

Introduction

The International Fresh Produce Association is the largest and most diverse international association serving the entire fresh produce and floral supply chain.

We exist to create a vibrant future with your prosperity in mind. This report is intended to stimulate thought processes so you can identify and prioritize strategic issues and allocate resources to meet challenges and leverage emergent opportunities. Regardless of geographical borders, understanding these trends will help you lead your company and people to better serve customers now and in the future.

The State of the Consumer 2025

Here is a *SNAPSHOT* of the most impactful mega trends for the produce and floral industries:

Changing global economies, shifting economic power, and rising social instability:



A return to inflation targets by advanced economies will help normalize trade and markets. But emerging markets are reshaping the economic landscape. Rapid industrialization, technological advances, changing demographics, and the growing clout of Asia, Africa, and Latin America are behind this transition. These regions will contribute more to the global economy as their economies expand. At the same time, the complexities of geopolitical volatility like the wars in the Ukraine and the Middle East continue to affect our industries.

The old economic hierarchy of advanced nations will be put to test; yet this will present opportunities to the fresh fruit, vegetable and floral industries as emerging markets will be ripe for trade. Geopolitical upheaval will continue to have a negative impact on our industries' cost structures as we continue to see shipping issues and ag input prices inflated.

Adapting to the changing climate:

The produce and floral industries are leaning on innovation and technology to address critical issues from a changing climate. Innovations in renewable energy, carbon capture, and techniques like regenerative ag are key to keeping our industries viable. Also, initiatives that reduce waste across the food production and consumption cycle are being touted as ways to ultimately use less resources. Urban agriculture while not new, continues to be tested to reduce the carbon footprint associated with food production. Aeroponics and hydroponics continue to allow the industry to grow crops inside city borders, guaranteeing fresher products and enhancing food security.



Demographic Shifts:

Aging populations and urbanization are transforming economies. According to International Monetary Fund, population aging is the dominant demographic trend of the twenty-first century due to increasing longevity and declining fertility. One billion individuals over the age of 65 will be added to the global population in the next three to four decades, atop the more than 700 million older people we have today. Among the older population, the group aged 85+ is projected to surpass half a billion in the next 80 years. The silver economy in Asia Pacific, US and Europe is providing opportunities for fruits and vegetables and floral sales to senior centers, assisted living, hospitals as well as to those who are aging in place and are healthy. At the same time 68% of the world population is projected to live in urban areas by 2050 according to the United Nations, affecting the placement of produce and floral production.

Health and Wellness Evolution:

The shift towards proactive healthcare and wellness, supported by wearable devices and telehealth transformed perspectives on well-being. The health and wellness evolution revolutionized medical industry and is changing how we eat. It also places a renewed emphasis on mental well-being, balanced living, and technological integration. This burgeoning trend offers an opportunity to enhance the quality of life and transform how we think about healthcare. Fruit, vegetables and flowers are now part of the healthcare system.



CONSUMER ECONOMICS

According to World Data Lab, global consumer spending will rise by nearly 6% in 2025, adding approximately \$3.2 trillion in new spending. Globally just over \$300 will be added to 'wallets' (modest growth of +2.4%), with essentials like housing, food, and transportation gaining the most from increased expenditures (49% of spending growth)," said Wolfgang Fengler, CEO of WDL. The average U.S. consumer is expected to add nearly \$2,000 to their spending in 2025, leaving more room for spending on discretionary categories like restaurants and flowers.

The spending ability of consumers is polarized with consumers in the "highest" and "lowest" spending categories differing in terms of contribution to spending.

- **Lower Middle consumers** (those who spend \$12-\$40/day) represent 35% of consumer headcount but account for 21% of spending.
- **Upper Class consumers** (those who spend \$120+/day) represent 3% of consumer headcount but will account for 33% of spending.

This polarization in the ability to spend highlights the need for us to understand who we are serving with our products, what motivates our customers, and how to best capture them with our products. For instance, are we highlighting consumer bunches and bulk produce in mainstream supermarkets or exotic bouquets and produce items in niche supermarkets?

CONTROLLED SPENDING

Consumers are stressed by concerns about health, the environment, the changing global political landscape and personal financial constraints. As a result, they are taking more control of their spending. According to NIQ, consumers are faced with the compounding effect of consecutive years of rising prices requiring them to be selective in their spend. Even though consumers may feel more socioeconomic stability in 2025 compared with 2024, they may need to spend their gains on needed expenses rather than discretionary items. According to NIQ, in late 2024, consumers were spending 17% more than they were for the same goods in 2022.

According to NIQ, in mid-2024, 32% of consumers felt worse off financially compared with a year ago. Cost of living, economic slowdown and job insecurity were the top 3 contributing factors. Adding to that sense of angst were rising food prices, increasing utilities expenses, the threat of an economic downturn, and threats from climate change. As inflationary pressures continue to subside, we expect consumers to worry a little less about increasing everyday bills in 2025 offering opportunities for the foodservice and floral industries.

CONSUMERS NEED TO STRETCH A DOLLAR

Consumers will continue to be price sensitive in 2025. According to McKinsey Consumer Wise, 76% of consumers reported trading down in the third quarter of 2024. This was led by Gen Z and Millennials. Among these consumers, nearly 50% report changing retailers for a lower price or discount, up from 44% second quarter 2024. Unsurprisingly, low-income consumers report trading down more frequently than high-income consumers. According to NIQ, Americans are rethinking shopping. 87% of American consumers changed how they shop to manage expenses. This includes seeking lower prices (82%), reducing overall spending (67%), switching products or brands (66%), changing stores (56%), and adjusting product sizes (50%). In 2025 the produce and floral industries will be challenged to increase volume without unwarranted discounts.

PERCEIVED DISCOUNTS

According to Circana, discount promotions was the preferred saving strategy of consumers in 2024. In 2025, the produce and floral industry must ensure they evaluate promotional strategies to avoid overpromoting and eroding growth potential. With consumers being more discerning with their dollars, different views of “discount” will drive 2025 spending decisions. According to NIQ, affordability and value are the baseline factors shaping consumer decision making. Thus, combining what consumers value with affordability is a win. For example, consumers are willing to pay for “Affordable and Healthy” and “Affordable and Convenient.” In 2025 consumers will continue to expect value while gravitating toward perceived discount options. This isn’t to say that consumers are averse to spending for quality rather the produce and floral industries will have to prove what makes our products premium in a way that speaks to consumers.

PRICING TIERS

According to NIQ, different tiers of regularly priced products is another dimension of discount options. “Economy” products, selling at 10% or more below the average price for the category, are seeing the fastest growth across the CPG landscape. The global pricing structure experienced a small shift in favor of “economy” or “discount” price tiers. Although the lift is small (0.38 share point globally), that increase represents approximately \$6.11 billion in incremental share growth captured by “Value” players. Conversely, in the same period, NIQ reports premium tiers ceded nearly \$4.59 billion. Value products within produce and floral can lure consumers to purchase new and different products as well as a gateway for new customers.

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PRIVATE LABEL

According to NIQ, private labels are breaking the perception of discount. The speed and scope of their growth is impressive with consumer perception suggesting private labels are quickly achieving leading-brand status. According to NIQ, 40% of surveyed global consumers said they would switch to a private label product they enjoy even if it costs more. And 50% say they’re buying more private label products than ever before. Private labels represented 15% of sales in 2009, in 2024 they accounted for 22% of the CPG landscape, accumulating approximately 0.5 share point every year of the last 10 years. Private label is offering opportunities to expand the reach of produce and floral.

VOLUME GROWTH

Achieving volume growth in 2025 will be a priority as inflation eases. The produce and floral industries must get higher volumes without overpromoting and undervaluing their offerings. This requires an understanding of what consumers’ value. Supermarket produce departments increased both dollar and volume sales by slightly over 3% when comparing 2024 to 2023. Fruit experienced the largest increases with dollar growth exceeding volume growth. Overall, household spending on groceries and perishables increased in 2024, with a slight decrease in overall spend per trip yet the spend per trip on produce increased slightly. We are seeing strong consumer demand for produce which IFPA studies indicate is more inflation proof than CPG items in the supermarket. Consumers are spending more on produce, purchasing more produce items, and placing produce in their shopping baskets more in 2024 than in 2023. This demand is expected to grow throughout 2025 as we lean on the tailwinds of healthy eating, sustainable eating, search for convenient items and an improved economy.



FOOD PRICES

The U.S. Department of Agriculture (USDA) predicts food prices will continue to decelerate. The 2025 forecast expects a 2.0% price increase for total food, with a below-average anticipated increase of 0.7% for food-at-home prices and 3.1% for food away from home. According to the August 2024 Bureau of Labor Statistics food prices are up 2.1% for the 12 months ending August 2024. Food at home is up .9% and food away from home 4.0%. According to NIQ, in 2024 supermarkets are still recovering from the 2023 increased prices due to rampant inflation. In 2023, the average unit price increased between 4-8%. In the first half of 2024, the average unit price increased 1.7%. Though this is an improvement, as discussed consumers are still shifting their habits to make their dollars go further.

CONSUMER PRICE INDEX FOR FRUITS AND VEGETABLES

The consumer price index measures the average change over time in prices paid by urban consumers for a market basket of consumer goods and services. According to the USDA, in 2023 the change in consumer prices was 0.7% for fresh fruits and .9% for fresh vegetables after record highs of 7.9% for fresh fruit in 2022 and 7.0% for fresh vegetables in 2022. The USDA mid prediction for 2024 will be -0.6% for fresh fruits and 1.3% for vegetables. In 2025 the consumer price forecast is -2.0% for fresh fruits and 0.5% for fresh vegetables.

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CLIMATE AND THE CONSUMER

REGENERATIVE AG

Regenerative agriculture is expected to see significant growth in 2025. Farming is focusing on restoring soil health, increasing biodiversity, and improving water cycles. In the U.S., regenerative ag is part of the Make America Healthy Again policy agenda to ensure food security, develop healthier foods, and contribute to environmental sustainability. Regenerative produce farming is gaining traction but as of 2024 it is estimated that 1.5% of U.S. produce farms are utilizing regenerative practices according to the Food Institute. As consumer demand increases for sustainable food options, we expect to see greater regenerative ag adoption.

SUSTAINABLE PACKAGING

Consumers are increasingly prioritizing sustainability in their purchasing decisions. The shift from single-use plastics to biodegradable and reusable materials is transforming the packaging industry. Unilever's pledge to cut virgin plastic use by 50% by 2025 reflects a larger industry trend toward eco-friendly packaging. In 2025, expect innovative materials like algae-based packaging to gain prominence. Biotechnology is also making strides in reducing plastic waste and improving food safety through innovations like biodegradable packaging and biosensors. These technologies enhance the traceability of food products, ensuring safer, more sustainable supply chains while cutting down on waste according to Kerry Health and Nutrition Institute. In the floral industry, we are seeing plant-based pots, called Eco+ Containers made of sugars derived from corn grown in the U.S. The carbon footprint is low, and the pots can be placed in the soil with the plant. The pot is compostable, and it releases nutrients as it breaks down. While affordability will continue to trump sustainability in 2025, sustainability is quickly becoming the cost of entry for the produce and floral industries.



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CONSUMER HEALTH

With health and wellness at the forefront globally, the produce and floral industries are well positioned to be part of the solution. According to Innova Market Insight's survey, 'feeling well' is the key driver for pursuing a healthier lifestyle for consumers and feeling mentally and emotionally well is the #1 health goal. Energy and vitality are key aspirations, while looking good, and feeling body-fit is important for younger consumers.

MEDICAL COSTS

According to PwC's Health Research Institute medical costs in 2025 are expected to rise by 8%. Inflationary pressures, particularly the rising costs for supplies and labor, alongside prescription drug spending and increasing use of behavioral health services, are significant contributors. As medical costs continue to climb, health care will continue to focus on preventative measures and tailored nutritional programs to ensure affordability and access to medical care for consumers. The push for produce prescriptions will be front and center in 2025 propelling consumption for the produce industry.

SUSTAINABLE NUTRITION

According to Kerry Health and Nutrition Institute, as the demand for food increases, so does the need sustainable nutrition. Sustainable nutrition is the ability to provide sufficient nutrients to maintain a healthy population without compromising the ability of future generations to meet their nutritional needs. This is the bridge between nutrition and sustainability. A sustainable diet, described by the Food and Agriculture Organization of the United Nations, is a dietary pattern that promotes all dimensions of health and wellbeing; has a low environmental impact; is accessible, affordable, safe and equitable; and is culturally acceptable. There is a movement to improve nutrition, protect ecosystems, reduce food waste, and ensure food systems are resilient in the face of climate change, economic shifts, and global conflict. Consumers are seeing the benefit of adopting diets rich in essential nutrients like fruits, vegetables, whole grains, and lean proteins. With consumers turning towards healthier diets, the produce industry will be challenged to provide access to affordable products.

HEALTHY AGING

According to Kerry Health and Nutrition Institute, advances in nutrition, healthcare, and lifestyle are helping people live longer. By 2030, 1 in 6 people globally will be over the age of 60. However, as average life expectancies grow, so does the number of age-related conditions. This opens opportunities within the silver economy as the emphasis is less about longevity and more about ensuring those years are lived to the fullest. Nutrition plays a critical role in longevity placing fruits and vegetables at the forefront. Emerging nutritional therapies particularly around cellular ageing are unlocking new ways to support healthy ageing through diet. New studies suggest that our organs age at different rates, meaning nutrition could be tailored to support every individual's unique ageing process.

WEIGHT MANAGEMENT

According to Innova Market the shift to healthier living is affecting how consumers are controlling diet. According to Kerry Health and Nutrition Institute, the global obesity crisis is affecting over 2 billion people and straining public health resources around the world. According to NIQ, GLP-1 drugs are impacting consumption, lifestyle habits, and socioeconomic investments. GLP-1 medications are inspiring new spending shifts and shifting existing spending as well as influencing lifestyle and interpersonal behavior. Those using a GLP-1 on a regular basis are reducing their meal portion sizes, snacking on foods with high protein or fiber content, and supporting their digestive health. According to Kerry Health and Nutrition Institute, it is forecasted that 15 million obese patients and over 30 million Americans will receive GLP-1 treatment before the end of the decade. Although the pending U.S. health policy agenda is particularly calls out GLP-1s as not being a solution.

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TARGETED NUTRITION

People have unique physiological needs based on factors like age, gender, and life stages such as pregnancy or menopause. According to Kerry Health and Nutrition Institute, with the rise of targeted nutrition, solutions are revolutionizing how individuals meet their specific nutritional requirements. The future of personalized nutrition will focus on addressing individual “need states” such as joint, bone, gut, cognitive, and heart health as well as sports nutrition. Consumers are on the hunt for personalized nutritional advice and solutions that are scientifically backed. They are proactively choosing foods and supplements that support their distinct nutritional and health needs providing the produce industry an opportunity to shine a light on the nutritional values of our products.

POLICY SHIFTS

According to Kerry Health and Nutrition Institute, the regulatory landscape around food and nutrition is moving toward a healthier, more sustainable future. Governments worldwide are pushing the food industry to innovate, adapt, and create healthier products while providing consumers with the transparency they need to make smarter choices. Governments are intensifying regulations on high-fat, sugar, and salt food, with measures such as introducing stricter guidelines, restrictions, and taxes aimed at reducing the consumption of these foods, particularly among children. This is an opportunity for the produce industry.

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CONSUMER PSYCHE

DECLINING TRUST

According to Innova Market Insights consumer trust is a key issue. In Innova's Lifestyle and Attitudes Survey consumers were asked how their trust changed over the past 12 months. According to the survey, consumer trust in government and large global brands and companies is declining because of the focus on corporate profits over consumer benefits, unfair profit distribution and greenwashing. It's important for the produce and floral industries to practice integrity and transparency regarding pricing and environmental promises. Younger consumers especially distrust corporate actions for the environment. As consumers seek reassurance that what they buy is worth the price and aligns with their values it becomes even more important that the produce and floral industry begin forming a relationship with consumers.

Trust also affects how consumers interact online. According to NIQ, 56% of consumers indicate they avoid sharing personal details virtually because they do not trust AI technologies to protect the privacy of their data, compared with 18% who would be willing to share personal information. What's more, nearly half (49%) said they feel most comfortable with person-to-person support interactions and would wait longer for support from a human. Although consumers aren't ready to fully embrace AI integrations in their everyday purchasing and living, they do seem open to some tech-enabled shopping experiences. It is important for the produce and floral industry to moderate their escalation of technology so they do not out pace consumers.

SELF-SUFFICIENT

According to Innova Market Insights, being more self-sufficient is the #1 reason consumers feel more in control. Today's digitally empowered consumers are willing to support themselves in aspects such as health, finance, fitness and cooking at home. Macro factors like the cost of living and lack of good health care are drivers of this trend. The #1 consumer behavior to be more self-sufficient is cooking from scratch, which is most prevalent among consumers 45+. The produce and floral industries can help consumers feel more informed and empowered by providing recipes, nutritional information, and health claims.

AUTHENTIC CONNECTIONS

Consumers are appreciating close connections, nature, and real experiences. They are seeking activities that are genuine, meaningful, tangible and secure. Connecting over food and drink is central to close connections, with more socializing taking place at home. Consumers are treating and rewarding themselves with everyday experiences, whether happy moments with family and friends or everyday treats they can consume. Holidays and entertaining events also remain important. What unites these occasions, big or small, is the need for an emotional uplift or mood shift of some sort. This is the perfect backdrop for the produce and floral industries' products.



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CONSUMER BEHAVIOR

OMNI FOR REAL

Consumers are fluidly shopping across channels, as omni online and offline channels are the norm and expectation. According to NIQ, from a share-of-sales perspective, trip types are consistent with what most have come to expect of current omni shopping “norms.”

- Most U.S. in-store trips involve larger purchases: “stock-up” trips account for 39% of in-store spending, with another 38% of spending dedicated to “fill-in” purchases of four to 11 items.
- A majority (57%) of U.S. online spending is dedicated to smaller, “spearfishing” trips of three items or less, followed by “fill-in” (27%) and “stock-up” (16%) shopping trips.

The shopping experience is changing. Looking at U.S. online trips, we see that share of spending for “spearfishing” trips has fallen 2% year over year, with growth in larger “fill-in” and “stock-up” trips online. This signals that many consumers are shifting more and more spending to online channels—even for larger shopping missions—and may perhaps use stores for smaller fill-in or specific spearfishing missions when they need items they could not procure online.

POWER OF SOCIAL MEDIA

According to NIQ, one in three surveyed global consumers are willing to purchase via social commerce. Social media shifted how consumers discover, shop, and interact with brands on their path to purchase. Social media has a massive influence on product choice. Nearly one-third (31%) said they would change brands if a social media influencer suggested they do so. This brand malleability is especially notable among younger consumers (44% and 40% for Gen Z and Millennial shoppers, respectively). Despite this opportunity, social commerce leaders must address the barriers to consumer adoption. Currently, over half (53%) of surveyed consumers don’t trust the security of paying via social media and 60% admit they ignore or skip ads on social media. Nearly half of Gen Z (46%) and Millennial (48%) consumers would use AI to automate or speed up their everyday shopping decisions, while just 34% of Gen X and 20% of Boomer respondents feel the same

“Social media has a massive influence on product choice. Nearly one-third (31%) said they would change brands if a social media influencer suggested they do so.”

IN CLOSING

As we enter 2025, the International Fresh Produce Association is excited for the possibilities we have to increase the sales for fresh fruit, vegetables and floral products. Inflation is easing and consumers are supporting their health with their purchases. As always, IFPA is here to support you as you grow your sales with the latest retail and consumer trend data. We look forward to sharing the results of IFPA’s annual consumer tracker in the first quarter of 2025.



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