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IFPA looks at inflation, e-commerce and the future consumer

By

Kyle Eberth, Northwest editor

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The second general session at the [IFPA Global Produce & Floral Show](#) offered up a dynamic panel discussion from global thought leaders on consumer trends at retail, covering everything from innovation and e-commerce to labor and supply chain challenges. It was an expansive conversation, and one not complete without the hot topic that is inflation.

Patrick Vizzone, managing director and head of Agri-Food, hosted the live panel of Tammy DeBoer, president of Harris Teeter, Aaron Goertzen, senior economist and director of economic research for BMO Capital Markets, Philip Behn, partner and consumer and retail leader for McKinsey & Co., and Greg Robinson, client partner at Korn Ferry Consumer Advisory.

On consumer trends, DeBoer forecasts continued growth for fresh produce. She said, “What we’ve seen coming out of the pandemic is consumers are much more focused on health and wellness, looking to food as medicine.” Additionally, consumers are looking for convenience, so expect continued movement toward pre-cut and pre-washed commodities.

While e-commerce has slowed slightly from August to September, with more consumers returning to in-store purchasing, the panel agreed, shopping online for fresh produce is more than a pandemic trend. While the data markers shine a light on generational gaps in purchasing habits, everyone agreed that in-store experience and education are where it counts, particularly among young consumers, who place a high value on sustainability and stewardship.

On the topic of inflation, it was noted that fresh produce has seen a 10 percent increase per pound — a relatively small amount compared to other sectors. “The million-dollar question is, however, how persistent is this inflationary cycle,” said Goertzen. He elaborated by saying, “the pandemic recession was different: while employment declined, household incomes increased.” This surge in household savings (estimated at \$2-2.5 trillion, much of it still liquid in banks) leads economists to believe that increased spending is in the future. “Supply isn’t the issue anymore, rather it’s demand that will end up extending this inflationary cycle,” said Goertzen.

Regarding labor and supply chain, DeBoer said employers must focus on retention while “educating associates on the full range of benefits offered by employers — ensuring you are an employer of choice.” While unemployment is nearing a 50-year low, there is still an excess of jobs in the marketplace — which all equates to opportunity, both for employer and employee.

In closing, the panel touched on the subject of innovation, addressing the next best indicators of consumer behavior. Robinson said, “The grab-n-go factor will see huge growth as consumers prioritize time and convenience in their purchasing decisions.” He spoke to the bifurcation of future consumers, who “more and more will buy dry goods online, while items that require more of an ‘eye test’ will be prioritized with in-store experiences.”

Overall, fresh produce is a strong bet for the future, as consumers move toward healthy eating related to holistic health and wellness, as online trends drive consumers toward accessibility and e-commerce, and as convenience forces retail partners to “up” the in-store experience for their fresh produce section — the fresh produce category is primed for growth.

Photo: The IFPA Global Produce & Floral Show's second general session featured Patrick Vizzone, Tammy DeBoer, Aaron Goertzen, Philip Behn and Greg Robinson.

[Kyle Eberth](#)

About Kyle Eberth |

Kyle Eberth is new to the produce industry, but has grown up around it, in proclaimed "Apple Capitol of the World," Wenatchee, WA. For the past 14-years he has worked in the non-profit sector with an emphasis on brand storytelling, community engagement, and donor relationships.

Kyle graduated from Whitworth University (Spokane, WA) in 2007. He and wife Kelsey were married shortly thereafter, when they moved to Wenatchee to launch their careers. Kyle is "Dad" to Brooklyn and Hudson, together the Eberths enjoy skiing, biking, their family and friends, and playing together in the beautiful place they get to live.

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