

Introduction

Market trends may not be just a passing fad, but an indication of how consumers and the markets are changing over time. They help producers and processors identify opportunities, strategically plan, and better align their products and services.

In this issue, market trends for fruits and vegetables are presented based on selected market research reports.

Source:

- ◆ Alberta Retail Grocery Sales Data, Nielsen Market Track, Alberta All Channels, 2009-2012.
- ◆ Source: The NPD Group/SnackTrack – Canada. December 2011.

Market Trends for Fruit and Vegetables

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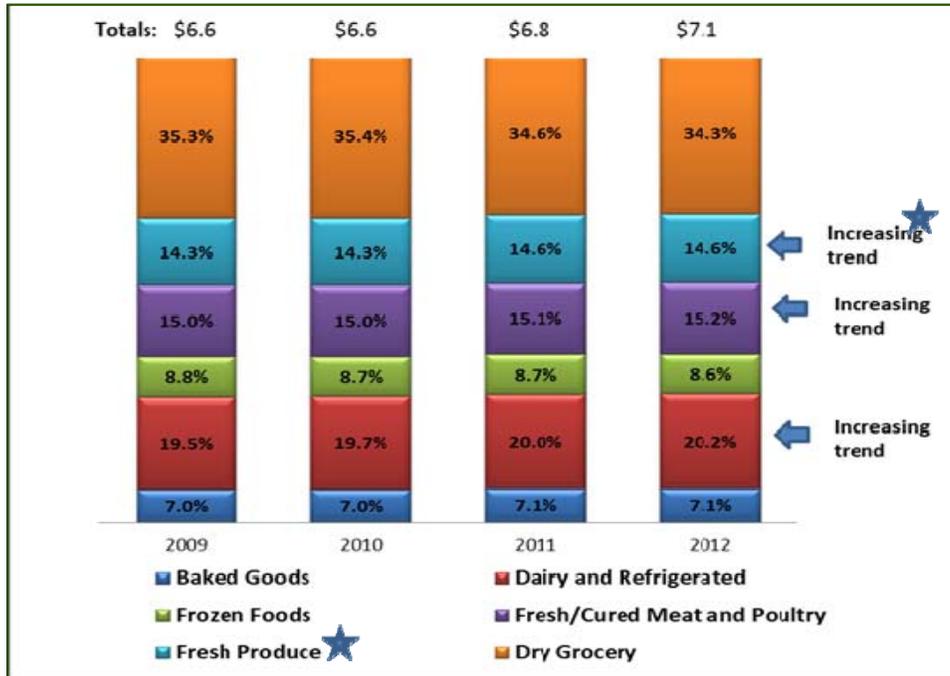
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Alberta Retail Grocery Sales Data (2009-2012)

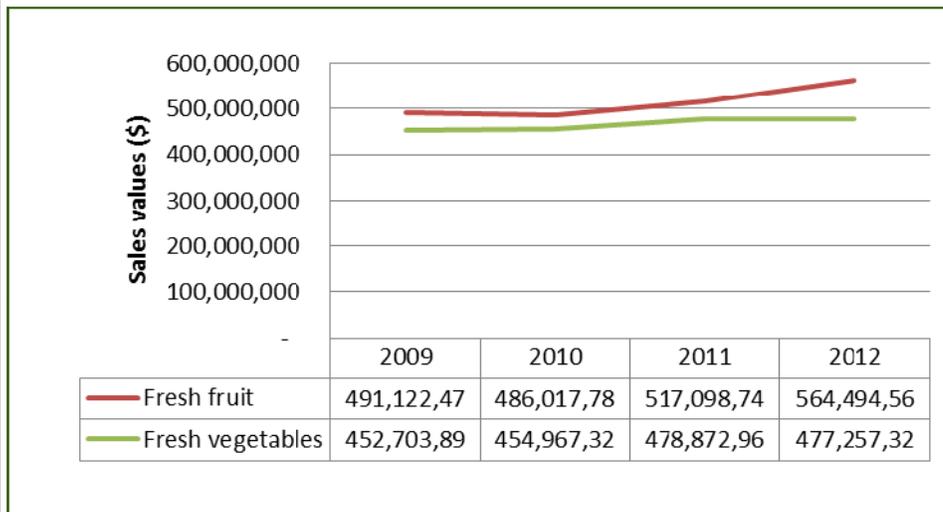
**Alberta Grocery Retail Sales Value (Billion Dollars)
2009 to 2012**



Alberta Retail Grocery Sales from 2009 to 2012 have grown to \$7.1 billion. Fresh produce is a growing sector, which accounts for over \$1 billion, or 14.6% of the total retail grocery sales.

Source: Alberta Retail Grocery Sales Data, Nielsen Market Track, Alberta All Channels

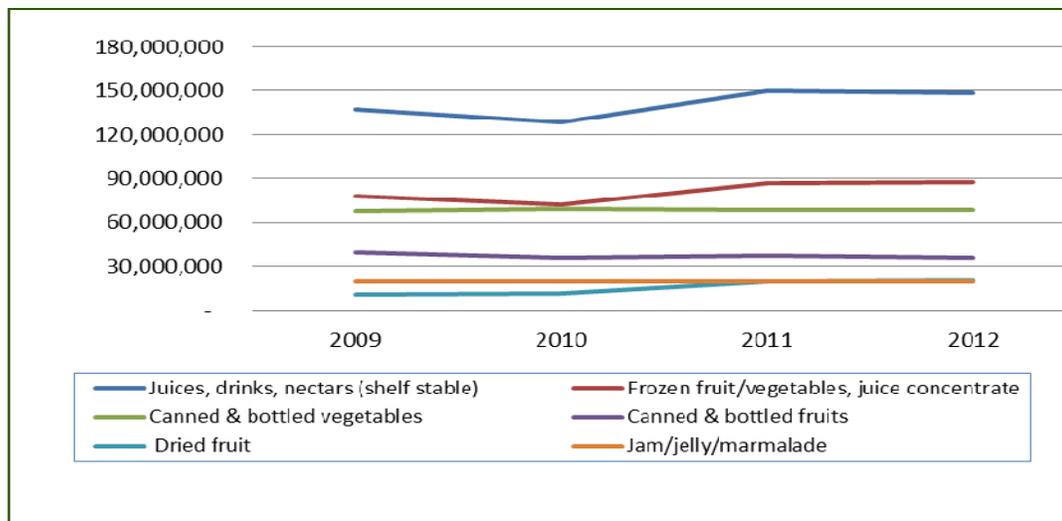
Fresh Produce Sales in Alberta



By 2012, fresh fruit sales alone account for \$564 million; fresh vegetables account for \$477 million.

Source: Alberta Retail Grocery Sales Data, Nielsen Market Track, Alberta All Channels, 2009-2012

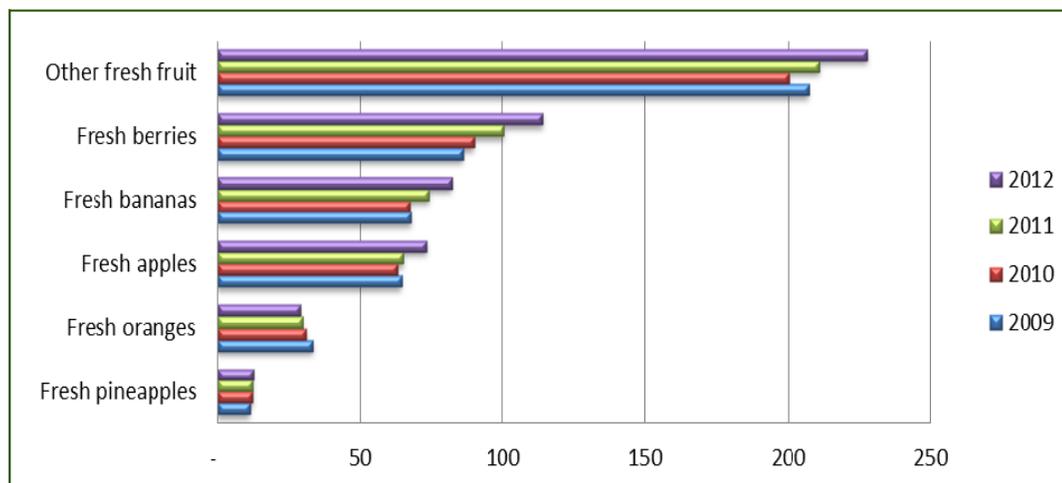
Sales (\$) of Other Fruit/Vegetable Products in Alberta



Sales of other processed fruit and vegetable products account for another \$340 million. The chart shows increased sales in: juices/drinks/nectars; dried fruit; and in the frozen category (mostly in juice concentrate and frozen fruit).

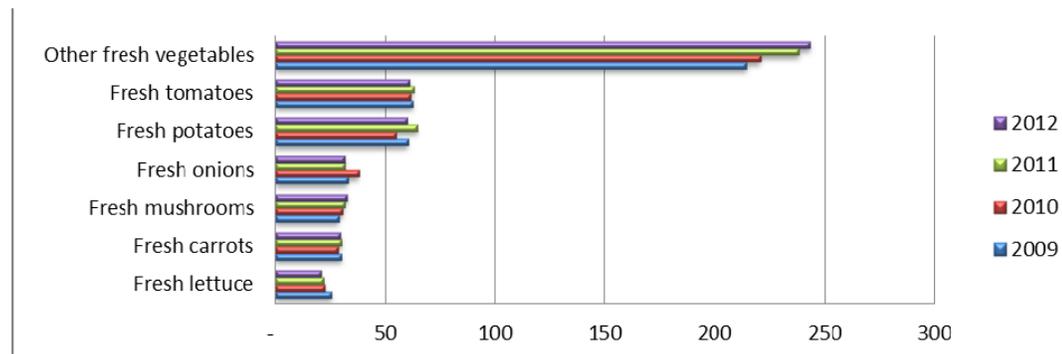
Source: Alberta Retail Grocery Sales Data, Nielsen Market Track, Alberta All Channels, 2009-2012

Fresh Fruits Sales (million dollars) 2009 to 2012



Alberta has seen an increase in consumer demand for fresh fruit and vegetable sales since 2009. This demand is especially noteworthy for Alberta producers producing berries and apples, whether they are sold in the retail market or direct markets. Vegetables also show a steady increase since 2009.

Fresh Vegetables Sales (million dollars) 2009 to 2012



Source: Alberta Retail Grocery Sales Data, Nielsen Market Track, Alberta All Channels, 2009-2012

How do Canadians Rank with Eating Fresh Fruit and Vegetables?

Breakfast – “Ready to eat” cereal is still the top breakfast food (31%) followed by toast (23%), fruit (16%) and hot cereals (10%). Compared to the average population, fresh fruit is eaten less often by 18-44 year olds, eaten on average by 45-64 year olds, and more than the average population by 65+ year olds.

Lunch – One third of lunches include a sandwich, while fruit ranks second place or is one-fifth of lunch occasions (19%), while vegetables is at 13%.

Supper or Carried from Home – Vegetables and salads are more popular with seniors than the average population; they are eaten less by those 34 or under. As a main dish, while chicken is first (12%), vegetables in second place (9%). On the other hand, vegetables are a side dish half of the time (50%), with salads following second as a side (19%).

Snacks – fruit is the top ranking snack eaten by Canadians, usually as morning or afternoon snack, while evening snacks tend to be more indulgent.

Source: The NPD Group/SnackTrack – Canada; year ending December 2011

Has the Trend Continued in 2013?

Mixed Results within the Store

TOP 5



- +8% Vegetables
- +8% Home Meal Replacements
- +6% Hot Beverages
- +6% Processed Meat
- +5% Fruit

BOTTOM 5



- 5% Deli Meat
- 4% Natural Cheese
- 4% Cold Beverages
- 1% Shaving
- 1% Household Products

Source: Nielsen MarketTrack, National All Channels – 52 weeks Ending December 14, 2013
Total Tracked Sales including Fresh Random Weight

As of December 2013, retail stores reported their top performers. Produce leads growth with fresh vegetables; fruit is also outperforming the market compared to other categories.

So What?

- ◆ It is important to understand whether your category is affected by trends, and how it is shaped by changing consumer demographics and preferences.
- ◆ With the increasing demand for fresh produce in retail, there lies an opportunity for locally grown fruit and vegetables.
- ◆ Other fruit and vegetable products also show promise by increased sales since 2009, especially juice products, frozen juice concentrate, frozen fruit, and dried fruit.
- ◆ By looking at consumer demographics and ways to make products convenient business can better meet consumers' needs.
 - ◆ Breakfast – fruit is a popular item especially for 45+ years of age
 - ◆ Lunch – fruit and vegetables are common for the general population; fruit makes up one-fifth of lunch occasions (19%), while vegetables make up 13%.
 - ◆ Supper – vegetables often come in second place on a dinner plate (9%), while salads are a side dish half of the time (50%) or as a side dish (19%).