



Shoppers Continue to Pay More for Less

Through forty-four weeks of the year, inflationary pressures continue to have an adverse effect on produce demand. Produce dollars have grown 4.8% to \$64B, while volume is down (4.1%). Quarter 4 to date, the volume losses have softened somewhat with (3.0%) vs prior year, but dollar sales have weakened to 3.7% growth as well.¹

Produce – US Multi-Outlet



+4.8%
vs. 2021



-4.1%
vs. 2021

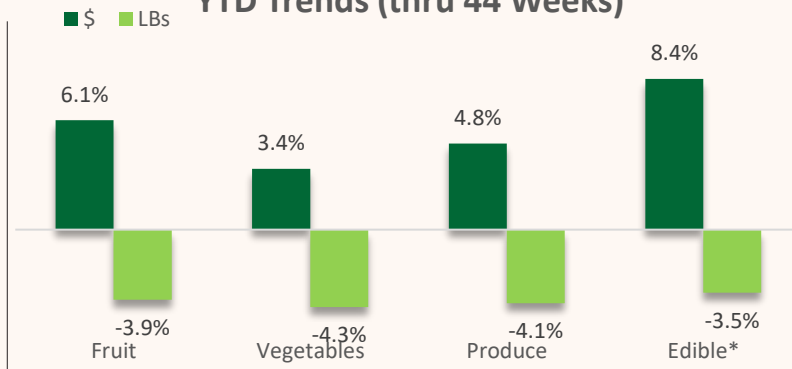


+6.9%
vs. 2020



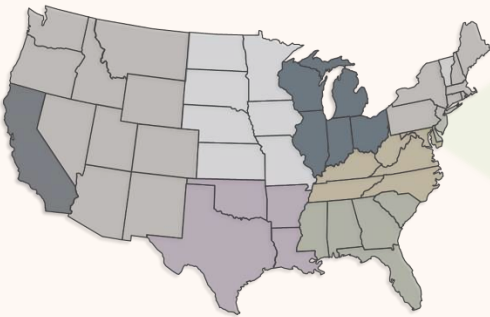
-7.6%
vs. 2020

YTD Trends (thru 44 Weeks)



* Edible volume displayed in units

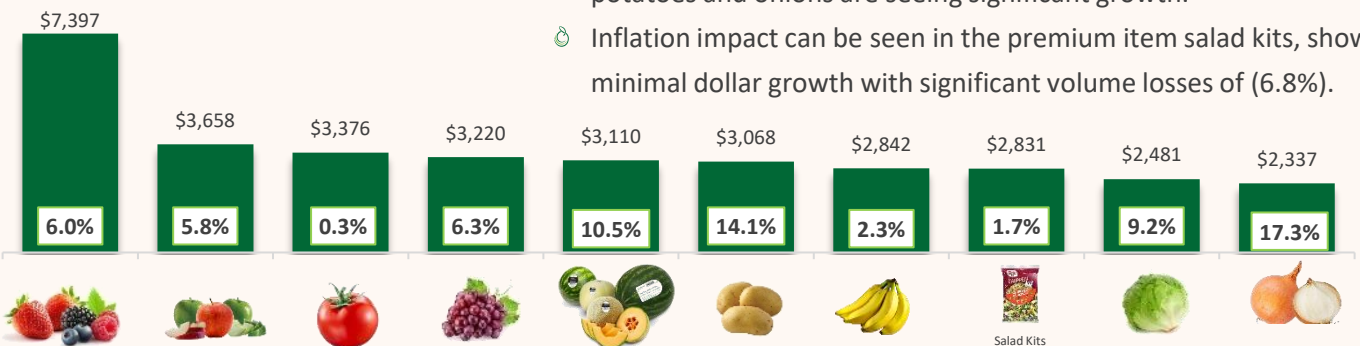
Regional Performance (YTD thru 44 Weeks)



Region	\$ Share of Produce	\$ % Chg. vs. 2021	Vol % Chg. vs. 2021
Southeast	15.8	7.0%	(0.9%)
California	11.5	6.3%	(2.2%)
Mid-South	12.8	5.3%	(3.5%)
West	12.7	5.0%	(3.9%)
Great Lakes	13.0	4.5%	(5.0%)
Plains	6.4	3.9%	(4.5%)
South Central	9.6	3.7%	(8.8%)
Northeast	18.2	2.5%	(4.3%)

The two largest regions in Produce dollar sales are on opposite sides of the performance rankings. The Southeast continues to outpace US at +7.0% vs. 2021, while the Northeast continues to struggle with only 2.5% growth.¹

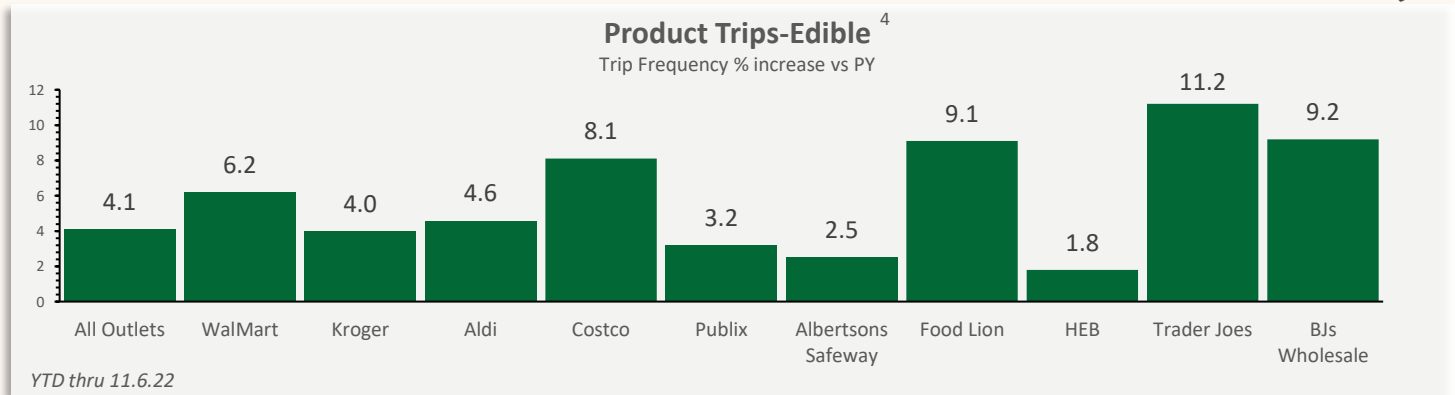
Top 10 Fruit and Vegetables \$ (Millions)



Berries continue to lead ranking with notable dollar growth rate of 6.0% and volume growth of 4.5%. At-home meal mainstays such as potatoes and onions are seeing significant growth.¹

Inflation impact can be seen in the premium item salad kits, showing minimal dollar growth with significant volume losses of (6.8%).

Consumers adapting to inflationary prices... shopping differently



Multi-store/channel shopping has become prominent as consumers look for value and solutions

Channel	\$ Share Produce	\$ Share vs. YA
Traditional Grocery	54.6	(1.3)
Discount Grocery	9.8	0.1
Wal-Mart	18.2	0.8
Club	10.5	0.2
Internet/ eCommerce	2.6	0.2
Specialty	1.8	(0.1)
All others	2.6	0.1

- Shoppers remain engaged, making more trips than prior year and eating more at home since COVID.
- Within Produce, Traditional Grocery continues to lose share of market as shopper retention proves challenging.
- Price is important with inflationary pressures; but consumers are also looking for value and convenience.
- With quick trips on the rise, grocery areas around the perimeter, such as deli and bakery, have benefited from the increased traffic and solution mindset.
- Consumers are still spending when value is present and communicated effectively.

Strategies to consider when trying to keep shoppers engaged and loyal



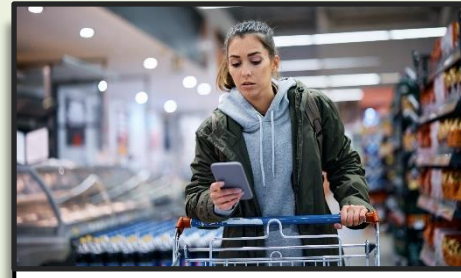
Product and Placement

- Align pack sizes with your shopper
- Manage assortment to accommodate these shifts in shopper behavior
- Expect "Ready-made" and "Easy" to be in demand with quick trips
- Optimize space based on new velocities and trends



Shopper Retention

- Implement loyalty programs to keep shoppers in your store
- Cross merchandise to encourage basket building... meal solutions across aisles
- Develop in store merchandising and eCommerce messaging to build these smaller baskets
- "Hot Meal" solutions in Deli



Price and Promotion

- Increase frequency of promotions, but with "new" base prices in mind
- Strategically pulse deeper promotions as traffic drivers
- Cross promote to encourage basket building
- Align messaging to value and solutions, not just price

A Price to Pay¹



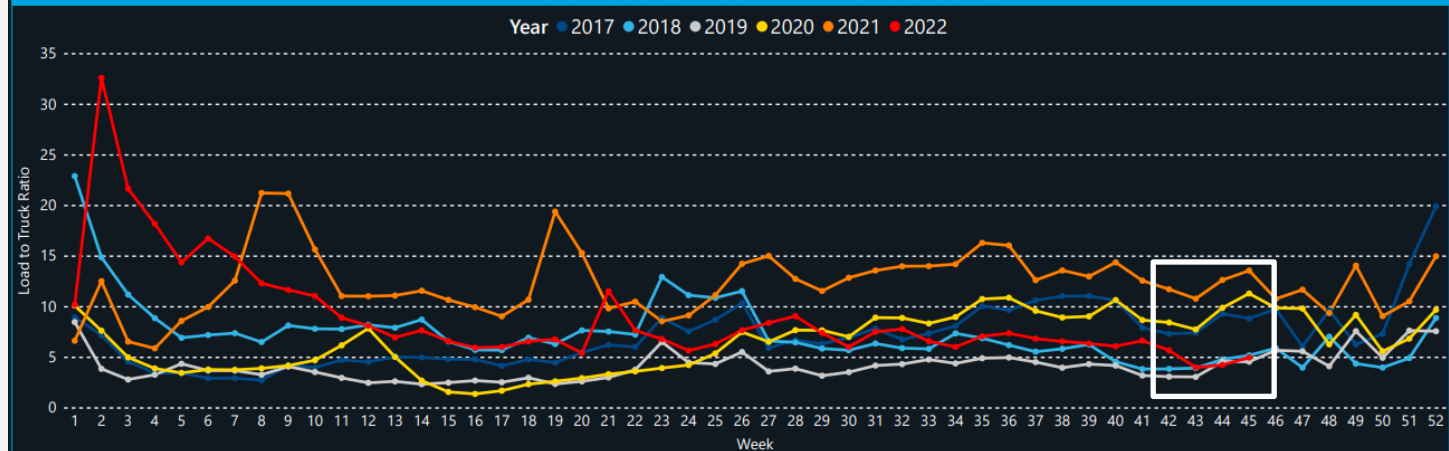
Price per Volume	Price/Volume	% Chg. vs. 2021	% Chg. vs. 2020
Total Fresh Produce YTD	\$1.82	+9.6%	+15.7%
Total Fresh Produce 4W Ending 11/6/22	\$1.82	+6.8%	+14.5%
Fresh Vegetables YTD	\$1.95	+8.1%	+12.4%
Fresh Vegetables 4W Ending 11/6/22	\$1.80	+9.4%	+13.9%
Fresh Fruit YTD	\$1.68	+10.4%	+19.3%
Fresh Fruit 4W Ending 11/6/22	\$1.75	+3.9%	+14.9%

- Through forty-four weeks, produce price per pound has increased by 9.6%, with trends improving from last 4 weeks due to laps. Fruit price increases eased to +3.9% during the last 4 weeks.
- To compensate for current price increases, offering value-based solutions and convenience will help keep shoppers engaged and loyal.**

As supply chain demands ease, buyer's expectations change

Insight provided by Josh Noonan, General Manager, Delivered Sales

DAT Reefer Load-to-Truck Ratio - United States³



- The refrigerated Load-to-Truck ratio has now reached alignment with a 6-year historical low.
- Historically, a softness in the freight market has increased the buyers' demand for higher service levels.
- Last year, it was "just get me a truck..."; where now, the narrative has changed to "get me a truck... have it deliver on time... and in full".**
- Route guide depth is now 1.19, with the top 2 awarded carriers accepting nearly all shipment tenders.³
- Truckload fleet utilization is back at the 10-year average, declining since its near 100% utilization thru most of 2021 and early 2022⁷
- CH Robinson is the industry leader in freight pricing and market data by leveraging our largest North American capacity network.



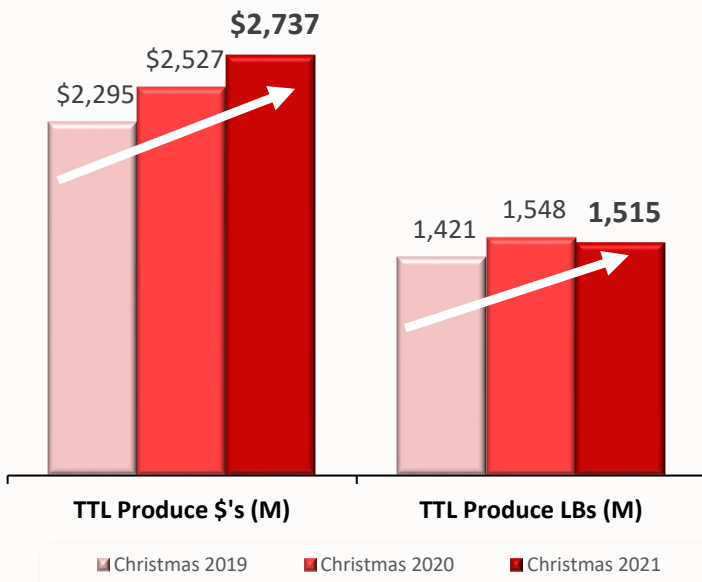
The holiday season is upon us ⁵



Expect to Celebrate	96%
Expect to gather with family & friends	77%
Expect to purchase food for their holiday celebrations	81%
Expect to do shopping at Grocery Store	64%
Expect to Cook or Bake	57%

Christmas is a stock-up shopper occasion with basket size and spend increasing

Total Produce US Multi-Outlet ⁶
Christmas 2019-2021



- 🌿 Christmas is traditionally more Fruit focused while Thanksgiving leans to vegetables. However, large family gatherings tend to drive demand for both.
- 🌿 Vegetables such as potatoes, sweet potatoes, asparagus, greens, and green beans are promoted frequently to provide ingredients and side items to family meals.
- 🌿 Oranges, mandarins, and grapes are staples in Holiday fruit basket and snacking trays.
- 🌿 Maximize sales by building large holiday-related displays and place incremental points-of-interruption to cross merchandise meal ingredients and sides.
- 🌿 **Contact your account manager for local activation.**

1 IRI Integrated Fresh, Total US, MULO, Building Calendar Year 2022 Ending 11.6.22
 2 IRI Integrated Fresh, Total US, MULO, (Historical).
 3 DAT Trucking Industry Trends: Reefer, Data Trendlines 2022.
 4 IRI Panel Data, Total US All Outlets (Historical)
 5 Numerator 2022 Holiday Preview Survey 1/26/22 (n=11,578)?
 6 IRI Integrated Fresh, Total US, MULO, Christmas (2WK) 2019-2021
 7 FTR Transportation Intelligence/CHR Robinson