

Overview of Recent OJ Retail Sales Trends and Florida Processor Movement

FDOC Live Webinar Series


Presented by
Marisa L. Zansler, PhD
Florida Department of Citrus -
Economic and Market Research
Department

April 30, 2020



Webinar Agenda

- Retail Sales Trends Analysis for the Period Ending April 11, 2020
- Florida Processor Orange Juice Supply and Movement

The background features two stylized hands, one on the left and one on the right, holding a large white circle. The hands are depicted in a light gray color with orange accents on the palms. The white circle contains the main text of the slide.

FDOC Nielsen Report # 7 of the 2019-20 Season Period Ending 04/11/2020

Data Source: FDOC Custom Database
Nielsen. xAOC = Expanded All Outlets Combined.
xAOC data consists of POS data for U.S. grocery
stores doing \$2 million and greater annual sales,
drug stores doing \$1 million and greater annual
sales, mass merchandisers (like Target), Walmart,
club (Sam's and BJ's), dollar stores (Dollar General,
Family Dollar and Fred's), and military/DECA.

Measuring retail sales

- Who? (Market channels – traditional grocery, all other outlets)
- What? (Type – NFC, Recon, Shelf Stable, frozen)
- When? (Timeline of sales growth, transition to ‘new normal’)
- Where? (Regional sales)
- Why? (Health and wellness, breakfast at home)

And

- How Much? (sales volume/dollars, container sizes)

NIELSEN'S SIX CONSUMER BEHAVIOR THRESHOLDS OF COVID-19 CONCERN

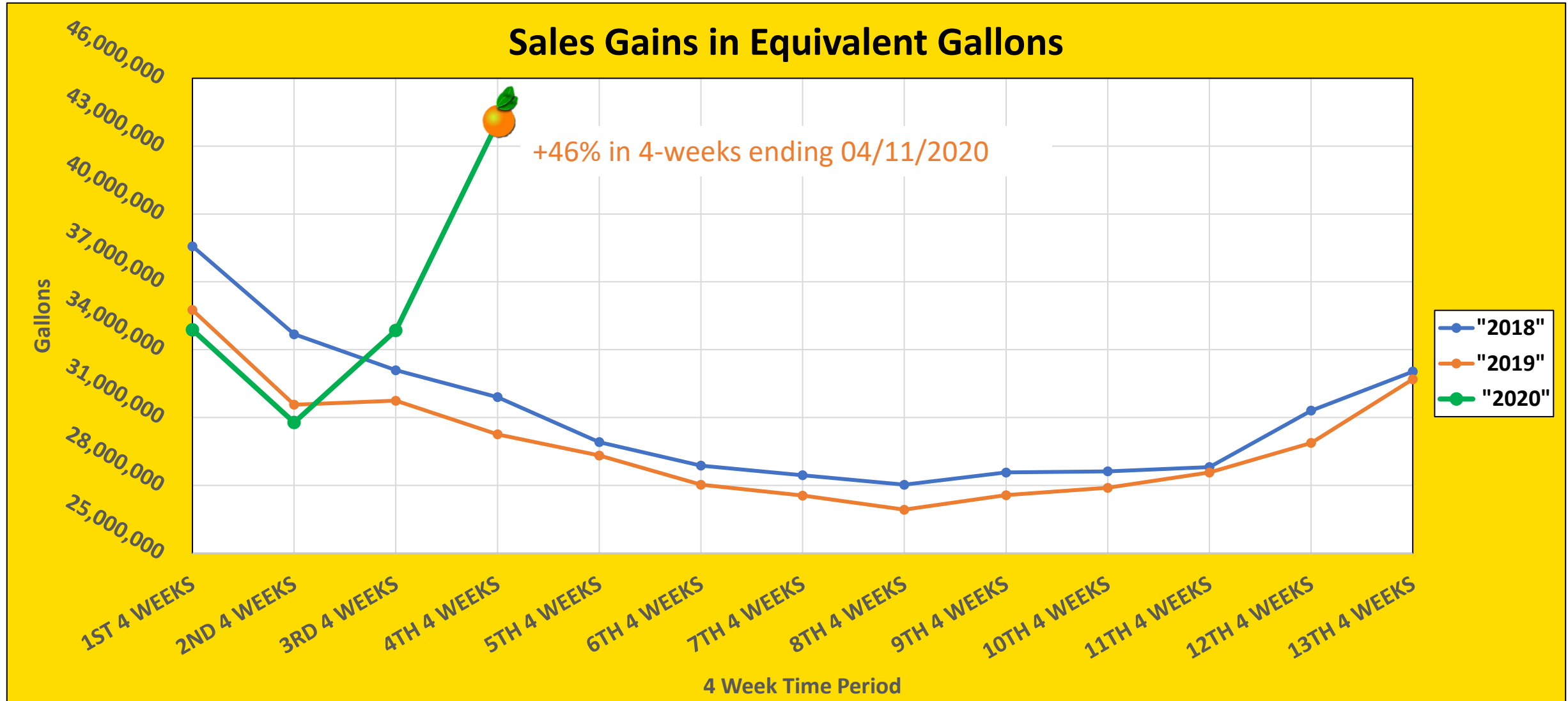
#1 PROACTIVE HEALTH-MINDED BUYING	#2 REACTIVE HEALTH MANAGEMENT	#3 PANTRY PREPARATION	#4 QUARANTINED LIVING PREPARATION	#5 RESTRICTED LIVING	#6 LIVING A NEW NORMAL
CONSUMER BEHAVIOR SHIFTS					
Interest rises in products that support overall maintenance of health and wellness.	Prioritize products essential to virus containment, health and public safety. E.g. face masks	Pantry stockpiling of shelf-stable foods and a broader assortment of health-safety products; spike in store visits; growing basket sizes.	Increased online shopping, a decline in store visits, rising out-of-stocks, strains on the supply chain.	Severely restricted shopping trips, online fulfillment is limited, price concerns rise as limited stock availability impacts pricing in some cases.	People return to daily routines (work, school, etc.) but operate with a renewed cautiousness about health. Permanent shifts in supply chain, the use of e-commerce and hygiene practices.
COMMON COVID-19 EVENT MARKERS					
Minimal localized cases of COVID-19 generally linked to an arrival from another infected country.	Government launches health and safety campaign. Local transmission and / or first COVID-19 related death(s).	Small quarantines begin; borders close more broadly. Often represented by accelerating cases of COVID-19, but not necessarily by deaths.	Localized COVID-19 emergency actions. Restrictions against large gatherings; schools and public places close down. Percentage of people diagnosed rises.	Mass cases of COVID-19. Communities ordered into lockdown. Restaurant closures, restrictions on small gatherings.	COVID-19 quarantines lift beyond region/country's most-affected hotspots and life starts to return to normal.

NOTE: These represent TYPICAL markers of these stages but are not always consistent, especially with number of cases or deaths

A stylized graphic featuring a glass on the left being filled with orange liquid. A large, thick orange shape, resembling a splash or a large drop, is positioned above the glass, curving over it. The background is white with light gray accents.

Quick Topline of OJ Sales

U.S. Orange Juice Sales ↑46%



Orange Juice at Retail – 4 Weeks ending 4/11/20

TOTAL US - XAOC
4 WEEKS ENDING
04/11/20

	Gallons			Dollars			Price per EQ Gallon		
	4 Weeks YA	4 Weeks	% Chg	4 Weeks YA	4 Weeks	% Chg	4 Weeks YA	4 Weeks	% Chg
TL OJ	30,258,180	44,049,710	45.58%	\$211,368,670	\$318,496,696	50.68%	\$6.99	\$7.23	3.51%
TL OJ REF NFC	17,400,152	26,046,903	49.69%	\$146,609,819	\$226,640,874	54.59%	\$8.43	\$8.70	3.27%
NFC <11oz	201,409	212,580	5.55%	\$2,433,571	\$2,659,662	9.29%	\$12.08	\$12.51	3.55%
NFC 11-20oz	553,605	531,275	-4.03%	\$8,538,793	\$8,361,237	-2.08%	\$15.42	\$15.74	2.04%
NFC 20-50oz	130,194	171,191	31.49%	\$1,880,917	\$2,751,646	46.29%	\$14.45	\$16.07	11.26%
NFC 50-70oz	11,185,349	17,329,611	54.93%	\$90,909,850	\$148,216,623	63.04%	\$8.13	\$8.55	5.23%
NFC 70-110oz	4,539,346	6,658,118	46.68%	\$37,519,986	\$56,819,414	51.44%	\$8.27	\$8.53	3.25%
NFC >110oz	790,249	1,144,128	44.78%	\$5,326,704	\$7,832,293	47.04%	\$6.74	\$6.85	1.56%
TL OJ REF RECON	10,721,973	14,511,498	35.34%	\$51,752,753	\$71,230,006	37.64%	\$4.83	\$4.91	1.69%
TL GJ	908,317	1,137,293	25.21%	\$7,517,535	\$9,940,148	32.23%	\$8.28	\$8.74	5.60%

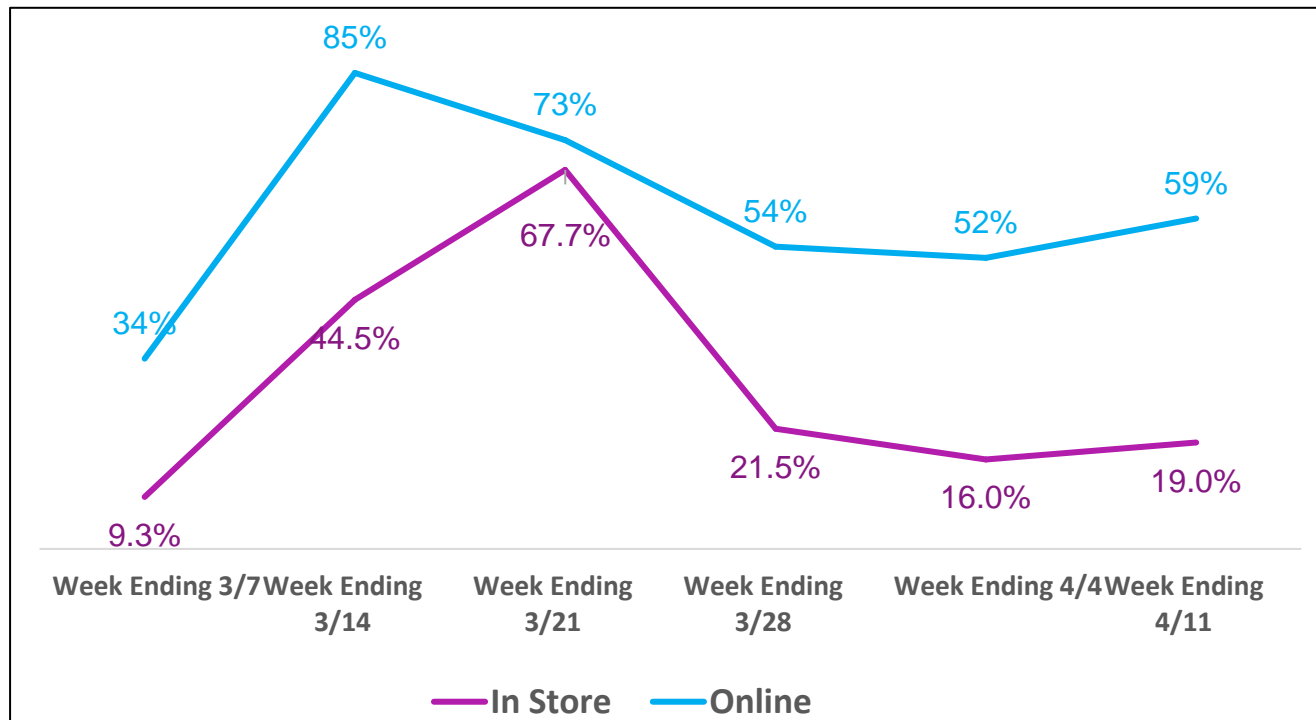
U.S. Weekly Total OJ Sales % Growth Vs. Year-ago



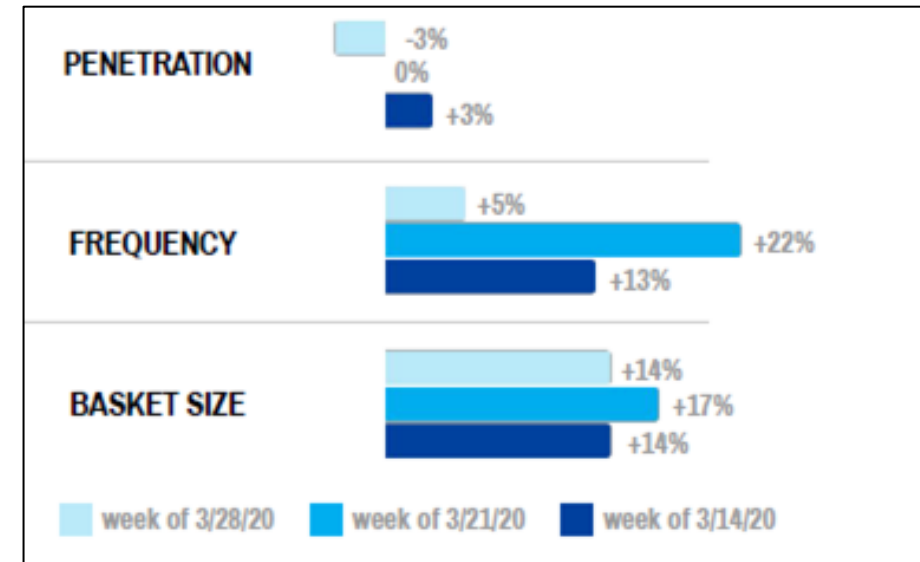
Source: FDOC Custom Database - Nielsen. xAOC = Expanded All Outlets Combined. xAOC data consists of POS data for U.S. grocery stores doing \$2 million and greater annual sales, drug stores doing \$1 million and greater annual sales, mass merchandisers (like Target), Walmart, club (Sam's and BJ's), dollar stores (Dollar General, Family Dollar and Fred's), and military/DECA.

SALES TRENDS CONSISTENT WEEK-TO-WEEK ONLINE AND IN STORE, AND ALIGNED TO CONSUMER BEHAVIOR

TOTAL CPG DOLLAR % CHANGE VS. PRIOR YEAR



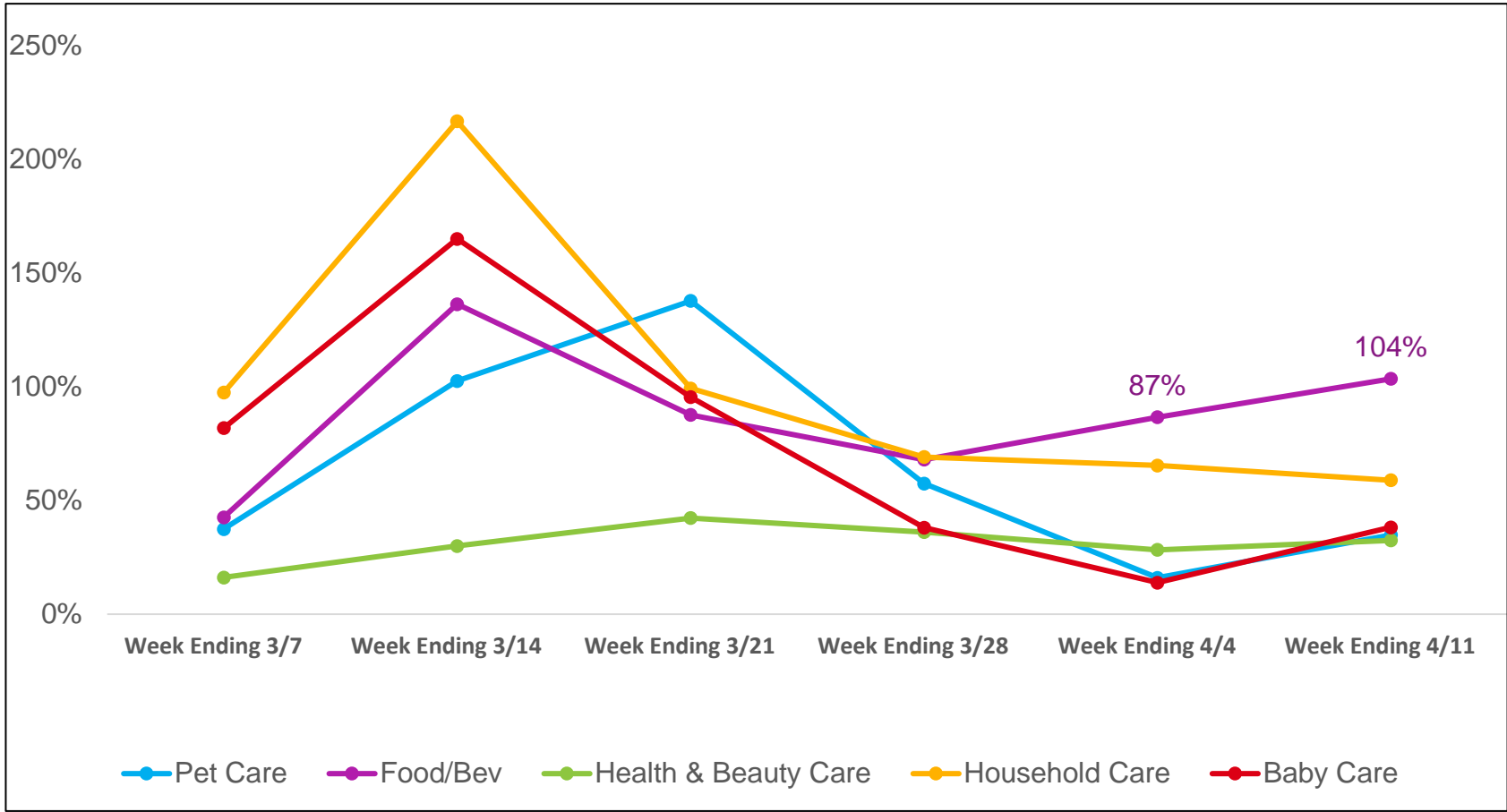
TOTAL OUTLETS - % CHANGE VS. 2019



Source: Nielsen Total US xAOC; Nielsen Ecommerce measurement powered by Rakuten Intelligence
 Source: Nielsen Homescan Panel

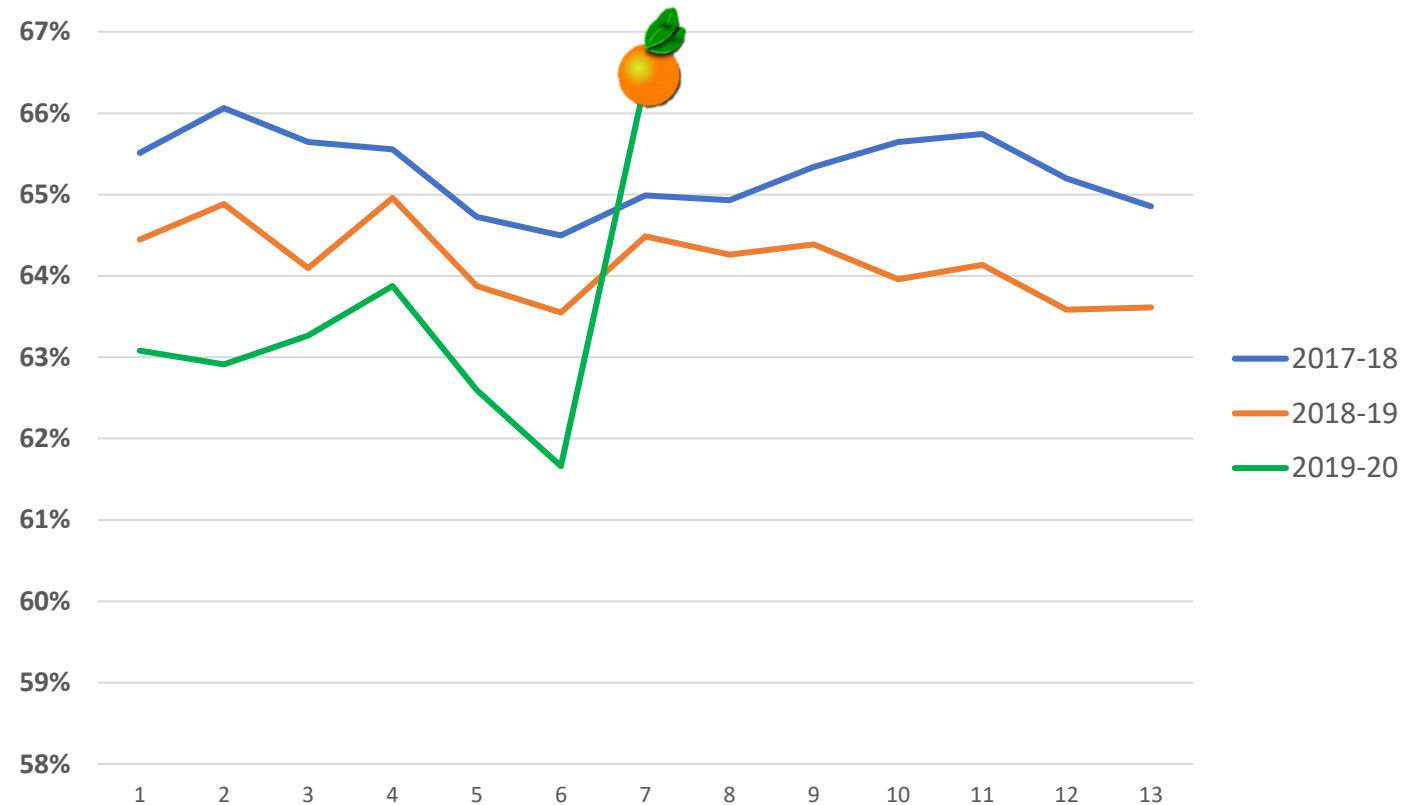
DEPARTMENT PERFORMANCE ONLINE VARIES BY MATURITY, NECESSITY

ONLINE DOLLARS % CHANGE VS. PRIOR YEAR



Source: Nielsen Total Ecommerce measurement powered by Rakuten Intelligence

Total OJ Sales – Share of TOTAL US – FOOD (U.S. Grocery)



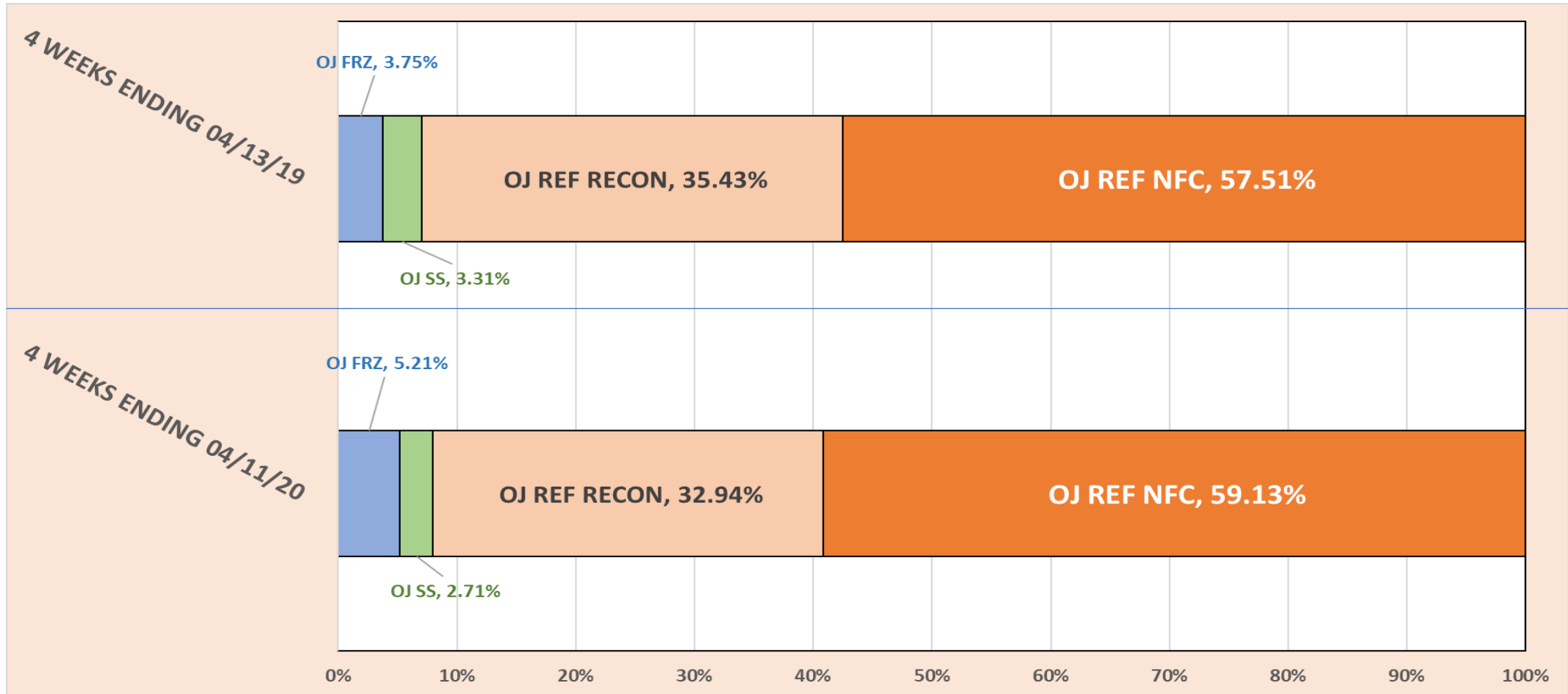
Source: FDOC Custom Database - Nielsen. xAOC = Expanded All Outlets Combined. xAOC data consists of POS data for U.S. grocery stores doing \$2 million and greater annual sales, drug stores doing \$1 million and greater annual sales, mass merchandisers (like Target), Walmart, club (Sam's and BJ's), dollar stores (Dollar General, Family Dollar and Fred's), and military/DECA.

U.S. Weekly Total OJ Sales

4-week period	Ref NFC Gallons			Ref Recon Gallons			Total OJ Gallons		
	2018-19	2019-20	% Change	2018-19	2019-20	% Change	2018-19	2019-20	% Change
w/e 02/22/20	4,728,277	4,634,568	-2.0%	2,643,974	2,697,624	2.0%	7,884,136	7,850,083	-0.4%
w/e 02/29/20	4,695,009	4,550,700	-3.1%	2,686,153	2,759,788	2.7%	7,954,859	7,846,405	-1.4%
w/e 03/07/20	4,844,106	4,993,588	3.1%	2,782,490	2,731,372	-1.8%	8,222,144	8,347,120	1.5%
w/e 03/14/20	4,492,336	6,330,777	40.9%	2,626,762	3,555,056	35.3%	7,685,549	10,807,889	40.6%
w/e 03/21/20	4,423,357	7,428,330	67.9%	2,608,101	4,253,638	63.1%	7,565,966	12,829,931	69.6%
w/e 03/28/20	4,326,189	6,080,452	40.5%	2,803,642	3,204,691	14.3%	7,655,185	10,070,993	31.6%
w/e 04/04/20	4,356,344	6,248,646	43.4%	2,688,268	3,519,420	30.9%	7,592,935	10,535,219	38.8%
w/e 04/11/20	4,305,821	6,289,477	46.1%	2,633,974	3,533,748	34.2%	7,469,142	10,613,566	42.1%

Source: FDOC Custom Database - Nielsen. xAOC = Expanded All Outlets Combined. xAOC data consists of POS data for U.S. grocery stores doing \$2 million and greater annual sales, drug stores doing \$1 million and greater annual sales, mass merchandisers (like Target), Walmart, club (Sam's and BJ's), dollar stores (Dollar General, Family Dollar and Fred's), and military/DECA.

OJ Volume Share by Type



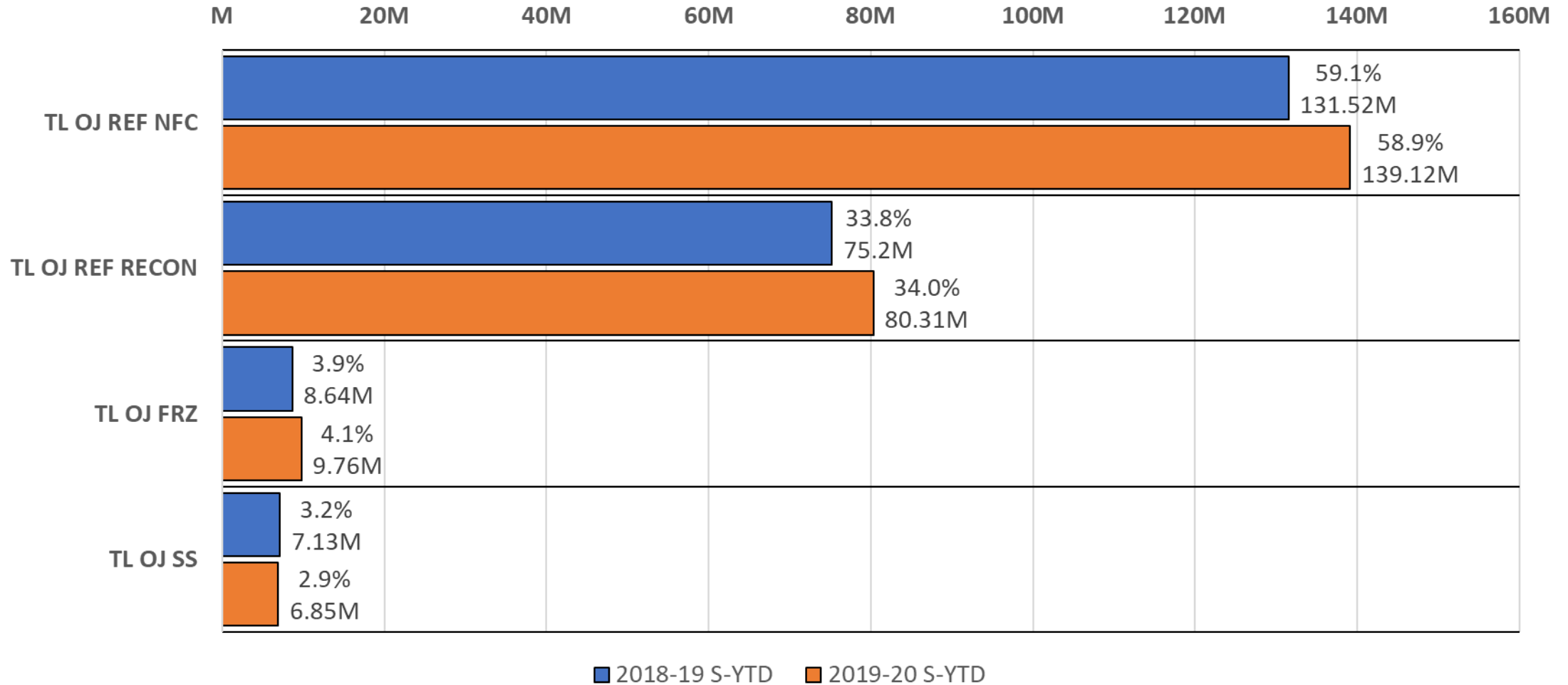
Note: SS denotes shelf stable OJ

Orange Juice at Retail – SYTD

TOTAL US - XAOC
Season Year to Date

	Gallons			Dollars			Price per EQ Gallon		
	SYTD 2018-19	SYTD 2019-20	% Chg	SYTD 2018-19	SYTD 2019-20	% Chg	SYTD 2018-19	SYTD 2019-20	% Chg
TL OJ	222,483,793	236,036,624	6.09%	\$1,557,226,816	\$1,669,955,677	7.24%	\$7.00	\$7.07	1.08%
TL OJ REF NFC	131,517,811	139,120,340	5.78%	\$1,092,785,860	\$1,180,972,031	8.07%	\$8.31	\$8.49	2.17%
NFC <11oz	1,433,034	1,382,753	-3.51%	\$17,102,033	\$16,776,686	-1.90%	\$11.93	\$12.13	1.66%
NFC 11-20oz	3,825,323	3,911,862	2.26%	\$59,267,961	\$60,477,071	2.04%	\$15.49	\$15.46	-0.22%
NFC 20-50oz	995,518	1,037,991	4.27%	\$14,047,035	\$16,114,438	14.72%	\$14.11	\$15.52	10.02%
NFC 50-70oz	85,671,353	90,558,372	5.70%	\$684,661,275	\$745,087,703	8.82%	\$7.99	\$8.23	2.95%
NFC 70-110oz	33,642,389	36,186,605	7.56%	\$278,093,191	\$301,922,500	8.57%	\$8.27	\$8.34	0.94%
NFC >110oz	5,950,193	6,042,764	1.56%	\$39,614,365	\$40,593,640	2.47%	\$6.66	\$6.72	0.90%
TL OJ REF RECON	75,195,603	80,308,543	6.80%	\$368,722,954	\$390,032,865	5.77%	\$4.90	\$4.86	-0.96%
TL GJ	6,376,375	6,308,261	-1.07%	\$51,295,366	\$53,619,807	4.53%	\$8.04	\$8.50	5.66%

OJ Volume Share by Type



Regional Sales (week ending 4/11/2020)

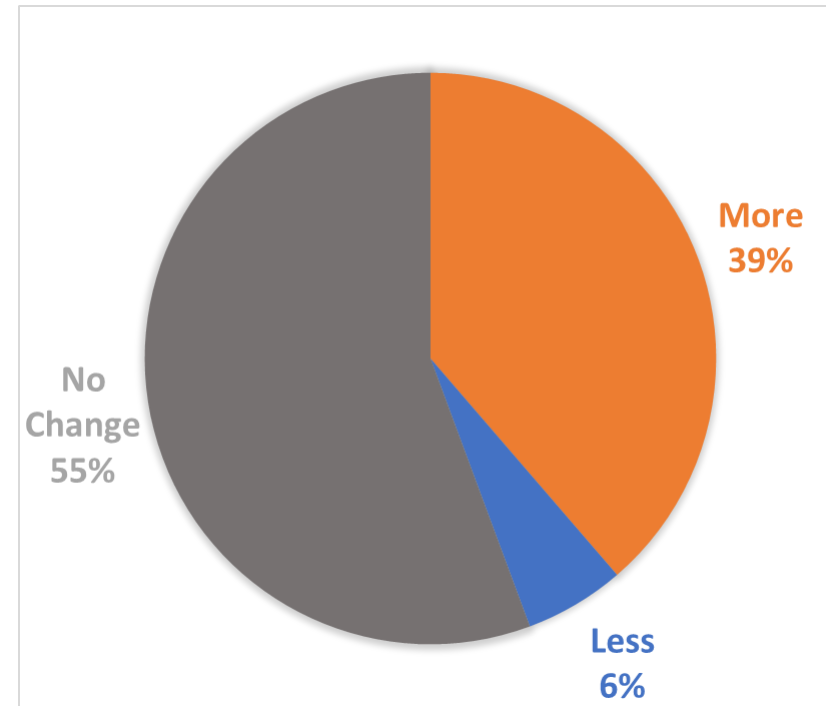
- U.S. Southern Region registered the largest gain in volume movement of approximately 5.8 million gallons Total OJ compared to same period last year.
- Southern Region also registered the largest percentage change in volume movement of +48.7%, followed by Midwest at +47.8%, Northeast at +44.0%, and Western at +38.1%.

OJ Path to Purchase

- Increase in orange juice sales associated with
 1. Pantry Preparation/pandemic shopping.
 2. Increased consumer traffic to traditional groceries and large-scale stores.
 3. Increased consumer online purchases and use of grocery delivery services.
 4. Health and wellness nutritional benefits of orange juice.
 5. Increase in consumption of breakfast from home.
 6. Other?

OJ purchases in response to COVID-19: Nearly 40% indicated they purchased more

Question: Have your purchases of 100% OJ changed in response to the recent COVID-19/Coronavirus outbreak in the past 30 days?



OJ purchases in response to COVID-19



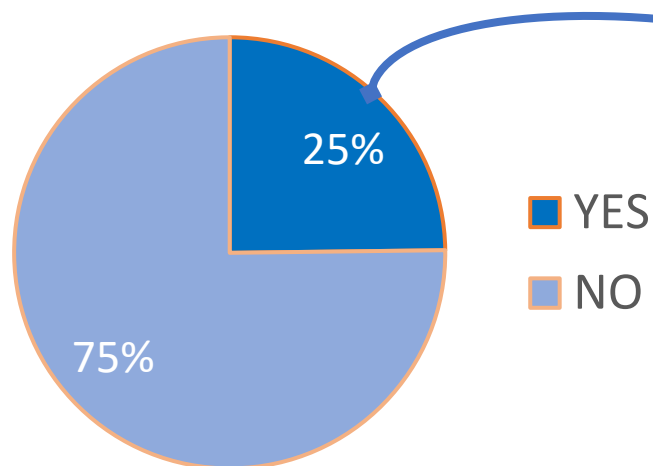
Question: Have your purchases of 100% OJ changed in response to the recent COVID-19/Coronavirus outbreak in the past 30 days?

OJ purchases in response to COVID-19

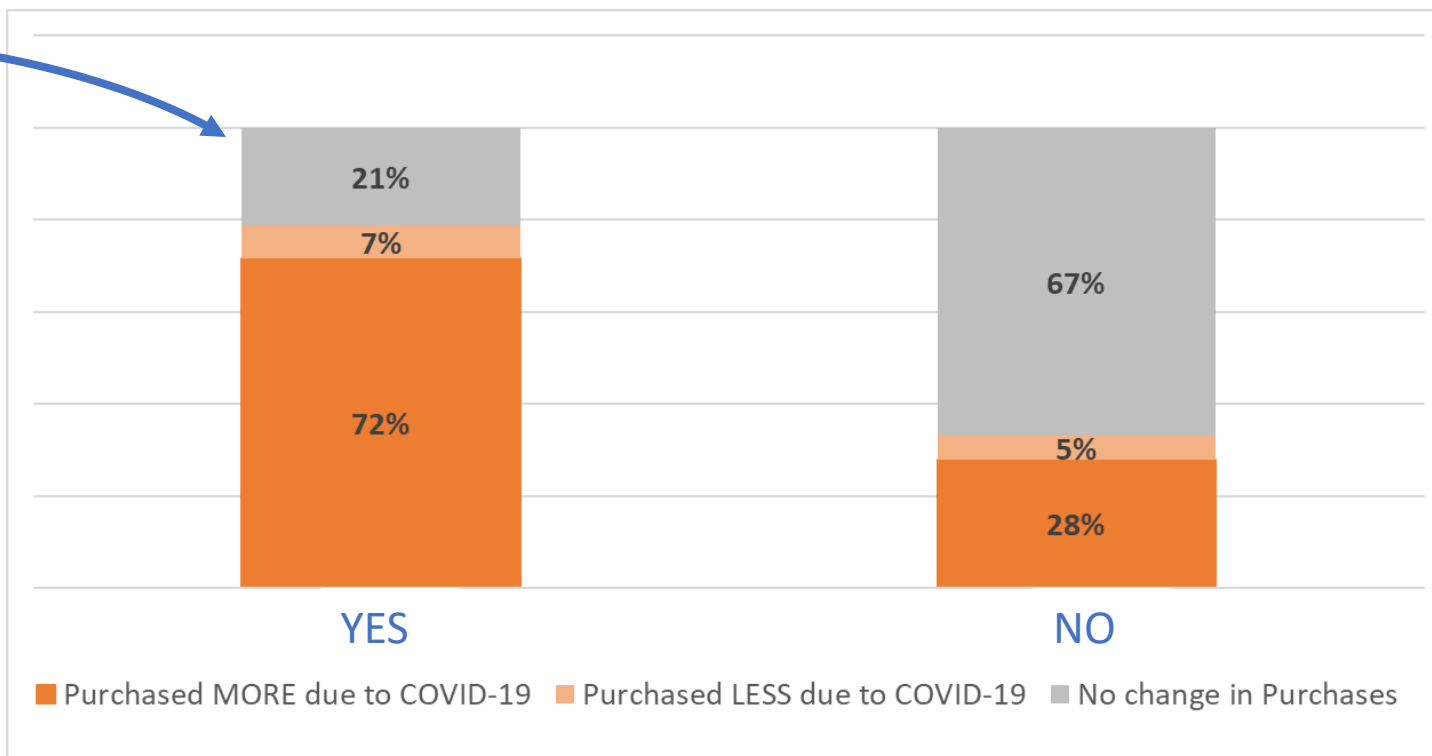


Question: Have your purchases of 100% OJ changed in response to the recent COVID-19/Coronavirus outbreak in the past 30 days?

Media Awareness During Pandemic



Question: Do you recall seeing, reading or hearing anything about Orange Juice in the past 30 days?



100% Orange Juice sales at Food Service

- Share of Food Service is estimated to range from 36-40% of presumed consumption assuming Nielsen data coverage is 85% of total OJ at retail.
- Estimated impact to decline in Food Service would negatively impact Recon movement.



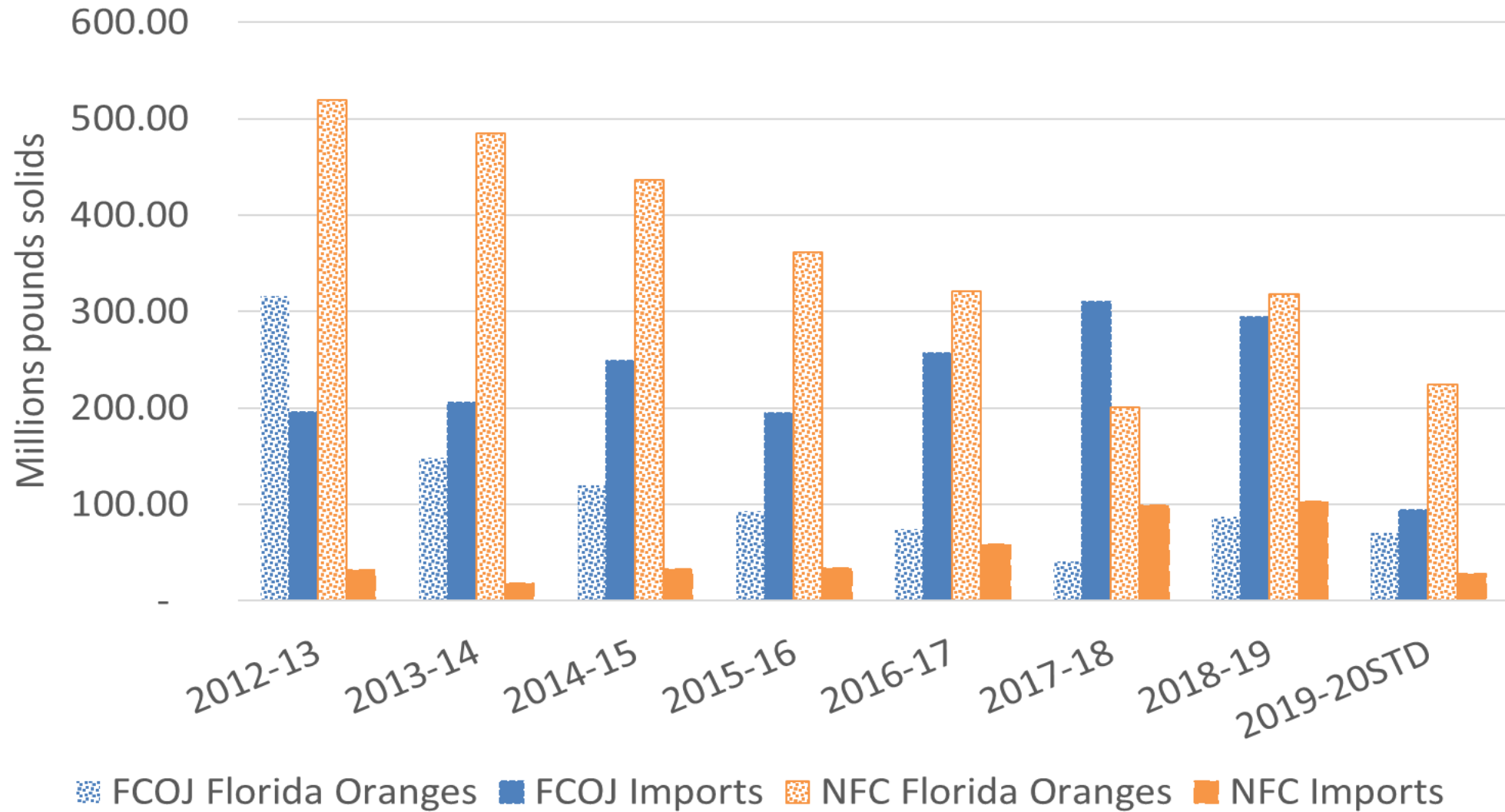
	15-16	16-17	17-18	18-19
Total OJ Packaged	59.6%	57.3%	60.4%	59.7%
Total OJ Packaged Outside of Florida and Food Service	40.4%	42.7%	39.6%	40.3%



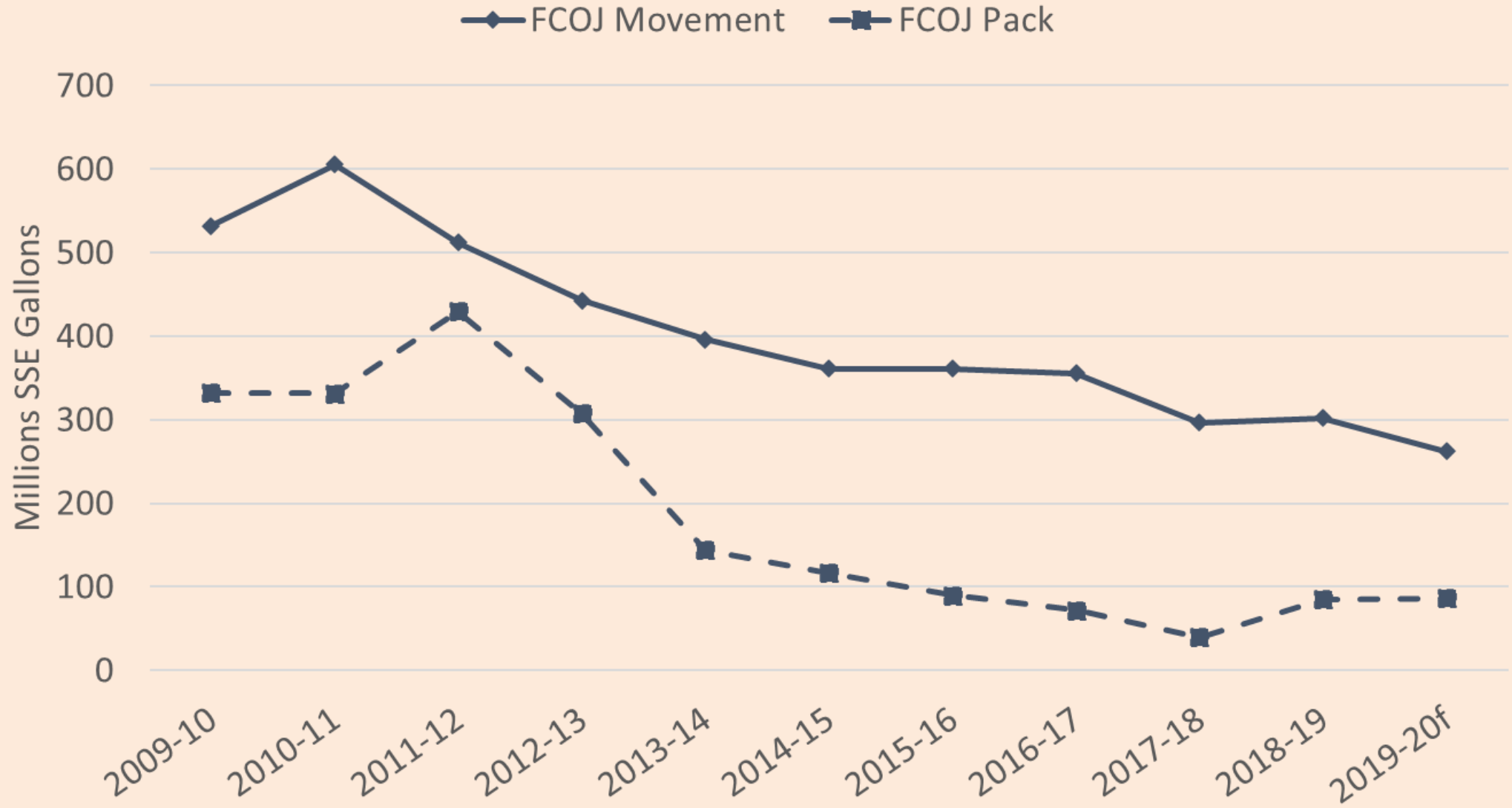
**Florida Processor OJ
Supply and Movement**



Pack from Florida oranges compared to Imports

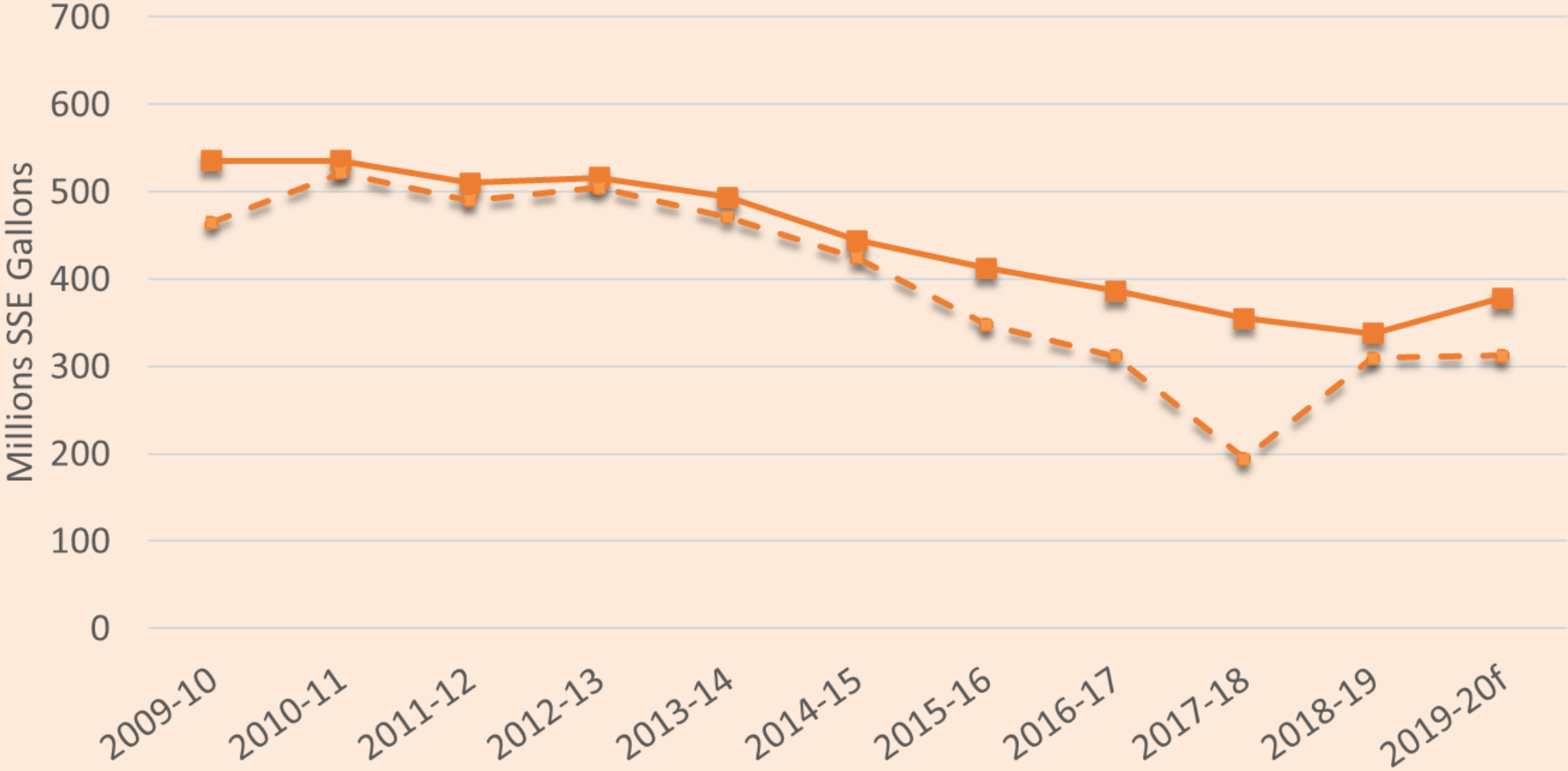


Florida Processor FCOJ Movement and Pack



Florida Processor SSOJ Movement and Pack

SSOJ Movement SSOJ Pack



OJ sales going forward. . .

- Consumer renewed awareness of OJ
 - Will likely reduce Florida processor inventories for SSOJ, less likely to reduce FCOJ equally due to impacts to food service.
- Projected increase in retail sales now through May.
 - Measuring Who, What, When, Where, Why, and How much?
- What are the long-term changes in consumer behavior?
- Will there be a reversal of the loss in shelf space of OJ?
- Will lapsed buyers stay for long-run? Will active buyers maintain increased frequency of purchase?
- What will be the “new normal” baseline?



FLORIDA DEPARTMENT OF CITRUS GROWERS' PROCESSING STATISTICS SUMMARY

For the Week Ending:
04/04/2020

Report Number : 27

The following summary provides an overview of Florida processing
statistics in terms of 8/5-Bushel Boxes.

Weekly Notice

NOTE: The information contained in this report is compiled for the convenience of subscribers and is furnished without responsibility for accuracy and is accepted by the subscriber on the condition that errors or omissions shall not be made the basis for any claim, demand or cause of action.

As of 04/04/20:

**25.0% of the Florida processed orange crop was utilized as FCOJ; and
75.0% of the Florida processed orange crop was utilized as SSOJ.**

- For the 2019-20 season, Florida FCOJ beginning inventory was equivalent to 56.4 million boxes of processed oranges, up 29.7% from the previous season.
 - Season-to-date through 04/04/20, pack from Florida fruit into FCOJ is equivalent to 11.3 million boxes of processed oranges, up 6.4% through the same period last season.
 - Season-to-date through 04/04/20, FCOJ combined imports and domestic receipts are equivalent to 14.7 million boxes of processed oranges, a decrease of 47.1% from 2018-19.
 - Current FCOJ combined bulk and packaged movement through 04/04/20 is equivalent to 29.8 million processed orange boxes (or the equivalent of 1.1 million boxes per week).
 - Current FCOJ ending inventories through 04/04/20 is equivalent to 55.7 million processed orange boxes (or 50.4 weeks of supply at the current season's average weekly movement). An equivalent of 10.2 weeks supply has been sourced from Florida fruit this season, and an equivalent of 13.3 weeks supply sourced from imports.
-
- For the 2019-20 season, Florida SSOJ beginning inventory was equivalent to 35.3 million boxes of processed oranges, up 57.2% from the previous season.
 - Season-to-date through 04/04/20, pack from Florida fruit into SSOJ is equivalent to 33.9 million boxes of processed oranges, up 3.2% through the same period last season.
 - Season-to-date through 04/04/20, SSOJ combined imports and domestic receipts are equivalent to 4.6 million boxes of processed oranges, a decrease of 67.6% from 2018-19.
 - Current SSOJ combined bulk and packaged movement through 04/04/20 is equivalent to 53.9 million processed orange boxes (or the equivalent of 2.0 million boxes per week).
 - Current SSOJ ending inventories through 04/04/20 is equivalent to 39.6 million processed orange boxes (or 19.8 weeks of supply at the current season's average weekly movement). An equivalent of 17.0 weeks supply has been sourced from Florida fruit this season, and an equivalent of 2.3 weeks supply sourced from imports.

Utilization

2017-18
4/7/2018

2018-19
4/6/2019

2019-20
4/4/2020

% Change 2019-20
over 2017-18

% Change 2019-20
over 2018-19

Processor Week 27 of 52

Millions of 8/5-Bushel Boxes

%

Early/Mid Oranges	17.5	28.3	27.5	57.4%	-2.9%
FCOJ	4.84	7.26	8.07	66.7%	11.2%
SSOJ	12.64	21.08	19.44	53.8%	-7.8%
Late Season Oranges	12.3	15.2	17.7	44.3%	16.9%
FCOJ	1.2	3.4	3.2	169.9%	-4.0%
SSOJ	11.1	11.8	14.5	30.7%	22.9%
Complete Season	29.8	43.5	45.2	52.0%	4.0%
FCOJ	6.0	10.6	11.3	87.2%	6.4%
SSOJ	23.7	32.9	33.9	43.0%	3.2%

% Utilization

%

Early/Mid Oranges					
FCOJ	27.7%	25.6%	29.3%	5.9%	14.5%
SSOJ	72.3%	74.4%	70.7%	-2.3%	-5.0%
Late Season Oranges					
FCOJ	9.8%	22.2%	18.3%	87.1%	-17.9%
SSOJ	90.2%	77.8%	81.7%	-9.4%	5.1%
Complete Season					
FCOJ	20.3%	24.4%	25.0%	23.2%	2.3%
SSOJ	79.7%	75.6%	75.0%	-5.9%	-0.7%

FCOJ

2017-18
4/7/2018

2018-19
4/6/2019

2019-20
4/4/2020

% Change 2019-20
over 2017-18

% Change 2019-20
over 2018-19

Processor Week 27 of 52

Millions of 8/5-Bushel Boxes

%

Weekly Beginning Total Inventory	42.9	50.4	55.0	28.2%	9.1%
Bulk	41.5	49.3	53.8	29.5%	9.1%
Packaged	1.3	1.1	1.2	-13.0%	7.8%
STD Florida Processed Boxes	6.0	10.6	11.3	87.2%	6.4%
STD Imports	30.9	27.7	14.7	-52.5%	-47.1%
California and Texas	0.8	0.6	1.6	94.8%	185.0%
Foreign	30.1	27.1	13.1	-56.6%	-51.9%
STD Movement Total	31.3	32.0	29.8	-4.5%	-6.8%
Bulk	24.6	26.1	24.4	-0.8%	-6.7%
Packaged	6.7	5.9	5.5	-18.2%	-7.1%
Weekly Ending Inventory Total	43.4	51.3	55.7	28.4%	8.6%
Bulk	42.0	50.1	54.6	29.8%	8.8%
Packaged	1.3	1.2	1.1	-15.2%	-1.6%
Weeks of Supply at STD Movement				%	
Weeks Supply in Inventory	37.5	43.2	50.4	34.5%	16.5%
STD Weeks Supply from Florida Fruit	5.2	9.0	10.2	96.1%	14.1%
STD Weeks Supply from Imports	26.7	23.4	13.3	-50.3%	-43.2%
Pound Solids per Box				%	
STD Florida Processor Average Yield	5.136	5.462	5.674	10.5%	3.9%

SSOJ

2017-18

2018-19

2019-20

4/7/2018

4/6/2019

4/4/2020

% Change 2019-20
over 2017-18

% Change 2019-20
over 2018-19

Processor Week 27 of 52

Millions of 8/5-Bushel Boxes

%

Weekly Beginning Total Inventory	29.9	34.0	38.1	27.2%	11.9%
Bulk	29.2	33.1	37.2	27.6%	12.6%
Packaged	0.7	0.9	0.8	12.6%	-12.4%
STD Florida Processed Boxes	23.7	32.9	33.9	43.0%	3.2%
STD Imports	11.5	14.3	4.6	-59.8%	-67.6%
California and Texas	0.1	0.4	0.1	82.0%	-66.7%
Foreign	11.4	13.9	4.5	-60.7%	-67.7%
STD Movement Total	64.6	59.2	53.9	-16.7%	-9.0%
Bulk	30.0	27.4	21.4	-28.8%	-21.9%
Packaged	34.6	31.8	32.5	-6.3%	2.1%
Weekly Ending Inventory Total	31.6	36.3	39.6	25.3%	9.0%
Bulk	30.7	35.3	38.5	25.4%	9.0%
Packaged	0.8	1.0	1.0	24.8%	8.3%
Weeks of Supply at STD Movement				%	
Weeks Supply in Inventory	13.2	16.6	19.8	50.5%	19.8%
STD Weeks Supply from Florida Fruit	9.9	15.0	17.0	71.7%	13.4%
STD Weeks Supply from Imports	4.8	6.5	2.3	-51.8%	-64.4%
Pound Solids per Box				%	
STD Florida Processor Average Yield	5.676	5.684	5.759	1.5%	1.3%

Processors' Statistics

Report Prices

2017-18
4/7/2018

2018-19
4/6/2019

2019-20
4/4/2020

% Change 2019-20
over 2017-18

% Change 2019-20
over 2018-19

Processor Week 27 of 52

	\$ / Pound Solid			%	
Early and Midseason Oranges					
Final Full Price Known	\$2.59	\$2.20	\$1.02	-60.4%	-53.5%
Final Intermediate Price Only (Floor)	\$2.05	\$2.27	\$2.34	14.4%	3.1%
Final Full and Intermediate Combined	\$2.10	\$2.27	\$2.13	1.5%	-6.0%
Late Season Oranges Combined					
STD Full Price Known	\$2.80	\$2.49	\$1.29	-53.8%	-48.2%
STD Intermediate Price Only (Floor)	\$2.32	\$2.43	\$2.45	5.7%	0.6%
STD Full and Intermediate Combined	\$2.37	\$2.44	\$2.27	-4.2%	-6.9%
Complete Season					
STD Full Price Known	\$2.69	\$2.34	\$1.13	-58.0%	-51.6%
STD Intermediate Price Only (Floor)	\$2.17	\$2.33	\$2.38	10.1%	2.4%
STD Full and Intermediate Combined	\$2.22	\$2.33	\$2.19	-1.5%	-6.2%
Millions of 8/5-Bushel Boxes					
			%		
Early and Midseason Oranges					
	17.5	28.3	27.5	57.4%	-2.9%
Final Full Price Known	1.4	1.7	3.7	158.4%	112.7%
Final Intermediate Price Only (Floor)	13.7	22.4	19.2	39.9%	-14.5%
Final Unpriced	2.3	4.2	4.6	98.9%	11.1%
Late Season Oranges					
	12.3	15.2	17.7	44.3%	16.9%
STD Full Price Known	1.2	1.3	2.2	79.9%	78.2%
STD Intermediate Price Only (Floor)	9.5	11.4	12.3	28.8%	8.1%
STD Unpriced	1.5	2.5	3.2	114.1%	25.8%
Complete Season					
	29.8	43.5	45.2	52.0%	4.0%
STD Full Price Known	2.7	3.0	5.9	121.0%	98.3%
STD Intermediate Price Only (Floor)	23.3	33.8	31.5	35.3%	-6.9%
STD Unpriced	3.8	6.7	7.8	104.8%	16.6%
% of Total					
			%		
Early and Midseason Oranges					
Final Full Price Known	8.2%	6.1%	13.4%	64.2%	119.1%
Final Intermediate Price Only (Floor)	78.5%	79.2%	69.8%	-11.1%	-11.9%
Final Unpriced	13.3%	14.7%	16.9%	26.3%	14.4%
Late Season Oranges					
STD Full Price Known	10.1%	8.3%	12.6%	24.7%	52.5%
STD Intermediate Price Only (Floor)	77.8%	75.0%	69.4%	-10.7%	-7.5%
STD Unpriced	12.1%	16.7%	18.0%	48.4%	7.6%
Complete Season					
STD Full Price Known	9.0%	6.9%	13.1%	46.0%	90.7%
STD Intermediate Price Only (Floor)	78.2%	77.7%	69.6%	-11.0%	-10.4%
STD Unpriced	12.8%	15.4%	17.3%	34.7%	12.2%

Thank You

