

Bagged Avocado Study Provides Commission with Important Purchasing Behavior Data

In just the past four years, sales of bagged avocados have increased by 82%. As bagged avocados have become increasingly important in the avocado industry with retail dollar sales continuing to expand, the California Avocado Commission launched a 2023 analysis of bagged avocados. The study measured the impact of bagged avocado purchase behaviors on retail sales trends during and outside the California avocado season and provided additional data comparing retail category growth during the same comparative seasonal time frames.

The analysis showed that bagged avocados drove average weekly sales growth for the category during the 2022 California avocado season, posting a long-term growth rate of +86% for average weekly dollars and a +93% rate for average weekly units during the California season as compared to 2019. Bagged avocados also generated a higher market basket ring at retail. On average, when shoppers added bagged avocados to their shopping basket, they spent an additional \$59 at retail, which is a market basket premium of 107%. In other words, the total value of the retail market basket more than doubled when shoppers purchased bagged avocados.

Further, according to the 2022 California Avocado Tracking Study, nearly two-thirds (63%) of surveyed avocado shoppers in the West said if they saw California on the packaging of bagged avocados, they would be more likely to buy it. Shoppers stated the top reason for purchasing bagged avocados was that they present a better value. They also consider the bags to be more convenient and select bagged avocados when they are entertaining or preparing a particular dish.

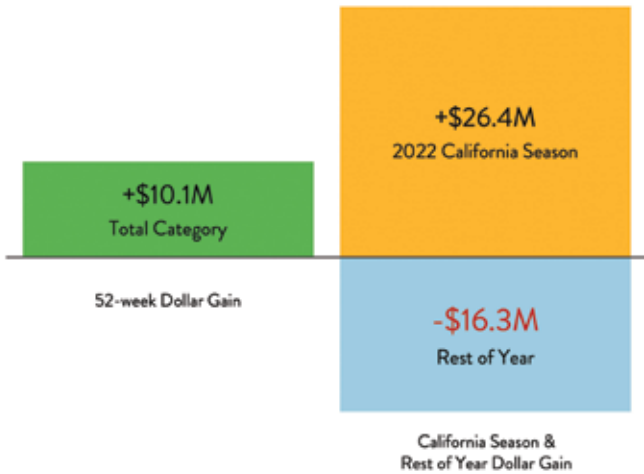
To better understand avocado category dynamics — such as the importance of bagged avocados — and determine how best to promote California avocados, the 2023 bagged avocado study collected data from a 52-week period (ending 2/26/23), a 26-week California season (ending 8-28-22) and

a 26-week non-California season (ending 2-27-22) and compared them to both the prior year and 2019. Further, data was gathered from the California region and compared to the “total U.S. minus California.” To examine purchase trends, household panel data was collected concerning household penetration, repeat buyers, buying rate, purchase occasions, spend per trip, and avocado purchases, and then measured change for all metrics as compared to the prior year. Retail sales data included dollar sales, units, distribution and sales velocity for the total avocado category, bagged avocados and bulk avocados. This comprehensive data set included Circana (formerly IRI) retail scan data and the National Consumer Panel, a continuous household purchasing consumer panel that consists of a representative sample of U.S. households who electronically record all purchases.

The Commission derived several key insights from the study that will help California avocado marketers and retailers better understand the underlying purchase behaviors driving sales in the retail marketplace, as well as the expanding importance of bagged avocados. According to the study, the 2022 California avocado season drove retail category dollar sales growth. During the 52 weeks ending 2/26/23, the California avocado season brought in more than \$26 million in incremental category dollars offsetting the \$16 million decline seen during the rest of the year. This peak season growth was specifically driven by higher sales velocity in the California region.

The Commission’s retail marketing directors and marketing team will utilize the insights from this study to provide retailers and handlers with critical information about California avocado sales opportunities. Ultimately, by using data to inform its promotional activities the Commission can more effectively capitalize on consumer behaviors to encourage California Avocados brand loyalty and purchases of the Golden State fruit. 🥑

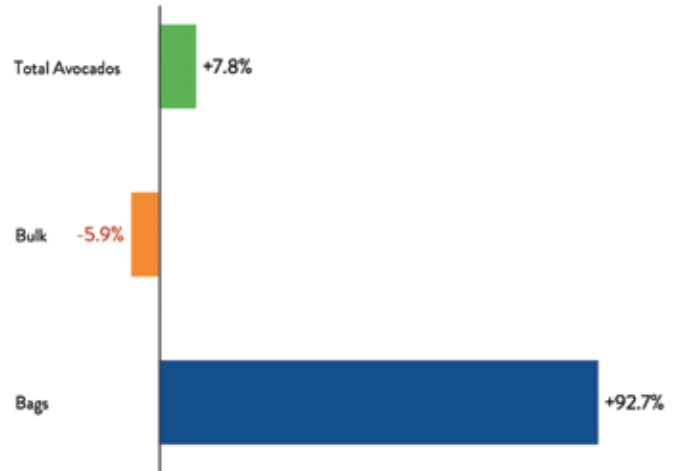
California Region Dollar Sales Growth 52-weeks ending 2-26-2023



Source: Circana, 52-weeks ending 2-26-2023 vs. 52-weeks ending 2-27-2022

The California avocado season drove retail category sales growth offsetting the decline seen during the non-California season.

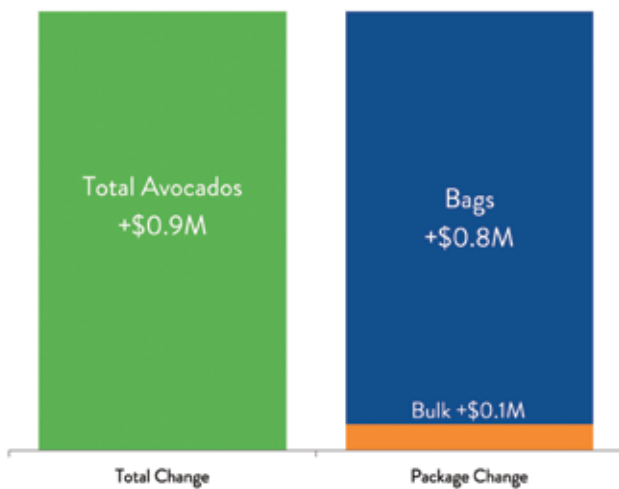
California Region Avg/Week Unit Change 2022 vs. 2019 California Season



Source: Circana, 2022 California Season vs. 2019

Bagged avocados posted a +93% average weekly uptick in weekly units during the California season when comparing the 2022 and 2019 seasons.

California Region Avg/Week Incremental \$ Change 2022 vs. 2019 California Season



Source: Circana, 2022 California Season vs. 2019

Bagged avocados accounted for the vast majority of change in incremental dollars when comparing the 2022 and 2019 seasons.

California Region Market Basket Value 2022 California Season



Source: Circana, Consumer Network/National Consumer Panel

On average, shoppers spent an additional \$59 when bagged avocados were in their shopping basket.