



Outlook 2025: Is the juice worth the squeeze?

Presented by: Tom Barnes, President and CEO Category Partners, LLC



Agenda

- ▶ Who we are
- ▶ Economic Numbers
- ▶ Consumer Sentiment
- ▶ Omnichannel Shopping
- ▶ Consumer Shopping Preferences
- ▶ Apple Product Performance
- ▶ Deep Dive into Fresh Apples

Category Partners - Capabilities

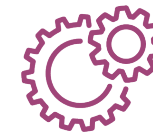
With a diverse group of seasoned professionals, we have the capability to simplify data and provide the insights our clients need in order to succeed.



Research & Knowledge Planning



Marketing & Brand Strategy



Operations Efficiency



Data Analysis & Reporting



New Product Development Process



Category Management

Meet the CP Leadership Team



Tom Barnes
President & CEO



Cara Ammon
SVP Research



Walter Liu
Director of Analytics



Julie DeWolf
SVP Business Dev



Eric Le Blanc
SVP Marketing

- Our leadership team brings a diversity of knowledge and experience — from CPG products to random-weight, and success in disciplines from analytics, sales, marketing, category management, strategy, and operations.
- That diversity means we can take a broad view of your opportunities and help you craft holistic solutions to take advantage of those opportunities.

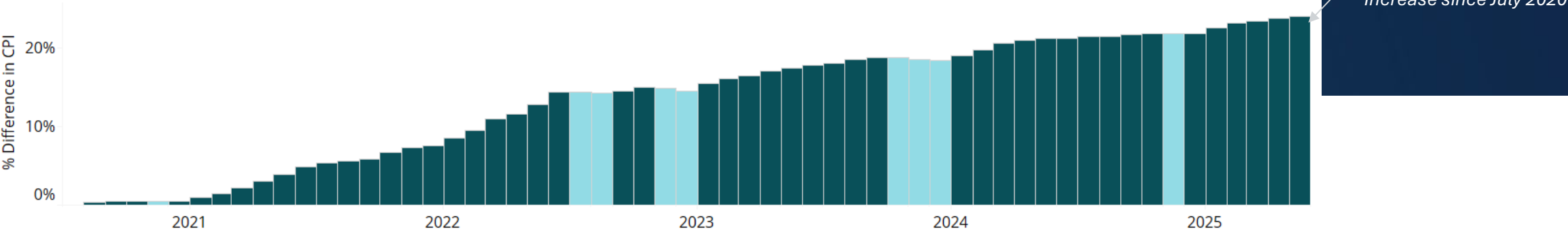
Methodology

- ▶ Data Source: **Economic Data**
 - ▶ Bureau of Labor Statistics, Consumer Price Index
 - ▶ University of Michigan, Consumer Confidence
- ▶ Data Source: **USDA AMS**
 - ▶ Movement database
 - ▶ Pricing database
- ▶ Data Source: **NIQ Syndicated Data**
 - ▶ Total U.S. xAOC
 - ▶ “xAOC” includes all grocery, mass, and club
 - ▶ Categories are shown across all departments
 - ▶ Example: Dried Apples includes both Produce and Grocery departments
 - ▶ 5 Years grouped into 52-week increments
 - ▶ 2025 = Most Recent 52Wks Ending July 19th, 2025
 - ▶ 2024 = Most Recent 52Wks Ending July 20th, 2024
 - ▶ 2023 = Most Recent 52Wks Ending July 22th, 2023
 - ▶ 2022 = Most Recent 52Wks Ending July 23th, 2022
 - ▶ 2021 = Most Recent 52Wks Ending July 24th, 2021

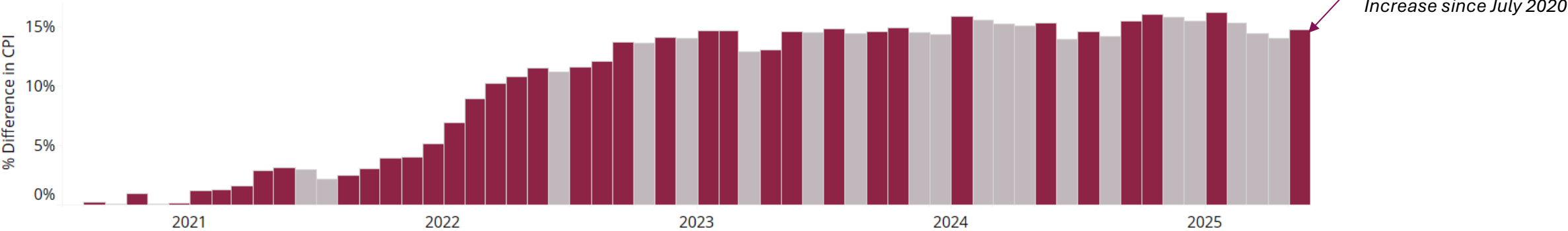
Consumer Price Index

While consumer price on fresh produce has increased over the last four years, it is not consistent with the rise in overall price increases affecting consumers

All Item CPI

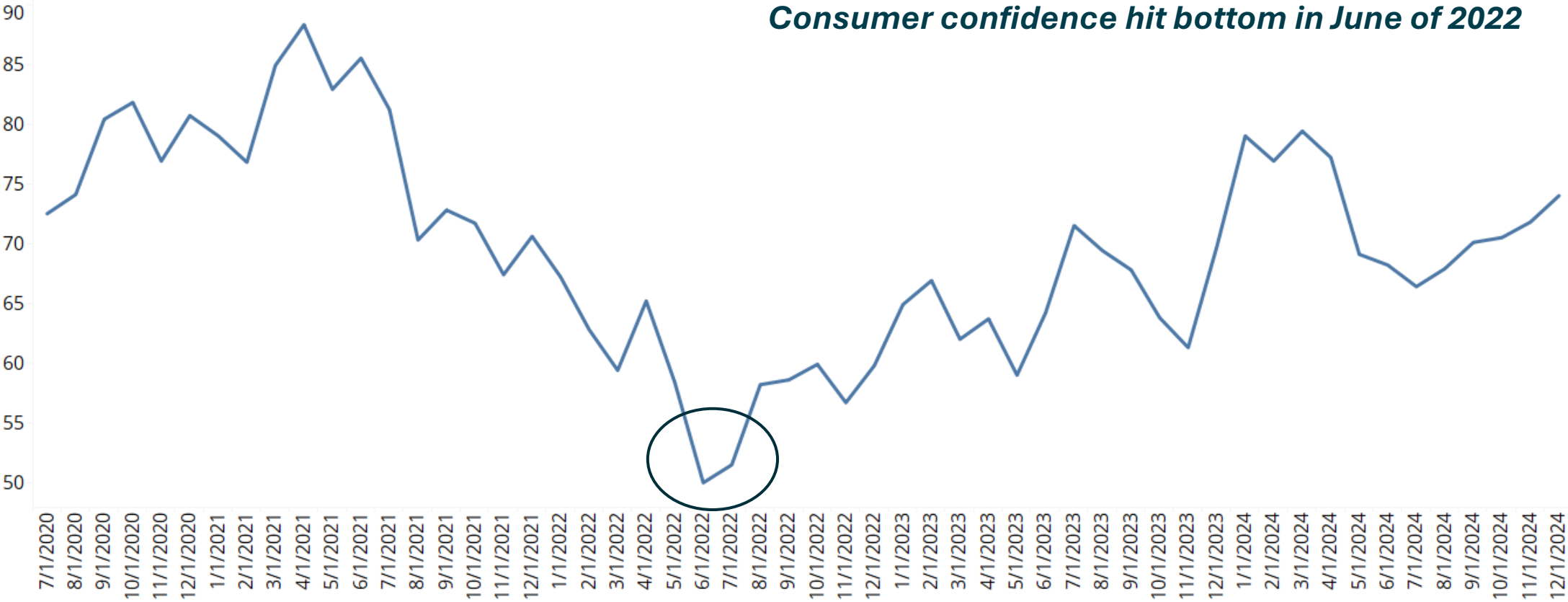


Fresh Fruits and Vegetables



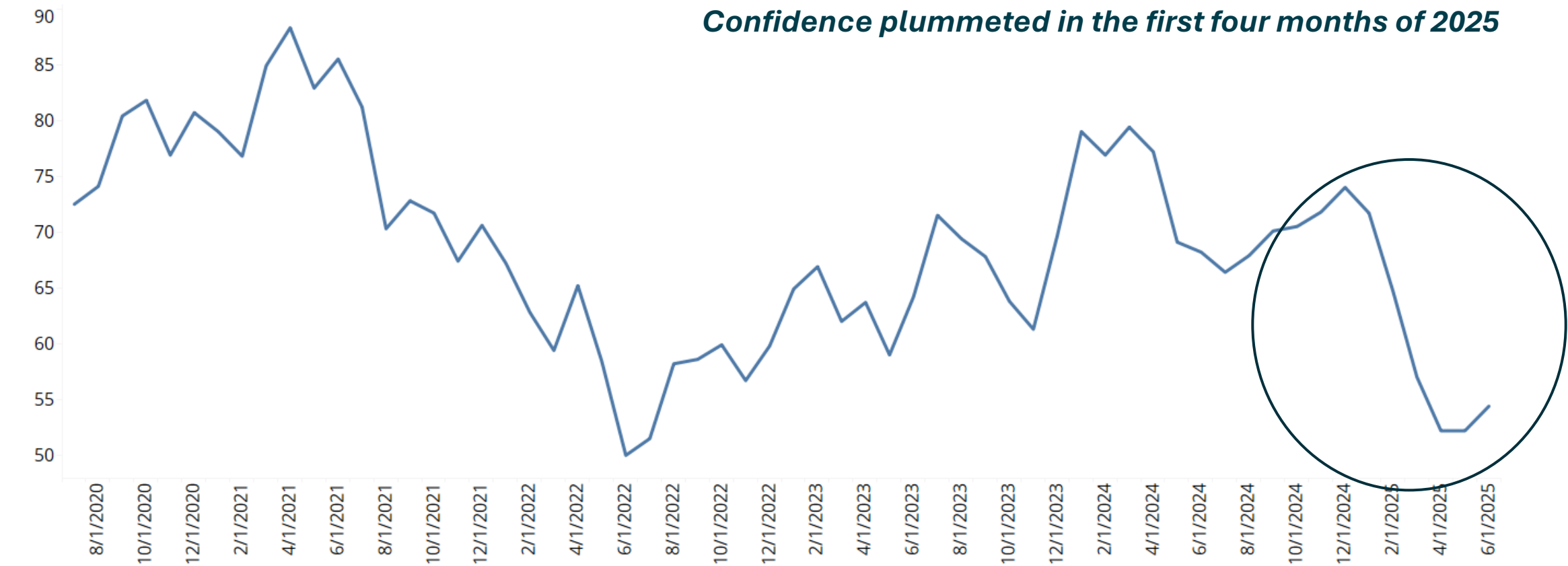
Consumer Confidence thru 2024

Consumer Sentiment



Consumer Confidence thru April 2025

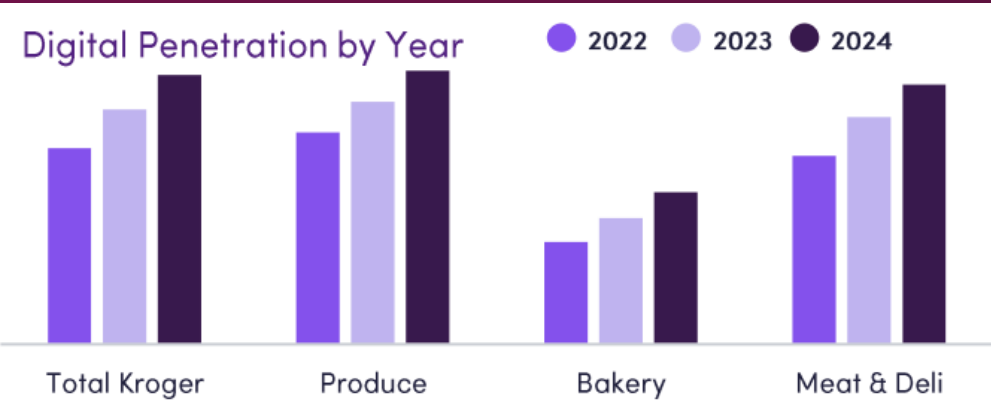
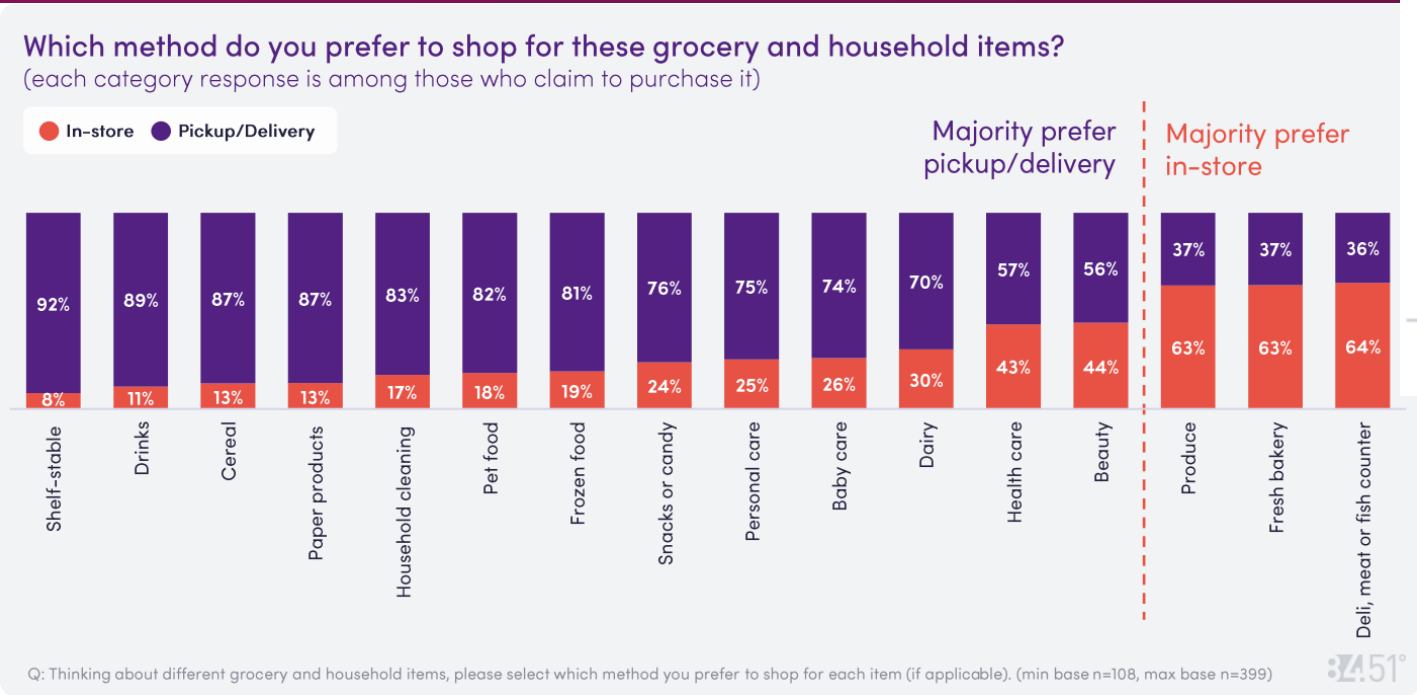
Consumer Sentiment



Source: University of Michigan: Consumer Sentiment Vintage, Index 1966:Q1=100, Monthly, Not Seasonally Adjusted

84.51 Omnichannel Yearly Survey

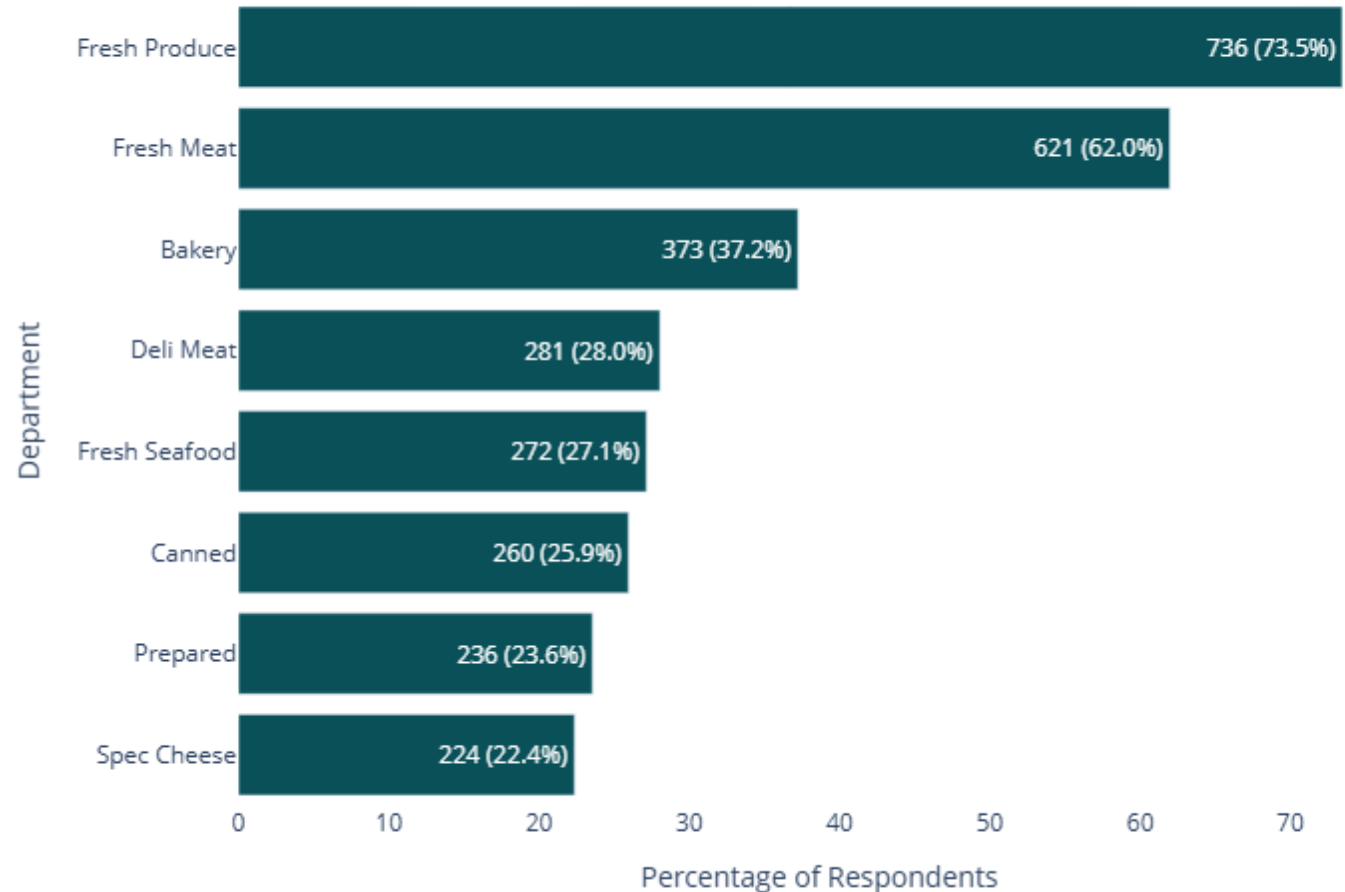
According to 84.51 the majority of consumers prefer to shop for produce in store, however, the trend to online is slowly continuing



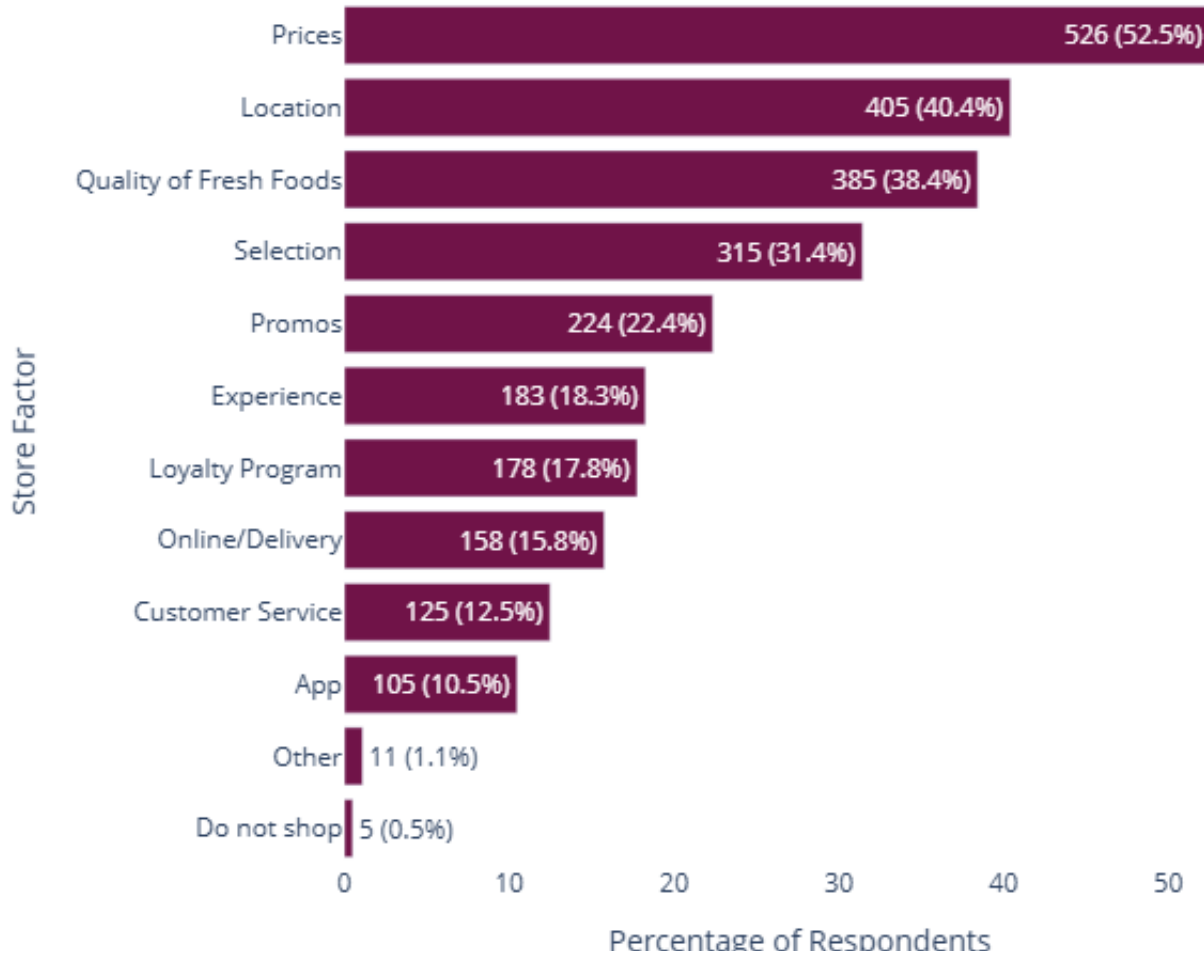
Importance of Department

- ▶ Fresh Produce is the clear winner among consumers when choosing where they shop
- ▶ Older shoppers tend to put more importance on fresh departments
- ▶ Younger shoppers are more diverse in what they consider important, having the highest response rate for bakery, specialty cheese, prepared foods and deli meat

In making your decision of where to shop for groceries, how important are the following departments? (Please rank in order from 1 to 8, where 1 is most important and 8 is least important)



Thinking about your favorite store to shop for groceries, why is it your favorite?
(Please select up to three)



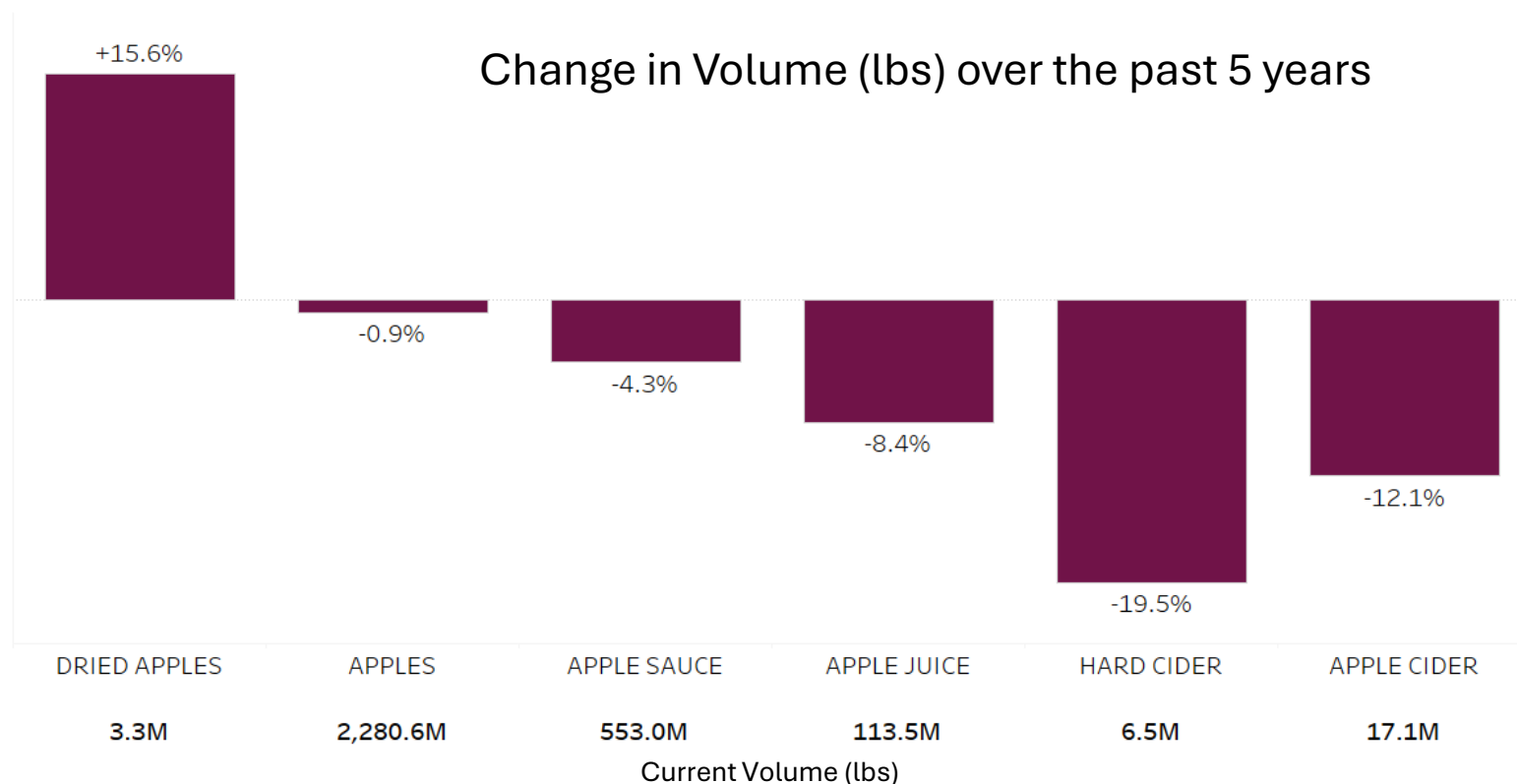
Consumer Decision on where to shop

- ▶ Price is and always will be the most important factor for most consumers
- ▶ Inverse relationship between income levels and price sensitivity
- ▶ Responses consistent amongst all income levels regarding quality of fresh produce

Apple Products Overview

An abstract geometric pattern consisting of thin, light blue lines and small dots, arranged in a complex, interconnected manner, resembling a stylized circuit or a network diagram. The pattern is located in the top right corner of the slide.

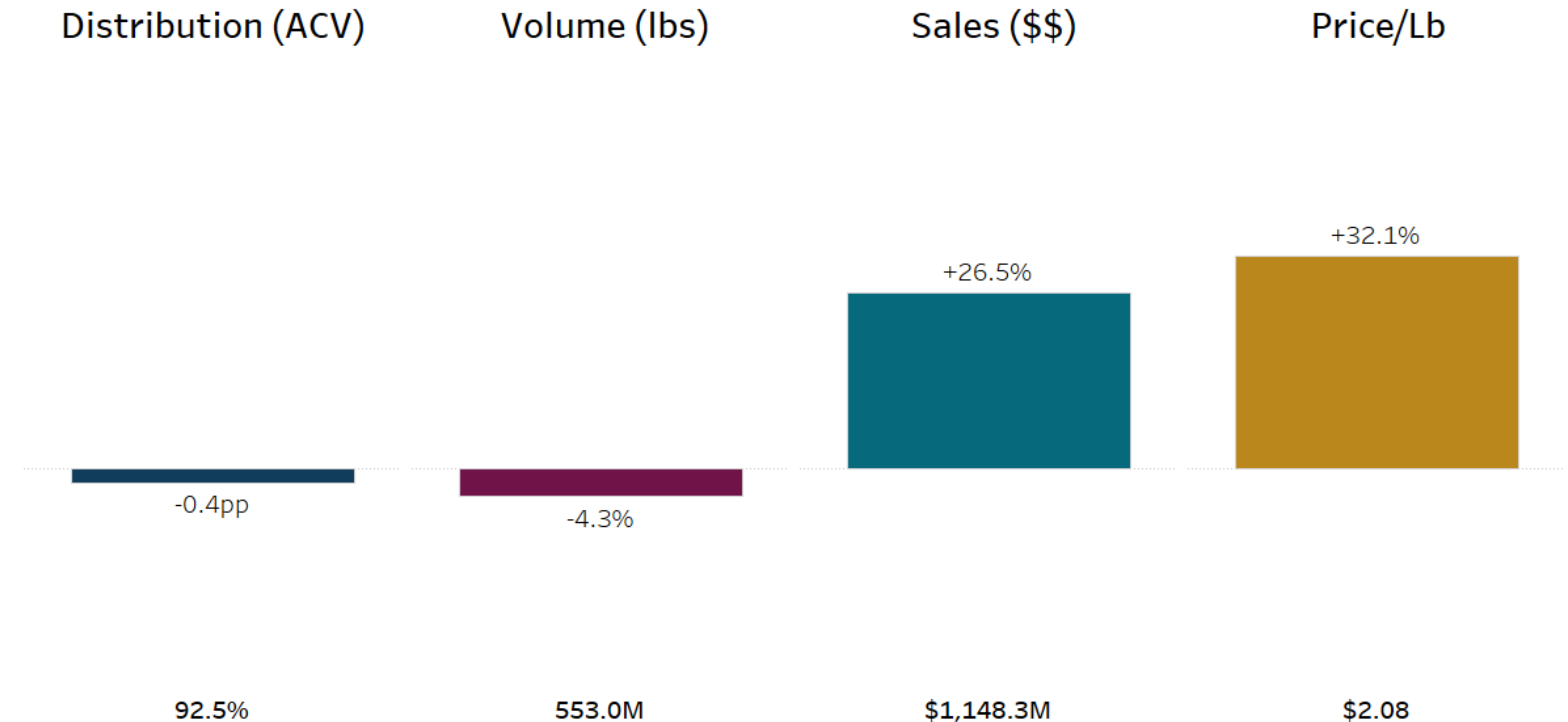
Apple Products – Volume over time



- ▶ Dried apples are the only apple product to post gains over the 5 year comparison
- ▶ Juice and Cider declines partially due to the competitiveness of the beverage category

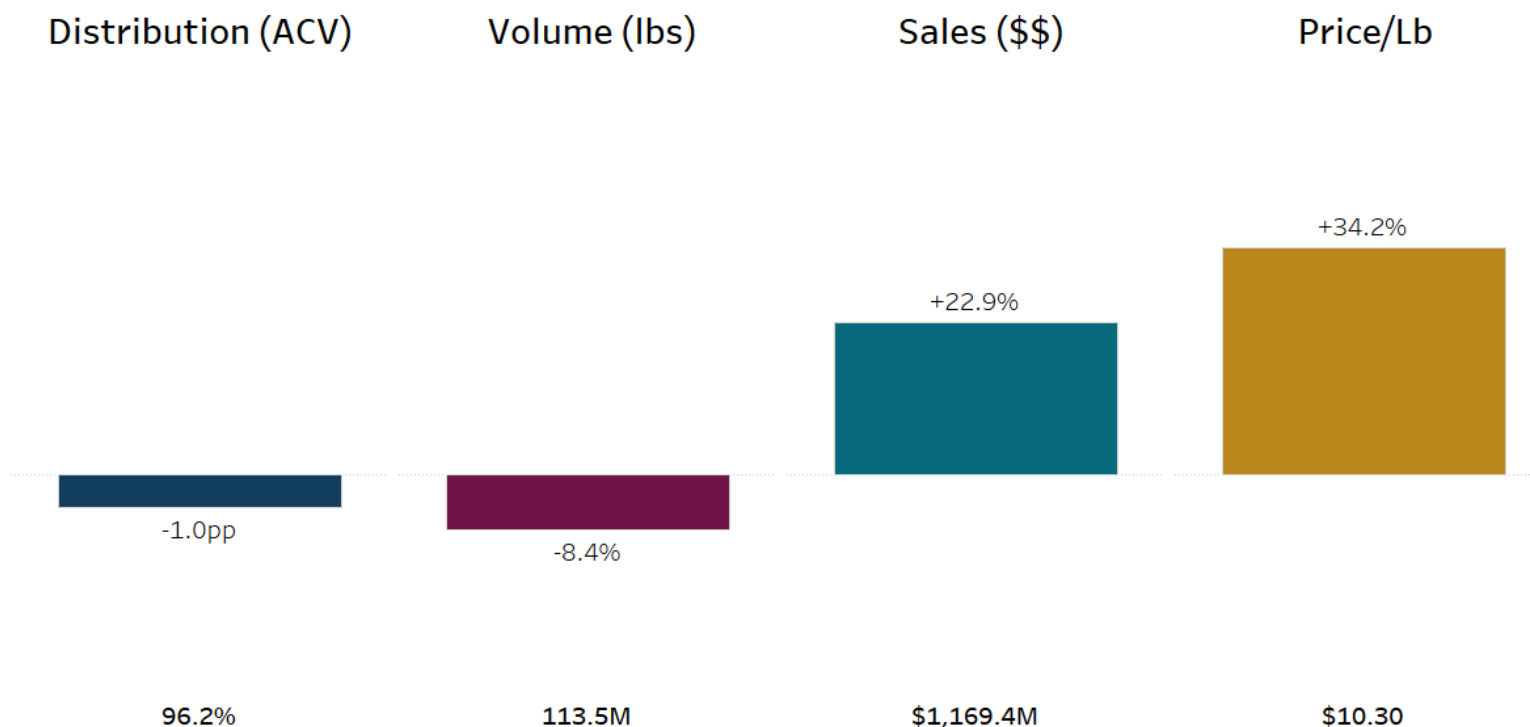
Apple Sauce – 5yr Trend

- ▶ Prices have risen significantly over the past 5 years resulting in slight degradation in distribution and slight declines in volume
- ▶ 3lb and larger packs gained almost 9% in volume over the past 5 years



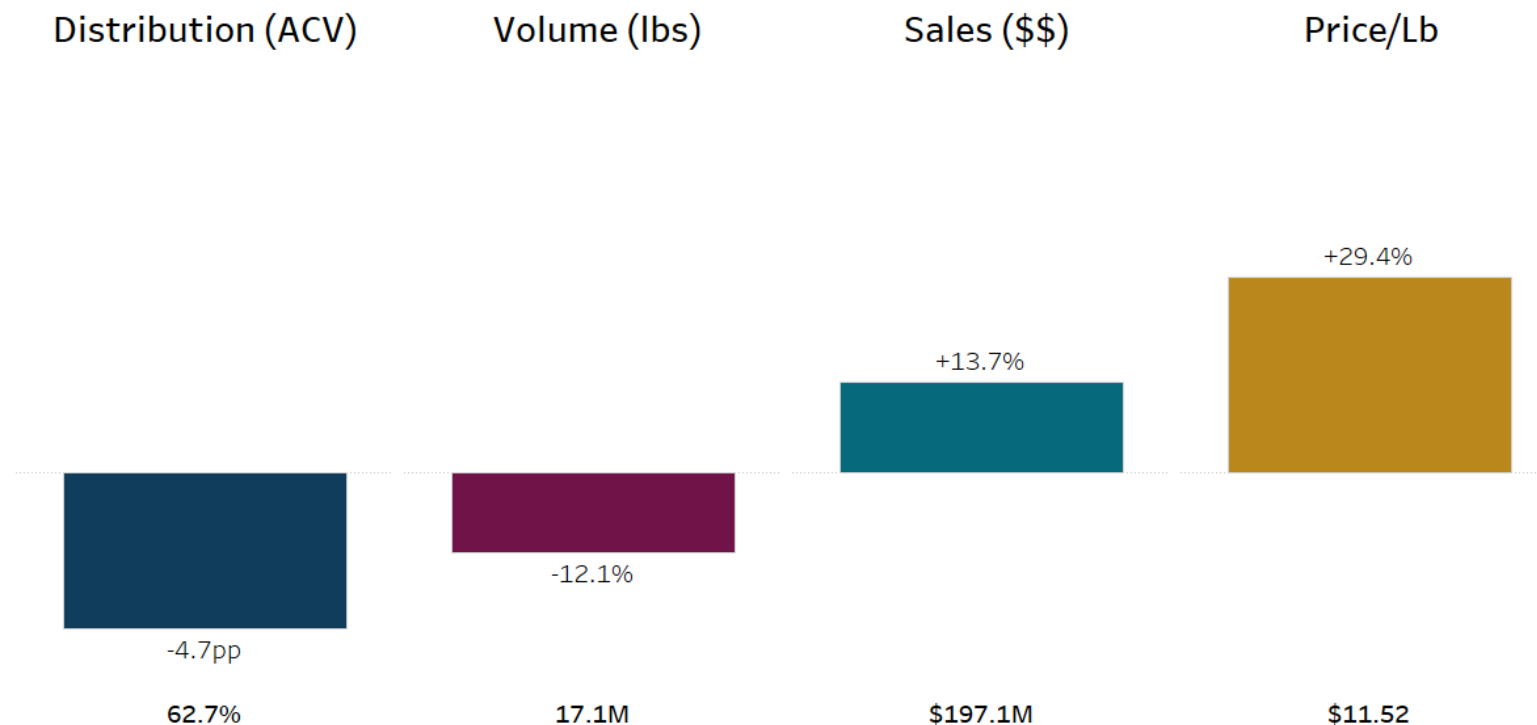
Apple Juice – 5yr Trend

- ▶ Price gains over 30% a driver in declines in volume and some loss of distribution
- ▶ Fruit Juice as a category down in volume almost 23% as competitive alternative drinks with lower sugar content become more prevalent in the market place



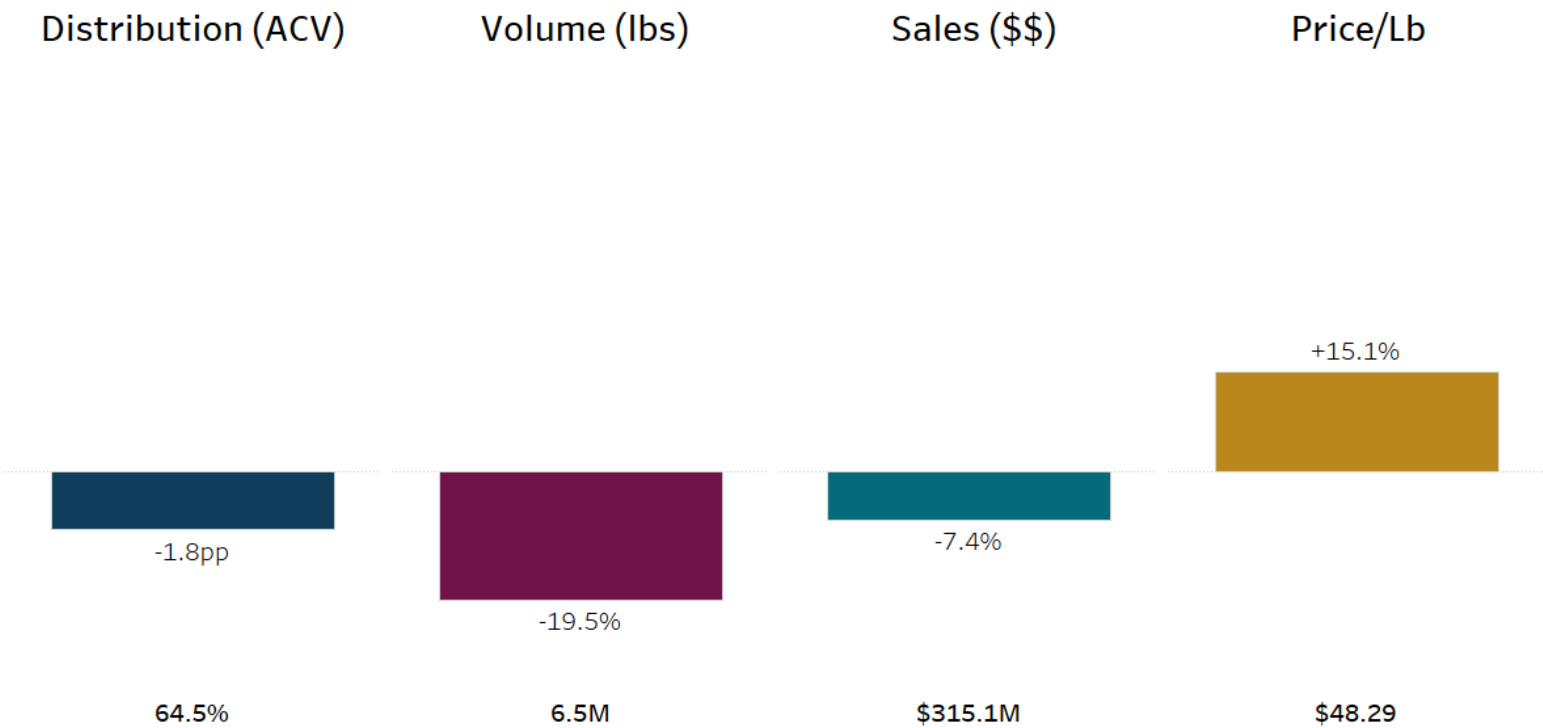
Apple Cider – 5yr Trend

- ▶ Higher prices and lack of innovation in the category have caused apple cider to decline in both distribution and volume sold.
- ▶ Perception of Cider to be a seasonal drink and the high-sugar content can also be contributing to the declines



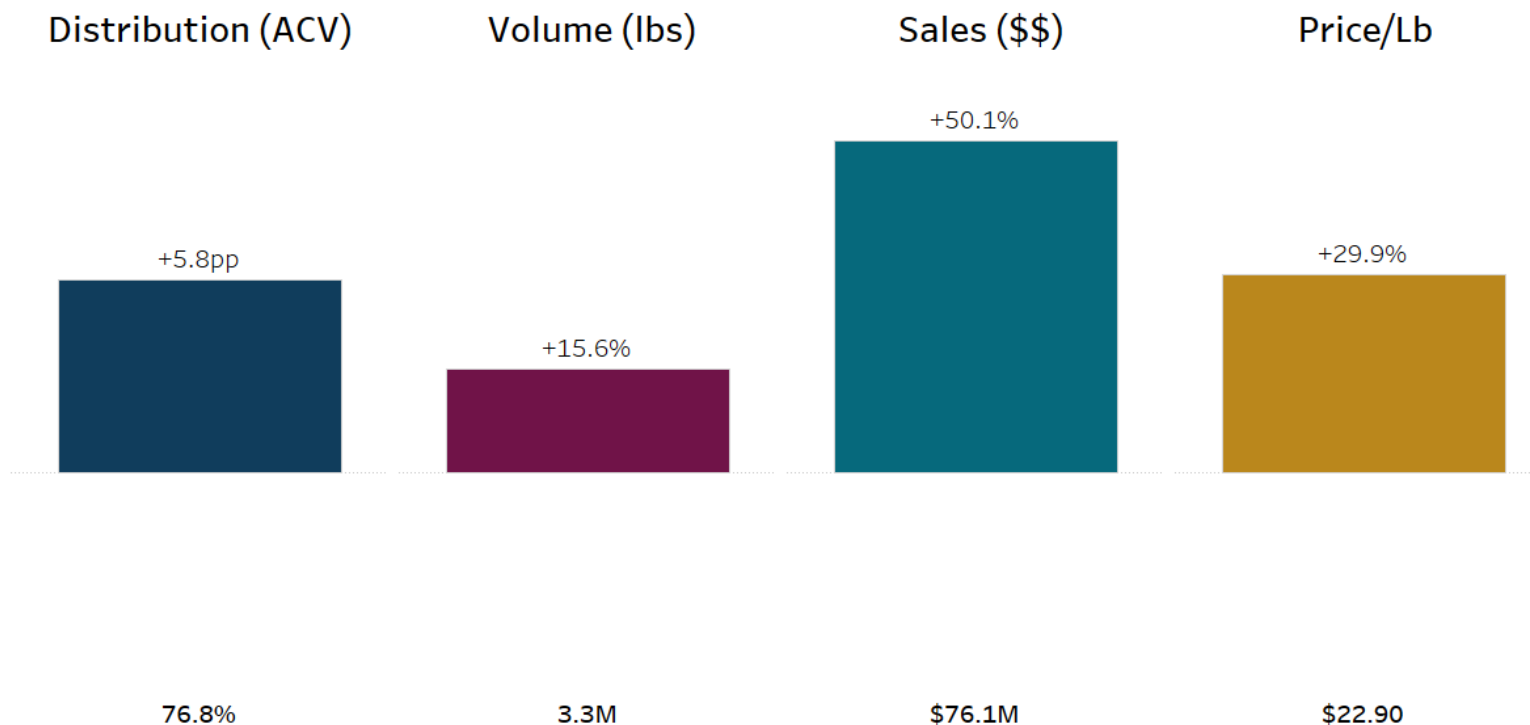
Hard Cider – 5yr Trend

- ▶ Hard ciders lost distribution and declined in both volume and sales following the trend of the entire department.
- ▶ Potential cause could be related to younger generations looking for low-alcohol/no-alcohol alternatives along with pressures to make ends meet.



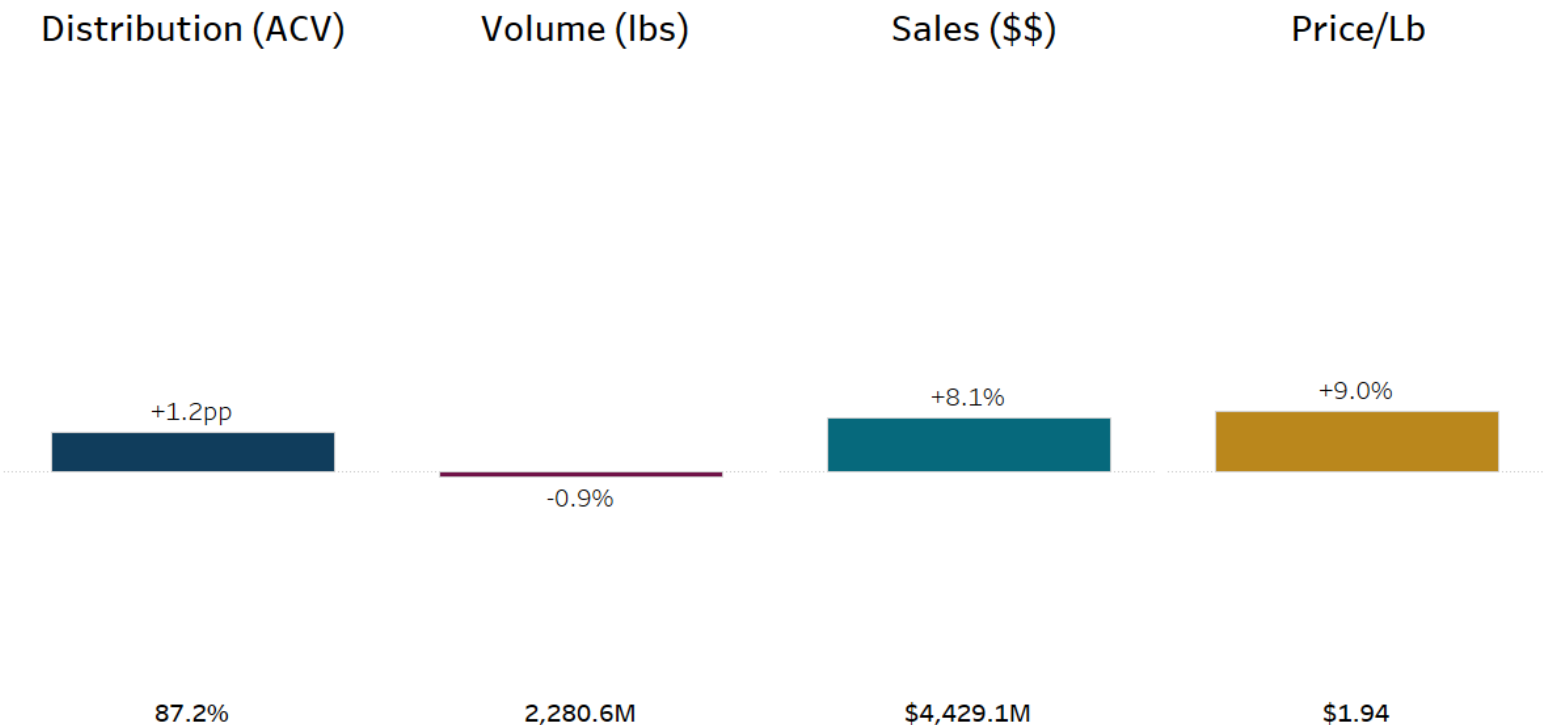
Dried Apples – 5yr Trend

- ▶ Despite increased pricing of almost 30% dried apples have gained in volume and distribution
- ▶ Perception of a healthy alternative to processed snacks could also be contributing to the gains



Fresh Apples – 5yr Trend

- ▶ Apple sales rely heavily on availability
- ▶ Compared to other apple products; the 5 year trend for fresh apples is muted

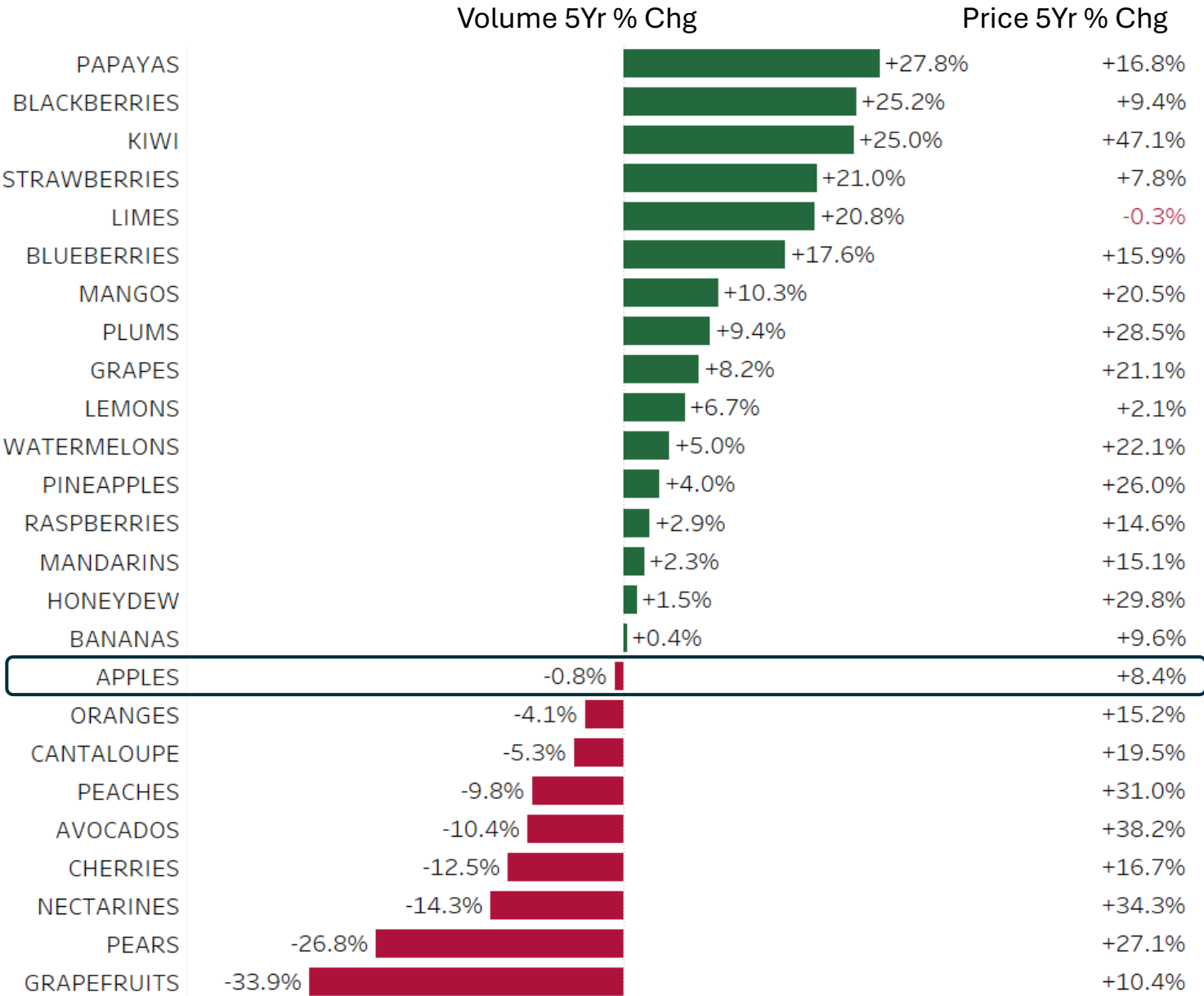


Fresh Whole Apple Deeper Dive

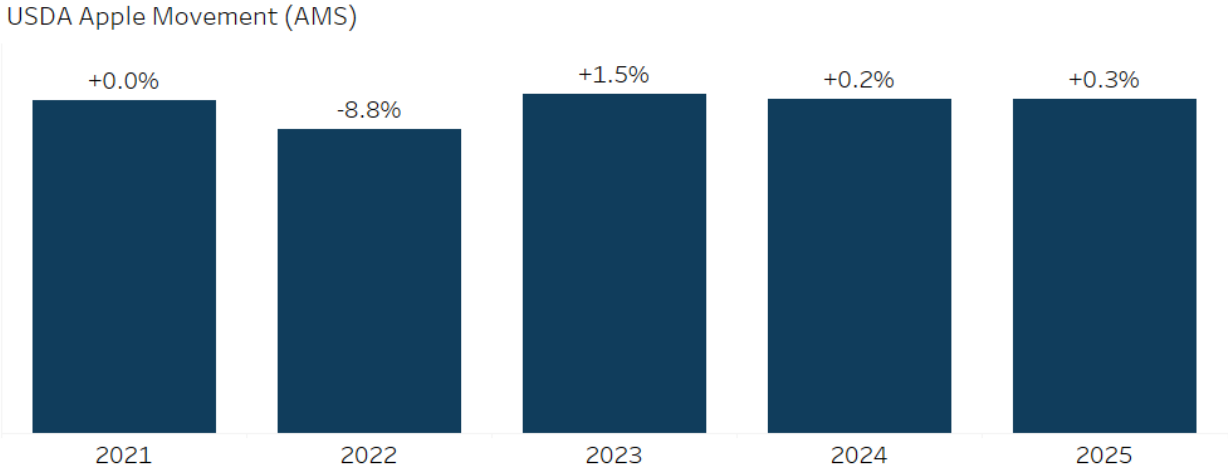
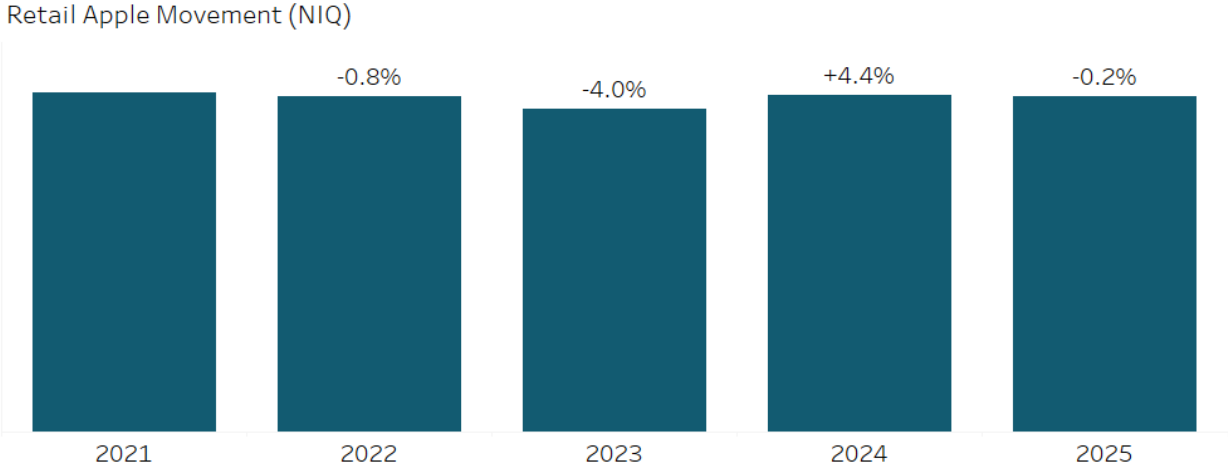


Top 25 Fruits 5Yr Volume & Price Change

- ▶ Berries among the categories posting gains over the past 5 years
- ▶ Cherries and Pears both have significant declines
- ▶ Avocados also declining with one of the largest price gains



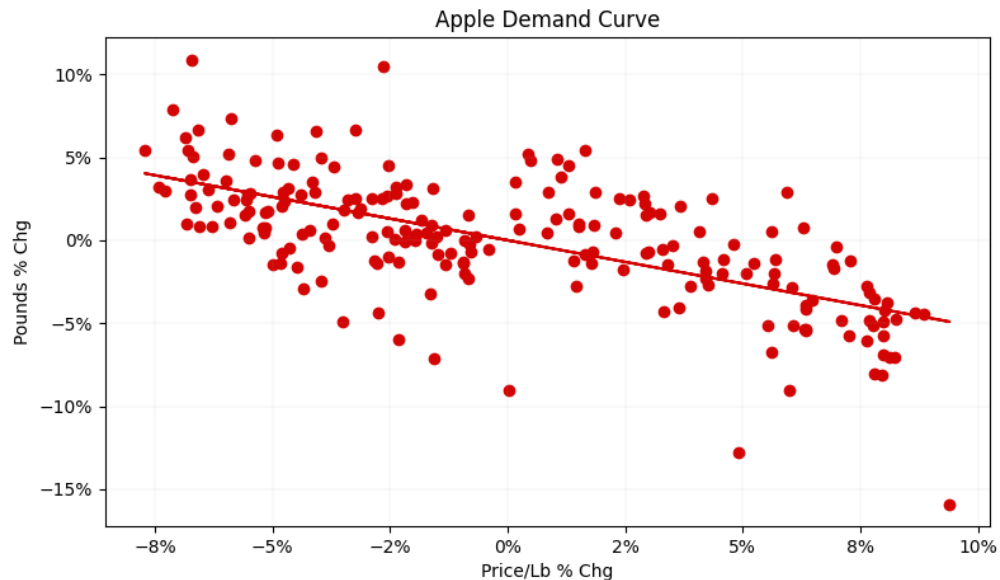
Shipments vs Retail Movement



► Supply largely determines retail movement

Apple Price Sensitivity

Price Elasticity – Total U.S. xAOC

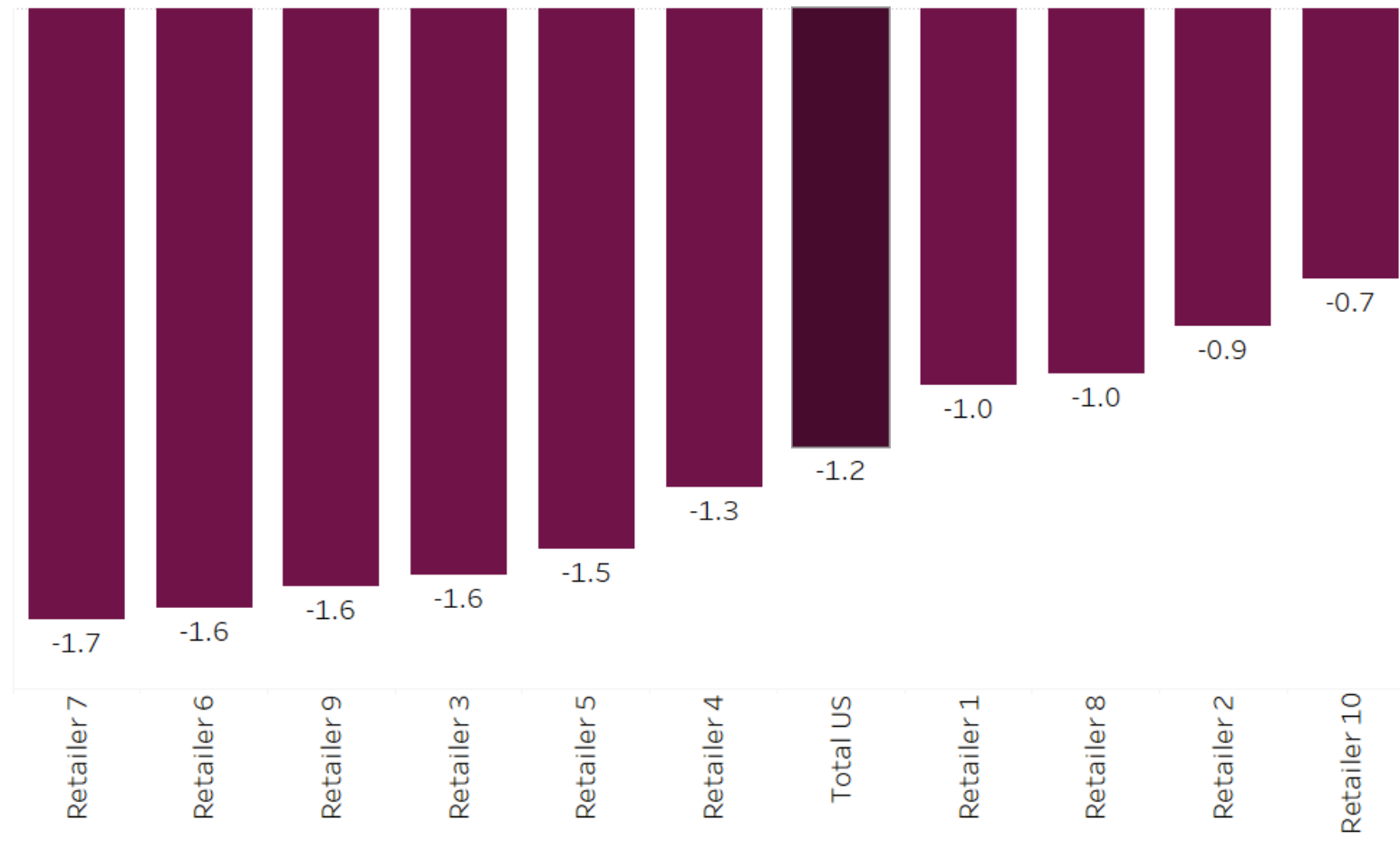


- ▶ Apple Category: **-0.5** (inelastic)
- ▶ Gala Variety: **-0.8** (slightly inelastic)
- ▶ Honeycrisp: **-1.2** (slightly elastic)

Price Elasticity – Honeycrisp by Retailer

- ▶ Not all retailers are created equally!
- ▶ Each retailer needs their own study in order to successfully understand their specific business

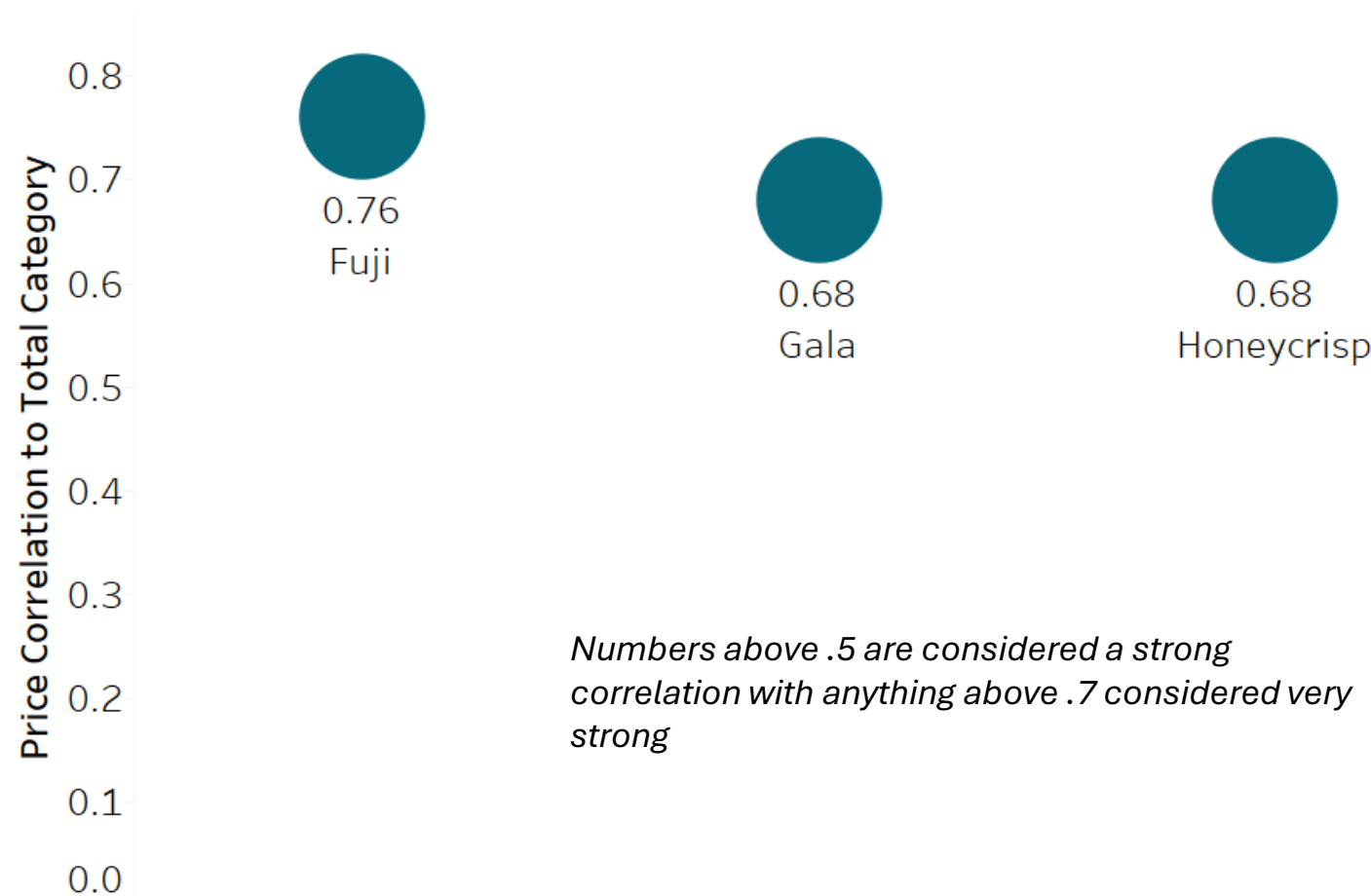
Price Elasticity – Conventional Honeycrisp

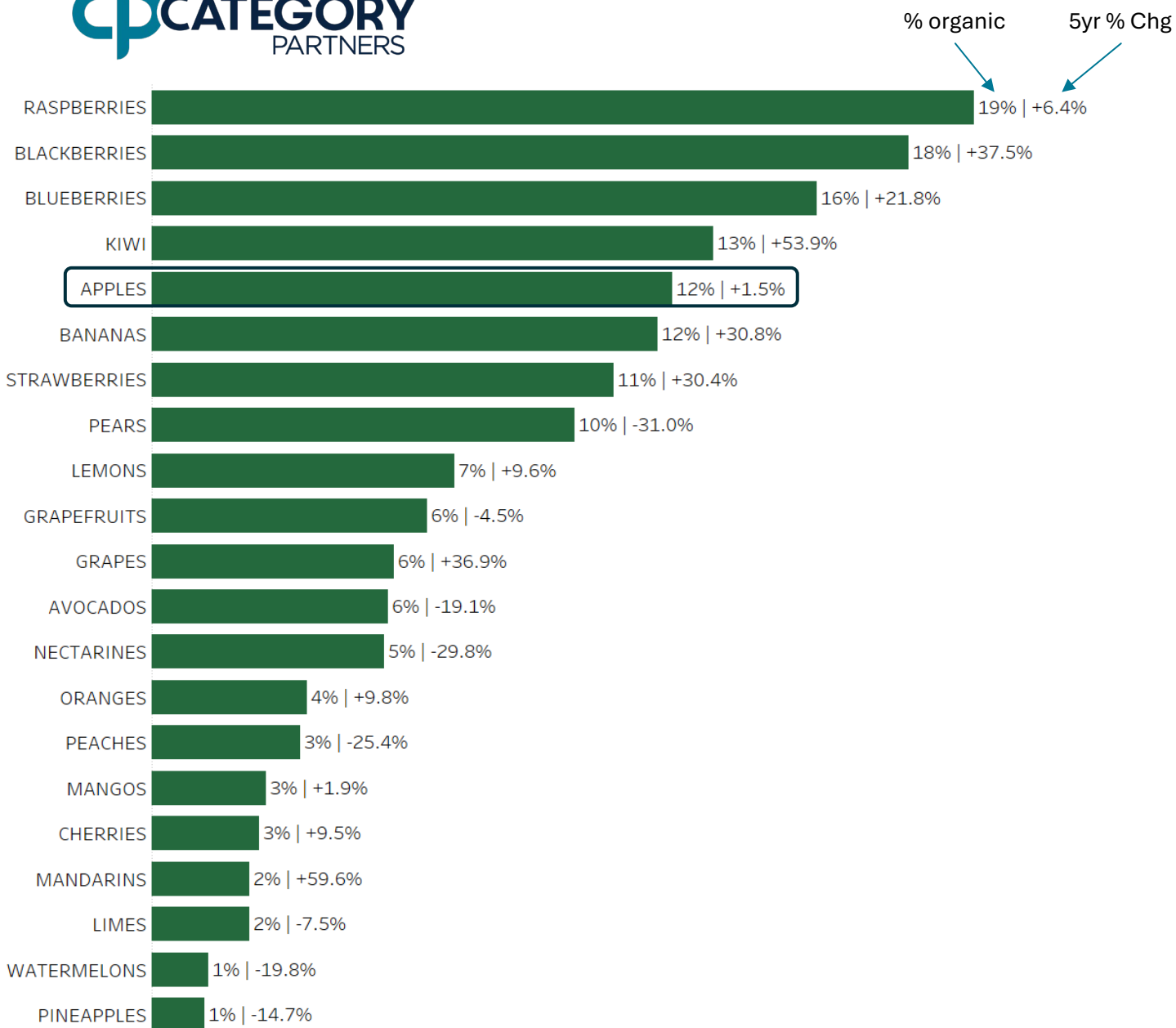


Variety Correlation to Overall Category Pricing

- ▶ These core varieties set the tone in pricing for the entire category
- ▶ Consumers use these varieties as a benchmark and comparison for all other varieties on the shelf

Correlation between variety pricing to overall category pricing

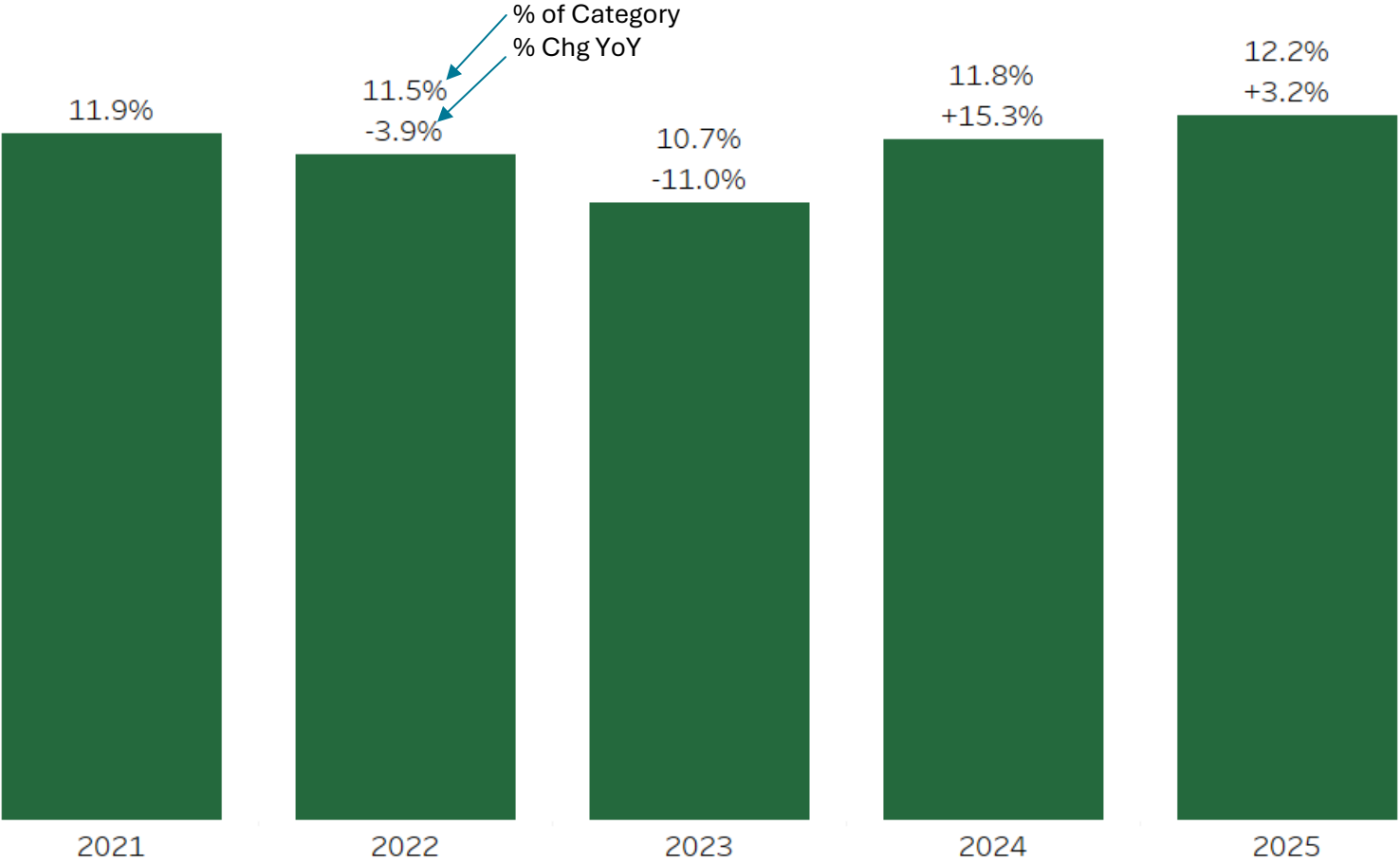




Top 21 Fruits by Organic Volume

- ▶ Organic Berries have made big gains over the past five years
- ▶ Apples, at 12%, has a healthy mix compared to other fruits

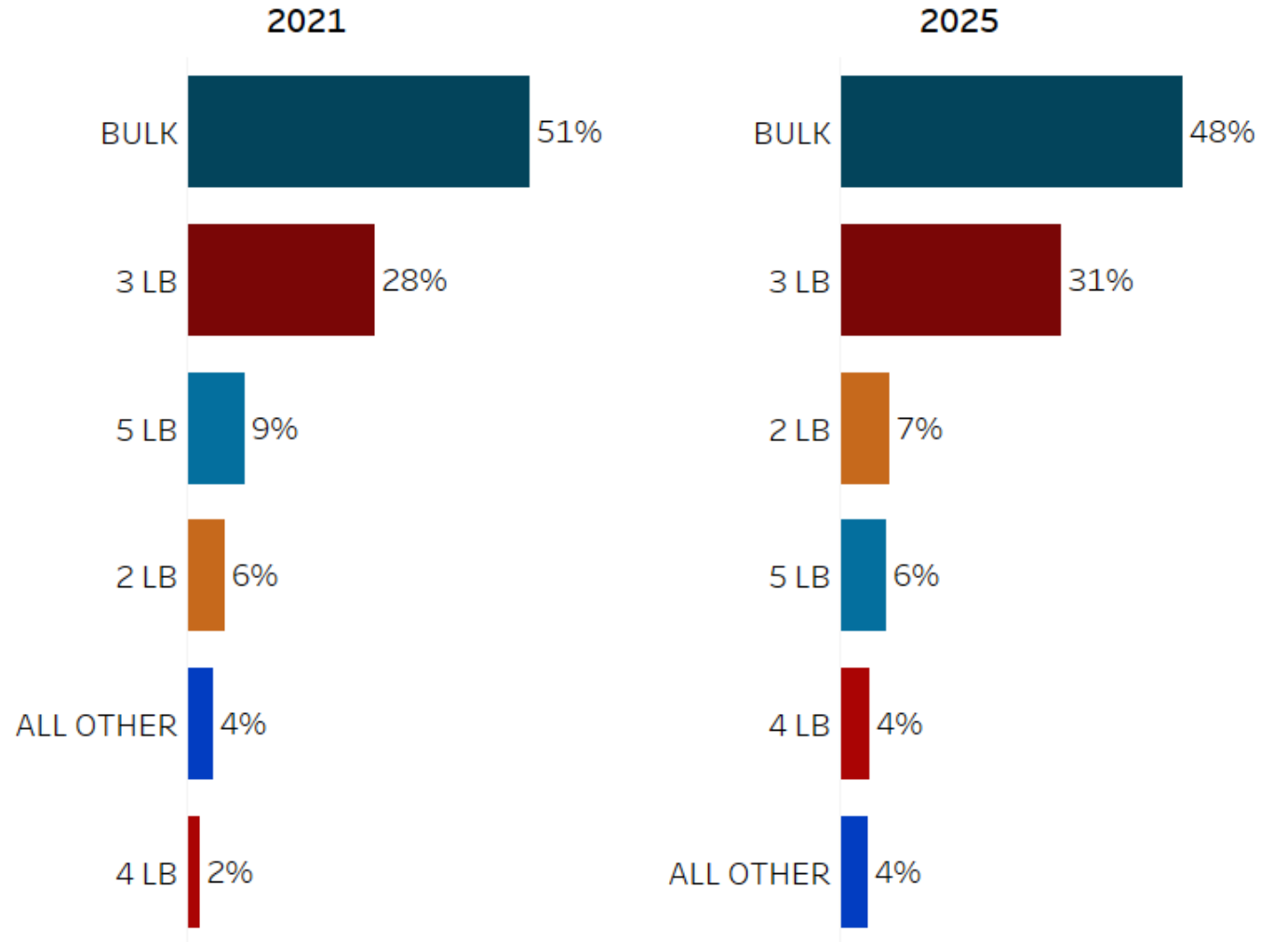
Organic Apple Performance



► Organic as a whole has struggled due to inflationary pressures on the consumer and have just recently started to make gains again

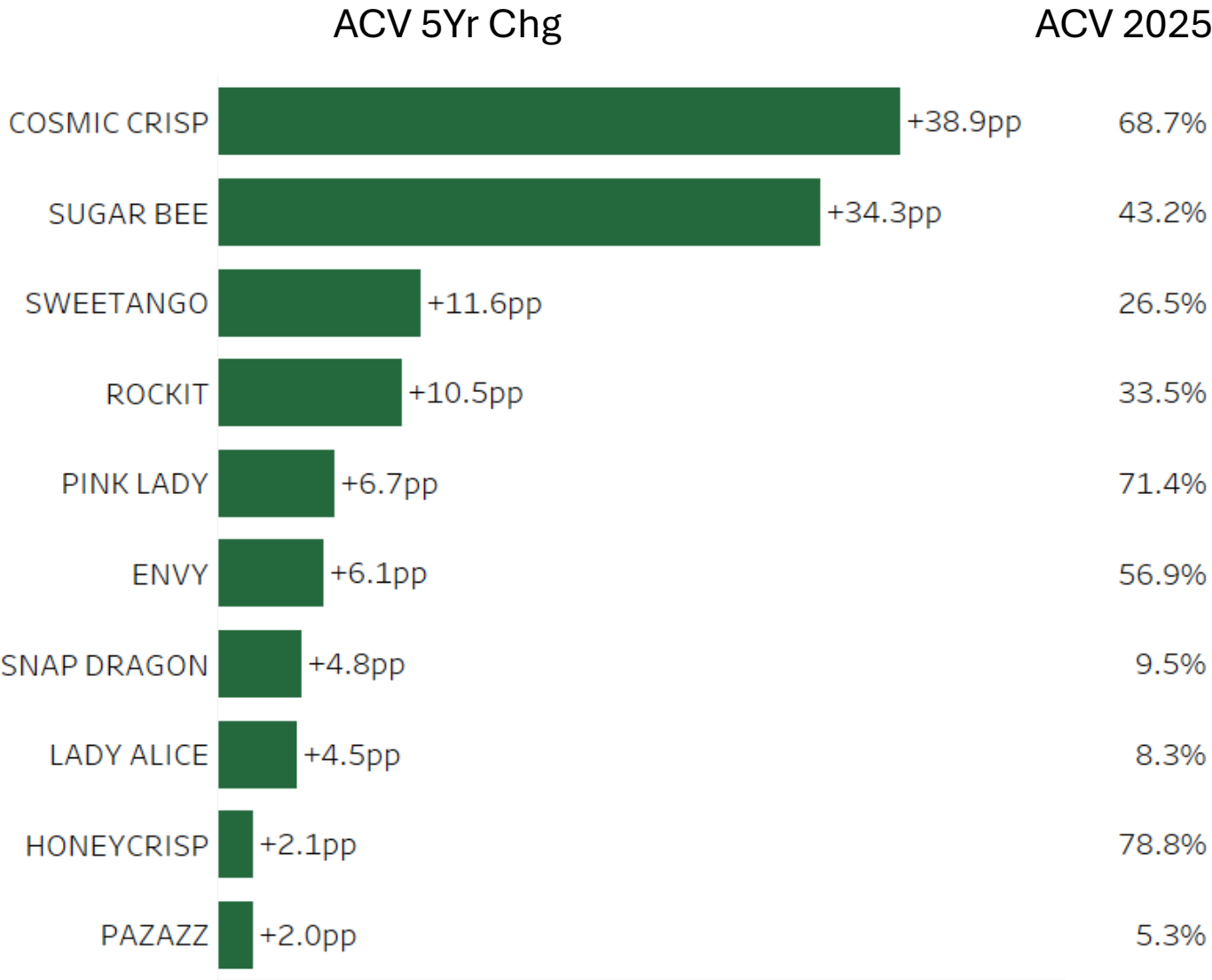
Apple Volume by Pack Size 5Yr Shift

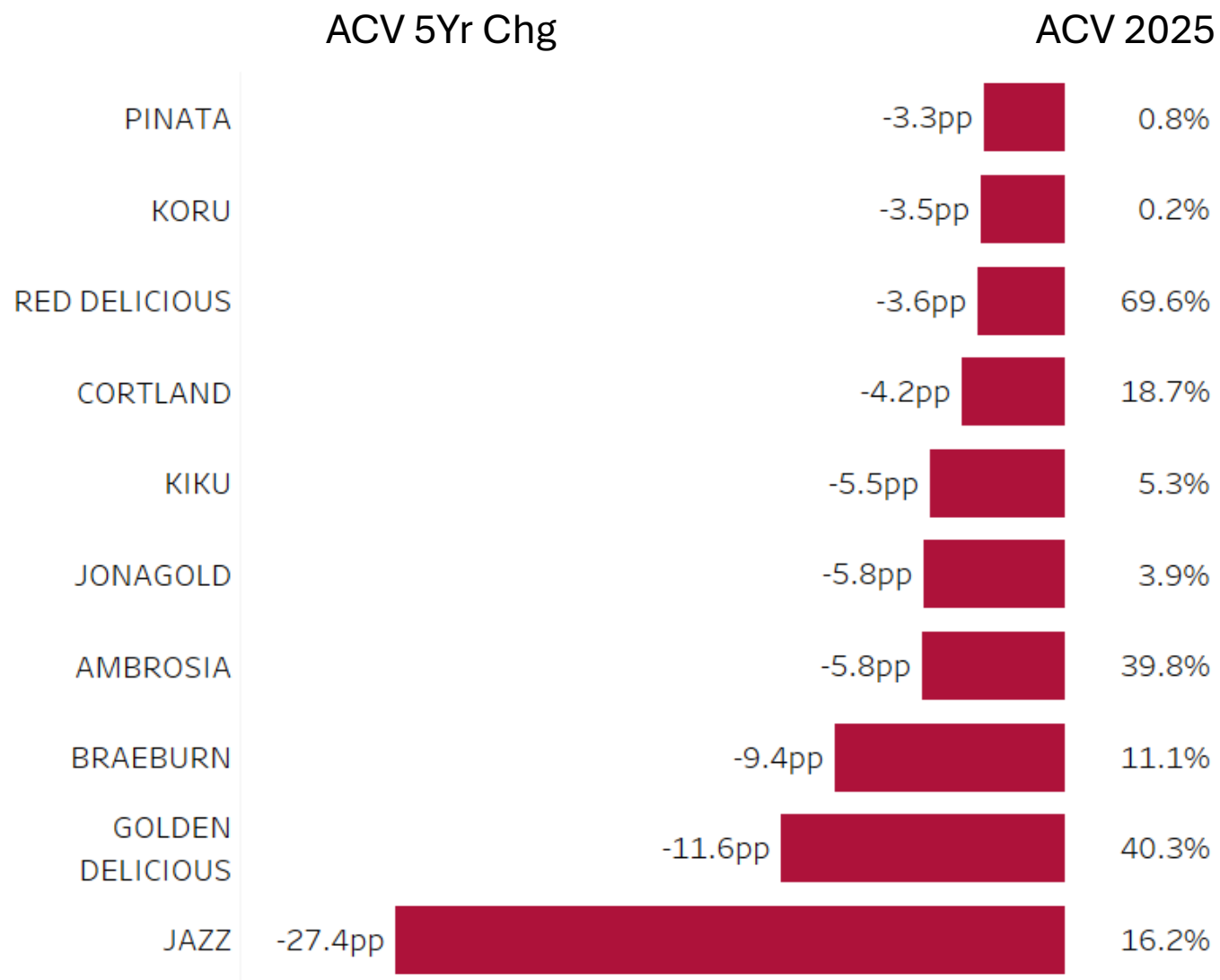
- ▶ Bagged apples continue to take share of category away from Bulk
- ▶ 2, 3 and 4lb bags all made gains over the past 5 years



Distribution by Variety

- ▶ Many of the top varieties to gain distribution still have less than 70% total distribution





Distribution by Variety

- ▶ Red Delicious drops below 70% distribution in the US
- ▶ Golden Delicious now at 40% distribution

What's in Store for the '25-'26 Season



Consumer confidence will continue to fluctuate during this tumultuous time

- Healthy Eating Trend continues
- Looking for respite through new experiences
- The dollars in their wallet will always be important



Retail buyers are looking for opportunities for growth

- Constantly looking for the next new thing to drive business
- How do we help them win?



Opportunity for growth is there

- Focus on velocity through assortment
- Potential for new dried or other snacking variants
- Organic will continue to rebound and be an opportunity



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