Top Findings of the Power of Produce 2019

1. **The produce industry's best opportunity to drive category growth lies in increased consumption frequency.**
   While nearly 100% of American households buy fresh produce, only 41% of shoppers eat it daily. However, 97% try to eat more fresh produce. Dinner, snacking and lunch are key avenues to increase consumption. For dinner, protein-rich produce is making inroads as an occasional meat alternative among 73% of shoppers. Four in 10 seek convenient snack options. Offer shopping and preparation convenience and ideation to help shoppers integrate fresh produce across meal occasions more often.
2. **Supermarkets continue to be produce powerhouses, but value and specialty/organic outlets are squeezing the middle.**
   At 51%, full-service supermarkets easily draw the majority share of produce shoppers, but the growth momentum is with limited assortment stores on the one side of the value continuum and specialty/organic outlets on the other. A deep specialty assortment, along with relevant promotions, will be key for supermarkets to maintain their share.
3. **Value-added produce delivers on the ongoing demand for time-saving solutions.**
   The 2% growth in value-added produce is fueled by greater assortment, increased household penetration and a higher consumption frequency. Price is the biggest barrier to accelerated growth. Leverage price promotions and cross-merchandising to prompt trial/usage and inform about the product quality/freshness and preparation for greater engagement.
4. **Growing-related attributes continue to outpace conventional produce sales, and shoppers want more of it.**
   Organic, locally-grown, and other growing-related claims are generating new dollars in produce. For most, growth is driven by increased availability at retail, increased household engagement and increased purchases among current buyers. More than half of shoppers are looking for an expanded local or seasonal assortment and one-third want to see more organic, non-GMO and sustainably-grown produce. Tailor claims to the store audience and educate shoppers to broaden interest.
5. **Driven by holistic health goals, produce-based beverages are trendy.**
   Male, younger and higher-income shoppers in particular see produce-based beverages, including smoothies, fresh juice and produce-infused water, as ways to consume more produce. Purchases are driven by the direct nutritional benefits and reaching daily serving goals as well as feeling good about making a better-for-you beverage choice. Leverage produce-based beverages, ready-to-drink or make-your-own, as ways to drive engagement and sales beyond the traditional produce purchase.
6. **Hydroponic- or greenhouse-grown produce is widely accepted by consumers, and deemed tasty and nutritious.**
   At 41%, hydroponically-grown may not enjoy broad awareness, but perceptions about taste and quality are largely positive — particularly among shoppers who are familiar with them. The majority also believe hydroponic growing can qualify as organically- or locally-grown. Shopper education is likely to benefit the already positive perception.
7. **Farmers' markets continue to charm produce shoppers, receiving high marks for freshness, quality, local support and fun.**
   More than two-thirds of shoppers periodically purchase produce at farmers' markets, of whom 69% specifically go to purchase fruits and vegetables. Reasons to shop at farmers' markets provide important clues to keep the dollars in traditional channels.
8. **E-commerce is a growing outlet for food in general, but online shopping for fresh produce lags.**
   One-half of shoppers buy at least some food products online, with orders spanning multiple week intervals. Online engagement for fresh produce is much lower, at 20%. Millennials, urban and higher-income shoppers are the most likely to switch between online and in-store purchases. Create a seamless onmi-channel strategy, with strong brand awareness, leveraging shoppers' trust in their brick-and-mortar produce department to capture dollars online and offline.
9. **Merchandising matters: 40% of produce is sold on merchandising, 57% check specials pre-trip and 63% compare prices in store.**
   Sales specials are still a key way to drive produce trips, with the paper circular continuing to be the lead research vehicle despite accelerated growth for digital platforms. In-store signage is the second-most used platform for researching specials. Having the right advertising platforms, items, messaging, price points and promotional type is crucial to capturing both planned and impulse produce purchases.
10. **Packaged produce plays a growing role based on sales trends and changing consumer preferences.**
    Given the growing share of organic and value-added produce, packaged produce has grown to 53% of total sales. Additionally, more Millennials prefer packaged than pick-your-own produce. Shoppers do want the ability to see the items and like packaging aimed at improved shelf life. Packaging also allows for additional branding and consumer education. Shoppers have the highest interest in nutrition and origin information, and preparation/storage instructions.

Links and resources

- To download your copy of the report, visit: www.fmi.org/store/
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