

# A Bunch Of Ways To Sell More Organic Bananas

Consider the boom in organic sales driven by the pandemic and consumers' desire to make healthier choices.

BY CAROL M. BAREUTHER, RD

**B**ananas are big. This peel-and-eat, creamy, sweet fruit offers a bunch of health-promoting nutrients. Plus, they are available year-round and are one of the lowest priced per pound fruits in the produce department. It's no wonder bananas ranked as the sixth top category in fresh fruit and vegetable dollars at retail in 2021, totaling \$3.2 billion in sales, according to the International Fresh Produce Association's December 2021-published Market Watch report, 2021 Surpasses 2020 in Dollars but Volume Was Not Able to Hold the Line, by Anne-Marie Roerink, president, 210 Analytics.

Now, consider the boom in organic sales driven by the pandemic and consumers' desire to make healthier choices. U.S. organic sales surpassed \$63 billion for the first time in 2021, based on the Washington, DC-headquartered Organic Trade Association's 2022 Organic Industry Survey. Organic fruits and vegetables figured at 15% of this, up 4.5% over the year prior.

Drilling down to bananas, this organically grown fruit represented over 12% of total retail banana sales in 2021, compared to 8% in 2017, according to IRI data as shared by San Diego-based Organics Unlimited.

Organic bananas represent one-third of the banana category sales at Kowalski's Market, an 11-store chain based in Woodbury, MN, according to Max Maddaus, produce director. "Customers say they can tell a flavor difference in organics. Plus, we sell fair trade organic bananas. This resonates well with our shoppers, and it offers us, as a retailer, a point of differentiation."

## DEMAND & SUPPLY

The pull for organic bananas starts with the consumer, says Daniel Barabino, vice president of strategy and operations for Top Banana, in Bronx, NY. "They ask, retailers request, and



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we supply. We now treat organic bananas as a specific category. It's still niche, but it's its own segment. There's no need to push, consumers pull."

Organic bananas have proven popularity both geo- and demo-graphically.

Distribution points, in addition to dollar sales, have also risen, meaning the total organic banana offering is found more consistently every week across U.S. supermarkets, says Jamie Postell, vice president of sales for Chiquita North America LLC, in Fort Lauderdale, FL. "The growth in organic bananas correlates to the increased distribution, in response to demand led by younger consumers."

Moms are strong organic banana shoppers, according to Mayra Velazquez de León, president and chief executive officer of Organics Unlimited, San Diego, CA. "Portable, kid-friendly, and a nutrient powerhouse, organic bananas are a perfect option for health-conscious moms looking for the

healthiest, chemical-free option for their families."

These attributes are why more shoppers are willing to pay a premium for organic fruit.

In fact, organic bananas generally capture a less price-sensitive shopper, while conventional bananas skews toward more value-conscious households, according to Pablo Rivero, vice president of marketing for Fresh Del Monte North America, in Coral Gables, FL. "Approximately 1% to 2% of consumers are exclusive to organics, generally the most affluent households, and approximately 30% to 35% purchase both conventional and organic."

That said, there's been a narrowing of the price gap between conventional and organic bananas to 15 to 25 cents per pound on average, and this, too, has added to the uptick in purchases for organic, say growers and marketers.

"Amid struggles with inflation for other organic products, the organic banana has fared



well, mostly due to the smaller price differential between the organic and conventional banana as compared to other organic options,” says Kayla Nilson, international supply chain coordinator for Equal Exchange Produce, West Bridgewater, MA.

As for supply, organic bananas, unlike conventional bananas, grow best in dry climates.

Colombia and Ecuador, with additional sourcing in Peru and Mexico, are where companies like the Dole Food Company grow organic bananas on their own farms and source these from independent organic growers, according to Bil Goldfield, director of corporate communications in Charlotte, NC.

“Reflecting the increased demand for organic bananas at the consumer level, the acreage devoted to organic banana production continues to rise as a percentage of total production,” Goldfield says.

### EDUCATION IS KEY

Organic bananas typically retail for 99 cents per pound, says Anthony Serafino, executive vice president and principal at the North Bergen, NJ-headquartered Exp Group LLC, which is expanding its ripening capabilities in 2023 to meet demand. “In the New York area, I’ve seen the price per pound of organic bananas as low as 79 cents to as high as \$1.49.”

Given bananas’ cheap notoriety, the biggest challenge facing the industry is educating consumers on the fruit’s true, fair price, says Organic Unlimited’s Velazquez de León. “This includes all costs associated with ensuring pesticide-free food and making sure that our organic growers are fairly compensated.”

The company’s fairly traded and socially responsible brand GROW labeled organic bananas currently makes up 90% of its annual sales. To that end, Organics Unlimited offers retailers downloadable point-of-sale (POS) materials. These highlight to shoppers the impact of purchasing GROW bananas, where 60 cents of every box goes to programs that give back to the communities where the bananas are grown.

“While the cost of growing organic is significantly higher than conventional, the price premium in bananas continues to shrink. Our independent retailers and distributors have rallied with us in fighting the good fight for those who grow our food. We’ve had multiple retailers increase their banana prices and demand has proven to remain steady,” says Velazquez de León.

New Leaf Community Markets, a five-store chain headquartered in Santa Cruz, CA, carries only organic GROW bananas in its stores, says Lindsay Gizdich, brand



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manager. “Displaying these front and center in our department with signage explaining the importance and support their purchase offers is our favorite way to connect the give-back component with choosing the organic option from their neighborhood market.”

Fair trade in and of itself may add another SKU to the banana category. Fair trade certification ensures a minimum price paid to producer organizations that are significantly higher than the price of conventional varieties.

“I think there is space in the market for retailers to carry both conventional and organic bananas and fair trade conventional and organic,” says Top Banana’s Barabino.

There is more interest now in fair trade organic bananas in Canada, adds Juan Alarcon, chief executive officer of Fyffes

North America, based in Coral Gables, FL. “We feel that the U.S. will follow in the next few years, as we are often seeing more consumers interested in understanding what they are eating, where it is coming from, and how it is grown.”

Equal Exchange Produce offers POS materials retailers can use to educate shoppers about the company’s business model, which sources from small farmer cooperatives in Ecuador and Peru, and touts its partners’ growing practices through its marketing campaigns.

### SELL MORE

Organic bananas are best displayed next to conventional bananas and in dedicated organic produce segments in the produce departments,

recommends Dionysios Christou, director of Favorita USA Corp, in Coral Gables, FL.

Both organic and conventional bananas are displayed in one destination location at Kowalski's Market. "We have organic on one side, conventional on the other, and a row of tropicals, like pineapple, down the middle. We also make sure the display is well-signed," says Maddaus.

To effectively realize crossover sales in the organic category, organic should be displayed next to conventional bananas, says Del Monte's Rivero. "Retailers must ensure organic bananas are properly displayed, clean and stocked attractively."

Ensuring the right fruit color and applying secondary displays will drive incremental sales, adds Jack Howell, senior vice president of sales for Fyffes North America. "It's also important to make sure the product is easily identifiable as organic. We use a 2-inch band on the fruit that does this."

With a higher price point, placing organic, fair trade bananas beside their conventional counterparts can present a challenge, says Equal Exchange Produce's Nilson. "But using informative POS materials can help customers to see past that price differential by learning the benefits of organic and fair trade products."

As the category grows and the pool of

consumers who are committed to organic bananas expands, so, too, does the argument for a dedicated organic set.

"We've found that a separate display for organic results in larger and more frequent organic produce purchases, not just for bananas, but for all organic fruits and vegetables," says Dole Food Company's Goldfield.

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"For example, cross-merchandising organic bananas with cereals made with organic wheat and oats can be a natural fit. For stores with a health market section exclusive to displaying vitamins, health foods, and/or organic products, placing a secondary organic banana display there and cross-promoting organic bananas with those products can drive sales," recommends Del Monte's Rivero.

Since bananas are available year-round, retailers can include them in promotions throughout the calendar year. Better than price are seasonally themed callouts.

These can include featuring fair trade and organic varieties for Earth Day, as well as promoting them as a healthy snack during the back-to-school season or the beginning of the New Year, says Equal Exchange Produce's



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Nilson. "October is both co-op month and fair trade month, which is a great opportunity to highlight all varieties of organic and fair trade produce."