

Introduction

At the halfway mark of 2025, the fresh produce industry is operating in a time of complexity and contrast. Economic uncertainty, shifting trade policies, rising labor costs, and evolving consumer expectations are reshaping the global produce landscape. Yet, despite these challenges, the industry's resilience is clear—and opportunity abounds for those who adapt strategically.

As the largest and most diverse international association serving the entire fresh produce and floral supply chain, the International Fresh Produce Association (IFPA) is committed to creating a vibrant future with your prosperity in mind. This mid-year check-in provides a critical pulse on the produce consumer, trade flows, economic forces, and regulatory dynamics so you can make informed decisions in the second half of the year.

THIS YEAR'S REPORT SPOTLIGHTS KEY TRENDS INFLUENCING THE GLOBAL PRODUCE MARKET:

- Consumer commitment to produce remains strong, yet shoppers are more price-sensitive than ever.
- Tariffs and labor constraints are disrupting production, trade, and cost structures.
- Sustainability remains top-of-mind for consumers and policymakers—even amid political rollback in some regions.
- Markets in both the U.S. and EU continue to demand value, convenience, and health benefits—shaping future innovation and positioning.

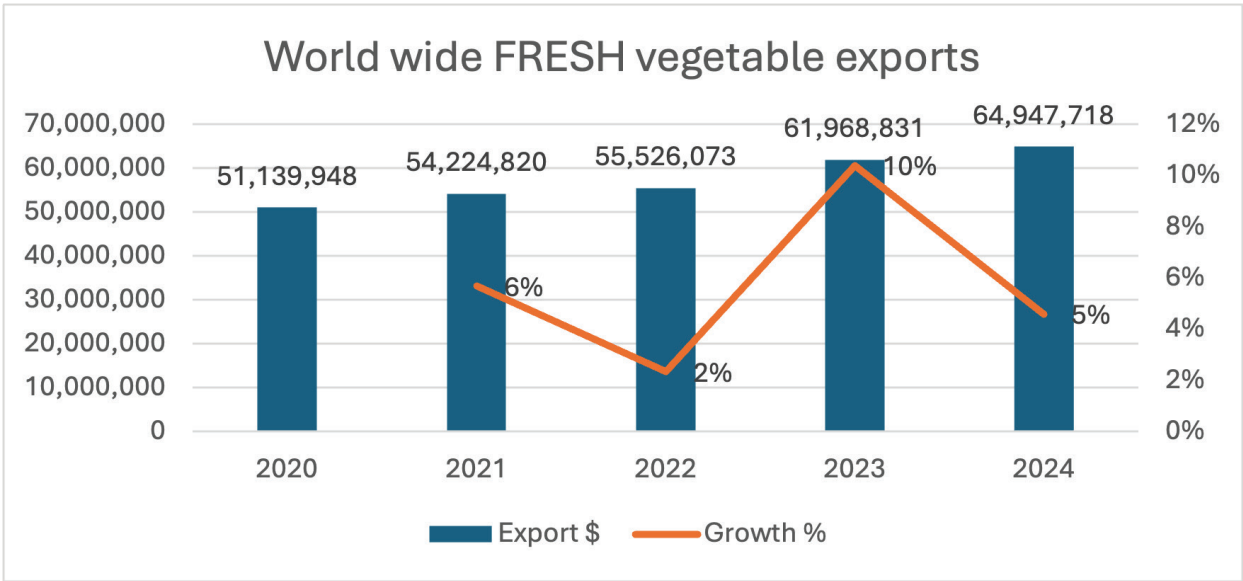
From tightening margins to expanding opportunities in value-added formats, this moment calls for clarity, agility, and partnership. Whether you're a grower, retailer, exporter, or innovator, this report will equip you to meet today's challenges and seize tomorrow's potential. Let's move forward together—smarter, stronger, and more connected than ever.



The Global Produce Industry

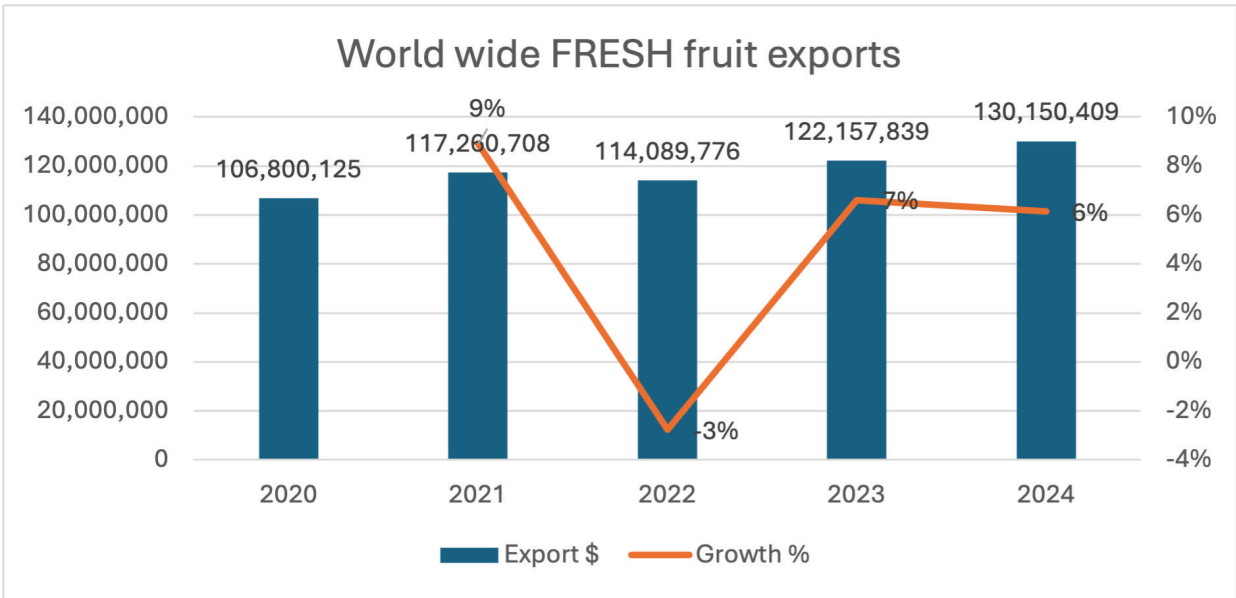
One indicator of a healthy and growing industry is export growth. In 2024, the fresh produce industry continued to grow after its 2022 decline in fruit exports. That decline was primarily due to disruptions caused by the war in Ukraine, leading to increased energy costs, logistics challenges, and disruptions in fertilizer supplies, particularly in major fruit producing regions, alongside issues like climate change impacting crop yields and production shortages in key fruit producing areas.

GLOBAL EXPORTS OF FRESH VEGETABLE PRODUCTS (000'S \$)



International Trade Centre

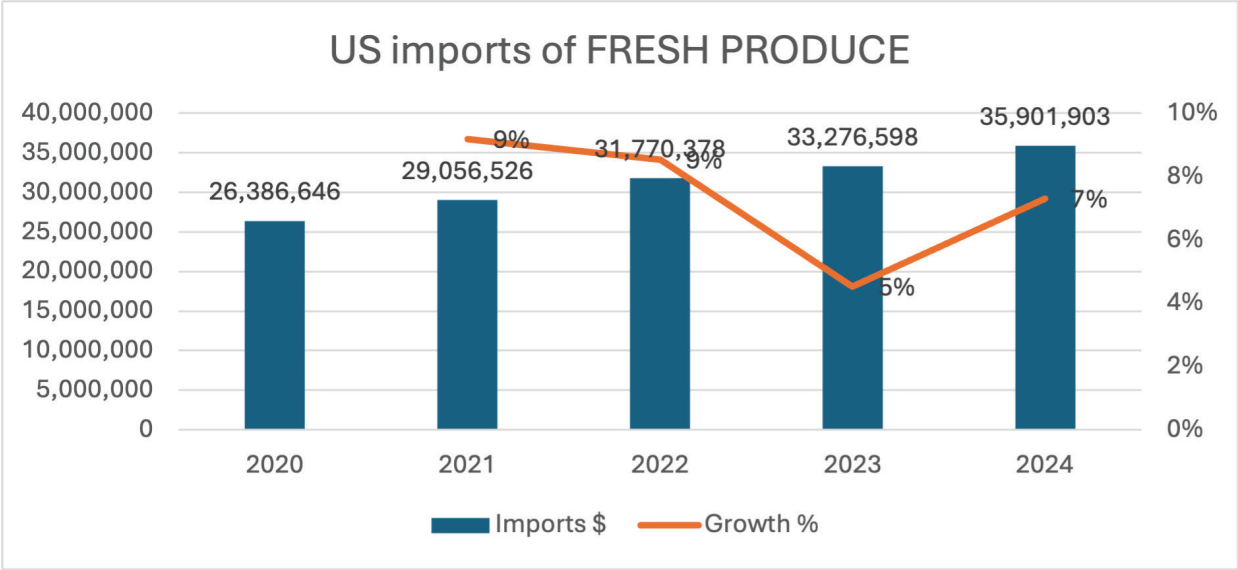
GLOBAL EXPORTS OF FRESH FRUIT PRODUCTS (000'S \$)



International Trade Centre

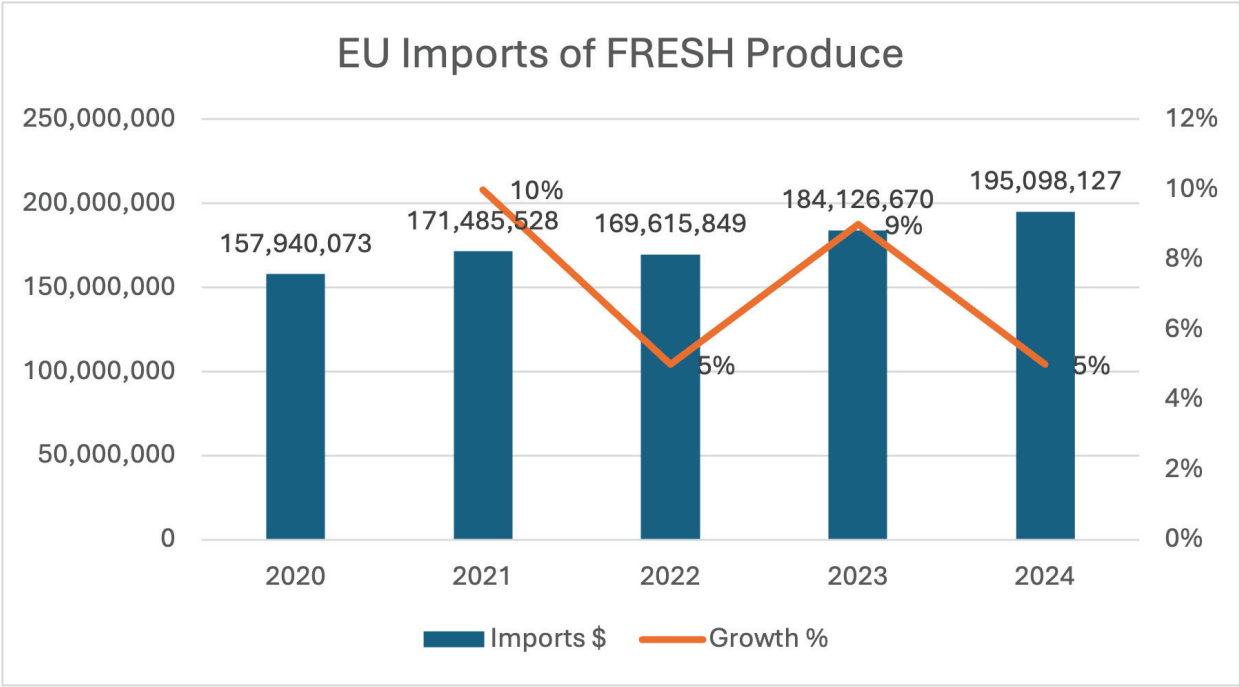


IMPORTS OF FRESH PRODUCE INTO THE UNITED STATES (000's)



International Trade Centre

IMPORTS OF FRESH PRODUCE INTO THE EU 28 (000's)



International Trade Centre

IFPA strongly supports fair and thriving international trade. We advocate fair trade practices that expand markets, drive prosperity, and ensure access to fresh, nutritious foods worldwide



Quick Highlights of US and EU Markets

United States	European Union
<p>One of the world's largest fresh produce markets by value.</p> <ul style="list-style-type: none"> • Strong retail presence of supermarkets and club stores. • Increasing consumer demand for year-round availability, convenience, and health 	<p>Diverse & regulated: 27 countries with different climates, consumer preferences, and regulatory environments.</p> <ul style="list-style-type: none"> • Health-conscious consumers: Increasing demand for organic, pesticide-free, fair-trade, and local foods. • Aging population: Emphasis on food safety, convenience, and nutrition.
<p>Strong North American interdependence</p> <ul style="list-style-type: none"> • Mexico (dominant): Tomatoes, avocados, cucumbers, berries, peppers. • Canada: Greenhouse vegetables. • Peru, Chile, Guatemala: Berries, grapes, bananas, mangoes. 	<p>Growing imports from developing countries, especially Africa, Latin America, and the Mediterranean region.</p> <ul style="list-style-type: none"> • Bananas: Ecuador, Colombia, Costa Rica • Citrus: South Africa, Morocco, Egypt • Avocados: Peru, Mexico, Kenya • Grapes & Apples: South Africa, Chile, New Zealand
<p>Regulations & Tariffs</p> <ul style="list-style-type: none"> • Most imports under USMCA (Mexico/Canada) enter tariff-free. • Tomato Suspension Agreement termination July 14, 2025, triggering anti-dumping duties of 21% • Starting April 2025, a 10% baseline tariff applies to non-USMCA suppliers. • USDA and FDA oversee food safety; FSMA rules in effect (traceability, sanitation). 	<p>Regulations & Tariffs</p> <ul style="list-style-type: none"> • Strict food safety and Maximum Residue Limits (MRLs). • Emphasis on sustainability and traceability (Farm to Fork Strategy). • Duty-free access for many developing countries under GSP and EPAs. • Value Added Tax (VAT) from some EU countries on fruits and vegetables (see freshproduce.com for more information)



Tariffs

The United States disrupted global markets in early 2025 with the announcement of tariffs. IFPA continues to caution against the broad application of tariffs, which disrupt supply chains, increase costs for consumers, and strain growers and producers. We work to advance policies that empower growers, expand market access, and ensure a competitive, resilient agricultural sector that benefits both producers and consumers.

In March 2025, the United States announced 25% on imports from Canada and Mexico, including fruits, vegetables, and floral products, 10–20% on Chinese imports, including fruits and vegetables. These tariffs triggered retaliatory tariffs from Canada, Mexico, and China targeting U.S. agricultural exports. Canada responded with 25% retaliatory tariffs. Mexico confirmed it would use “tariff and non tariff retaliation” aimed at U.S. dairy, pork, produce. China imposed 10–15% tariffs on U.S. agricultural exports, including fruits and vegetables. The EU and Brazil discussed or implemented retaliatory levies up to 120% on U.S. farm exports (soybeans, dairy, meat) though not directly targeting fruit/vegetables.

As tariffs distort traditional trade corridors, produce growers and suppliers are pivoting toward new markets—especially Southeast Asia, the Middle East, Africa, Central America—to compensate for lost demand. There’s a surge in FTAs and regional trade agreements:

- U.S.–EU trade talks now explicitly cover agricultural tariffs, SPS barriers, and economic security—hinting at structural adjustments in food flows.
- The EU is closing deals with Australia, Mercosur, UAE, enabling alternative sourcing for fruits, vegetables, and florals outside the U.S. market.

The costs of packaging, refrigeration, and logistics for produce surged due to tariffs—leading to longer lead times. As a response, growers are enhancing cold storage capacity, regional processing hubs, and buffering inventory strategies.

According to a dissertation from Virginia Tech tariffs are not the only barriers to trade:

- Non-tariff rules (like safety and quality standards) reduce U.S. agricultural exports by about one-third, similar to adding an 8% tariff.
- Food safety rules (SPS) for vegetables cut U.S. exports by 45%, like adding a 12% tariff. For meat and animal products, the drop is 32%.
- Technical rules (TBT) alone didn’t hurt trade much. But when both SPS and TBT rules were applied together, exports dropped by 74%, showing the combined burden is much heavier.

The biggest barriers to trade came from halal rules (guidelines and requirements for food that is permissible under Islamic law), food safety checks, certification requirements, limits on veterinary drugs, and pesticide residue limits.

MEXICO & CANADA

Tariff free under USMCA, even after “Liberation Day” tariffs — imports continue entering duty free.

OTHER MAJOR MARKETS

Subject to the 10% baseline tariff implemented April 5, 2025

No additional country specific tariffs reported, so fruits like bananas (Guatemala, Ecuador, Costa Rica), grapes, avocados, blueberries, table grapes, cherries face +10% duty

CHINA

Regular tariff on apples/pears/cherries: 10%, plus reciprocal tariffs (currently ~30%) due to recent trade deals.



US Immigration Policy

U.S. immigration enforcement and deportations are affecting the fresh fruit and vegetable industry. Immigration and Customs Enforcement (ICE) raids and heightened enforcement are deterring undocumented—and even legal—immigrant workers from showing up, particularly in key farming states like California and Illinois.

Labor shortages have led farms to leave crops in the field, reducing yield and increasing waste. The scarcity of workers forces farms to rely more heavily on the H 2A guest worker program. But H 2A placements come with significantly higher wages and compliance costs (housing, transport, AEWR), squeezing profit margins. With fewer harvesters available, production of labor-intensive fruits and vegetables is declining. Analysts warn that reduced supply plus increased labor costs could translate into 5–10% higher grocery prices. Falling US production may push the U.S. to rely more on imports, increasing vulnerability to global supply chain risks.

To counteract labor gaps, some growers are shifting toward automation—harvesters, mechanical weeder—but these come with high costs and aren't suitable for delicate produce. And, some farms are scaling back acreage or moving to mechanizable crops (nuts, grains), while others explore offshore production partnerships.

IFPA is lobbying for carve-outs or exemptions for agriculture enforcement policies. Recent directives temporarily paused raids in crucial sectors but were quickly reversed—leaving farms in policy limbo. The Farm Workforce Modernization Act, introduced in May 2025, aims to create legal pathways for agricultural workers (temporary and permanent), offering more stability to the sector.

Seasonal Labor Shortages in the EU

Heavily reliant on migrant labor from Eastern Europe (especially Romania, Bulgaria, and Ukraine), the EU struggles to secure enough workers for harvesting fruits & vegetables and handling florals. Countries like Germany, France, the Netherlands, and Spain reported unfilled jobs during peak seasons. Some of the contributing factors are labor shortages due to aging rural populations, wage competition across EU sectors, and unattractive work conditions.

In response to inflation and social pressure, minimum wages are rising in many EU countries straining profit margins for fruit, veg, and floral producers with labor-intensive operations. Employers are facing pressure to offer better housing, transportation, and work conditions—especially under new EU labor rights enforcement.

While the UK is no longer in the EU, its exit had a ripple effect with seasonal workers who were previously willing to move freely between EU states and the UK now facing visa restrictions. Visa processing delays and quotas (e.g., seasonal worker schemes) created recruitment delays in countries like Italy and Germany. Likewise, social protections and labor compliance rules (such as the EU Directive on Transparent and Predictable Working Conditions) require more administrative work and compliance from growers.

US and EU Economy

The US is facing a 40% probability of a recession over the next 12 months, according to RSM US Recession Monitor largely due to policy changes and the effects of tariffs.

The US economy contracted in the first quarter of 2025, posting a negative 0.2% annualized GDP decline. This was due to an increase in imports, a decrease in government spending, abrupt policy changes, tariffs, and federal government layoffs.

The OECD cut its US economic growth forecast for 2025 to 1.6% and warns of a potential increase in U.S. consumer prices, with inflation possibly reaching 4% by the end of 2025.

The Euro Area GDP is forecasted at 1.0% in 2025 with headline inflation reaching 2.3%. GDP is being affected by weak investment, rising geopolitical risk and trade disruptions. Moderate price pressure, stable food demand but cost-conscious consumers are forecasted for 2025.

Sustainability and Climate Change

At a macro level, the environmental policies of the Trump administration are characterized by a shift away from environmental protections, a focus on deregulation, promoting energy development on federal lands, canceling funds for clean energy projects and environmental justice grants; laying off scientists and researchers in related fields; and a withdraw from the Paris Agreement on Climate Change.

The rollback of environmental regulations may offer short-term operational flexibility for farmers, such as fewer restrictions on land use and pesticide application. However, the weakening of conservation programs and climate initiatives could lead to long-term challenges, including increased vulnerability to climate change impacts, water scarcity, and soil degradation, which are critical concerns for produce farmers.

At the same time, EU regulatory burdens and non-tariff barriers are increasing. There are pushes for sustainable food systems including stringent and regularly updated pesticide residue levels as well as a movement toward plastic free and recyclable solutions in packaging.



Consumers

The global 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.

Consumers in the US who are accustomed to having affordable food are fearing that tariffs will raise the cost of food for U.S consumers. The Bureau of Labor Statistics (BLS) reports a 0.5% decrease in the CPI for fruits & vegetables in the 12 months through May 2025. From April to May 2025, produce prices edged up +0.3–0.5%, but this wasn't enough to offset larger year-over-year declines.

Fresh fruits price increase/decrease overall:
May 2024–May 2025 +1.6%

Fresh vegetables price increase/decrease overall:
May 2024 – May 2025 –2.3%

The following affected produce prices in 2025:

- **Higher production volumes:** abundant domestic harvests.
- **Lower input prices:** Reduced costs for fuel, fertilizer, and equipment.
- **Stable supply chains:** minimal weather or logistic disruptions.

USDA DATA: FOOD INFLATION

	Food at home	Food away from home	All food prices
2022	11.4%	7.7%	9.9%
2023	5.0%	7.1%	5.8%
2024	1.2%	4.1%	2.3%
2025 forecast	2.1%	4.0%	2.9%

CIRCANA DATA: PRICE PER VOLUME % CHANGE OVER YEAR AGO

	Vegetable	Fruit	All produce
2020	.10%	-.40%	0%
2021	3.9%	6.3%	5.0%
2022	7.9%	10.2%	9.1%
2023	1.2%	2.7%	1.9%
2024	-.6%	1.1%	0.2%

In the EU consumers paid 2.8% more for fresh fruit in 2024 than in the prior year and 4.1% more for vegetables in 2024 than in 2023. Q1 2025 farm-level data showed agricultural output prices up +2.6% year-over-year, including increases in input costs. There were modest increases in fertilizers and energy.

The following affected produce prices in 2025:

- Increased production costs: labor, machinery, and climate-protection measures.
- Tightened supply: less output in certain countries due to weather-related losses.
- Higher wholesale/import prices: pass-through from farm to retail.



Consumer Confidence in Produce

About 78% of Americans, 75% of consumers from Germany and 71% of consumers from the United Kingdom choose a grocery store based on the freshness of the produce.

IFPA Research

US and EU consumer commitment to produce remains strong with the produce industry being viewed favorably in both regions indicating high trust and relevance. In fact, fresh fruits and vegetables are among the last items people around the world will cut from their grocery budgets, even amid inflation. Less than 10% of consumers reduced fresh produce purchases in the past year, despite broader consumer cutbacks. (IFPA research)

Fresh produce accounts for ~50% of fruit and vegetable intake in US, with juice, canned, and frozen trailing. Fresh produce intake is over 10% higher in Germany and the UK. Three quarters of consumers regardless of region are likely to choose fruit as their snack reinforcing the need for convenience. Yet, consumers worldwide are still not eating the amount of fresh fruit and vegetables recommended in dietary guidelines. Almost 40% of consumers are intentionally seeking valued added options offering an opportunity to expand fresh-cut, pre-prepped, and convenience formats—especially those aligning with health, quality, and time-saving needs. (IFPA research)

Health remains a Top Driver to produce consumption allowing the produce industry to reinforce the essential role of produce in daily health to maintain consumer prioritization—even in economic downturns.

75% of consumers eat produce to maintain a healthy lifestyle. Almost 60% of consumers are comfortable changing their diets for health, rather than relying on medicine.

IFPA Research

Consumers will Continue to be Price Sensitive in 2025.

In 2025, consumers are expected to remain highly price sensitive due to a combination of economic and behavioral factors. Although overall inflation is stabilizing, food prices remain elevated compared to pre-pandemic levels. Sticky food inflation in both the U.S. and Europe means consumers are still adapting their shopping habits to manage costs. Wage growth has not consistently kept pace with the rising cost of living, especially in lower- and middle-income households.

PRICE SENSITIVITY IS REAL BUT STRATEGIC

40% of consumers believe produce prices are too high yet produce remains a staple. 30% of consumers won't change their buying habits regardless of price.

IFPA Research

Consumers are prioritizing essentials and looking for deals, private labels, and value packs more than before. Discounters and club stores are gaining share as shoppers seek lower prices. Promotions, coupons, and price comparisons (often digital) play a bigger role in purchase decisions. Private-label products, including produce and prepared foods, are increasingly seen as quality alternatives at lower price points. Supermarkets are expanding private-label assortments to meet demand for value. After years of economic uncertainty (pandemic, supply chain issues, global conflicts), many consumers have adopted a more cautious financial mindset. Even high-income shoppers are trading down or seeking perceived value, not just low prices. Price sensitivity in 2025 demands clear value communication, competitive pricing strategies, and alignment with consumer perceptions of affordability, especially in fresh categories like produce.

AMERICANS ARE RETHINKING SHOPPING.

87% of American consumers changed how they shop to manage expenses.

82% are seeking lower prices

67% are reducing overall spending

66% are switching products or brands

56% are changing stores

50% adjusting product sizes

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Sustainability is Not Dead

At a macro level, the environmental policies of the Trump administration are characterized by a shift away from environmental protections, a focus on deregulation, promoting energy development on federal lands, canceling funds for clean energy projects and environmental justice grants; laying off scientists and researchers in related fields; and a withdraw from the Paris Agreement on Climate Change.

The rollback of environmental regulations may offer short-term operational flexibility for farmers, such as fewer restrictions on land use and pesticide application. However, the weakening of conservation programs and climate initiatives could lead to long-term challenges, including increased vulnerability to climate change impacts, water scarcity, and soil degradation, which are critical concerns for floral growers in the US.

While Trump's executive orders indicate deregulation on the horizon, the Make American Healthy Again movement advocates for regenerative ag to combat chronic disease, environmental degradation, and corporate influence in food and health systems. While MAHA is talking about the US food supply, regenerative ag principles just as important for floral growers.

And while the current US administration is sidelining sustainability issues, nearly 60% of consumers in the US and EU think about sustainability issues when purchasing produce with pesticides and type of packaging being top issues.

Clear labeling about sustainability, including information on pesticide use and growing methods, can help consumers make informed choices. Marketing campaigns can emphasize the ethical considerations of sustainable products.

SUSTAINABILITY MATTERS BUT NEEDS TRANSLATION

- **Over 50% of consumers consider sustainability when buying produce, though understanding is limited to well-known terms.**
- **"Locally grown" and "organic" drive purchase intent and are perceived as highest in quality and safety.**
- **Over 70% are willing to pay more for "locally grown" produce.**

Simplify sustainability messaging. Prioritize clear labeling of "local," "organic," and "recyclable" attributes.



Key Consumer Takeaways

Find complete IFPA Consumer Tracker at: www.freshproduce.com/resources/consumer-trends

Double Down on Health Messaging

75% of consumers eat produce to maintain a healthy lifestyle, and nearly 60% prefer changing their diet over using medicine.

WHAT TO DO:

- Market produce as a **preventive health solution**.
- Partner with physicians, dietitians, and health organizations to build credibility.
- Create “produce as medicine” retail programs and promotions.

Expand Value-Added and Convenience Offerings

Almost 40% of shoppers intentionally buy fresh-cut or value-added produce.

WHAT TO DO:

- Invest in pre-cut, washed, bagged, or portioned produce.
- Target busy shoppers and families seeking quick, healthy meal options.
- Include health-forward messaging on packaging.

Support Consumer Budgets with Tiered Options

Three quarters of consumers made budget-related grocery changes in the past year, but produce is still a priority.

WHAT TO DO:

- Offer multiple pricing tiers (premium, standard, value packs).
- Communicate the **value per serving of fruits** and vegetables.
- Promote less expensive in-season produce.

Lead with ‘Local’ and ‘Organic’ as Premium Positioning

“Locally grown” and “organically grown” are the most trusted and influential attributes—and nearly 75% will pay more for local.

WHAT TO DO:

- Clearly label and promote local origin and organic credentials.
- Support local supply chains and storytelling on-pack and in-store.
- Educate consumers on what “local” means for your brand.

Simplify Sustainability Communication

Over 50% of consumers consider sustainability, but only well-known terms (like recyclable, organic) are understood.

WHAT TO DO:

- Focus messaging on easy-to-understand terms like “local,” “organic,” and “recyclable.”
- Avoid jargon like “climate smart” or “carbon farming” unless explained.
- Train retailers to help consumers make sustainable choices.

Balance Packaging Innovation with Consumer Skepticism

Almost 50% of consumers believe packaging is unnecessary, but many still prefer protective or recyclable options.

WHAT TO DO:

- Use minimal, functional, recyclable packaging.
- Emphasize freshness, safety, and sustainability benefits of any packaging.
- Consider compostable and clear-label solutions to appeal to eco-conscious buyers.



Champion Ethical and Transparent Practices

Consumers care about trust, fairness to farmers, and worker treatment..

WHAT TO DO:

- Showcase your commitment to fair labor practices and grower partnerships.
- Be transparent in storytelling—farm origins, growing methods, community impact.
- Build certification partnerships that validate ethical practices (e.g., Fair Trade, Rainforest Alliance).

Enhance the In-Store Produce Experience

Half of shoppers enjoy the social and sensory experience, but price stress is a major source of tension

WHAT TO DO:

- Improve merchandising, freshness, and visibility of expiration dates.
- Provide price comparisons and bulk savings options.
- Train store staff to engage and assist customers with product knowledge.

Lean into Trusted Channels and Personalities

Consumers trust doctors most, but nearly half distrust all social media for food advice.

WHAT TO DO:

- Build health messaging into doctor- or dietitian-endorsed media.
- Avoid influencer-only strategies unless backed by credentials or credibility.
- Use educational content in stores, on-pack, and in trusted platforms.



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