



**Tom  
Barnes**

President & CEO  
Category Partners



**West  
Mathison**

President & CEO  
Stemilt



**Scott  
Mabs**

President & CEO  
Homegrown  
Organic Farms



**Daniel  
Spivey**

National Director of  
Produce for Fruit  
Sprouts Farmers  
Market



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**A closer look at organic fruit sales**

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By

Tim Linden

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A panel of veteran players in the organic fruit world explored the current state of affairs of the sector at a recent seminar, with the consensus view being that the category is in good shape and poised for continued growth.



# ORGANIC PRODUCE SUMMIT

The seminar was part of the recent Organic Produce Summit, held in Monterey, CA, July 10 and 11. The “Strategies & Insights: Expanding Organic Fruit Sales” session was moderated by Category Partners President and CEO Tom Barnes, with the panel consisting of Stemilt President and CEO West Mathison, Homegrown Organic Farms President and CEO Scott Mabs and Daniel Spivey, who is the national director of produce for fruit for Sprouts Farmers Markets.

Barnes led off the discussion reporting that while organic sales have stagnated a bit in the past year or two, Q2 of 2024 saw organic sales increase in both volume and dollars. He asked the panel what is driving this potential resurgence.

Mabs opined that while there is some growth, he believed it is at a slower pace than what the industry experienced for most of the past two decades. He also theorized that it is younger generations fueling the growth with their heightened awareness and concern about the shape of the planet.

**Mathison noted that sales are up significantly for organic apples largely because the 2023-24 crop is huge and volume is up while dollar sales are down. He said you can only sell what you have, and marketers have had an ample supply of organic apples since they were first picked last August. He noted that the storage supply has**

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been abundant all year with buyers having many organic varieties to feature all season, which does not always happen.

To this question and throughout the session, Spivey continually said that Sprouts is an organics-first retailer, which has led to strong growth for the past three years, even as industrywide numbers tended to flatten out. "Our customers are health enthusiasts," he said.

Another theme that surfaced throughout the discussion was how the younger generations are helping to drive organic sales with their devotion to health, wellness and the planet. Mabs noted that Homegrown has limited direct contact with consumers, but the grower-shipper does talk to its customers who report that the USDA certified organic label is an important brand that registers with younger folks. He said the average consumer may have a limited understanding of exactly what certified organic means, but they trust the label and are attracted to it.

**Mathison agreed, noting that research shows that 60 percent of organic apple buyers are less price sensitive than those who buy conventional apple varieties. He indicated that with that attitude organic shoppers are a plus for any supermarket.**

The concept of price parity between conventional and organic produce items was explored by the panelists. Barnes indicated that price parity is not actually a good thing as it is more expensive to grow and produce organic produce and growers should get a premium.

Mathison delivered some statistics that seemed to bolster that point. He said it cost 11 to 27 percent more to grow, pack and ship a box of the same variety of organics apples vs. conventional, with the specific variety accounting for the spread. He indicated that organic HoneyCrisp are on the high end of that scale whereas organic Cosmic Crisp has a much lower cost differential, largely because yields are very close between the two growing methods.

**Mabs said the specific fruit variety makes a big difference, but as a general rule of thumb it costs about 25 percent more to grow an organic crop vs. a conventional crop. However, he did single out organic citrus as having a larger gap because costs are 20 percent higher and yields are significantly lower per acre. He added that growers need a 70-80 percent price premium to make it worth it to grow organic citrus.**

Spivey attacked the question from a different angle. Having already revealed that Sprouts is an organics-first operation, the retailer tries to do whatever it can to increase sales of that category. When it comes to increasing demand for organics, Spivey said the best strategy is to keep the price gap low. He indicated the retailer invests in this concept by lowering the retail price of organics and increasing the price of its conventional counterpart to lessen the gap. "We have to invest in organics to grow sales," he said.

Looking toward the future, Mabs is hopeful that technological advances can help reduce costs on organics and shrink the price gap.

**Mathison believed one of the answers lies in varietal research. He said Cosmic Crisp is a great example as it does appear to be a variety that has an excellent organic packout and is a steady producer from one year to the next. It has been commercially available for the past seven years and he is very hopeful it will become one of the top organic varieties, eclipsing HoneyCrisp, which is not nearly as grower friendly.**

Mathison also advocated for better marketing efforts. He pulled out some packaging props during the presentation to show what can be done with packaging to appeal to consumers and upsell the apple buyer into the organic category.

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Looking down the road, Spivey said another good way to increase organic sales is by providing shoppers more information. He said consumers want to know more and more about the products they consume. He predicted that Sprouts would continue to register double-digit growth in the organic category for the foreseeable future.

Mabs is also optimistic about the years ahead as younger generations are more sensitive to sustainability issues and he expects that will result in more organic purchases. He added that certified regenerative organic will be more important in the coming years. Specifically looking at the next three years, he sees steady growth for the organic category.

## [Tim Linden](#)

### About Tim Linden |

Tim Linden grew up in a produce family as both his father and grandfather spent their business careers on the wholesale terminal markets in San Francisco and Los Angeles.

Tim graduated from San Diego State University in 1974 with a degree in journalism. Shortly thereafter he began his career at The Packer where he stayed for eight years, leaving in 1983 to join Western Growers as editor of its monthly magazine. In 1986, Tim launched Champ Publishing as an agricultural publishing specialty company.

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Today he is a contract publisher for several trade associations and writes extensively on all aspects of the produce business. He began writing for The Produce News in 1997, and currently wears the title of Editor at Large.

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