

*The future of cultivars at retail
in the United States*

Tom Barnes | Category Partners, USA





Hortgro Symposium May 2026

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



Agenda

- ▶ Who we are
- ▶ Economic Numbers
- ▶ Consumer Sentiment
- ▶ 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

- 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.

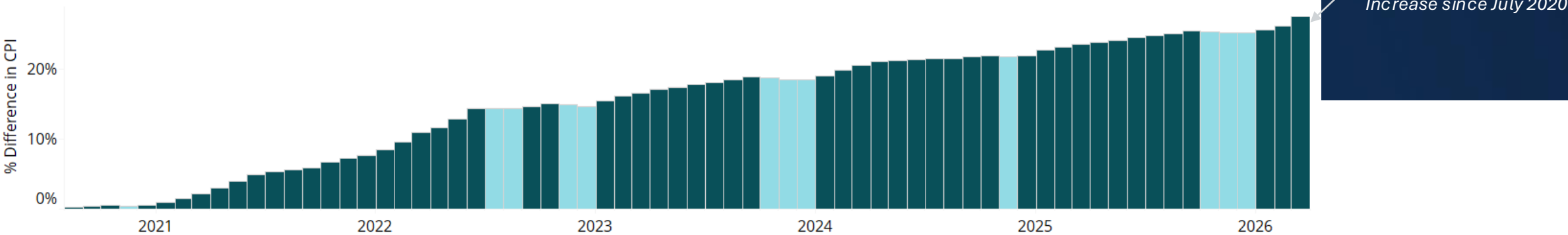
Methodology

- ▶ 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
 - ▶ 2026 = Most Recent 52Wks Ending April 18th, 2026
 - ▶ 2025 = Most Recent 52Wks Ending April 19th, 2025
 - ▶ 2024 = Most Recent 52Wks Ending April 20th, 2024
 - ▶ 2023 = Most Recent 52Wks Ending April 22nd, 2023
 - ▶ 2022 = Most Recent 52Wks Ending April 23rd, 2022

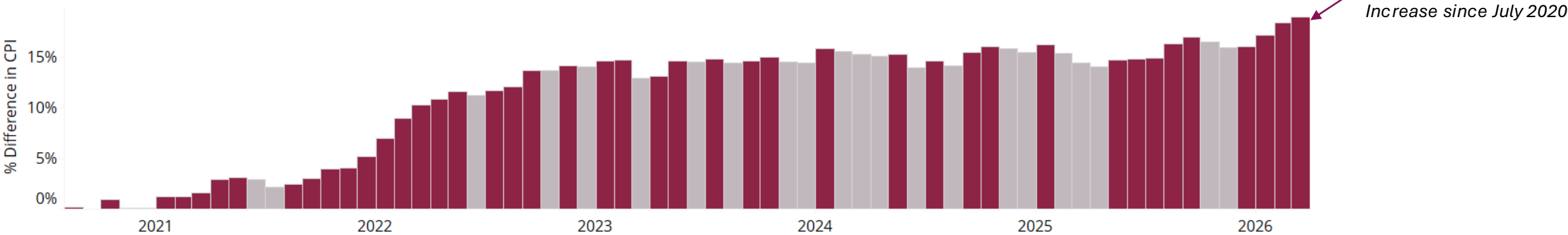
Consumer Price Index

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

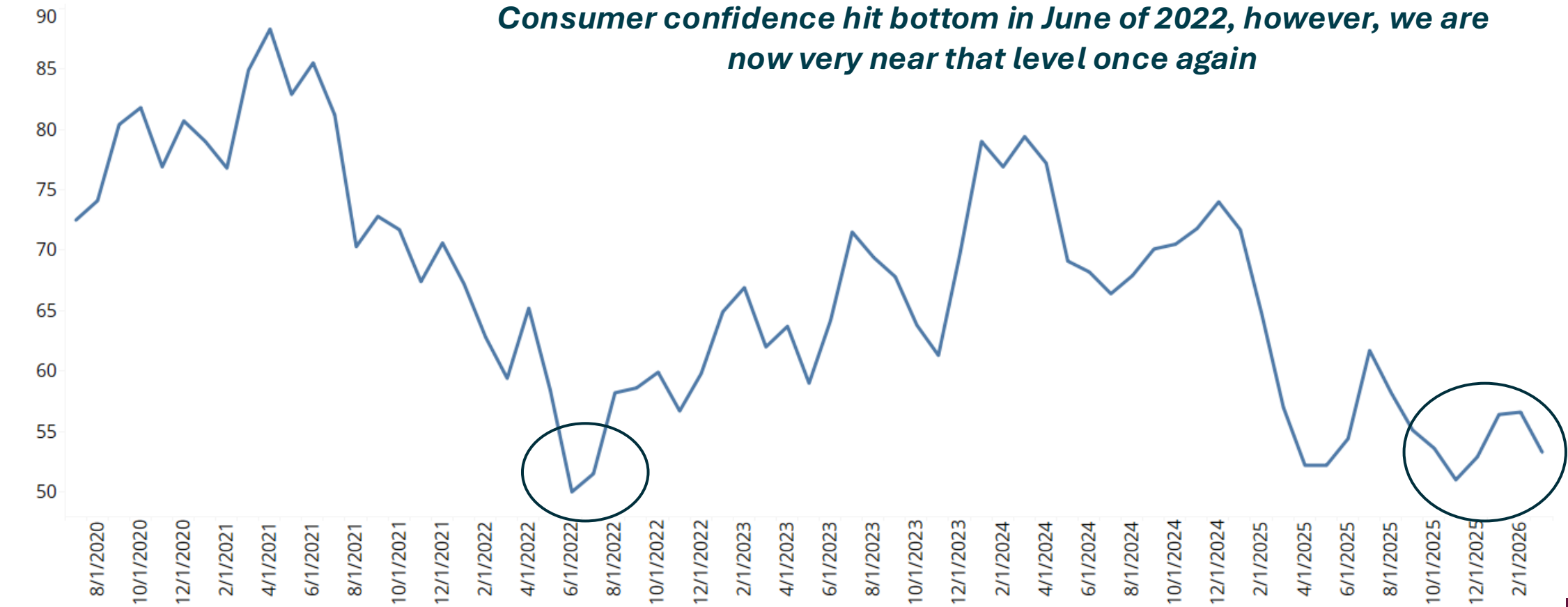


Fresh Fruits and Vegetables



Consumer Confidence thru March 2026

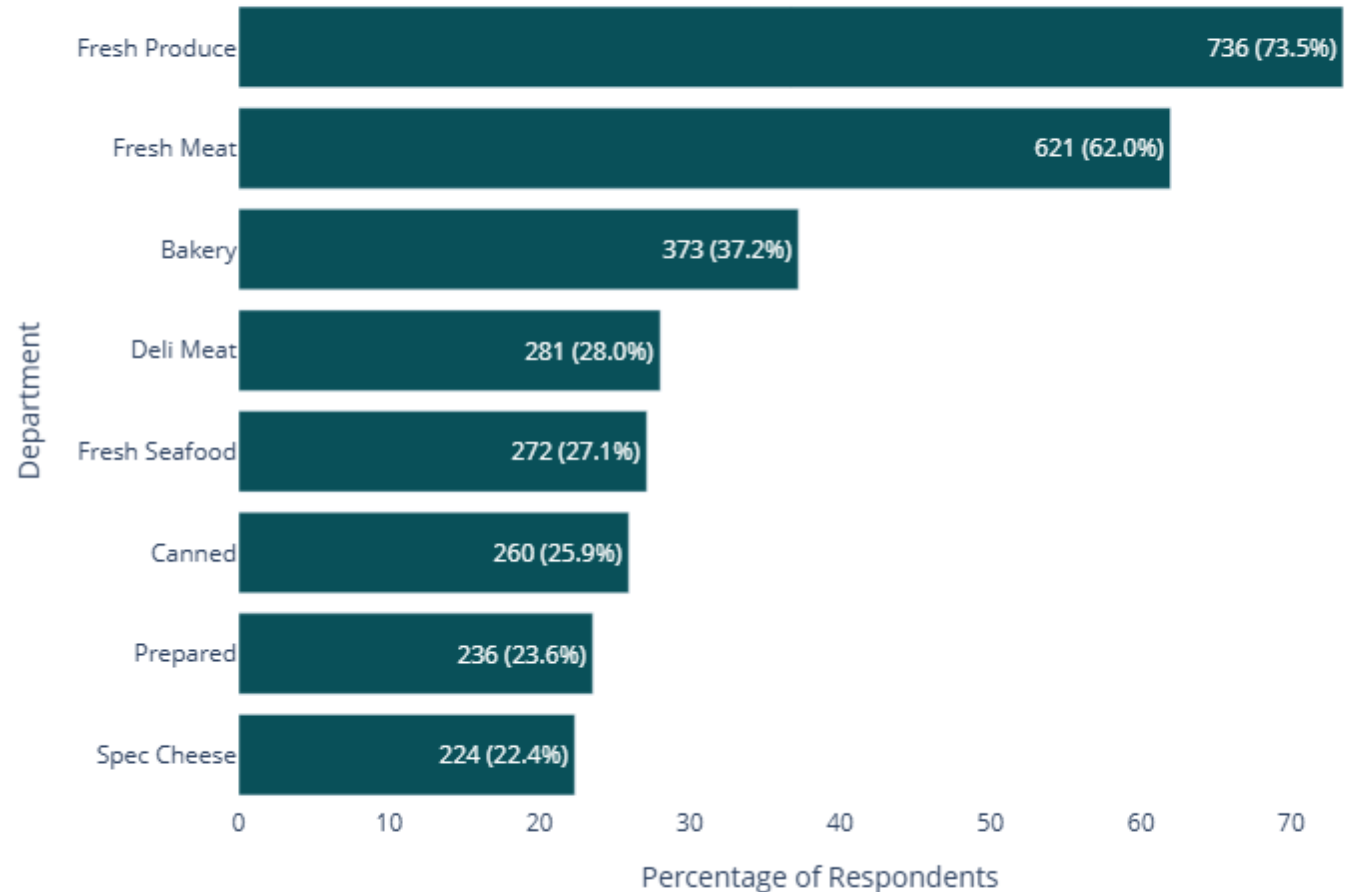
Consumer Sentiment



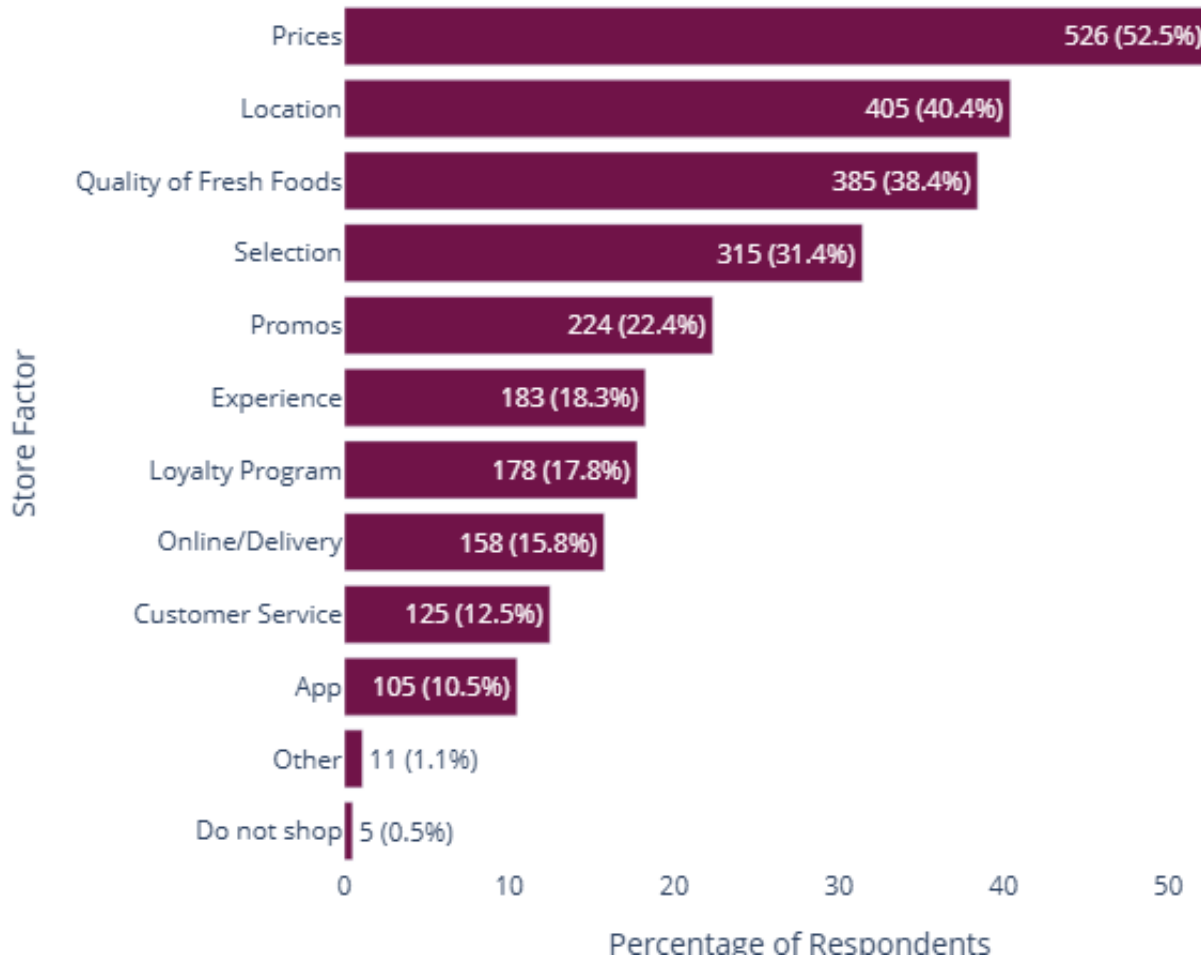
Importance of Department

- ▶ 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)



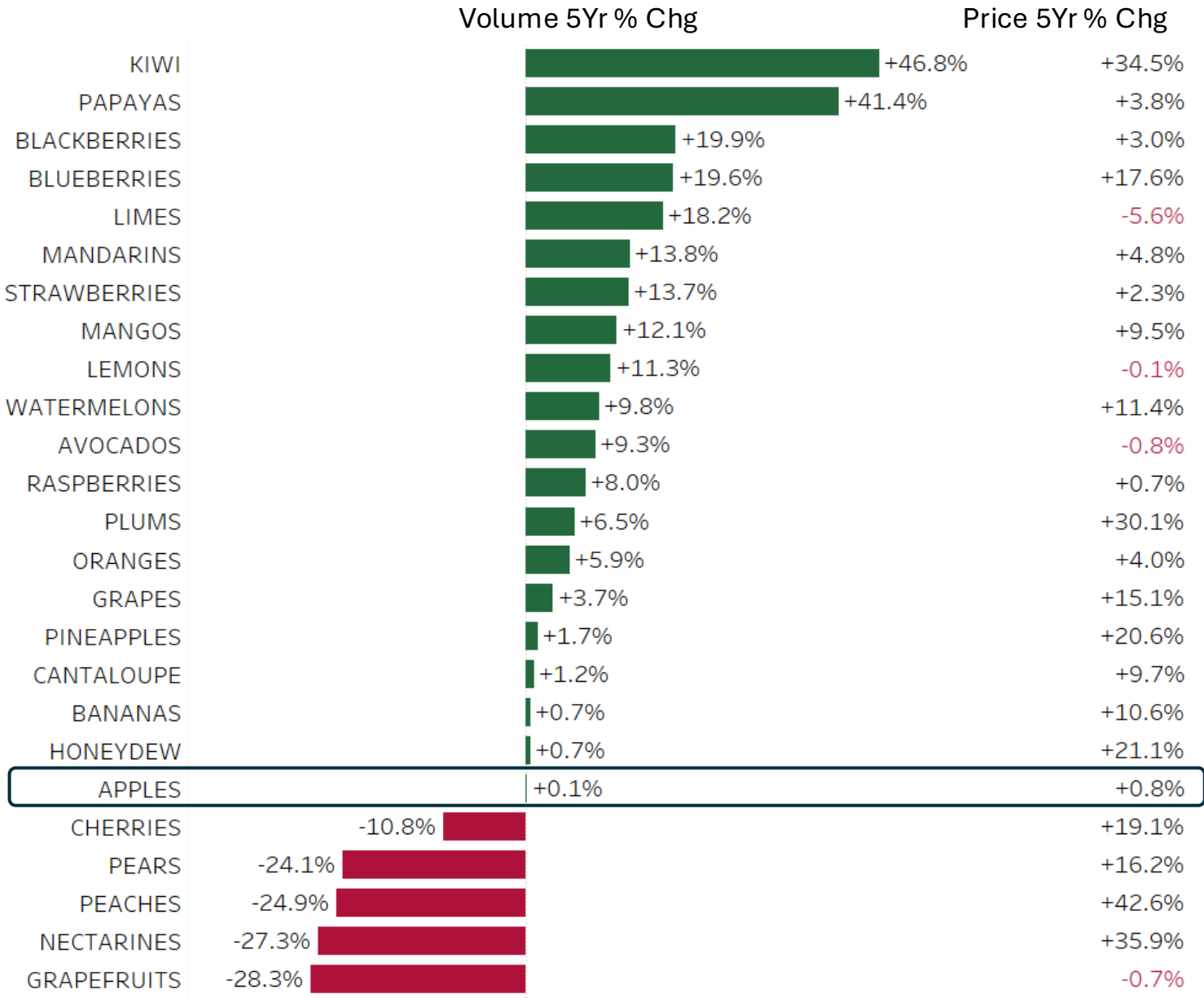
Consumer Decision on where to shop

- ▶ 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

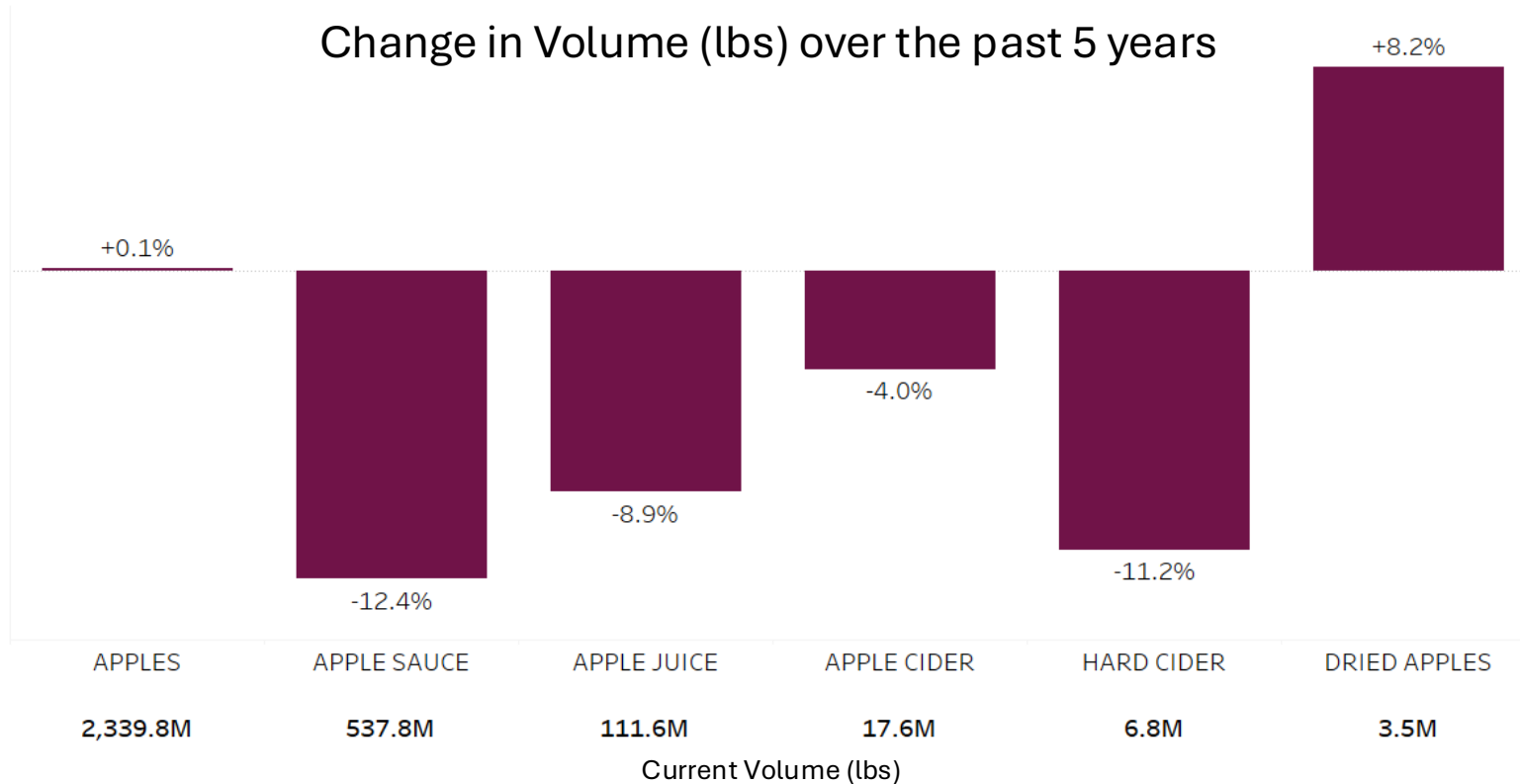
Fresh Whole Apple Deeper Dive

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



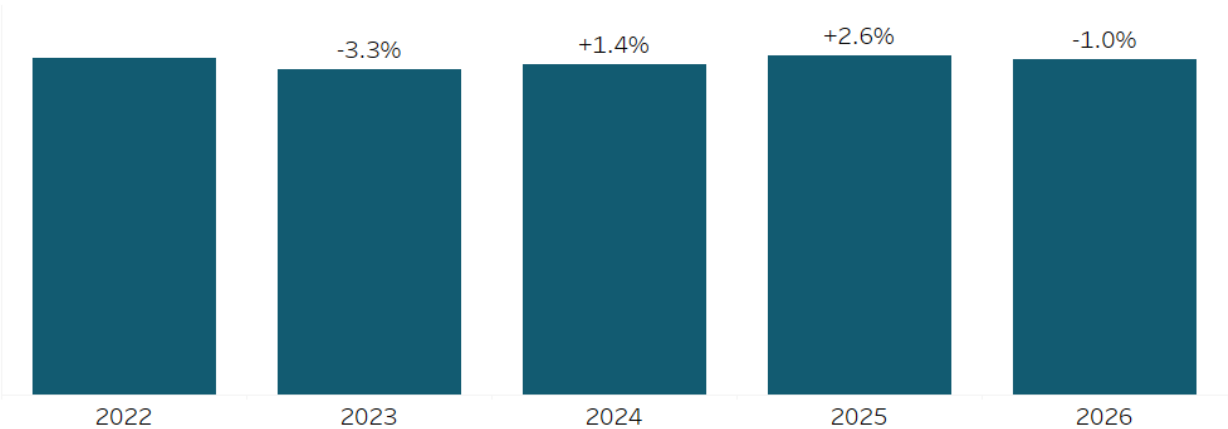
Apple Products – Volume over time



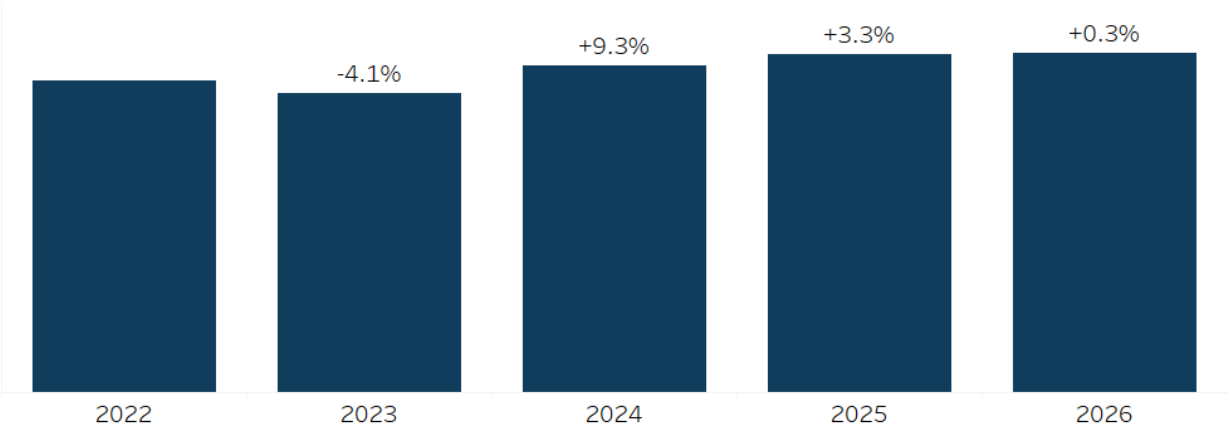
- ▶ Dried apples are the only apple product to post gains over the 5-year comparison
- ▶ Juice and Cider declines partially due to the competitiveness of the beverage category

Shipments vs Retail Movement

Retail Apple Movement (NIQ)



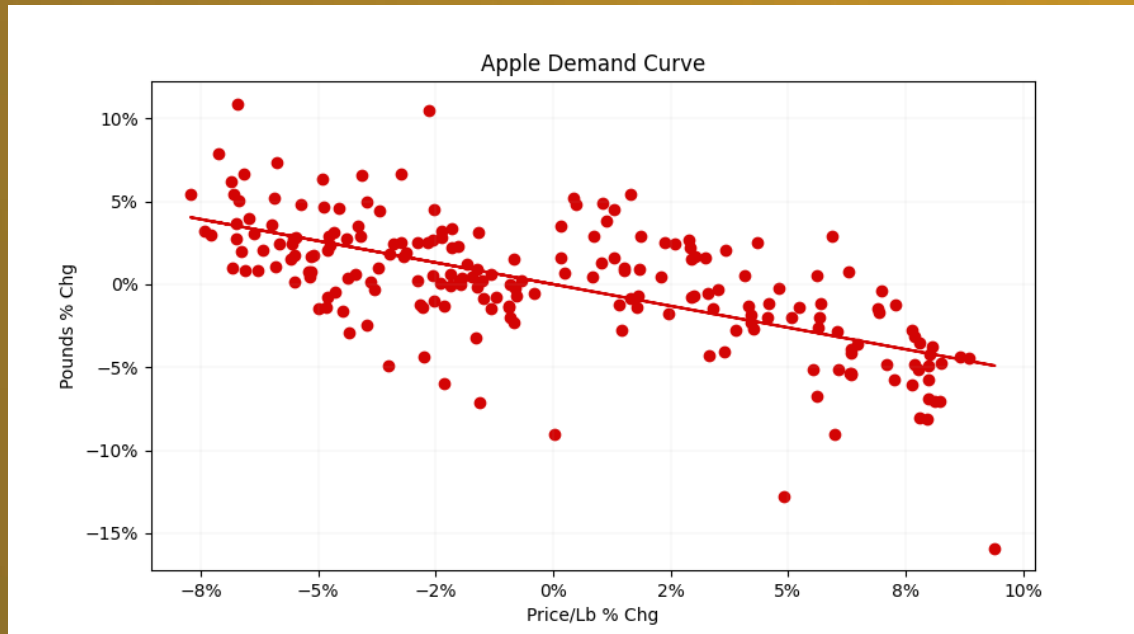
USDA Apple Movement (AMS)



► Supply largely determines retail movement

Apple Price Sensitivity

Price Elasticity – Total U.S. xAOC

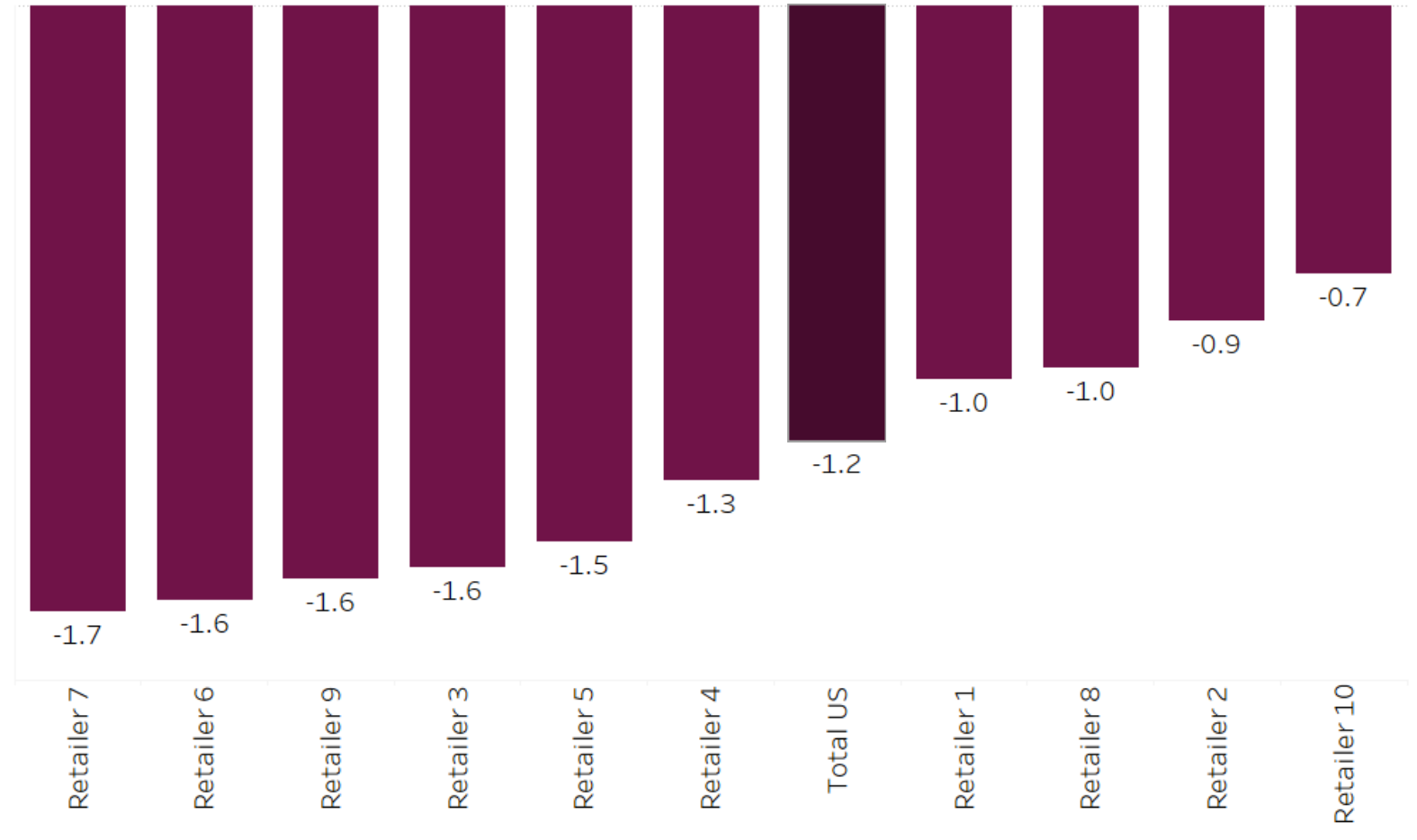


- ▶ Apple Category: **-0.5** (inelastic)
- ▶ Gala Variety: **-0.8** (slightly inelastic)
- ▶ Honeycrisp: **-1.2** (slightly elastic)

Price Elasticity – Honeycrisp by Retailer

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

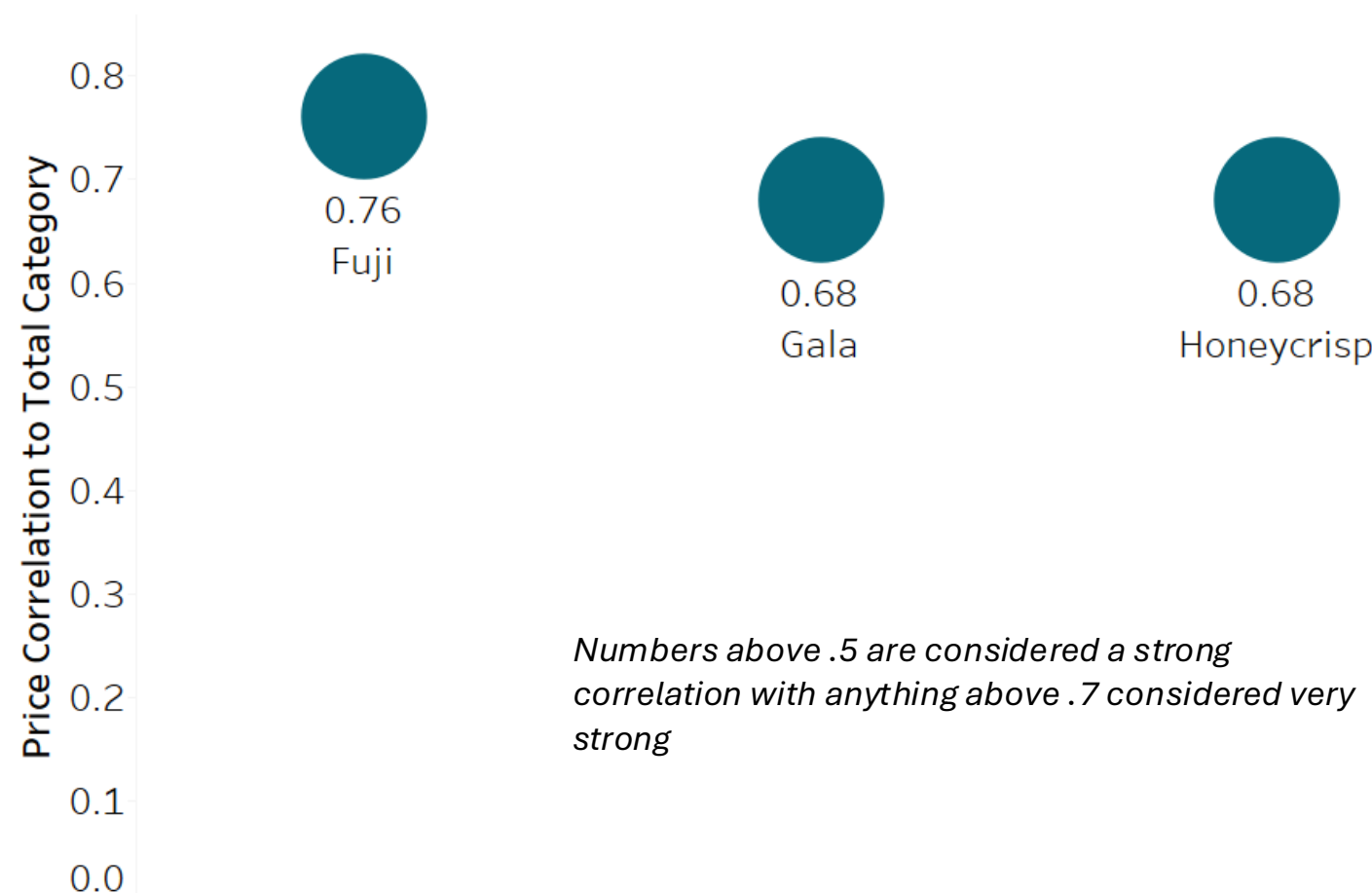
Price Elasticity – Conventional Honeycrisp

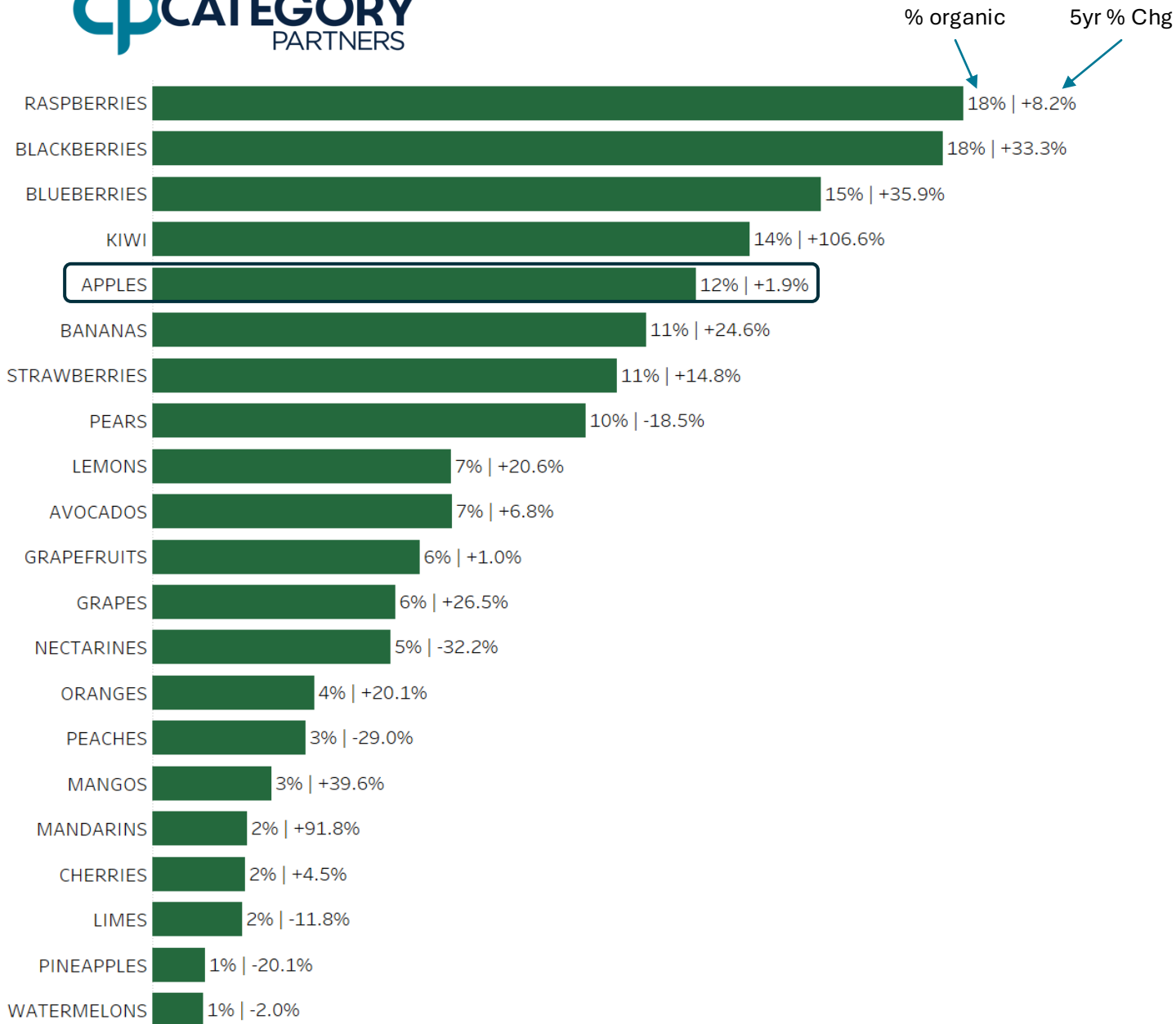


Variety Correlation to Overall Category Pricing

- ▶ 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

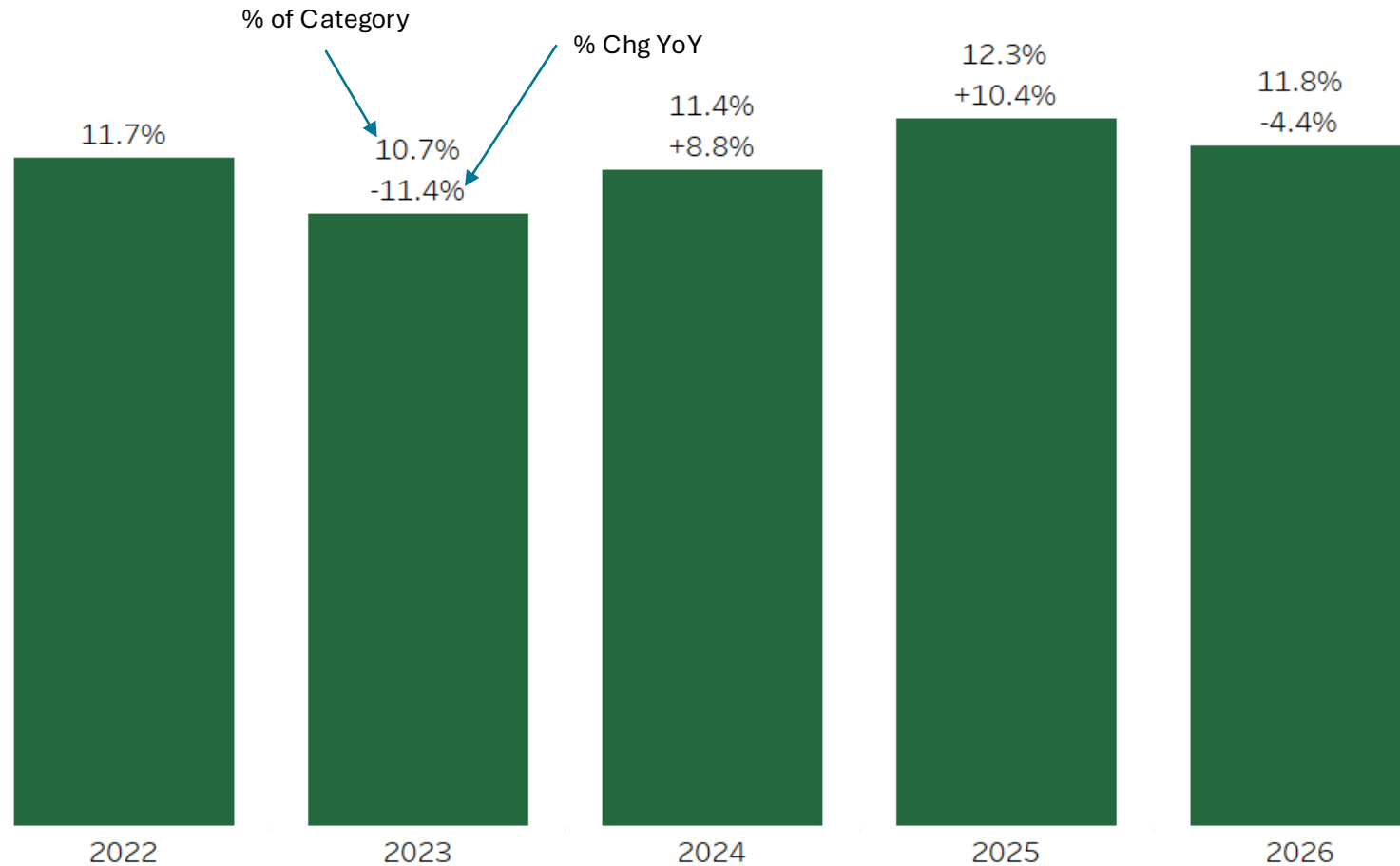




Top 21 Fruits by Organic Volume

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

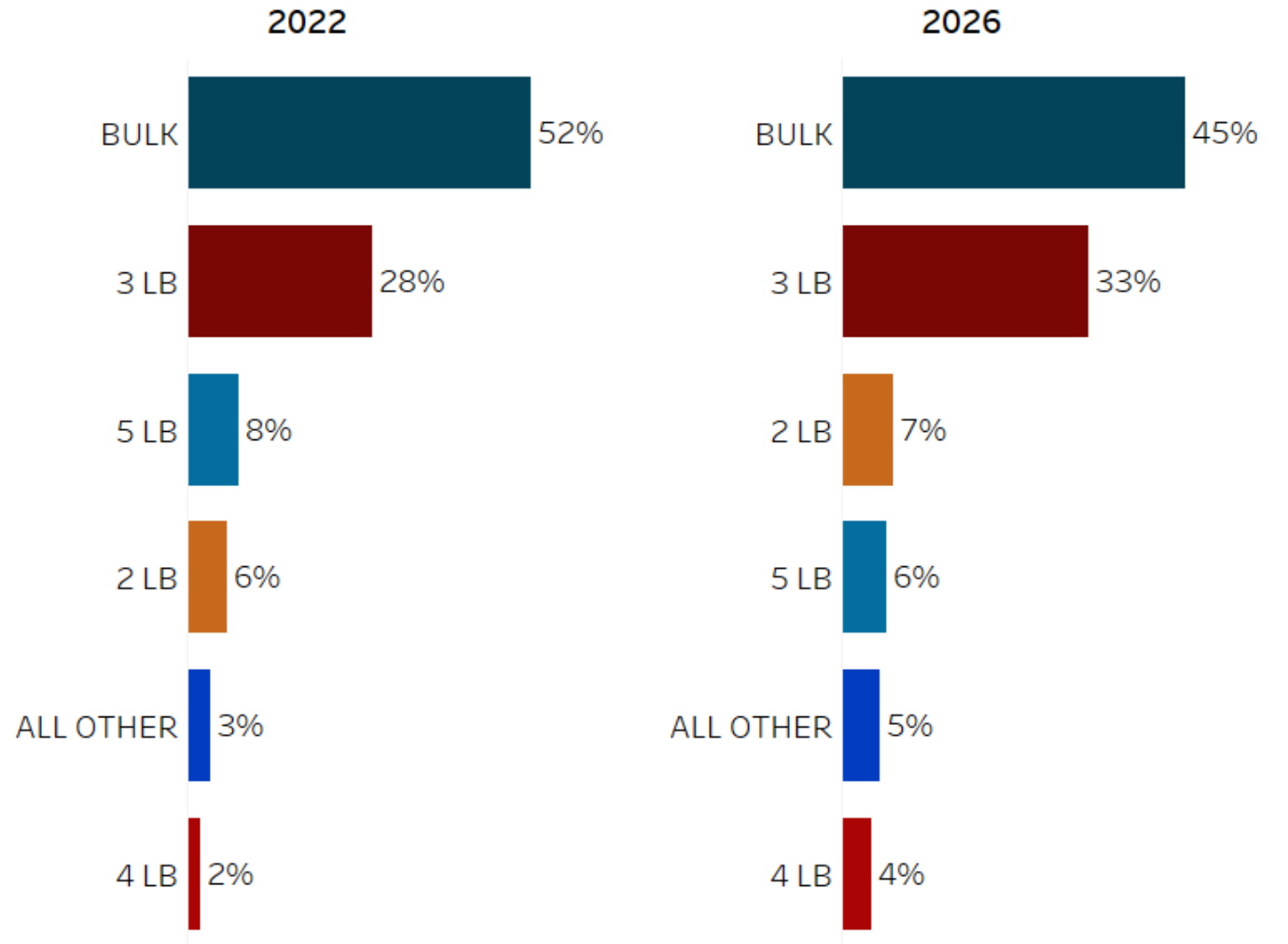
Organic Apple Performance



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

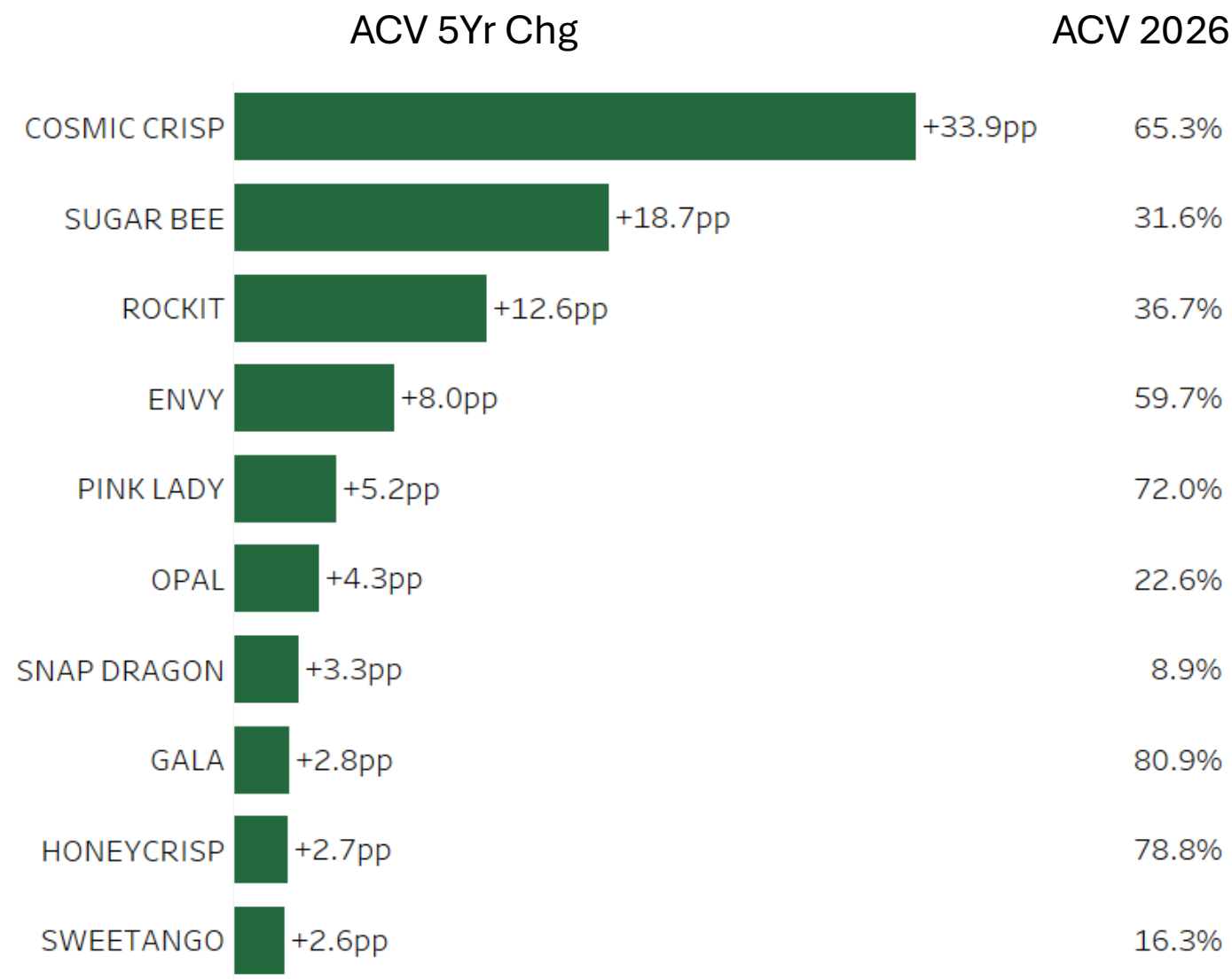
Apple Volume by Pack Size 5Yr Shift

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

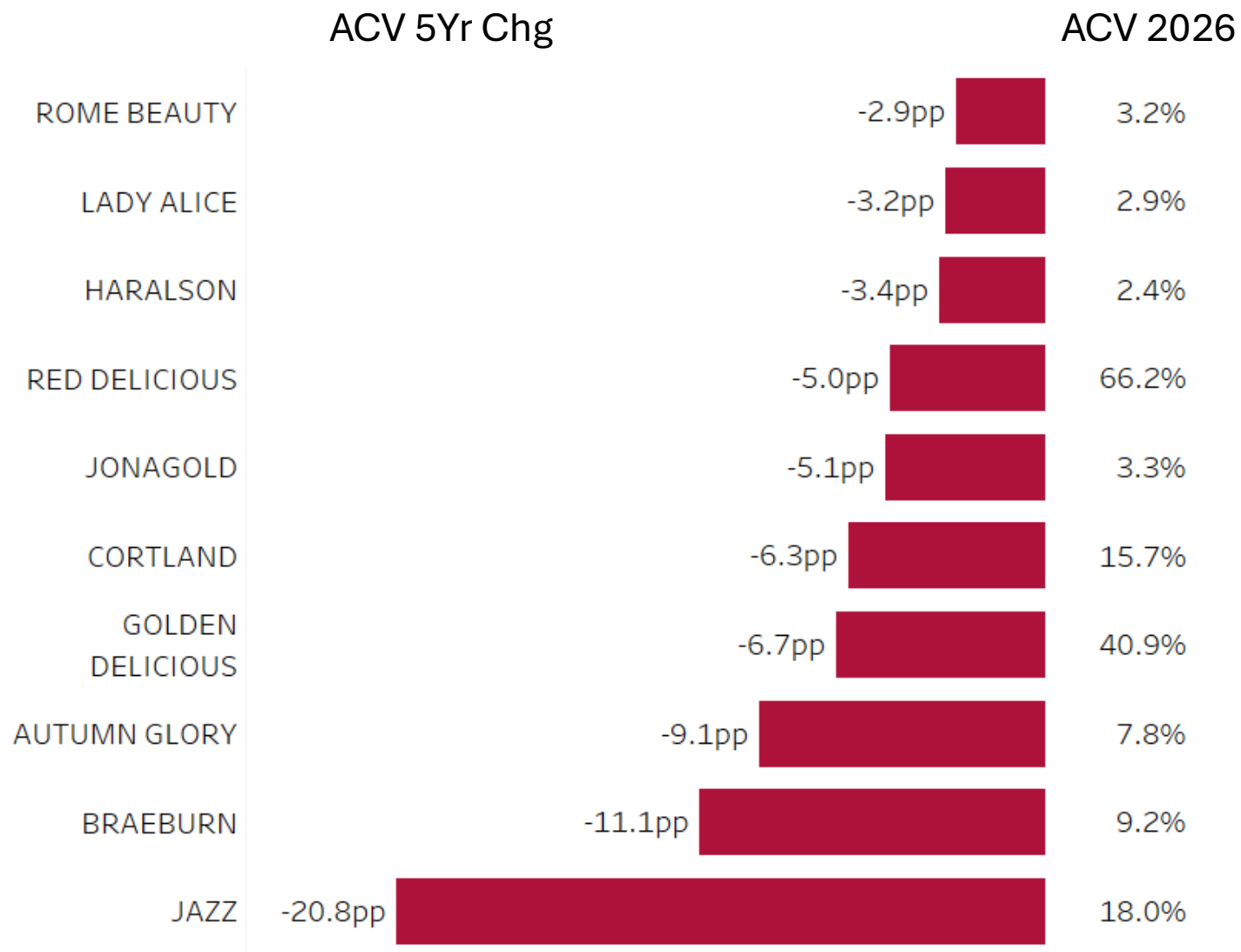


Distribution by Variety

- ▶ 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

Garden Market



DELICIOUS & RIPE FROM LOCAL GROWERS

Experience Fresh
FRESH FRUITS AND VEGETABLES

ORGANIC

FRESH

FRESH

BUY LOCAL
JOHNSON FAMILY FARM
WILLIAMS FAMILY FARMS
RILEY FAMILY FARMS
HAGERMAN CANYON FARMS
TERRIL CHRISTENSON FAMILY FARM

STEAK

THE FINEST BEEF PORK POULTRY & LAMB IN THE LAND





PEARS BARTLETT 2.49^{lb}

Cosmic Crisp
The Cosmic Crisp®
apple is a new breed of
apple that combines
the best of both worlds -
a crisp, tart flavor and
a juicy, sweet taste.
It's the perfect balance
of sweet and tart.

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Cosmic Crisp Apples 2.49^{lb}



delicatessen

VALUE and QUALITY
LITHOUSE CARAMEL DIPS
4.99

SALE
2.49

5.99

TWIST-EASE

culinary elements
50%





241
ENVY APPLE
4 LBS
5.89

249
PINK LADY APPLE
4 LBS
6.79

251
PINK LADY APPLE
4 LBS
8.99

252
PINK LADY APPLE
4 LBS
4.49

253
PINK LADY APPLE
4 LBS
6.99

254
PINK LADY APPLE
4 LBS
6.99

10.99

FRESH PRODUCE

CAKES



What's in Store for the U.S. Apple Market?



Consumer confidence will continue to fluctuate during this tumultuous time

- Healthy Eating Trend continues
- Looking for respite through new experiences
- The money 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
- Consumer education and trial is a must
- Organic will struggle to rebound until cost of living becomes less of a concern



Tom Barnes

President & CEO

Category Partners, LLC

tom@categorypartners.com

208.656.3169