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Choice or necessity? E-commerce gaining trust with fresh produce shoppers

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C O P I N G

with COVID-19

By Craig Levitt



It has been two months since COVID-19 has shut down the country. While nothing has been normal in that time, clear shopping patterns have emerged. Visits to the supermarket are down, basket sizes are up, and online shopping is gaining popularity — all of which affect fresh produce sales.

The effects have mostly been positive. For the week ended May 3, fresh produce dollar sales were up 17.2 percent compared to the similar week last year, according to IRI and 210 Analytics. That 17.2 percent increase represented \$205 million more in sales. This was the fourth-best selling week since the onset of the pandemic.

“The changed everyday demand is driving sizeable sales but the where and when is significantly different as well,” said Jonna Parker, team lead, fresh for IRI. “Grocery stores have greatly increased their share of fresh dollars in recent weeks, jumping from 60.2 percent the week of March 8 to 64.2 percent the week of April 12, for instance. This is directly related to shoppers wanting to reduce the number of trips. Likewise, after a few years of stagnant engagement, grocery e-commerce jumped years ahead on its growth trajectory. In a way, it is 2025, now.”

Since the week of March 15, fresh e-commerce gains versus last year did not drop below +68 percent and peaked as high as +105 percent.

“The gains in fresh foods e-commerce are accelerating, driven by two factors,” said Parker. “First, many retailers and third-party grocery delivery companies had to very quickly ramp up their online capacity, which resulted in great pressure on slot availability early on during the pandemic. Second, there are many shoppers who ordered online for the first time as a result of the pandemic. They may have started off with smaller baskets and avoided fresh. But as their comfort with online ordering grows, it is very likely we will see order frequency, basket size and inclusion of fresh items, grow along with it.”

As has been the case since the onset of the pandemic, fresh vegetables continue to outsell fresh fruit. The week ended May 3 saw fresh vegetables up 24 percent while fresh fruit was up 11.1 percent.

On the fruit side, oranges and lemons continue to rise, up 68 and 42.4 percent, respectively compared to last year. Dollar wise, berries, apples and bananas were the most popular fruits, with sales of \$168 million, \$77 million, and \$66 million, respectively for the week.

All of the vegetables in the top 10 enjoyed double-digit growth for the week, paced again by potatoes, up 47.1 percent. Mushrooms (up 37.8 percent) and peppers (up 31.1 percent) rounded out the top three. In terms of dollars, lettuce (\$172 million), tomatoes (\$87 million) and potatoes (\$72 million) generated the most.

“The summer vegetable season is upon us and while not a top 10 item in sales, I always found sweet corn to be a good indicator of summer demand,” said Joe Watson, vice president of membership and engagement for the Produce Marketing Association. “I’m encouraged to see corn dollar sales gains rising each week to reach +26.8 percent the week of May 3, though dollars are tracking well ahead of volume that was up 18.5 percent. We have to be cognizant of the different nature of gatherings, but corn remains a great summer cookout opportunity.”

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