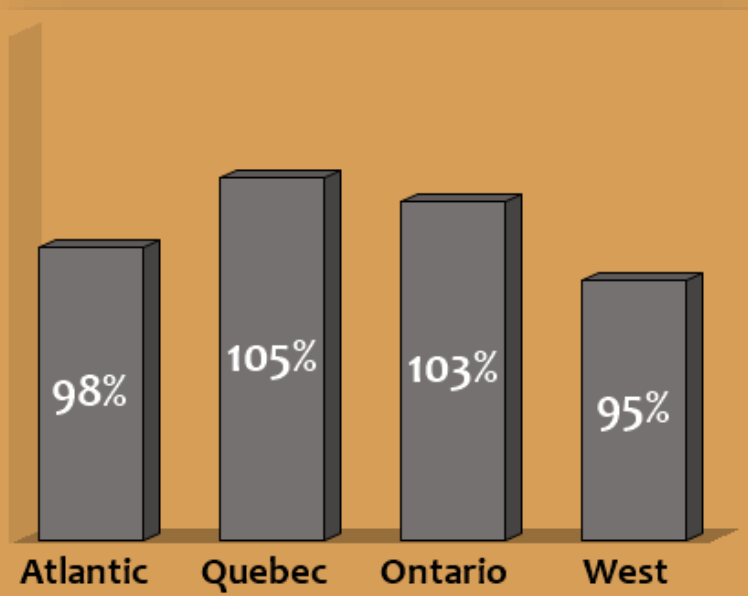


BOTTOM LINE: Almost three fifths of Canadians are purchasing grapes to satisfy their fruit needs. Grape purchasers come from all demographics with a small concentration on woman older than 34 years old and with a household income of at least \$100K. They shop for grapes all across Canada and happily shop at just about any grocery format but are slightly more popular in Quebec and in club stores. In addition to grapes they have also been known to purchase strawberries, watermelon and oranges.



What's In Store?

For those of you who were paying attention to the last two segments, you probably came away thinking grapes are a bit of a big deal. **Produce Moneyball** demonstrated that grapes are a year-round product with only a few short periods falling within one growing region's shoulder season. We also learned that volumes have been stable and prices rising. A classic case of a demand driven market. **The Produce Trendsetter** showed us that demand is coming from all walks of life and is satisfied in all regions of the country and in all retail formats. The core consumer is a woman, 35 years old or older and lives in a household earning \$100K or more per year. Oh, and she likes strawberries, watermelon and oranges , in addition to grapes. All good stuff, someone has to keep the marketers happy. But here, in **What's In Store**, we cater to the operators. The unsung heroes of the produce industry. This is the place they get sung!



Above, we reminded you that **The Produce Trendsetter** said demand was coming from across the country and in all retail formats. In case you didn't believe that statement, try these stats on for size. The region with the highest household penetration is Quebec and it indexes at a mere 105% when measured against the rest of Canada. The West on the other hand, indexes at 95% and represents the other end of the demand equation. Practically speaking, just slightly more than a rounding error. As for retail formats, it's even closer 5% of index separates the leader from the laggard.

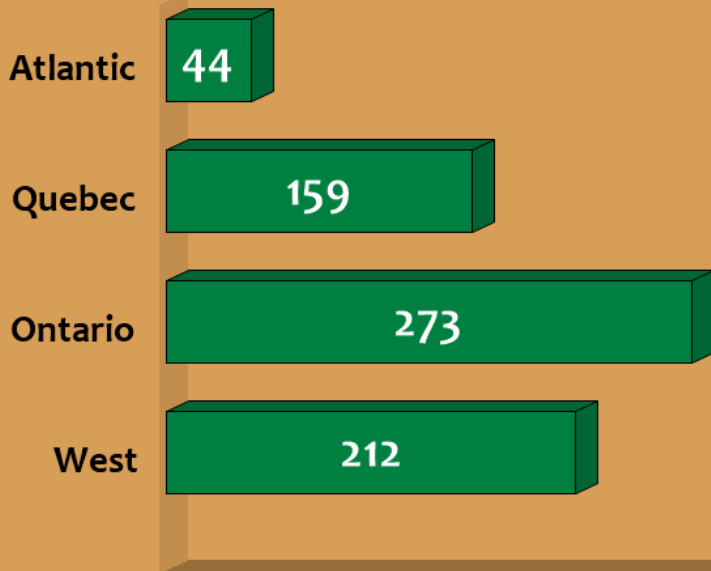
The bottom line is this: Canadians love grapes, not Western Canadians or Quebecers, or East coasters or Ontarians; Canadians. And it doesn't matter where they shop, they're buying grapes.

It's true, Canadians are buying grapes all across the country, but that doesn't mean we need a uniform number of trucks in all four corners of the country. It just means the breakout will closely follow regional population patterns.

Once again, we'll need to consult the **Volume Whisperer** to tell us where to go. With our grapes, that is. Have you ever wondered why it is called the **Volume Whisperer**? It's because it takes in

Information that is barely perceptible to the human ears, like a faint whisper, and speaks volumes. Not in terms of saying a lot of words, but it actually speaks truckload volumes of popular fruits and vegetables. In this instance volumes of grapes.

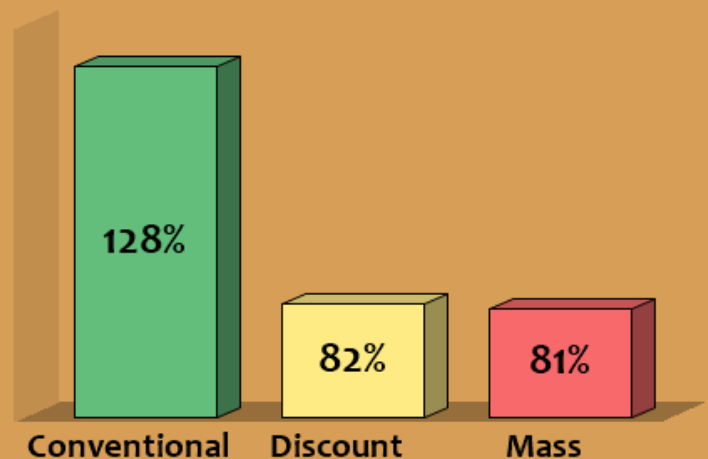
This month, according to the **Volume Whisperer**:



- Ontario requires 273 truckloads
- Western Canada follows with 212 truckloads, an impressive amount in its own right.
- Quebec is next at 159 loads

- Atlantic Canada closes out the volume requirements with a still significant 44 truckloads. Not bad for the least populated region in Canada.

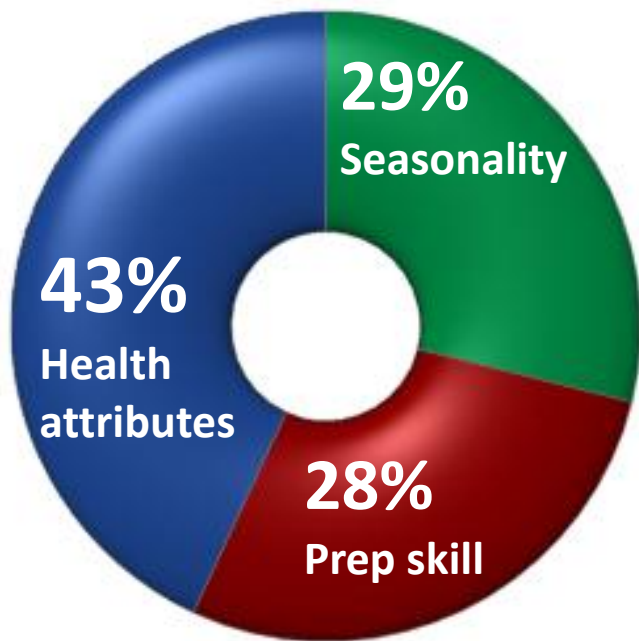
In case you had nearly 700 loads of grapes for August and didn't know where to put them, don't thank me, thank the **Volume Whisperer**.



← **More Expensive Less** →

This is quite telling. If you want to get your fill of grapes, best go to the Western provinces and/or search out a mass merchant retailer. This is where you will pay the lowest price for red seedless grapes. Ontario and Quebec conventional stores is at the opposite end of the spectrum. Recall that grapes are popular everywhere, meaning there is little separation between the region with the lowest household penetration and that with the highest. That being said, it is interesting to note that grapes are least expensive where they are least popular and most expensive where they are most popular. A live case of demand driven price strategy.

Last Month's Poll Question



If you could snap your fingers and make everyone across Canada and the U.S. suddenly smarter about one thing when it comes to fruits and vegetables—what would it be?

Check back to this spot every month to see the results of last month's Produce Trendspotting survey. Be sure to answer this month's question, if you haven't already, follow this link:

[PRODUCE TRENDSPOTTING POLL](#)

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Sincerely,

Execulytics Managing Partner

Mike Mauti

